



2014
Annual Report

HALCOR
METAL WORKS S.A.



HALCOR

METAL WORKS S.A.

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In case of any discrepancy, the Greek version shall prevail.

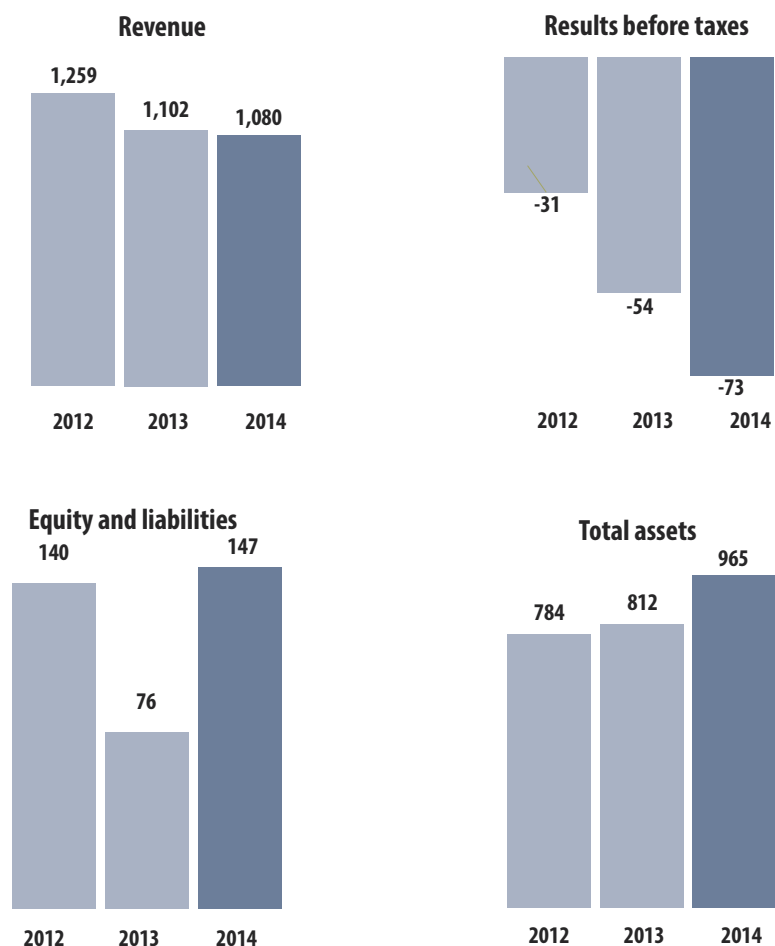
2014 at a glance

Activities

- Halcor Group consists of 13 companies in 6 countries (Greece, Bulgaria, Romania, United Kingdom, France and Germany). The companies provide their customers with a wide range of copper and brass tubes, copper and brass rolled and extruded products, zinc rolled products, as well as cables.
- Halcor S.A. is a subsidiary of the holding company Viohalco S.A. which has its registered offices in Belgium.
Halcor Group is engaged in the production and trade of copper, copper and zinc alloys products, and cables.
- Halcor Group runs 10 plants in Greece, Bulgaria and Romania.
- The Group is strongly oriented to exports with 92.6% of its revenue during 2014 being attained from non-Greek markets.

The Group's extrovert commercial policy is a main component and also a guarantee of success. To this effect, all its operating procedures have been designed so as to fully meet the requirements of the Group's international clientele.

Consolidated Financial Results (in million EUR)





1. Message from the General Manager

Throughout 2014, recovery in the Eurozone remained weak since most countries are faced with high unemployment rates and fears for deflation. Especially during the second quarter, the growth rates of the GDP in Europe were almost nil. Conversely, the Greek market showed signs of stabilisation and reversal of the protracted recession after almost six years with the GDP being slightly upward as of the second quarter and thereafter. Beyond the European territory, the growth rate of the GDP in the USA was slightly higher than last year, a fact which had a positive effect on Group sales.

More specifically, in the Eurozone the mediocre recovery of production activity and the almost feeble consumption during the year strengthened competitive pressure, which had a negative impact on processing prices for most products of the Group. On the contrary, the continuing improvement of the economic circumstances in the United States and United Kingdom resulted in increased sales and better margins. Specifically the demand for installation products remained at negative levels since the construction sector remains at low levels. Contrariwise, the demand for industrial products in the main European markets gave signs of stabilisation after the downward performance of 2013; as a result, the Group increased the volume of sales and gained higher market shares.

The parent company registered particularly good performance in the copper tubes sector since it was not only the quantities and market shares that increased but also the processing prices, thus leading to significant improvement of profitability.

As regards cables, despite the increase of sales in new markets and product categories, the slackening demand in the EU countries and the increased competition squeezed considerably the margins and had a negative impact on the profitability of Hellenic Cables. Moreover, Group results were considerably affected by the temporary deferral of important projects in Greece and other countries with respect to high added value products, such as submarine cables and high and extra high voltage underground cables, especially during the first three quarters since the production and invoicing of submarine cables for the major projects undertaken by the subsidiary started.

As regards cost, the reductions in energy prices combined with the optimisation of manufacturing processes resulted in further reduction of the production cost and contributed to the enhanced competitiveness of the Group's products abroad. However, the high finance charges compared to main competitors continued to have a negative effect on the Group's profits.

Amid this harsh environment, in 2014 the consolidated revenue amounted to EUR 1,080 million compared to EUR 1,102 million in 2013, registering a 2.0% decrease. This decrease is mainly due to the reduced copper price in comparison with the previous year and also to changes in processing prices. Specifically, processing prices rose only for copper tubes while the trend was more or less downward as regards all other categories. On the contrary, the volume of sales was considerably increased by 6.7% with most product categories being on the rise. In terms of volumes, in 2014 no considerable change in the sales mix was registered.



Metal prices varied considerably in 2014 with copper being negatively affected by the adverse macroeconomic environment, in particular in developed markets, and by the lack of liquidity in international money markets while zinc was positively affected by the fundamental elements of supply and demand for it. Thus, the average copper price was lower by 6.2% and amounted to EUR 5,170 per ton compared to EUR 5,514 per ton in 2013. On the contrary, the average zinc price was higher by 13.6% and amounted to EUR 1,632 per ton compared to EUR 1,437 per ton last year.

At the end of 2014, the Company and the Group decided to change the valuation policy applicable to fields - lots, buildings and machinery so as to give a fair view of the actual value of their assets.

The valuation, the results of which were consolidated in the financial statements on 31/12/2014, gave rise to significant goodwill of EUR 139.6 million and EUR 44.3 million as regards the Group and the parent company, respectively. Accordingly, the overall effect on equity following calculation and the corresponding deferred taxes amounted to EUR 113.6 million and EUR 32.8 million as regards the Group and the parent company, respectively.

Consolidated gross profit rose by 81.0% and amounted to EUR 29.9 million compared to EUR 16.5 million in 2013. This increase is mainly due to the improved metal results which amounted to losses of EUR 11.0 million compared to losses of EUR 20.4 million in 2013 and arose from the valuation of the basic operating inventory of the Group's production companies as a result of the aforementioned drop in copper price which is the main metal used in products.

In 2014, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA), without including



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1. Message from the General Manager



the effect of fixed assets devaluation, amounted to EUR 18.2 million compared to EUR 6.7 million in the previous year, registering an increase of 171.8%; taking into account the effect of devaluation, they stood at losses of EUR 5.2 million. Earnings before interest and taxes (EBIT) were equal to losses of EUR 28.8 million compared to losses of EUR 15.6 million last year.

In 2014, consolidated results before taxes amounted to losses of EUR 73.0 million compared to losses of EUR 53.6 million in 2013. Finally, the loss attributable to the owners of the Company amounted to EUR 51.2 million (or losses of EUR 0.5059 per share) compared to losses of EUR 58 million (or losses of 0.5725 per share) in 2013; without the effect of fixed assets devaluation, such loss would be less by EUR 14.8 million, namely it would amount to EUR 36.4 million.

The performance of the parent company had a particularly positive effect on consolidated results with pre-tax profits being improved by EUR 4.8 million, excluding the effects of copper prices and fixed assets devaluation. Conversely, the results of Hellenic Cables and secondly Sofia Med worsened significantly, by EUR 7.5 million and EUR 1.1 million, respectively.

In 2014, Halcor Group carried out investments totalling approximately EUR 45.8 million, of which the amount of approximately EUR 31.1 million concerned Hellenic Cables Group as part of the capital expenditure plan for the production of high voltage submarine cables. Having completed its capital expenditure plan, Hellenic Cables Group has now become one of the few cable manufacturers worldwide who is in a position to produce high voltage submarine cables. Accordingly, the amount of EUR 4.9 million concerned the upgrade of the parent company's facilities in Oinofyta, focusing mainly on the tubes plant. Finally, the amount of EUR 9.3 million was spent to enhance productivity, manufacture high added value products and increase the use of scrap in the



subsidiary Sofia Med S.A., with the main investment concerning the installation of a scrap fire-refining line in Bulgaria and a tin plating line.

Following the end of the year, the Group accepted in writing offers for entering into new bond loans amounting to EUR 12.7 million. The loans have a five-year term and will be used to repay short-term bank liabilities.

Moreover, the Group incorporated in its business activities the copper sector of Reynolds European. As a result, Halcor, Sofia Med and Hellenic Cables will improve their position and capacity to support customers in France, through an extended product portfolio and a vertically integrated network, while also laying greater emphasis on product development and on boosting sales.

Finally, Fulgor S.A., a subsidiary of Hellenic Cables, entered into a contract of EUR 36.4 million with Terna Energy for the cable interconnection of the 73.2 MW wind park on the islet of Agios Georgios, in the sea area to the south of Cape Sounio.

As for 2015, the stronger global economy doubled by the quantitative easing announced by the ECB early in the year justify moderate optimism. As regards the USA, the demand is expected to remain upward with strong dollar helping significantly the competitiveness of European products and the Group. The cost will be positively affected by a further decrease of the energy cost, signs of which have been given for 2015, owing to the significant drop in fuel prices that started at the end of 2014. The construction activity has given signs of recovery in Europe and a slight improvement is expected in the year to come. Meanwhile, the demand for industrial products is expected to be positive and will become a pillar of the Group's development in 2015 too. As regards cables, the Group will start enjoying the benefits of the investments made the last three years and feels optimistic, based on the existing contracts for high and extra high voltage cables and submarine cables as well as on the prospects for exports to EU and non-EU countries owing to the activities re-launched in the energy sector.

Overall, for 2015, given the harsh conditions prevailing in Greece and the emerging stabilisation of the economies of most countries in the Eurozone, the Group will keep as main strategic goal the increase of market shares in industrial products and will seek to boost its activity in new markets which have not been affected by the economic recession. Moreover, during this year, optimum management of working capital and the decrease in net debt are our key priority.

Dr. Periklis Sapountzis
General Manager



Halcor Group



Halcor is an important group of companies in Europe which specialises in the production, processing and marketing of copper, copper alloys, copper and zinc rolled and extruded products and cables. Over 80 years, Halcor provides innovative solutions of high added value, which meet the modern requirements of its customers worldwide in sectors such as water supply, heating and air-conditioning, ship building and constructions, telecommunications, industrial production, architecture and automotive industry.

Halcor Group consists of 13 companies in Greece, Bulgaria, Romania, United Kingdom, France and Germany while making considerable exports in Europe, Asia, America and Africa.

With 10 ultramodern plants in Greece, Bulgaria and Romania, the Group can meet the needs of a large number of customers whose main condition of collaboration is to acquire products meeting rigorous specifications and top quality criteria. By strictly abiding by these two conditions, the Group ensures in essence its successful presence on an international commercial scale.

The products of Halcor stand out for their top quality and reliability, innovative characteristics and the high added value they provide to their customers. The extended product range of the Group includes, inter alia, copper and brass tubes, copper sheets, strips, circles and plates, titan zinc sheets and strips, special copper alloys, copper and brass rods and bars, enamelled wires and a wide range of cables.

Halcor Group makes continuous investments in research and development and, thus, is recognised among the top copper producers in Europe, having also set new standards in copper processing. Moreover, Halcor focuses its strategy on quality and environmental protection, being committed to the principles of sustainable development. In this context, all Group plants employ advanced technologies so as to launch in the market innovative and energy-efficient, environment-friendly products.

Below are given the most important Greek and foreign companies constituting Halcor Group:

■ 1. Halcor S.A.

It is the Group's parent company. Its shares are listed and traded on the Athens Stock Exchange.

The Company is engaged in the manufacture of a wide product range intended for industrial applications as well as for water supply, heating, cooling - air conditioning and natural gas transportation networks including, among others, TALOS, TALOS ECUTHERM, TALOS Coated, TALOS GAS, TALOS MED, TALOS ECUTHERM SOLAR, TALOS ACR, TALOS ACR INNER GROOVED, TALOS GEOTHERM, TALOS FORM copper tubes as well as CUSMART tubes.

It runs plants and has administration offices at Oinofyta, Prefecture of Viotia. The Group is the sole manufacturer of copper tubes in Greece.

■ **2. Hellenic Cables S.A.**

With plants located in Thiva, Livadeia and Oinofyta, the Company is the sole manufacturer of enamelled wires in Greece.

Moreover, the company is also engaged in the manufacture of cables, plastic and rubber compounds, having a product portfolio including, among others, industrial-purpose cables, conventional telephone cables, optical fibre cables as well as medium, high and extra high voltage cables.

Note that its shares are listed and traded on the Athens Stock Exchange.



■ **3. Sofia Med S.A.**

With its plant and registered offices in Sofia, Bulgaria, Sofia Med is engaged in the manufacture of copper, brass and titan zinc rolled products as well as copper extruded products.

Note that significant investments amounting to EUR 165 million have been made in the company's plant during 2001–2014, which resulted in enhanced production capacity and operational efficiency.



■ **4. Icme Ecab S.A.**

The company specialises in the manufacture of cables, copper and aluminium conductors, as well as plastic and rubber compounds. Icme Ecab has facilities and registered offices in Bucharest, Romania.

The operation of a modern research and development department within the plant in Bucharest is an important factor that enhances the Company's competitive edge and enables the continuing enrichment and improvement of its product mix.



■ **5. Fitco S.A.**

Having its plant in Oinofyta, Prefecture of Viotia and engaged in brass extrusion and the manufacture of brass bars, profiles, blades, wires, tubes and meshes, Fitco has been operating for more than 60 years, providing services to a significant number of domestic and foreign customers through a wide and top-quality product range.



6. Fulgor S.A.

The Company is engaged in the manufacture of submarine cables, power cables, copper and aluminium wires (8 mm and 9.5 mm respectively), bare conductors and optical fibre cables. The ultramodern plant in Soussaki, Corinthia as well as the large-scale and successful capital expenditure plans doubled by the knowledge and experience gained throughout its operation enable Fulgor to figure among the few manufacturers of high-voltage submarine cables on a worldwide scale.



Halcor Group is composed of the following companies:

Company	Holding	Country of registered office	Scope of activity
Halcor S.A.	Parent	Greece	Copper and copper alloy processing
Hellenic Cables S.A.	72.53%	Greece	Overhead conductors, overhead and underground powers cables, enamelled wires and compounds manufacturing
Steelmet S.A.	51.00%	Greece	Metal products trading
Sofia Med S.A.	100.00%	Bulgaria	Copper, copper and zinc alloy processing
Metal Agencies LTD	49.51%	United Kingdom	Metal products trading
Fitco S.A.	100.00%	Greece	Metal processing
Techor S.A.	68.97%	Greece	Production and trading
Diapem S.A.	33.33%	Greece	Liquid gas trading
Elkeme S.A.	30.44%	Greece	Research in the metal sector
Viexal S.A. (former EPE)	26.67%	Greece	Trade, transportation and agencies
S.C. Steelmet Romania S.A.	40.00%	Romania	Metal products trading
Tepro Metal AG	36.21%	Germany	Metal products trading
Genecos S.A.	24.78%	France	Metal products trading



Milestones in the history of Halcor Group

Hellenic Copper Industry launches its operations together with the production in the newly-built plant of the then Viohalco in Tavros (Attica).

Halcor absorbs the rolling and extrusion branches of VIEM, while also acquiring Viohalco know-how.

The share capital increase is completed and trading of Vektor shares in the Athens Stock Exchange begins.

Hellenic Cables Group acquires a majority holding in the Romanian company "Icme Ecab", which is engaged in the production of cables as well as plastic and rubber compounds.

- Halcor becomes majority shareholder in Hellenic Cables.
- The Group's subsidiary in Bulgaria Sofia Med acquires the fixed assets of KOZM.
- The plant of Sofia Med in Bulgaria concentrates all Group activities regarding the manufacture of copper and brass rolled products.
- A number of investments is launched in order to streamline the Group's production units.

1937

1981

1996

1999

2000

1976

1990-95

1997

2003

Halcor is founded and launches instantly the production of billets and slabs in the Oinofyta plant.

Vector launches operations in the copper and other alloys rolling, extrusion and cutting sectors following acquisition of the rolling machinery of Halcor through contribution in kind.

Halcor absorbs Vector and is renamed into Halcor SA. In addition, Halcor acquires a 4.99% minority holding in Hellenic Cables, which is also listed on the Athens Stock Exchange.

Operation of the new plant of Hellenic Cables in Thiva is launched and manufacturing in the new high-voltage cable production line begins.

- The Halcor plant in Tavros launches the manufacture of rolled titan zinc products.
- The new innovative CUSMART® tubes are launched in the market.

- The production portfolio of the subsidiary Fitco is enlarged following absorption of the brass bars and tubes department of Halcor.
- A 10-year investment plan is completed, which enhances the Group's competitive edge by transforming the manufacturing process.

- The Group fully integrates the business of Fulgor in its operation and puts into practice a plan to restructure the subsidiary's product range while also undertaking investments in the company's industrial premises in Soussaki, Corinthia.
- Metal-plated copper tubes and TALOS GEOTHERM copper tube are launched in the market.
- Sofia Med undertakes to implement new investments in order to manufacture high added value products.

2014

- To crown their twenty-year collaboration, Daikin Europe awards the 2014 "Best Supplier" prize to Halcor.
- The plant of Halcor in Oinofyta is upgraded, focusing on the tubes plant.
- The capital expenditure plan of Hellenic Cables regarding the manufacture of high voltage submarine cables is successfully completed, thus rendering the company one of the few cable manufacturers worldwide who is in a position to produce high voltage submarine cables.
- The installation of a

2005

2010

2012

2008

2011

2013

The new 400 kV high and extra high voltage cable production line begins operations.

Hellenic Cables Group acquires Fulgor, thus expanding its business to the sectors of submarine cables and high voltage cables.

The capital expenditure plan of Fulgor is successfully completed, thus rendering the Group one of the few manufacturers of high voltage submarine cables on a worldwide scale.

scrap fire-refining line in the plant of Sofia Med, Bulgaria is completed and a tin plating line begins operations.

- Hellenic Cables undertakes to carry out the submarine cable interconnection project of the Cyclades Islands with the Independent Power Transmission Operator, with a budget of EUR 93 million.
- TALOS® tubes for LPG are launched in the market.



Philosophy and Strategy

Halcor has distinguished, focused and based its long-term development strategy on main pillars aiming at the flawless and effective operation of the Group and at the optimisation of production and other processes. All business and operational decisions and initiatives are based on these pillars.

The main pillars of Halcor's long-term strategy are summed up below:

- Focus on research and development to provide ground-breaking products
- Development of a single philosophy ranging from the initial stage of the manufacturing process to sales which are centred on customers
- Support to industrial customers and establishment of a mutually beneficial relationship with long-lasting characteristics
- Unwavering commitment to the provision of top quality products and services
- Continuous enhancement of production capacity and strengthening of both production base and effectiveness
- Bolstering the Group's extrovert orientation through penetration into markets where there is a scope for further growth of its products
- Fostering a people-centred philosophy as regards work conditions and environment and focus on the health and safety of employees
- Focus on corporate responsibility issues, taking into account the principles of sustainable development, environmental protection, and value generation for stakeholders and strengthening of the local communities in which the Group operates.

The main medium-term strategic pillars of the Group are listed below:

■ Product and service portfolio

- To build up the collaboration with Elkeme - Hellenic Research Centre for Metals S.A. and strengthen the Halcor Research and Development department in order to capitalise on the benefits arising from the capital expenditure plans conducted to develop new high added value products
- To provide top quality services before and after product sales
- To bolster B2B approach by further strengthening relationships with industrial customers and creating lasting partnerships
- To capitalise on the benefits that arose from the restructuring of the Group's production capacity and increase in revenue
- To focus on products such as copper and brass rolled products intended for industrial applications, copper special alloys, submarine cables and industrial copper tubes which register high profits and satisfactory demand, thus enhancing the sales mix.
- To give priority to the promotion of the Group's pioneering products such as TALOS GEOTHERM, TALOS FORM and TALOS ACR LINESETS tubes, as well as metal-plated copper tubes
- To capitalise on the Group's competitive edge in the submarine cable sector following completion of Fulgor's capital expenditure plan
- To attain further decrease with the ultimate goal to guarantee product delivery deadlines



■ Commercial development and markets

- Penetrate into new geographical markets through operating development while laying emphasis on the marketplaces of Europe, USA, Middle East and North Africa
- Increase the Group's human resources in markets of strong interest
- Capitalise on potential opportunities arising from the consolidation of the copper sector on a worldwide scale
- Expand the Group's international clientele through further penetration into existing and new markets
- Eliminate intermediate agents when approaching end customers
- Develop local actions through important synergies such as in Turkey and France
- Capitalise on synergies in and beyond Greece
- Expand and establish the Group's presence in product markets such as Do-It-Yourself (DIY) tubes in France, Germany and Belgium and the installation pipes (water pipes) in Italy and Scandinavia
- Re-launch technical seminars on plumbing and cooling issues in the domestic market.



■ Production activity

- Improve the manufacturing process by installing automations and software leading to further business information, optimum material management, cost reduction and fewer needs for working capital
- Decrease the rate of returned products
- Reinforce the use of scrap as main raw material and decrease the use of primary metals
- Continue to implement capital expenditure plans in order to provide products of top quality specifications.

■ Sustainable development

- Provide the Group's human resources with ongoing training in quality, administration, production efficiency and project and process management (Lean Six Sigma training), in order to strengthen the Group's customer-centred philosophy, create added value and manage projects more effectively
- Make continuous efforts to reduce environmental footprint and increase the use of recycled raw materials by implementing responsible actions and preventive measures according to the Best Available Techniques
- Protect the health and safety of employees, laying emphasis on preventive measures and on continuous information and awareness-raising.



Products



■ Introduction

Group products are classified in the following main categories:

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

Throughout its long operation, the Group has gained international recognition after developing a considerable product portfolio and a wide client base. Group products are used in various sectors such as water supply, heating and air-conditioning systems, ship building and constructions, industrial production, architectural applications and the automotive industry.

■ High added value products

Having as key priority to provide ground-breaking products of high added value, the product range of Halcor includes, among others, the following solutions:

- **TALOS Ecutherm®:** Coated copper tube which is marketed insulated for heating and cooling applications, with higher energy savings as main characteristic.
- **TALOS Plated copper tubes:** They are widely spread in the water supply and heating sectors. They are ideal for new structures and renovation work. They are highly resistant to corrosion due to copper properties and their external coating while also being particularly elegant with their surface having an inox-like look.
- **TALOS® ACR Linesets:** The TALOS® Linesets range is intended specifically for air-conditioning systems and includes copper tubes with formed ends for easier jointing. TALOS® Linesets feature a unique combination of quality characteristics such as resistance and copper high performance in a tube system guaranteeing reduced cost and considerably less installation time.
- **TALOS Form:** TALOS Form copper tubes represent a product category with special technical characteristics applicable to boiler component manufacturing. Note that TALOS Form tubes meet specific specifications in terms of formation.
- **TALOS Geotherm®:** These are PE-RT copper tubes. They are designed for geothermal applications to ensure building natural heating, generating heat with environment-friendly means. Their special characteristics make them preferable to plain plastic tubes.
- **TALOS® for LPG:** These are tubes with LPG coating and are widely used in the automotive industry.
- **TALOS Inner Grooved:** The Group is one of the few European producers that have the technology and knowledge to manufacture Inner Grooved tubes with a cross-section of 5 mm using Micro Groove technology in addition to all the profiles available for decades in the market. These tubes have inner grooves and minimum wall thickness of 0.25 mm, and guarantee higher performance and less consumption. They are designed for the air-conditioning industry.
- **CUSMART®:** This is a patented and registered trademark of the Group. The production and distribution of said tube was patented in 2013. This is a copper tube coated with a special PE compound, which ensures quicker installation and low cost. It is flexible, has no "memory" effects and maintains all advantages of a copper tube.

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5. Products

■ Strong international business presence

For the Group, orientation to exports and the long-lasting partnerships with its international client base have been the key factors guiding its trading policy, the success of which has been based on the quality and special characteristics of its products as well as on the integrated services and solutions provided by the Group before and after sales.

During 2014, the Group managed to penetrate successfully into a considerable number of new geographical markets such as the highly-populated European markets of Scandinavia (mainly Sweden) and Poland and the less-populated marketplaces of Belgium, the Netherlands, Luxembourg, countries in the Persian Gulf with Saudi Arabia at the top, and North-western Africa (Tunisia, Morocco).

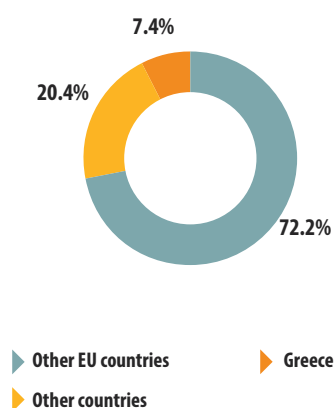
Special note should be made of the Group's entry to the Turkish market, the size of which warrants remarkable growth prospects. Specifically, the Group entered into a partnership agreement with an important Turkish manufacturer for further product processing and direct distribution in the Turkish and neighbouring markets.

It should be highlighted that in 2014, the Group's presence in the markets of North America was considerably increased, assisted by the weakened Euro/US dollar rate. This trend is expected to become stronger in 2015.

Finally, as part of the Group's philosophy to undertake activities directly in local markets, the twenty-year partnership with an Italian company, through which the Group was operating in the market of the neighbouring country, was brought to an end and now the Group approaches directly industries.

Bearing witness to the above, the Group's revenue in 2014 in the Greek market accounted only for 7.4% of the consolidated revenue with the remaining 92.6% being attained in other countries. Specifically, 72.2% of sales pertained to other EU countries, 9.0% other European countries, 4.2% Asia, 5% America, 1.9% Africa and 0.3% Oceania. Meanwhile, the Group has high market shares on a European scale which were on the rise during 2014. More specifically, in the European market, the Group has an 18% market share in copper plates compared to 15% in 2013, 15% in copper tubes from 14% last year and 20% in the market of copper rolled products for roofing applications in relation to 13% in 2013.

Geographical distribution of consolidated revenue







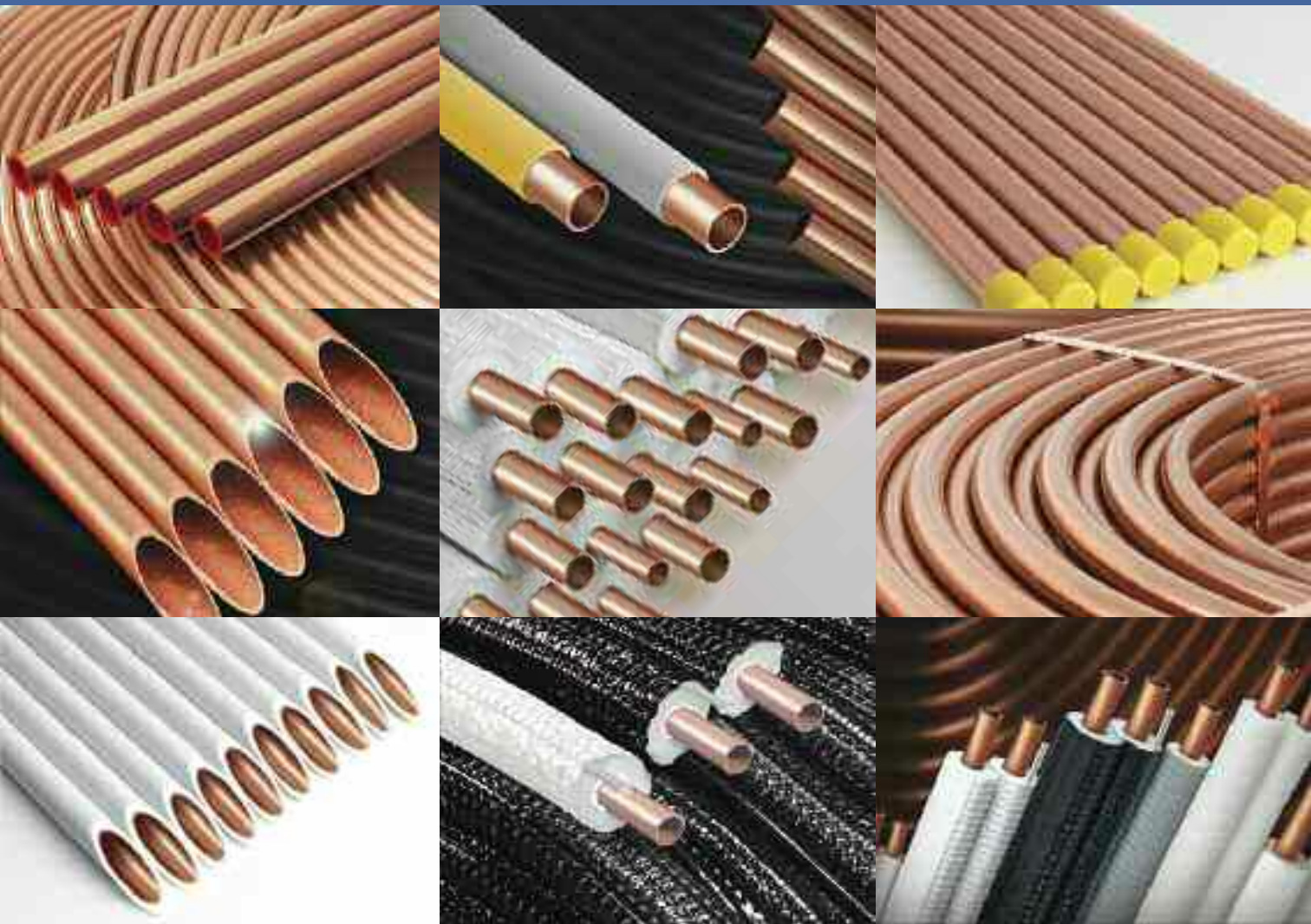
■ Product families

The Group's product range includes the following product families:

Tubes

Copper tubes

Copper tubes are used in the construction of water supply, heating and natural gas networks, in fire-extinction and industrial applications. Moreover, they are widely spread in the industry of air-conditioners and heat exchangers while also used in applications such as components, terminals, solar collectors and medical gases. They are marketed under the trademarks TALOS® and CUSMART® while their product families are listed below:



Copper tubes	Application
TALOS	Water supply, heating, natural gas, fire-extinction networks, and air-conditioning facilities
TALOS Coated	Water supply, heating, natural gas networks
TALOS GAS	Natural gas networks
TALOS MED	Medical gas networks
TALOS ECUTHERM	Water supply, heating, air conditioning and cooling networks, solar systems, steam networks, industrial networks
TALOS ECUTHERM 2	Air-conditioning and cooling facilities
TALOS ECUTHERM SOLAR	Solar installations
CUSMART	Water supply, heating, floor heating & cooling
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
TALOS for LPG	Automotive industry



Brass tubes

The brass tube product category includes the following products:

- **Seamed brass tubes:** they are mainly used in ship building, automotive industry, chemical industry, and the manufacture of plumbing components and heat exchangers.
- **Seamless brass tubes:** they are used in the automotive industry, architectural and decorative applications, furnishing, lamp and metal component manufacturing.

TALOS® fittings

Said products are soldered and pressed copper fittings used in the joints of copper tubes. They are marketed under the trade name TALOS FITTINGS.

Rolled products

The rolled product category includes copper strips, sheets, circles and plates, titan zinc sheets and strips as well as special copper alloys.

Copper rolled products for architectural applications

As part of its industrial applications, the Group manufactures copper sheets and strips used for the exterior cladding of buildings, roofing, gutters, chimneys and dormers and skylights, copper rolled products used for solar collectors, boilers as well as electrical and mechanical devices. Said products are manufactured in compliance with the quality specifications of EN 1652 and EN 1172 and are marketed under the trademark DOMA®.



Titan zinc rolled products for architectural applications

Said product family combines a significant number of quality characteristics helping them stand out from competition. It is worthwhile mentioning, among others, the optimum mechanical properties, remarkable service life and superb installation ease. Specifically, the Group manufactures titan zinc sheets and strips which are marketed under the trademark DOMA® and are used in the manufacturing industry and building sector such as roofing, and exterior or interior wall cladding.

Copper and brass rolled products for industrial applications

Copper and brass rolled products for industrial applications include brass sheets, strips, circles and plates used in ship building, in the defence, petrochemical, electrical, nuclear and medical industries, and for manufacturing springs, boilers, solar collectors and components, high-frequency twisted cables, electrical and electronic equipment. The above products are tailor made in compliance with EN 1652, EN 1653, EN 13599 and EN 1654 specifications.

Special alloys

This category comprises copper-zinc alloys which are used in cups and discs, as well as copper-nickel, copper-nickel-zinc and copper-aluminium-nickel alloys, used in the production of coins.

Extruded products

This category includes copper bus bars and rods as well as brass bus bars, rods, wires and profiles widely used in architectural, electrical and mechanical applications and also for decoration.



Cables

Through its subsidiaries Hellenic Cables, Fulgor and Icme Ecab, the Group manufactures a wide range of cable products consisting of various cable types under the international trademark CABLEL®, as well as a wide array of conductors, enamelled wires, plastic and rubber compounds used in the manufacturing of cables, tubes as well as plastic and rubber profiles.

It is stressed that following the successful completion of a series of investments, the subsidiary Fulgor has managed to figure among the few manufacturers of high voltage submarine cables worldwide.

The Group collaborates with large international firms such as Viscas Corporation in various sectors such as technical assistance to the design and manufacture of a part of the products to enhance their already high added value in terms of efficiency and technical specifications.

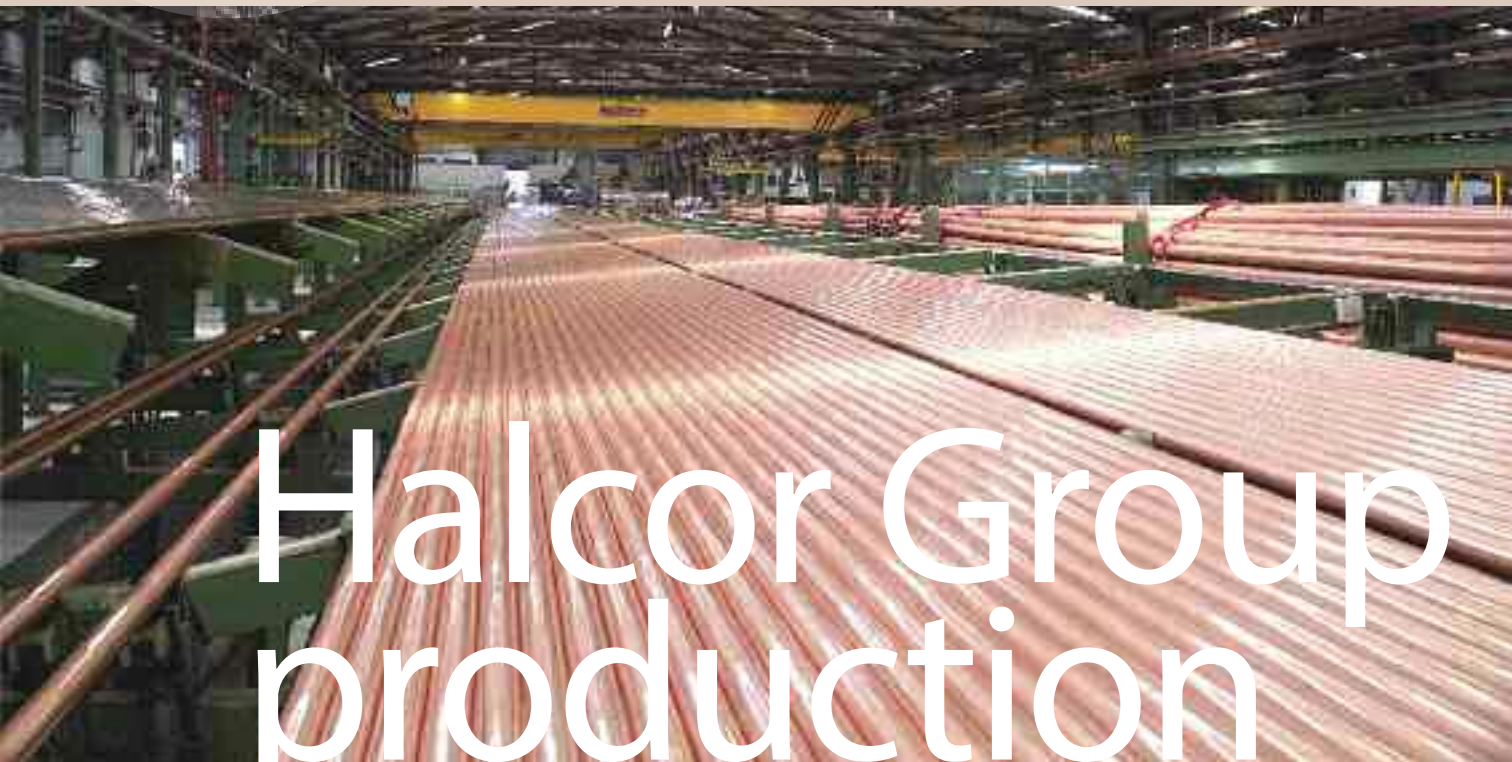
The cable product portfolio consists of the following basic categories:

- **Submarine cables:** medium, high and extra high voltage submarine cables, optical fibre submarine cables, composite submarine cables (power and optical fibre).



- **Power cables:** cables for indoor installations; control cables; cables for industrial uses and outdoor installations; fire-retardant, fire-resistant and halogen-free cables; medium, high and extra high voltage cables, marine cables and Cu (grounding), Al, and 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.
- **Enameled wires:** wires for electric motors and transformers as well as copper wires for grounding and can making.
- **Plastic & rubber compounds:** PVC-based and polyolefin-based plastic compounds, and rubber compounds.

In addition, the Group is also involved in cable installation, providing integrated solutions to major projects. The vertically integrated structure of the Group enables it to be involved in all different stages of cable installation, ranging from cable design and production to transportation, installation, maintenance and training.



Halcor Group production units

Throughout its operation, the Group has set as key principle the manufacture of quality and reliable products on which long-lasting partnerships with significant and numerous domestic and international customers have been based. All these are supported by the 10 plants of Halcor and its subsidiaries in Greece and abroad, especially in Bulgaria and Romania, which guarantee in essence the manufacture of top-quality innovative products.

Halcor Group manufacturing facilities

Production unit	Location	Scope of production
Halcor Recycling Plant - Foundry	Oinofyta (Greece)	Semi-finished products (billets and slabs), 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) plates, wires and tubes)	Brass finished products (bars, profiles,
Sofia Med Copper Processing Plant	Sofia (Bulgaria)	Copper, brass, zinc and special alloy flat products, copper bars and rods
Hellenic Cables Power and optical fibre cables plant	Thiva (Greece)	Low, medium, high and extra high power cables, optical fibre cables, copper and aluminium conductors
Hellenic Cables Copper conductors Plant and enamelled wires	Livadeia (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 Cables Plant	Bucharest (Romania)	Indoor installation cables; power, control, industrial use and exterior installation cables; fire-retardant & fire-resistant cables as well as plastic and rubber compounds
Fulgor Cable Plant	Soussaki, Corinth (Greece)	Low, medium and high voltage power cables, submarine cables, 8 mm copper wire, 9.5 mm aluminium wire
Lesco O.O.D. timber plant	Blagoevgrad (Bulgaria)	Timber, rolls and pallets





Halcor recycling plant - Foundry (Oinofyta, Greece)

Total area: 51,213 square meters
Buildings: 11,638 square meters
Production capacity: 235,000 tons annually

The Halcor Foundry in Oinofyta operates with natural gas, thus keeping emissions of gas pollutants at very low levels, and manufactures semi-finished products to meet the needs of the Group's other units by running:

- 2 lines of semi-continuous melting and casting of brass billets (for lead and pure brass).
- 1 line for the production of titan-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 Ø8 copper wire.

The above plant, which is fitted out with a copper and copper alloy scrap collection and sorting centre, manufactures copper, brass and other alloy billets and slabs.

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

Halcor copper Tubes Plant (Oinofyta, Greece)

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

The copper tubes plant of Halcor is established in Oinofyta and is involved in copper billet processing, producing the following product solutions:

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

The above products are widely used in general industrial applications and specifically in sectors such as the manufacture of heating, water supply, cooling and natural gas transport networks, being the optimum solution.

The plant of Halcor in Oinofyta is equipped with cutting-edge technology, thus reflecting the Group's profound reliance on the benefits arising from investments. In line with the above strategy, during 2014 the Group completed or carries out to date important capital expenditure plans such as the following:

- The tube thermal insulation production line for manufacturing tubes with polyethylene foam insulation
- The thermal efficiency measurement platform which enables further support to customers and, thus, expansion of client base
- Upgrade of the primary tube and copper tube during the first stages of extrusion so as to minimise problems during manufacturing process
- Advanced reengineering and scheduling of the manufacturing process using special software in order to reduce the necessary production time and, thus, reduce total inventory
- Acquire machinery that will automate tube packaging and will ultimately lead to decreased total production cost.

It should be noted that the plant of Halcor in Oinofyta figures among the few plants in Europe having the capacity to manufacture tubes with inner grooves and small wall thickness. These tubes are widespread in the production of heat exchangers.

The plant is certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001 standards.

Fitco Brass Bars and Tubes Extrusion Plant (Oinofyta, Greece)

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

The Fitco industrial complex in Oinofyta is different from the Group's other plants because it uses brass scrap as main raw material.

It is engaged in the production of a large number of products using hot or cold extrusion techniques.

All the above manufactured products comply with a number of European and American quality specifications (EN, DIN, BS, NF, ASTM, SITAK). Specifically, the Fitco plant which is certified as per ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and OHSAS 18001 manufactures:

- Solid and hollow brass rods (round - hexagon - square)
- Solid and hollow brass profiles.
- Brass wire
- Brass bars
- Brass mesh
- Seamless brass tubes of different cross-sections
- Seamed brass tubes with a circular cross-section (welding with high frequency current)



During 2014, the following capital expenditure plans were completed in the Fitco plant:

- Manufacture of a hydrogen furnace
- Production of brass wire for electrical applications such as wire for fluorine lamps.

Sofia Med Copper Processing Plant (Sofia, Bulgaria)

Total area: 250,000 square meters
Buildings: 120,000 square meters
Production capacity: 100,000 tons annually

Based in Sofia, Bulgaria, the plant of Sofia Med has casting, rolling and extrusion lines which manufacture two main product families:

- Copper, brass and titan-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.

Note that during 2014, the amount of EUR 9.3 million was spent on this plant to enhance productivity as regards the manufacture of high added value products and the increased use of scrap by installing a scrap fire-refining line and a tin plating line.

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

Hellenic Cables Electrical Cables and Optical Fibres Plant (Thiva, Greece)

Total area: 175,082 square meters
Buildings: 50,181 square meters
Production capacity: 60,000 tons annually

The plant of Hellenic Cables in Thiva is engaged in the production of a wide range of cables such as:

- low, medium, high and extra high voltage power cables;
- optical fibre cables, copper and aluminium conductors

The plant uses copper, aluminium, copper wires and plastic – rubber materials as main raw materials. It also accommodates and runs in its facilities:



- A medium and high voltage cable production line
- A quality control / degassing unit.

A significant factor contributing considerably to the competitive edge of said plant is its capacity to manufacture products with high technical characteristics which can be customised to meet specific needs.

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

Hellenic Cables Copper Conductors and Enamelled Wires Plant (Livadeia, Greece)

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

Products: copper and aluminium enamelled wires and copper wires

The plant of Hellenic Cables which is based in Livadeia is certified as per ISO 9001, ISO 14001 and OHSAS 18001 and manufactures grounding conductors, overhead conductors and enamelled wires.

Hellenic Cables Plastic and Rubber Compounds Plant (Oinofyta, Greece)

Total area: 21,263 square meters
Buildings: 9,072 square meters
Production capacity: 24,000 tons annually

The Hellenic Cables plant in Oinofyta, which is certified as per ISO 9001, ISO 14001 and OHSAS 18001, manufactures rubber and plastic compounds necessary for the supply of insulation, filling and shielding production lines for final cables.

Thus, Hellenic Cables is responsible for providing the parent Halcor with the materials required for the manufacture of ECUTHERM® and CUSMART® copper tubes.

Icme Ecab Cables Plant (Bucharest, Romania)

Total area: 267,789 square meters
Buildings: 102,137 square meters
Production capacity: 50,000 tons annually

32 6. Halcor Group Production Units

The Icme Ecab plant is based in Bucharest, Romania, is certified as per ISO 9001 and ISO 14001 and has a research and development department engaged in the identification of new techniques and procedures that will result in new advanced, ground-breaking and quality product solutions.

The plant is engaged in the manufacture of cables for indoor and exterior installations, industrial applications, telecommunications, energy and control uses.

Meanwhile, the Icme Ecab plant also produces fire-retardant, fire-resistant and halogen-free cables, copper and aluminium conductors, mine cables, marine and special purpose cables, optical fibre cables, signalling, remote control and data transmission cables, as well as plastic and rubber compounds.

Fulgor Cables Plant (Soussaki, Corinth, Greece)

Total area: 209,656 square meters

Buildings: 89,489 square meters

Production capacity: 50,000 tons cables and 120,000 tons Ø8 copper wire, annually

The subsidiary Fulgor runs a plant in Soussaki, Corinth which is certified as per ISO 9001, ISO 14001 and OHSAS 18001 and manufactures a wide product range as follows:

- Copper wire Ø8.0 mm & aluminium wire Ø9.5 mm
- Bare conductors
- Power cables (low, medium, high and extra high voltage)
- Submarine cables (power, telecommunications, optical fibre and combined)
- Marine cables
- Telephone cables
- Optical fibre cables
- Remote control cables
- Cables for special uses

The plant has certain main advantages which help it stand out from competition and are summed up in the experience and know-how in cable production gained throughout its long operation, as well as in the operation of a thoroughly and fully equipped port within its facilities which enables direct loading of manufactured products and faster shipment to end customers. Thus, the overall efficiency of the plant's activity is considerably increased.

Note that 2013 was a milestone for the plant since a capital expenditure plan concerning the manufacture of high voltage submarine cables was successfully completed. Fulgor now figures among the few international producers of high voltage submarine cables, thus increasing its product mix and strengthening its position in cable market worldwide.

Lesco O.O.D. Plant (Blagoevgrad, Bulgaria)

Total area: 17,000 square meters

Buildings: 3,398 square meters

Production capacity: 16.500 cubic meters per annum

Products: Timber, rolls and pallets





Research & Development



Throughout its long operation, the Group has laid particular emphasis on research and development, aiming at the continuous upgrade of its production units, processes and products. Significant investments have been made in this sector, thus attaining continuous technological progress in metallurgy applications and the availability of top products and integrated solutions meeting the specific needs of each and every customer.

Research and Development in Halcor

Dedicated to the strategy for continuous innovation and top know-how, the parent company incorporated in the Oinofyta central plant special facilities in order to carry out research in copper applications, develop new production techniques and evolve already existing techniques with the production of new innovative products being the ultimate target result.

Wishing to stress the importance laid on research and development and also secure better monitoring and coordination of the relevant operations, the Group introduced to its corporate organisation chart the post of Assistant Commercial Manager with research and development figuring among the main duties of the post.

The human resources standing out for their top specialisation and thorough training in conjunction with the cutting-edge technologies available and used by the Group play an important role in the Group's research and development process.

A characteristic example in terms of facilities, which also bears witness to the successful strategy implemented by Halcor, is the operation of the new inner grooved tube thermal efficiency laboratory within the company's plant in Oinofyta. The tube thermal efficiency laboratory enables the manufacture of TALOS® Inner-Grooved (IGT) and TALOS® ACR tubes according to tailor-made specifications for each and every customer as well as the production of advanced tube models for specific applications. The tube thermal efficiency laboratory provides Halcor customers with a significant advantage since it enables them to reap mutual benefits in the context of an integrated partnership of product support and development.

Elkeme - Hellenic Research Centre for Metals S.A.

The key objective of the operation of Elkeme (Hellenic Research Centre for Metals) is to enhance the competitiveness of Halcor and its subsidiaries through laboratory research in order to develop production techniques, strengthen the properties of final products and identify ground-breaking solutions.

Elkeme plays a dual role: it introduces innovation to the Group's product portfolio and gives solutions to any problems and questions that may arise in terms of production and industrial use.

It has ultra-modern facilities in Tavros, Attica and employs scientific and technical staff of top specialisation.



Their purpose is not only to conduct research but also to provide ongoing support to the plants and the Group's overall manufacturing process.

Having identified a major opportunity to enhance its competitive edge through the operation of Elkeme and wishing to reap maximum benefits and plan penetration into new product markets in a more adequate and swift way, the Group collaborates directly with the employees of Elkeme, including even the employment of an engineer in its premises.

Hellenic Copper Development Institute (HCDI)

Halcor is also a founding member and takes part in the preparation of programs for the HCDI, by providing materials and facilities for courses, or by funding the implementation of specific programs throughout Greece. More specifically, through the HCDI, which is a constituent member of the European Copper Institute (ECI), Halcor has participated actively in significant research on the effect of copper on human health and the environment.



New products

Almost on an annual basis, the Group develops and launches in the market new products thanks to the continuous investments and efforts made in research and development.

For 2014, the most important new products launched by Halcor are:

- **Copper tube with tapped end for water supply networks.** Said product is intended mainly for the German market with Halcor being the first company all over Europe that provides such product with the characteristic tapped end.
- **TALOS® for LPG:** It concerns LPG-coated copper tubes and is widely used in the automotive industry.
- **Brass wire for fish farm cage mesh:** This is a patented product of the Group intended for fish farming.
- **Lead-free products:** They are used in the manufacture of fittings coming into contact with water. They have been certified by the American organisation NSF.

In addition, works on a number of products, which are expected to be launched in the market during 2015, are currently underway.



Financial figures



Consolidated revenue

In 2014, the **consolidated revenue** stood at EUR 1,080 million compared to EUR 1,102 million in 2013, thus registering a 2.0% decrease. This decrease is mainly due to the reduced copper price comparatively to the previous year and also to the reduced processing prices in certain product categories. Conversely, the sales volume registered a considerable increase of 6.7% with most product categories being on the rise save copper plates which had falling sales due to the stagnated demand for these specific products and intensive competition.

In terms of volumes, in 2014 no considerable change in the sales mix was registered.

Metal prices varied considerably in 2014 with copper being negatively affected by the adverse macroeconomic environment, in particular in developed markets, and by the lack of liquidity in international money markets while zinc was positively affected by the fundamental elements of supply and demand for it. Thus, the average copper price was lower by 6.2% and amounted to EUR 5,170 per ton compared to EUR 5,514 per ton in 2013. On the contrary, the average zinc price was higher by 13.6% and amounted to EUR 1,632 per ton compared to EUR 1,437 per ton last year.

Group profitability

Consolidated gross profit rose by 81.0% and amounted to EUR 29.9 million compared to EUR 16.5 million in 2013. This increase is mainly due to the improved metal results which amounted to losses of EUR 11.0 million compared to losses of EUR 20.4 million in 2013 and arose from the valuation of the basic operating inventory of the Group's production companies as a result of the aforementioned drop in copper price which is the main metal used in the manufactured products.

In 2014, **consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA)**, without including the effect of fixed assets devaluation, amounted to EUR 18.2 million compared to EUR 6.7 million in the previous year, registering an increase of 171.8%; taking into account the effect of devaluation, they stood at losses of EUR 5.2 million. Earnings before interest and taxes (EBIT) were equal to losses of EUR 28.8 million compared to losses of EUR 15.6 million last year.

In 2014, **consolidated results before taxes** amounted to losses of EUR 73.0 million compared to losses of EUR 53.6 million in 2013. Finally, the loss attributable to the owners of the Company amounted to EUR 51.2 million (or losses of EUR 0.5059 per share) compared to losses of EUR 58 million (or losses of 0.5725 per share) in 2013; without the effect of fixed assets devaluation, such loss would be less by EUR 14.8 million, namely it would amount to EUR 36.4 million.

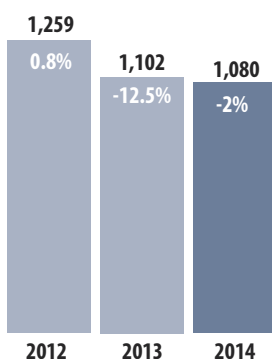
Consolidated financial results

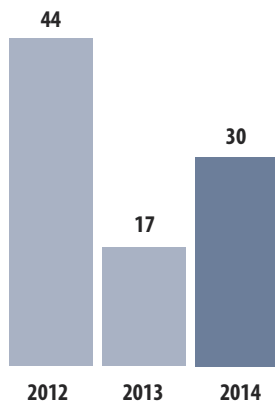
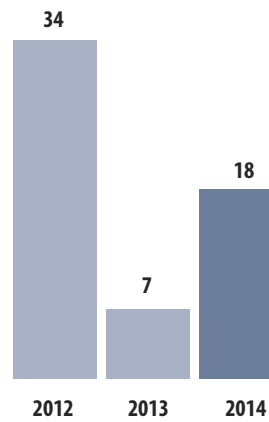
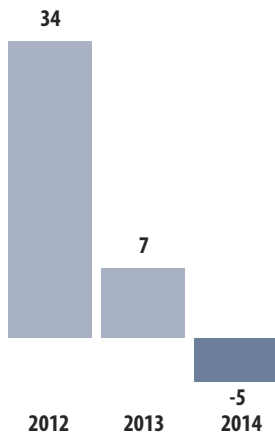
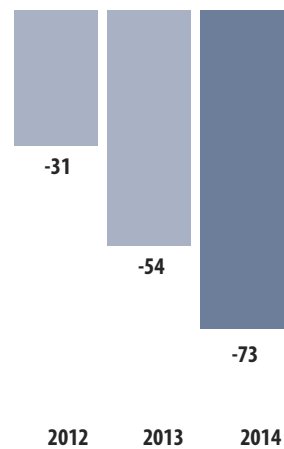
amounts in thousand EUR	2012	2013	2014
Revenue	1,259,306	1,102,022	1,079,873
Gross Profit	44,396	16,541	29,932
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	34,200	6,703	18,219
Earnings before interest, taxes, depreciation and amortisation (EBITDA) (following fixed assets revaluation)	34,200	6,703	-5,222
Earnings before interest and taxes (EBIT)	8,628	-15,554	-28,753
Earnings/Loss before taxes	-31,117	-53,637	-73,009
Earnings/Loss attributable to the owners of the Company	-26,023	-57,979	-51,235

Development of figures (%)

	2012	2013	2014
Revenue	0.8%	-12.5%	-2.0%
Gross Profit	-29.7%	-62.7%	81.0%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-30.4%	-80.4%	-171.8%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-30.4%	-80.4%	n/a
Earnings before interest and taxes (EBIT)	-62.7%	n/a	n/a
Earnings/Loss before taxes	n/a	n/a	n/a
Earnings/Loss attributable to the owners of the Company	n/a	n/a	n/a

Consolidated revenue
(million EUR)



**Gross profit****Earnings before interest, taxes, depreciation and amortisation (EBITDA) before fixed assets revaluation****Earnings before interest, taxes, depreciation and amortisation (EBITDA) after fixed assets revaluation****Earnings/Loss before taxes**

**Profit margins**

	2012	2013	2014
Gross Profit	3.5%	1.5%	2.8%
Earnings before interest, taxes, depreciation and amortisation (EBITDA) (before fixed assets revaluation)	2.7%	0.6%	1.7%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2.7%	0.6%	n/a
Earnings before interest and taxes (EBIT)	0.7%	n/a	n/a
Earnings/Loss before taxes	n/a	n/a	n/a
Earnings/Loss attributable to the owners of the Company	n/a	n/a	n/a

Results per business unit (in thousand EUR)

2012	Copper products	Cable products	Other services
Revenue	732,939	412,788	113,578
Earnings before interest and taxes (EBIT)	6,754	1,286	588
Profit/Loss after taxes	-17,791	-11,000	-716
2013	Copper products	Cable products	Other services
Revenue	746,919	323,737	31,365
Earnings before interest and taxes (EBIT)	-9,590	-6,716	752
Profit/Loss after taxes	-42,097	-21,041	-530
2014	Copper products	Cable products	Other services
Revenue	708,081	341,993	29,799
Earnings before interest and taxes (EBIT)	-9,550	-20,040	836
Profit/Loss after taxes	-31,303	-29,095	928

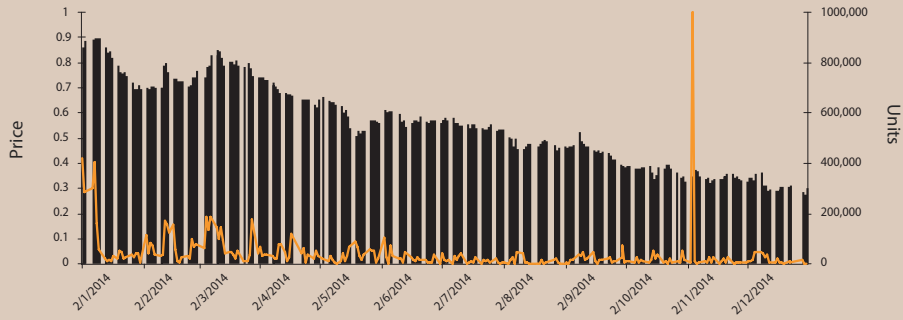
Consolidated Statement of Financial Position (thousand EUR)

	2012	2013	2014
ASSETS			
Fixed assets	391,396	422,726	584,601
Inventories	229,065	208,236	233,836
Trade receivables	133,575	131,230	126,407
Cash and cash equivalents	27,859	49,125	18,579
Other assets	1,812	777	1,657
TOTAL ASSETS	783,708	812,093	965,080
EQUITY & LIABILITIES			
Share Capital	38,486	38,486	38,486
Other equity items of Company shareholders	70,555	13,011	82,341
Minority interest	30,521	24,744	26,513
Total equity	139,563	76,241	147,340
Long-term liabilities:			
Long-term loans	157,547	404,631	395,214
Other long-term liabilities	28,836	49,658	73,171
Total long-term liabilities	186,383	454,289	468,385
Short-term liabilities:			
Short-term loans	358,152	167,389	209,002
Other short-term liabilities	99,610	114,174	140,352
Total short-term liabilities	457,762	281,563	349,354
TOTAL LIABILITIES AND EQUITY	783,708	812,093	965,080

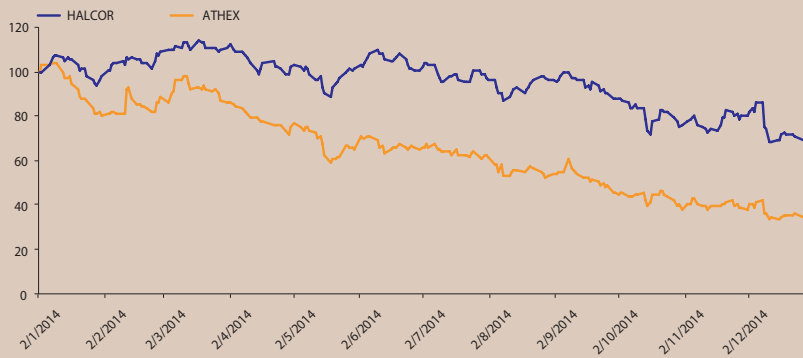
Consolidated Statement of Cash Flow (thousand EUR)

	2012	2013	2014
Cash Flows			
From operating activities	14,868	15,801	-20,816
From investment activities	-22,377	-52,648	-49,639
From financing activities	-1,839	58,113	39,908
Total	-9,348	21,266	-30,546
Cash and cash equivalents at beginning of the year	37,208	27,859	49,125
Cash and cash equivalents at end of the year	27,859	49,125	18,579

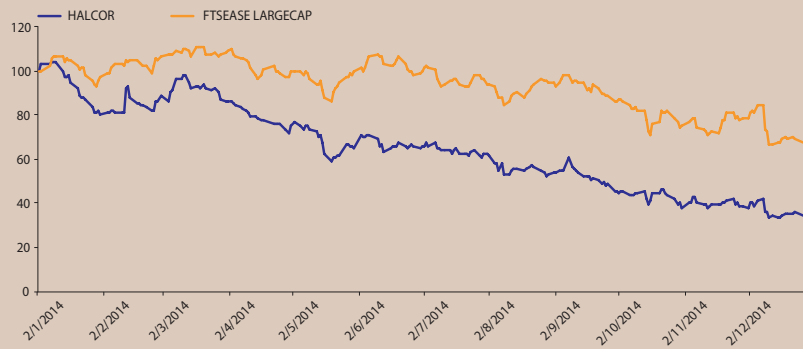
Share Performance and Volume of Transactions



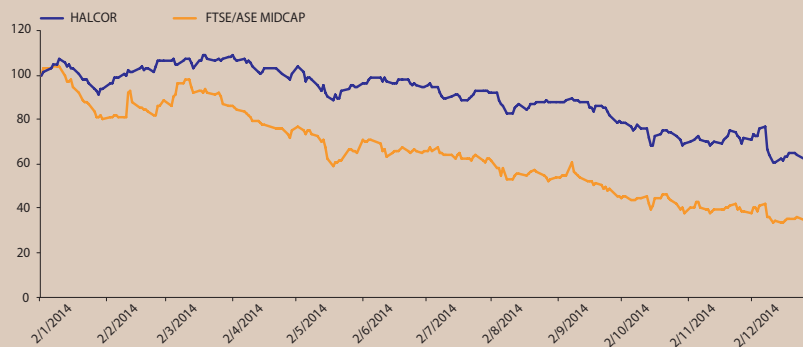
HALCOR vs ATHEX (base = 100)



HALCOR vs FTSE ASE LARGE CAP 100 (base = 100)



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



Financial risks

		2012	2013	2014
Liquidity				
General liquidity	Times	0.86	1.38	1.09
Special liquidity	Times	0.36	0.64	0.42
Activity				
Accounts receivable turnover ratio	Days	39	43	43
Accounts payable turnover ratio	Days	28	37	47
Asset turnover ratio	Times	1.61	1.36	1.12
Viability				
Interest Coverage Ratio	Times	0.85	0.17	n/a
Debt/Equity	Times	4.62	9.65	5.55
Investment ratios				
Pre-tax earnings per share	Euro	-0.31	-0.53	-0.72
Post-tax earnings per share	Euro	-0.26	-0.57	-0.51
Face value per share	Euro	0.38	0.38	0.38
Book value per share	Euro	1.38	0.75	1.45
Capitalisation to book value	Times	0.35	1.16	0.38
P/E (after taxes and rights)	Times	-1.87	-1.53	-1.10
Dividend per share	Euro	0	0	0

Investment ratios

	2012	2013	2014
EBITDA/ share	0.34	0.07	-0.05
P/BV	0.35	1.16	0.38
P/Sales	0.04	0.08	0.05
P/EBITDA	1.42	13.24	-10.77
Share information			
Weighted average number of shares (in thousand)	101,280	101,280	101,280
Average price per share (in EUR)	0.48	0.88	0.56

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

Average price per share 2014: EUR 0.56
Number of shares: 101,279,627

Share tickers:
XAKOP (HELEX)
XAKO.AT (Reuters)



9. Halcor Management executives

The Company has been fully harmonised and complies with the practices and laws on Corporate Governance as regards Administration and its operating procedures, as these are set forth in the relevant laws and the Corporate Governance Code published by the Hellenic Corporate Governance Council.

Further information on the application of the above principles is included in the 2014 Annual Financial Report and on Halcor website (www.halcor.gr).

Halcor Board of Directors

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

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 the Group's executives since 1995.

2. Stylianos Theodosiou | Technical Manager

Mr. Theodosiou is an electrical-mechanical engineer, graduate of the National Technical University of Athens. He has been one of the Group's executives since 1969.

3. Apostolos Kaimenopoulos | Tubes Plant Technical Manager

Mr. Kaimenopoulos is a mechanical engineer, graduate of the University of Patras Polytechnic Faculty. He has been one of Halcor executives since 1998.

4. Spyridon Kokkolis | CFO of Halcor Group

Mr. Kokkolis is an economist, graduate of the Athens University of Economics and Business. He has been one of the Group's executives since 1993.

5. Eftychios Kotsambasakis | Oinofyta Plants Directing Manager

Mr. Kotsambasakis is an economist. He has been one of the Group's executives since 1965.

6. Michail Kostopoulos | Internal Audit Supervisor

Mr. Kostopoulos is an economist, graduate of the University of Piraeus, Department of Business Organisation and Administration. He has been one of the Group's executives since 2002.

7. Lolos Panagiotis | Commercial Manager

Mr. Lolos has a degree in Political Sciences and International Studies of Panteion University and a Master's degree from North Carolina State University. He has been one of the Group's executives since 2001.

8. Georgios Mavraganis | Strategic Planning and Corporate Social Responsibility Manager

Mr. Mavraganis is a chemical engineer (MEng), graduate of Swansea University. He also has an M.B.A. from the Cardiff Business School. He has been one of Halcor executives 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 one of the Group's executives since 2000.

10. Ioannis Biris | Marketing Manager

Mr. Biris is a qualified architect-engineer. He has been one of Halcor executives since 2002.

11. 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 and also has an MBA from the same College. He has been one of Halcor executives since 1995.

12. George Samartzis | Supplies Manager

Mr. Samartzis is an economist, graduate of the University of Piraeus, Department of Business Organisation and Administration. He has been one of Halcor executives since 2000.

13. Dionysios Skarmoutsos | Quality Assurance and Environment Manager

Mr. Skarmoutsos is a chemical engineer and holds a MSc degree in the science of materials from the University of Patras. He has been one of the Group's executives since 2004.

14. Nikolaos Tarnanidis | Development Manager of New Markets for Extruded Product Exports

Mr. Tarnanidis is an economist, graduate of the University of Piraeus. He has a Master's degree in Economic Sciences from the University of London. He has been an executive in Group companies since 1987.

15. Giorgos Tzortzos | Human Resources Manager

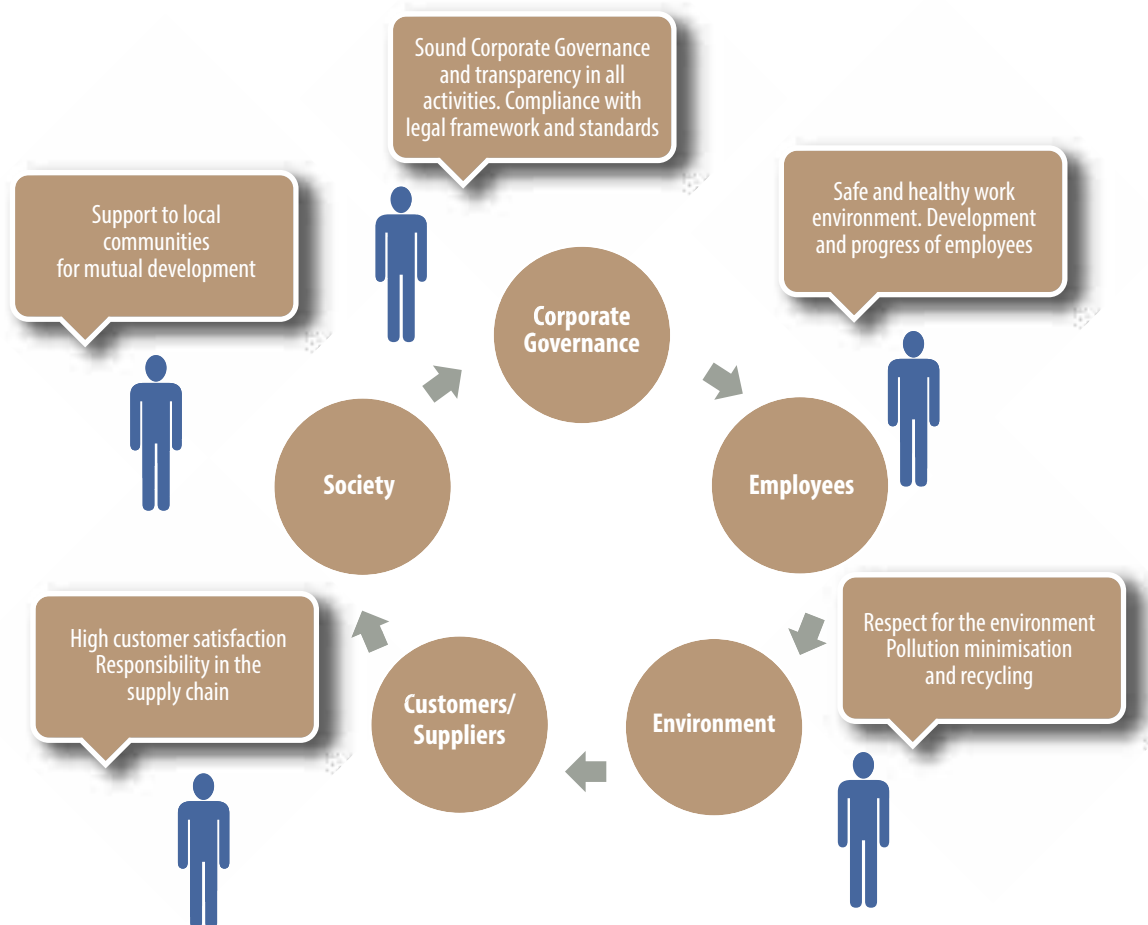
Mr. Tzortzos is an economist. He has been one of Halcor executives since 2008.

16. Spyridon Hondrogiannis | Health & Safety Manager

Mr. Hondrogiannis has a BSc of Mechanical Engineering and the respective MSc of Electronics Manufacture from the University of Sunderland. He has been an executive in Group companies since 2001.

10. Corporate Responsibility and Sustainable Development

Halcor has integrated the principles of Corporate Social Responsibility in its business strategy and seeks to operate in a responsible manner. Having acknowledged that the road to Sustainable Development is firmly linked with Corporate Responsibility, the Company has identified specific fields of action, plans and implements relevant programs (in line with the priorities and the objectives set) and monitors the achievement of goals through specific performance indicators. The respect for and the protection of the environment, care for the development of employees, health and safety at work and societal contribution are some of the values and key priorities of the Company.





Environmental protection is one of the top priorities of Halcor. By applying a number of practices, procedures and systems, the Company is able to manage on a systematic and integrated basis the effects on natural environment in an effective and mutually beneficial manner. The Company seeks to take all necessary steps to manage properly any environmental issues. The Company, combining financial efficiency with environmental protection (reduction of generated waste) and the preservation of natural resources (reduction of raw materials consumption), progressively uses greater quantities of various recyclables (scrap) as raw materials. Thus, Halcor is the largest recycler of copper, zinc and their alloys in Greece. During 2014, 49% of the Company's supplies in metals concerned scrap. During 2014, we completed the installation of a copper tube degreasing closed system and the new sewerage system while we also managed to obtain suitable equipment to manage urban wastewater in our plants. Concurrently, we implemented targeted energy saving actions in indoor installations of the Company.

Recognising the decisive contribution of human resources to our successful business performance and the attainment of our objectives, we make systematic investments in training, evaluating, keeping our human resources and in helping them progress. In 2014, 391 employees received training at least once, namely 94% of the human resources of Halcor while the average training time amounted to 5 hours per employee. We seek to ensure a safe work environment, focusing at all times on prevention by taking all necessary measures. The integrated management of health and safety issues in Halcor is attained through the certified Health and Safety Management System. On an annual basis we implement a major capital expenditure plan in projects and protective means in order to prevent, assess rationally and manage occupational hazards with a view to Zero Accidents. Our actions in this field have resulted in a reduced accident incidence rate by 35% and in a 27% improvement of their severity in relation to 2013.

Customer satisfaction is a strategic priority for us; bearing this goal in mind we make systematic investments in research and technology, aiming at innovative solutions of leading-edge products. During 2014 we completed the installation of the new thermal efficiency laboratory regarding inner grooved tubes which will generate considerable benefits and business opportunities given the new services range that we can provide now. Moreover, having acknowledged that our supply chain is a vital parameter for the competitiveness of the products we distribute and our development planning, we promote the development of proper environmental management and social responsibility practices on the part of our suppliers.

We seek to be engaged in business activities that will interact with the local communities in which we operate in a positive and productive manner, to contribute to the overall economic growth of Greece and to benefit local communities through job vacancy availability and business opportunities offered. In this context, the Company stands by the local communities and collaborates with them on an ongoing basis since:

- the company meets a considerable part of its needs for human resources by engaging people of the local communities: 41% (170 employees of a total of 416 persons) of the Company's employees originate from the wider region of Viotia and Evia while 10% of them are management and senior executives;
- it gives priority and chooses to cooperate, wherever possible, with local suppliers;
- it systematically supports various organisations, schools and other local bodies.

Details on the Company's actions per pillar of Corporate Responsibility are laid down in the 2014 Report of Corporate Responsibility and Sustainable Development of Halcor which is a separate section in this report.



11. Notice of General Meeting to Shareholders

NOTICE OF ANNUAL GENERAL MEETING
TO THE SHAREHOLDERS OF HALCOR, METAL WORKS, S.A.
G.E.M.I. No 303401000 (Gen. Electronic Commercial Reg.)

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, May 22, 2015, at 13:00 hours, at the PRESIDENT HOTEL, 43 Kifissias Av., Athens, in order to discuss and take decision on the following agenda:

AGENDA

1. To approve the annual financial statements for the Company's financial year 2014, 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 2014.
3. To appoint Certified Auditors, as well as the substitutes of them, for the financial year 2015 and approve their remuneration.
4. To elect the members of a new Board of Directors.
5. To appoint the members of the audit committee, according to article 37 of L. 3693/2008.
6. To approve Directors' remuneration, according to the 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 Dematerialized 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 a 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 17/05/2015 (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 19/05/2015 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 the 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. Corporal bodies 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 for the estimation of the risk, regarding the fact that the proxy could serve other parties interests except those of the shareholder. According to the present paragraph a conflict of interests could happen especially when the proxy:

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

The appointment or recalling 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 in its web site www.halcor.gr the form to be used for the appointment of a proxy. 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 sent by fax at the no 2106861347 at least three (3) days before the holding of the General Meeting. The beneficiary is called to take care to reconfirm the successful delivery of the form appointing the proxy to the company at the phone no 210 6861349, Mr. Konstantinos Kanellopoulos.

Each share issued by the Company has one voting right.

It is not provided by the Company's Articles of Association the possibility to attend the General Meeting through electronic means, without the natural presence of the shareholders in the place of its holding or the possibility to participate in voting at a distance.

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, regarding their rights, according to the par.2, 2a, 4 and 5 of the article 39 of the above law, which are 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 until 07/05/2015 namely 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 with the previous agenda, namely on 09/05/2015 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 until 16/05/2015 namely six (6) days before the date fixed for the General Meetings holding the draft resolutions regarding the items included in the initial or the revised agenda,



if the application reaches the Board of Directors until 15/05/2015 namely at least seven (7) days before the date of the General Meeting.

- c) Following an application submitted to the Company by any shareholder until 16/05/2015, namely 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, at the extent that those could be useful to a substantial estimation of the items of the agenda.

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

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 to provide 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 until 16/05/2015, namely at least five (5) full 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 to provide the information, due to a substantial reason, which should be mentioned in the minutes.

The above mentioned time limits to exercise the minority rights are also applicable in the case of 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.

DOCUMENTS AND INFORMATION AVAILABLE

The information provided by the 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) will be available, in electronic form, in the Company's web site, 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, April 30, 2015
The Board of Directors



Annual Financial Report

(as at 31 December 2014)

**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. AK 121106

**THE FINANCIAL
MANAGER
OF THE GROUP**

SPYRIDON KOKKOLIS
ID Card No. X701209

**HALCOR
METAL WORKS S.A.**
G.C.Registry.: 303401000
S.A. Registry No:2836/06/B/86/48
SEAT: Athens Tower, Building B, 2-4 Mesogeion Avenue





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The annual financial statements of the Company (in consolidated and non-consolidated basis), the report of the Chartered Accountant and the management report of the Board of Directors is currently in the Company's website (www.halcor.gr) and the Athens Exchange website (www.helex.gr).

**HALCOR METAL WORKS S.A.**

G.C.Reg.: 303401000, Company's No in the Reg. of S.A.: 2836/06/86/48, Address: Athens Tower, Building B, 2-4, Messoghion Avenue, 11527, Athens

FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2014 to December 31, 2014. (According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)
 The figures illustrated below aim to give general information about the financial position and results of HALCOR, S.A. and the Group HALCOR. The reader, wishing to be familiar with the company's financial position and results, should have access to the Company's Financial Statements, as provided by the International Financial Reporting Standards, as well as to the audit report of the auditor-accountant whenever it is required. Inductively, he can visit the company's web site, where the information and data in question are presented.

Supervising Authority: Ministry of Development and Competitiveness, Department of Societe Anonyme companies and Credit, Website of the Company: www.halcor.gr.

Board of Directors: T. Papageorgopoulos (Chairman, Executive member), N. Koudounis (Vice Chairman, Executive member), P. Sapountzis, E. Kotsambasakis, T. Kassapoglou (Executive members), G. Passas, K. Bakouris, C.A. Kominos, A. Katsanos (Non-executive members), A. Kiriazis and N. Galetas (Independent, non-executive members), Date of approval of the financial statements: March 12, 2015, Certified Auditor: Nick Vouinases (Reg. No. SOEL 18701),
 Audit firm: KPMG Certified Auditors, S.A., Review type: Unqualified opinion

DATA FROM STATEMENT OF FINANCIAL POSITION

(amounts in Euro)

	GROUP		COMPANY	
	31 Dec. 14	31 Dec. 13	31 Dec. 14	31 Dec. 13
ASSETS				
Property, Plant, Equipment	548,206,894	389,099,020	136,565,476	92,236,488
Investment property	2,552,265	383,271	-	-
Intangible Assets	16,016,897	14,455,753	408,412	277,324
Other non current assets	17,824,975	18,787,531	184,324,006	183,591,942
Inventories	233,835,584	208,236,149	58,757,697	54,243,721
Trade receivables	91,051,427	96,696,862	46,825,831	57,724,234
Other current assets	37,013,223	35,309,348	7,244,885	8,741,998
Cash and cash equivalents	18,578,837	49,125,244	6,826,859	3,052,697
TOTAL ASSETS	965,080,103	812,093,177	440,953,166	399,868,405
EQUITY AND LIABILITIES				
Share capital (101,279,627 of Euro 0.38)	38,486,258	38,486,258	38,486,258	38,486,258
Other shareholders equity	82,340,847	13,011,469	81,179,276	56,282,658
Total shareholders equity (a)	120,827,105	51,497,727	119,665,534	94,768,916
Non-controlling interests (b)	26,513,210	24,743,739	-	-
Total equity (c) = (a) + (b)	147,340,315	76,241,466	119,665,534	94,768,916
Long term borrowings	395,213,711	404,630,796	179,239,255	178,929,499
Provisions / Other long term liabilities	73,171,725	49,657,978	27,684,258	18,514,076
Short term borrowings	209,001,838	167,555,946	81,572,606	76,091,219
Other short term liabilities	140,352,515	114,006,992	32,791,514	31,564,694
Total liabilities (d)	817,739,788	735,851,711	321,287,633	305,099,489
TOTAL EQUITY AND LIABILITIES (c) + (d)	965,080,103	812,093,177	440,953,166	399,868,405

DATA FROM STATEMENT OF CHANGES IN EQUITY

(amounts in Euro)

	GROUP		COMPANY	
	31 Dec. 14	31 Dec. 13	31 Dec. 14	31 Dec. 13
Net Total equity at the beginning of the Period (1/1/2014 and 1/1/2013 respectively)	76,241,466	139,562,769	94,768,916	123,156,688
Total comprehensive income after taxes	71,210,335	(63,196,647)	24,896,619	(28,387,772)
	147,451,801	76,366,122	119,665,534	94,768,916
Dividends distributed	(62,328)	(124,656)	-	-
Acquisition of company	-	-	-	-
Subsidiary absorption	-	-	-	-
Increase / (decrease) of participation in subsidiaries	(49,155)	-	-	-
Net Total equity at the end of the period (31/12/2014 and 31/12/2013 respectively)	147,340,315	76,241,466	119,665,534	94,768,916

DATA FROM CASH FLOW STATEMENT

(amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2014	1.01 - 31.12.2013	1.01 - 31.12.2014	1.01 - 31.12.2013
Operating activities				
Profits / (Loss) before tax	(73,008,985)	(53,636,733)	(21,390,219)	(20,309,429)
Plus / minus adjustments for:				
Depreciation of tangible assets	23,072,891	21,775,070	4,858,916	5,376,503
Amortization of intangible assets	1,035,691	924,180	170,803	110,846
Amortization of Government Grants	(576,895)	(441,990)	(111,102)	(111,102)
Provisions	463,538	1,685,304	(610,661)	922,036
Results (income, expenses, profits, losses) from investing activities	(551,933)	(243,299)	(68,473)	(103,686)
(Profit)/loss from Revaluation of Fixed Assets to Fair Value	23,441,304	-	10,797,228	-
Interest Expenses	44,723,121	38,326,132	17,568,195	16,171,211
(Profit)/loss from the sale of fixed assets	(19,269)	(1,383,972)	(2,080)	(5,936)
(Profit)/loss from the sale of investments	-	(613,599)	-	(613,599)
(Profit)/loss on derivatives	(105,379)	284,634	(15,087)	34,228
Loss from the destruction of fixed assets	146,081	284,508	-	-
Impairment of investments	-	-	-	995,300
Plus / Minus movements in working capital or related to operating activities:				
Decrease / (increase) of inventories	(25,599,390)	20,377,084	(3,803,809)	1,942,244
Decrease / (increase) of receivables	4,348,855	2,192,212	10,039,896	11,982,228
(Decrease) / Increase of obligations (except banks)	33,315,198	26,131,357	4,934,237	1,212,904
Less:				
Interest and related expenses paid	(51,295,415)	(39,576,551)	(18,500,877)	(16,418,811)
Taxes paid	(216,109)	(290,258)	-	-
Total cash (used in) / generated from operating activities (a)	(20,826,694)	15,794,079	3,866,966	1,184,936
Investing activities				
Acquisition-sale of subsidiaries, affiliated com., and other investments	(2,031,641)	1,195,525	(781,641)	(28,825,877)
Purchase of tangible and intangible fixed assets	(47,726,590)	(61,289,561)	(5,223,622)	(1,573,759)
Proceeds from sale of tangible and intangible fixed assets	22,853	7,272,081	2,080	7,812
Interest received	96,538	173,632	25,201	28,486
Dividends received	-	-	97,850	75,200
Total cash (used in) / generated from investing activities (b)	(49,638,840)	(52,648,323)	(5,880,132)	(30,288,138)
Financing activities				
Proceeds from issued / assumed borrowings	60,098,328	330,579,704	23,313,642	180,550,000
Loans paid up	(27,902,880)	(274,091,889)	(17,522,500)	(154,313,518)
Repayments of financial leasing liabilities (capital installments)	(166,641)	(321,975)	-	-
Proceeds from government grants	8,030,422	2,100,000	-	-
Dividends paid	(151,598)	(152,781)	(3,813)	(5,115)
Total cash (used in) generated from financing activities (c)	39,907,632	58,113,059	5,787,329	26,231,367
Net increase / (decrease) in cash and cash equivalents for the year (a)+(b)+(c)	(30,557,903)	21,258,815	3,774,163	(2,871,835)
Cash and cash equivalents at the beginning of the year	49,125,244	27,859,388	3,052,697	5,924,534
Foreign Exchange effect in Cash and equivalents	11,497	7,041	-	-
Cash and cash equivalents at year end	18,578,838	49,125,244	6,826,859	3,052,697

HALCOR METAL WORKS S.A.

FINANCIAL DATA AND INFORMATION for the fiscal year from January 1, 2014 to December 31, 2014, (According to article 135 of Law 2190/20 for companies publishing annual financial statements, individual and consolidated, in accordance with IAS/IFRS)

DATA FROM STATEMENT OF COMPREHENSIVE INCOME

(amounts in Euro)

	GROUP		COMPANY	
	1.01 - 31.12.2014	1.01 - 31.12.2013	1.01 - 31.12.2014	1.01 - 31.12.2013
Total turnover	1,079,873,385	1,102,022,217	396,014,891	446,045,352
Gross Profit / (loss)	29,932,316	16,541,391	18,899,206	9,565,579
"Profit / (loss) before taxes, financing and investing results before revaluation"	(5,312,532)	(15,553,900)	6,877,353	(3,246,604)
Loss from Revaluation of Fixed Assets to Fair Value	(23,441,304)	-	(10,797,227)	-
Profit / (loss) before taxes, financing and investing results	(28,753,836)	(15,553,900)	(3,919,874)	(3,246,604)
Profit / (loss) before taxes	(73,008,985)	(53,636,733)	(21,390,219)	(20,309,429)
Less: Taxes	13,538,914	(10,032,216)	5,278,201	(8,177,595)
Profit / (loss) after taxes (A)	(59,470,070)	(63,668,948)	(16,112,018)	(28,487,024)
Distributed to:				
Shareholders of the parent	(51,235,338)	(57,979,469)	(16,112,018)	(28,487,024)
Non-controlling interests	(8,234,733)	(5,689,479)	-	-
Other comprehensive income / (expenses) after taxes (B)	130,680,405	472,301	41,008,637	99,252
Total comprehensive income / (expenses) after taxes (A) + (B)	71,210,335	(63,196,647)	24,896,619	(28,387,772)
Distributed to:				
Shareholders of the parent	69,230,657	(57,442,895)	24,896,619	(28,387,772)
Non-controlling interests	1,979,678	(5,753,753)	-	-
Loss per share after taxes - basic (in Euro)	(0.5059)	(0.5725)	(0.1591)	(0.2813)
Proposed dividend per share (in Euro)	-	-	-	-
Profit / (loss) before taxes, financing and investing results & depreciation prior to Loss from revaluation	18,219,156	6,703,360	11,795,971	2,129,642
Profit / (loss) before taxes, financing and investing results & depreciation	(5,222,148)	6,703,360	998,744	2,129,642

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 2014, are analytically presented in Note No. 31 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./NV	BELGIUM	66.34%	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 416 (31/12/2013 : 414), Group 2.413 (31/12/2013: 2.440).
- On the property of the Group, there are mortgages totaling Euro 379 million (Euro 217 million for the parent company) to secure long-term loans (See Note No.23 of Financial Statements).
- There has been provision accounted for tax unaudited fiscal years of the Group: Euro 239 thous., of the Company: Euro - thous (2013: Euro 239 thous. and - thous. respectively). Other provision accounted as at December 31 are for the Group Euro 90 thous. and for the Company Euro 90 thous. (see note No.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	111,471,734	152,065,085
ii) Purchases	148,043,695	36,241,115
iii) Receivables	16,785,243	40,180,716
iv) Obligations	10,642,660	2,569,823
v) Transactions & fees of higher executives and managers	4,114,968	1,480,503
vi) Receivables from higher executives and managers	-	-
vii) Liabilities to higher executives and managers	-	-

- Amounts in the Cash Flow statement have been revised in comparison to last year's publication for comparability reasons. (see note N.5 of the Financial Statements)
- The income tax in the income statement is analysed as follows (amounts in Euro):

	GROUP		COMPANY	
	1 Jan - 31 Dec 2014	1 Jan - 31 Dec 2013	1 Jan - 31 Dec 2014	1 Jan - 31 Dec 2013
Income tax for the period	(465,971)	(677,912)	(142,841)	(193,012)
Deferred tax for the period	14,004,885	(9,354,303)	5,421,042	(7,984,583)

- The unaudited tax years of the Company and the companies of the Group are analytically presented in note No 31 of the financial statements.
- The "Other Comprehensive Expenses" that was accounted directly at the Shareholders Equity without affecting the result of the period, concerns remeasurements of defined benefit liability (Group: Euro -1373 thous. and Company: -364 thous.), foreign exchange differences from consolidation of foreign subsidiaries (Group: Euro 491 thous.) and derivatives valuation from cash flow hedging (Group: Euro 288thous. and Company: Euro 642 thous.) (see Statement of Other Comprehensive income 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.
- At the end of 2014, Halcor changed its accounting policy for depreciating property, plant and equipment by adopting the revaluation model. Management takes the view that this policy provides reliable and more relevant information because it deals more accurately with the components of property, plant and equipment and is based on up-to-date values. The policy has been applied prospectively from the start of 2015. Accordingly, the adoption of the new policy has no effect on prior years. The positive effect before deferred tax effect totalling 163 mil. (for the Group) and EUR 55,1 mil. (for the Company) has been positively affected the Equity through a special reserves as well as the Statement of Comprehensive Income, while the negative effect before deferred tax from the revaluation EUR 23,4 mil. (for the Group) and EUR 10,8 mil. (for the Company) affected negatively the Income Statement. (see note No.11 of the Financial Statements).
- In February 25, 2015 the subsidiary Hellenic Cables participated in the capital increase of the 100% owned subsidiary FULGOR S.A. totalling Euro 4.112.000.
- For the year ended in December 31, 2014 the companies Acro S.A. (Greece), Hampakis Ltd. (Greece), Halcor R&D (Greece), Copperprom (Greece), Belantel LTD (Cyprus) and Metal Globe DOO (Serbia), have not been consolidated as the year before. Belantel LTD and Hampakis Ltd were liquidated and the result of the liquidation is included in the company's financial statements for the fiscal year 2014. The rest of the aforementioned companies are under liquidation phase that has not been completed by the reporting date. The result of the liquidation is not expected to significantly affect the financial position due to immaterial size of the companies' financial statements. (see note No.14 of the Financial Statements).
- During the fiscal year of 2014, the 100% owned Halcoral (Albania) was fully absorbed by SIDERAL (Albania), which completed a capital increase through the issuance of new stock by 6.384 stocks, which were acquired by Halcor. The new participation percentage of Halcor is now at 0,55%. Halcoral was not consolidated for the fiscal year ended in December 2014 unlike the previous fiscal year 2013 (see note No.14 of the Financial Statements).
- During the fiscal year of 2014, the company participated in the capital increase of Genecos an action that resulted in loss of control over Genecos on December 2014. The financial result of Genecos was consolidated using the equity method and until the date of the loss of control, while the participation was reclassified to investments in associates. (see note No.14 of the Financial Statements).

Athens, March 12, 2015

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. AK 121106

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 par. 2 of Law 3556/2007)**

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 Mesogeion 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 2014, 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 2014 for HALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4, paragraphs 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, paragraphs 6 to 8, of Law 3556/2007.

Athens, 12th of March 2015

Confirmed by

The Chairman of the Board	The Board-appointed Member	The Board-appointed Member
THEODOSIOS PAPAGEORGOPOULOS	NIKOLAOS KOUDOUNIS	GEORGE PASSAS
ID Card No. AE 135393	ID Card No. AE 012572	ID Card No. Φ 020251

BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2014 (1 January – 31 December 2014). This report was prepared in line with the relevant provisions of Codified Law 2190/1920, as revised by Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91A/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 2014, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties which Group companies were faced against and finally sets out the important transactions between the issuer and its affiliated parties.

A. Financials - Business report - Major events

Throughout the year of 2014 recovery in the Eurozone remained anaemic as most countries are coping with high unemployment and deflationary fears. Especially during the second quarter, GDP growth rates in Europe were close to zero. On the contrary, the Greek market showed signs of stabilisation and a reversal trend of the prolonged depression, after almost six years, with GDP being on a slight uptrend from the second quarter onwards. Outside

the area of Europe, GDP growth rate in the US was on slightly higher levels than the previous year, a fact that positively affected sales of the Group. In this tough environment, consolidated turnover in 2014 amounted to Euro 1,080 million against Euro 1,102 million in 2013, a decrease of 2.0%. The decrease was due to the decline in the price of Copper in comparison to the previous year, but also due to the reduced conversion prices in certain product categories. On the contrary the volume of sales marked a significant increase of 6.7% with most product categories showing an increase, except copper bus bars the sales of which were on a decline as a result of the stagnation of demand for the specific products and the resulting increased competition.

In volume terms, there was no significant change in the sales mix for 2014. Thus, sales of cables accounted for 37% of total sales, sales of copper tubes accounted for 26%, rolling products for 21%, copper bus bars for 9% and brass rods for 7%. Within the product groups there was some change, with an increase in industrial tubes and rolled copper products. In contrast installation products were adversely affected by the lack of growth of the construction sector in most European markets but also by strong competition and substitution trends. Thus sales of tubes for installations remained unchanged, while sales of rolled copper products for installation declined.

Metal prices showed significant differentiation in 2014, with Copper being negatively affected by the difficult macroeconomic environment, especially in developed markets, and lack of liquidity in



the international financial markets, while Zinc was positively affected by its fundamentals of supply and demand. Thus, the average price of copper was lower by 6.2% at Euro 5,174 per ton compared to Euro 5,514 per ton, while the average price of zinc was higher by 13.6% at Euro 1,632 per ton compared to Euro 1,437 per ton.

In the end of 2014, the Company and the Group, in order to reflect better the real values of their assets, decided to change the policy of valuation of Land, Buildings and Machinery. The following factors contributed to that decision:

- The significant revaluation of Land of subsidiaries outside Greece, which were using IFRS before their obligatory application by the mother Company in 2005, and had values at cost.
- The significant reductions in the value of Land of subsidiaries in Greece, because of the drop in property values in the country to levels lower than cost (acquisition cost for purchases after 2005, or deemed cost during the transition to IFRS in 2005)
- The continuous upgrades and improvements of Machinery and Buildings, and their excellent level of maintenance, due to which their fair values are significantly higher today than their book values.

From the valuation, the results of which were incorporated in the financial statements of 31/12/2014, significant positive revaluation values occurred, reaching the amount of 163.1 million for the Group and 55.1 million for the mother Company, which directly affected the Equity, but also devaluations at the level of 23.4 million for the Group and 10.8 million for the mother Company, which affected results. The total increase in the value of the as-

sets of the Group was 139.6 million while for the mother Company 44.3 million. Respectively, the total effect in Equity (directly, or through the result), after calculating the related deferred tax, reached 113.6 million for the Group, and 32.8 million for the Company.

Consolidated gross profit rose by 81.0% and amounted to Euro 29.9 million versus Euro 16.5 million in 2013. The increase was primarily due to an improvement in the result of metal, which amounted to a loss of Euro 11.0 million versus a loss of Euro 20.4 million in 2013, from the valuation of the basic operating stock of all productive companies of the Group as a result of the aforementioned drop in Copper price, Copper being the main metal used in the products. Consolidated earnings before taxes, depreciation and amortization (EBITDA) without the effect of the devaluation of assets amounted in 2014 to Euro 18.2 million versus Euro 6.7 million in the prior year, marking an increase of 171.8%, and after the effect of the devaluation to losses of EUR 5.2 million, while earnings before interest and taxes (EBIT) amounted to losses of Euro 28.8 million compared to losses of Euro 15.6 million in the previous year. Consolidated results (profit / loss before taxes) amounted to losses of Euro 73.0 million in 2014 compared to a loss of Euro 53.6 million in 2013. Finally, the loss after tax and minority interests amounted to Euro 51.2 million or Euro -0.5059 per share compared to a loss of Euro 58 million or Euro -0.5725 per share in 2013, while without the effect of the devaluation of assets they would have been 14.8 million lower, at 36.4 million.

Results of the mother Company were significantly improved, as earnings before



taxes, depreciation and amortization (EBITDA) without the devaluation of assets amounted in 2014 to Euro 11.8 million versus Euro 2.1 million in the prior year, and to EUR 1.0 million after the devaluation. Out of this improvement, 4.9 million is due to improvement of the metal result, while 4.8 million is due to improvement of organic profitability. Results after taxes amounted in 2014 to losses of Euro 16.1 million, out of which about 8 million were due to the devaluation of assets, versus losses of 28.5 million in 2013.

In the Eurozone, the modest recovery of production activity and the almost subdued consumption during the year intensified competition, a fact that affected negatively conversion prices in most of the products of the Group. In the contrary, the continued improvement of financial conditions in the United States and the United Kingdom led to an increase of sales and better margins. Especially demand for installation products continued to move on negative levels, as the construction segment continues to be on low levels. In contrast to that, demand for industrial products in major European markets showed signs of stabilization, after a drop in 2013, and as a result, the group increased sales and gained market shares. As for the cables, despite the increase in sales in new markets and new product categories, the decreased demand in countries of the European Union and increased competition, depressed margins severely and affected negatively the profitability of HELLENIC CABLES. Also, the results of the Group were affected by the temporary postponement of important projects in Greece and abroad, in high value added products like submarine cables and underground cables of high and

super high voltage, especially during the first three quarters, as finally in the fourth quarter production and sales of submarine cables for big projects that the subsidiary took over, commenced.

As regards cost, the decreases in prices of energy in conjunction with the optimisation of procedures in production let to a further decrease in production cost and helped in bolstering the competitiveness of Group products abroad. However, the high cost of financing continued to negatively affect the profitability of the Group versus our main competitors.

Regarding cash flows, this was the first time in the last four years that the targets for containing working capital were not met. The variation of conditions of physical demand and supply, both for primary Copper but also scrap, played an important role in that. In the first half there was significant tightness of materials, which led to orders of extra quantities of cathodes in order to cover the second half needs, but this situation was reversed in the second half, with sudden inflows and overabundance of scrap that had as a result that the target of minimising stocks in the end of the year was not achieved. In the increase of the stocks, a contributing factor was also the preproduction that the HELLENIC CABLES Group started in order to produce the significant quantities of submarine cables that were contracted in the end of the year. This way, cash flows from operating activities were negative by Euro 20.8 million versus positive operating cash flows of 15.8 million in 2013.

In 2014, the HALCOR Group carried out total investments of Euro 45.8 million, of which Euro 31.1 million related to the HELLENIC CABLES Group for the completion of the investment program for the production



TABLE 1.1

RATIOS	GROUP		COMPANY	
	31/12/14	31/12/13	31/12/14	31/12/13
Liquidity				
Current Assets / Current Liabilities	1.09	1.38	1.05	1.15
Leverage				
Equity / Bank Loans	0.24	0.13	0.46	0.37
Return on Invested Capital				
Profit Before Taxes and Financial Expenses / Equity + Bank Loans	-0.71%	-2.40%	1.81%	-1.20%
Return on Equity				
Net Profits / Equity	-24.45%	-83.51%	-4.44%	-30.06%

of high voltage submarine cables. Having completed their investment plan, HELLENIC CABLES is now one of the very few cable manufacturers worldwide able to produce high voltage submarine cables. Respectively, Euro 4.9 million spent in upgrading the production facilities of the parent company in, focusing mainly in the Tubes Plant. Finally, Euro 9.3 million related to the improvement of productivity, the production of high added value products and the increase scrap usage of its subsidiary SOFIA MED S.A. in Bulgaria, with the main investment being the installation of a new fire-refining line for scrap.

B. Financial standing

The ratios showing the financial standing of both Group and Company evolved as presented in **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 by minimizing its environmental footprint.

The protection of the environment is implemented with significant investments in integrated measures to prevent pollution and to optimize production processes

through the use of BAT (Best Available Techniques), that have been 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, and not only in terms of waste produced.

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 highly 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 behaviour 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 and 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 characterizing the specific market and the country in which customers are active,

affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales (for the Group or Company) 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 collectability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterized 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 his properties, 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 proper 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 sum of 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 the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2014, the Group had an amount of Euro 18.6 million as cash and the necessary credit lines that were approved but - not utilised so as to meet its short- and medium-term obligations easily.

For the avoidance of liquidity risk the Group makes a cash flow projection for one year while preparing the annual budget as well as a monthly rolling projection 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.

Risk from fluctuation 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 incorporated 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 working stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through the impairment of inventories.

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 the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the 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 variation, 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, 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 the 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 2015

Developments during 2015 and discussions in national and international level about the re-examination of the terms of Greece's financing programme, maintain the volatility of the country's macroeconomic and financial environment. The restitution to economic stability depends to a great degree on the actions and decisions of institutional bodies in the country and abroad. The Group and the Company, taking in mind that the largest percentage of Group sales are destined for markets outside Greece, that the largest part of domestic sales are related to already signed contracts for projects that have secured financing, and that the Group has access to financing sources outside Greece, assess that any negative develop-



TABLE 1.2 Transactions of the parent company with subsidiaries		amounts in thousands Euro		
Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
HELLENIC CABLES GROUP	3,153	11,183	9	599
STEELMET GROUP	23	2,155	-	187
SOFIA MED	28,748	2,867	20,101	-
FITCO	22,682	1,133	6,323	-
METAL AGENCIES	50,061	115	3,927	38
OTHER SUBSIDIARIES	2,397	467	-	203
TOTAL SUBSIDIARIES	107,064	17,920	30,361	1,027

ments in the Greek economy is not expected to affect their regular operation significantly. Beyond all that, Management continuously assesses the situation in order to ensure that all necessary measures are timely taken in order to minimise any effects on the activities of the Group and the Company.

The strengthening of the global economy in conjunction with the quantitative easing that was announced by the ECB in the beginning of the year justifies a modest optimism for 2015. Regarding the U.S., demand is expected to remain on an upward path, and the strength of the dollar is expected to help the competitiveness of European and also Group products significantly. Cost will be affected positively by the further drop in the cost of energy that is foreseen for 2015 due to the significant drops in the prices of fuels that started in the end of 2014. Construction activity is showing signs of recovery in Europe and some slight improvement is expected for next year. In the same time, demand for industrial products is forecasted to move positively and will continue be the pillar of Group's growth for 2015. Regarding cables, the Group will start enjoying the benefits of the investments done in the last three years and there is significant optimism based on existing contracts for high/ultra-high

voltage cables and submarine cables, as well as the prospects opened for exports to countries within and outside the European Union due to the restart of activities in the energy sector.

More generally, for 2015, given the difficult conditions still prevailing in the domestic market and the apparent stabilization of the economies of most countries in the Eurozone, the Group will continue to have the primary strategic objective of increasing market share in industrial products and strengthen activity in new markets that have not been affected by the economic downturn. In addition, the current use of the optimal management of working capital and net debt reduction are the main priority.

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 presented in **Table 1.2**.

The Hellenic Cables Group buys raw materials from Halcor according to their needs. In its turn, it sells copper scrap to

TABLE 1.3 Transactions of the parent company with other affiliated companies amounts in thousands Euro

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	33,784	156	7,700	23
STEELMET ROMANIA S.A.	7,312	61	-	32
TEKA SYSTEMS S.A.	34	747	4	499
ANAMET S.A.	776	12,590	-	203
VIEXAL S.A.	1	389	-	39
METALVALIUS LTD	1,921	126	261	-
VIOHALCO S.A.	130	198	28	-
TEPRO METAL AG	-	60	-	16
ALURAME	-	306	-	67
ELVAL S.A.	194	2,552	-	453
SIDENOR S.A.	49	21	34	-
CORINTH PIPEWORKS	3	1	3	-
SYMETAL	30	10	8	12
SIDERAL	278	-	189	-
OTHER AFFILIATED	490	1,104	1,592	198
TOTAL	45,001	18,321	9,820	1,543

TABLE 1.4 Transactions of Halcor Group with other affiliated companies amounts in thousands Euro

Company	Sales of Goods, Services & Fixed assets	Purchases of Goods, Services & Fixed assets	Receivables	Payables
MKC GMBH	64,267	200	8,410	35
STEELMET ROMANIA S.A.	14,905	4,366	149	2,393
TEKA SYSTEMS S.A.	37	1,271	4	603
ANAMET S.A.	1,134	18,573	551	203
VIEXAL S.A.	6	1,603	-	141
CPW AMERICA S.A.	1,100	-	540	-
VIOHALCO S.A.	180	460	28	-
TEPRO METAL AG	2,658	859	-	500
ETEM S.A.	182	7	3	4
ELVAL S.A.	5,049	3,061	794	1,132
SIDENOR S.A.	1,445	164	78	21
CORINTH PIPEWORKS	2,355	526	454	54
SYMETAL	713	8,600	384	1,250
STOMANA	1,116	2,204	166	-
ETEM BULGARIA	1,891	2	454	2
METALVALIUS S.A.	9,132	92,029	261	893
MKC GMBH	5,301	14,115	4,510	3,412
TOTAL AFFILIATED	111,472	148,044	16,785	10,643

Halcor from the products returned during its production process.

Steelmet S.A. provides Halcor with administration and organization services.

SofiaMed S.A. buys from Halcor raw materials and 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 products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for



TABLE 1.5 Fees of Executives and Board members	amounts in thousands Euro	
	Group	Company
Total fees of management executives & Board members	4,114	1,480

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 traveling services.

CPW America CO trades Halcor products in the American market.

Viohalco S.A. rents buildings - industrial premises to Halcor .

Tepro Metall AG trades (through its subsidiary MKC) Halcor products and represents the latter in the German market.

Metalvalius S.A. buys from Halcor but also provides Halcor significant amounts of scrap copper and brass.

Transactions of the parent company with other affiliated companies are presented in **Table 1.3** (p. A15).

Transactions of HALCOR Group with other affiliated companies are presented in **Table 1.4** (p. A15).

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

G. Subsequent events

The Group has accepted offers in written for the assumption of new bond loans totaling Euro 12,721,963. The loans will be of a five year maturity and will be used to pay short-term bank loans.



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

1) 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.

2) 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.

3) 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 2014 were as follows:

- VIOHALCO S.A./NV:
66,41 % of voting rights of which it directly holds 58,42 % of share capital

4) Shares granting special rights of control

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

5) 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.

6) Agreements between Company shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.



7) 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.

8) 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 26 of the Financial Statements.

9) 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 23 of the Annual Financial Report (Group: Euro 389.8 million of long-term loans and Euro 23.5 million of short-term loans and Company: Euro 179.2 million long-term and Euro 10.5 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.

10) 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

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 Corporate Governance Council (HCGC) (hereinafter the "code") and is available on the following website:

http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_gr.pdf

In the context of preparation of the Annual Report of the Board of Directors, the Company reviewed the Code. From this review, the Company concluded that it applies all special practices for listed companies and described in the Code of Corporate Governance of HCGC except the following practices with the corresponding explanations:

- **Part A.II (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, in contrast to what is 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. It was judged, at this juncture, that the enlargement of the number of independent members or the limitation of the service of a member would not improve the efficient operation of the company.
- **Part A.III (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. It 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.V(5.4, 5.8): 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.V (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 B.I (1.4): Composition of Audit Committee:** The Audit Committee is composed entirely of non-executive members, but which in their majority are not independent. The specific choice was made in order that the necessary technical know-how would be achieved for the sufficient operation of the Committee, through the persons that consist it.
- **Part C.I (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 working group that has been set up by the Management of the Company that has been assigned with the study and overview of the required actions required



in order to set up the committees prescribed by the Code of HCGC and generally adapt the corporate governance practices to the Code, is in the process of evaluating these matters and their opinion is expected, within a reasonable frame of time, in order for the practices of the above mentioned Code to be adapted, with or without deviations.

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of HCGC 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 situa-

tion 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 2014, i.e. "KPMG Certified Auditors A.E.", who have been elected by the Ordinary General Meeting of the Company's Shareholders on 27 May 2014, 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 Board Members are elected for a yearly term from the General Meeting of



the Shareholders. The current Board of Directors was elected by the Ordinary General Meeting of 27.05.2014 and its term of office shall expire on the date of the Ordinary General Meeting of the year 2015.

The Board of Directors met 73 times during 2014 and 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 documentation 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 2014 having full quorum.

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 the VIOHALCO GROUP since 1962 and has served as General Manager in HALCOR S.A. from 1973 to 2004. Between 2004 and this date he 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 the 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.THI.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 the 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 the VIOHALCO Group since 1972. He was Production Manager of HELLENIC CABLES S.A. From 1983 until 2006, he served as Technical Director at the tubes plant of

HALCOR S.A. From middle 2006 until end of 2007 he served as General Manager of SOFIA MED. From 2009 he is Board Member of HALCOR S.A.

**Eftyhios Kotsambasakis,
(Executive Member)**

Mr. Kotsampasakis holds the position of Administrative Director of HALCOR S.A. He has been working for the VIOHALCO Group since 1965. He serves on the Board of DIA.VI.PE.THIV. 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 the 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 the 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 VIOHALCO Group in 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 the 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, where he 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 president 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 the VIOHALCO Group.

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

Theodossios Papageorgopoulos





I. Statement of Financial Position		amounts in Euro			
	GROUP		COMPANY		
	2014	2013	2014	2013	
ASSETS					
Non-current assets					
Property, plant and equipment	548,206,894	389,099,020	136,565,476	92,236,488	
Intangible assets	16,016,897	14,455,753	408,412	277,324	
Investment property	2,552,265	383,271	-	-	
Investments in subsidiaries	-	-	174,346,714	174,900,421	
Investments in affiliates	9,013,674	6,557,951	5,321,083	4,264,103	
Other investments	4,285,276	4,115,478	3,730,772	3,615,618	
Other receivables	2,680,913	1,848,668	925,436	811,799	
Deferred tax claims	1,845,112	6,265,433	-	-	
	584,601,031	422,725,574	321,297,893	276,105,754	
Current assets					
Inventories	233,835,584	208,236,150	58,757,697	54,243,721	
Trade and other receivables	126,407,423	131,229,589	53,478,723	66,385,792	
Derivatives	1,657,227	776,621	591,994	80,441	
Cash and cash equivalents	18,578,837	49,125,244	6,826,859	3,052,697	
	380,479,072	389,367,603	119,655,273	123,762,650	
Total assets	965,080,103	812,093,177	440,953,166	399,868,405	
EQUITY					
Equity attributable to Shareholders of the Company					
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	190,160,697	69,704,412	109,691,181	68,976,644	
Losses carried forward	(174,957,915)	(123,831,108)	(95,649,969)	(79,832,051)	
Total	120,827,105	51,497,727	119,665,534	94,768,916	
Minority interests	26,513,210	24,743,739	-	-	
Total equity	147,340,315	76,241,466	119,665,534	94,768,916	
LIABILITIES					
Long-term liabilities					
Loans	395,213,711	404,630,796	179,239,255	178,929,499	
Deferred income tax liabilities	39,880,981	26,296,962	24,365,353	15,377,955	
Personell retirement benefits payable	5,465,990	4,218,081	1,748,478	1,454,591	
Government Grants	15,576,764	7,939,339	1,480,427	1,591,529	
Long-term maturity bills payable	11,918,006	10,681,508	-	-	
Provisions	329,984	522,087	90,000	90,000	
	468,385,436	454,288,774	206,923,513	197,443,575	
Short-term liabilities					
Suppliers and other liabilities	132,775,957	107,183,716	31,975,361	30,774,193	
Current tax liabilities	6,439,941	6,335,676	749,315	578,437	
Loans	209,001,838	167,393,305	81,572,606	76,091,219	
Financial Leasing liabilities	-	166,641	-	-	
Derivatives	1,136,616	487,601	66,839	212,064	
	349,354,353	281,562,938	114,364,120	107,655,913	
Total liabilities	817,739,788	735,851,711	321,287,633	305,099,489	
Total equity and liabilities	965,080,103	812,093,177	440,953,166	399,868,405	

The attached notes of the Annual Financial Report 2014 are an integral part of the financial statements.

II. Income Statement

amounts in Euro

	GROUP		COMPANY	
	2014	2013	2014	2013
Sales	1,079,873,385	1,102,022,217	369,014,891	446,045,352
Cost of goods sold	(1,049,941,069)	(1,085,480,826)	(377,115,685)	(436,479,773)
Gross profit	29,932,316	16,541,391	18,899,206	9,565,579
Other operating income	14,450,012	18,284,497	3,206,012	3,289,971
Selling expenses	(15,153,356)	(15,139,673)	(4,834,150)	(4,518,341)
Administrative expenses	(19,302,376)	(20,140,433)	(8,644,688)	(9,591,140)
Other operating expenses	(15,239,127)	(15,099,682)	(1,749,027)	(1,992,674)
Operating results before revaluation	(5,312,532)	(15,553,900)	6,877,353	(3,246,604)
Loss from revaluation of Fixed Assets to Fair Value	(23,441,304)	-	(10,797,227)	-
Operating results after revaluation	(28,753,836)	(15,553,900)	(3,919,874)	(3,246,604)
Finance Income	96,538	173,632	25,201	28,486
Finance Expense	(44,723,121)	(38,326,132)	(17,593,396)	(17,166,511)
Dividend income	-	-	97,850	75,201
Financial result	(73,380,419)	(53,706,400)	(21,390,219)	(20,309,428)
Share of profit/loss of associates	371,434	69,667	-	-
Profit before income tax	(73,008,985)	(53,636,773)	(21,390,219)	(20,309,428)
Income tax expenses	13,538,914	(10,032,216)	5,278,201	(8,177,595)
Net profit for the period from continued operations	(59,470,071)	(63,668,949)	(16,112,018)	(28,487,023)
Attributable to:				
Shareholders of the Parent	(51,235,338)	(57,979,469)	(16,112,018)	(28,487,023)
Minority interest	(8,234,733)	(5,689,479)	-	-
	(59,470,071)	(63,668,949)	(16,112,018)	(28,487,023)
Earnings per share that attributed to the Shareholders of the Parent for the year (amounts in Euro per share)				
Basic and diluted profit/loss per share	(0.51)	(0.57)	(0.16)	(0.28)
Diluted profit/loss per share	(0.51)	(0.57)	(0.16)	(0.28)

III. Statement of Comprehensive Income

amounts in Euro

	GROUP		COMPANY	
	2014	2013	2014	2013
Profit/(Loss) of the year from continuing operations	(59,470,070)	(63,668,949)	(16,112,018)	(28,487,024)
<u>Items that will never be reclassified to profit or loss</u>				
Profit from Recalulation of Fixed Assets to Fair Value	163,071,988	-	55,139,506	-
Remeasurements of defined benefit liability (asset)	(1,372,887)	1,079,743	(364,121)	341,099
Related tax	(31,746,695)	(280,733)	(14,241,600)	-88,686
Total	129,952,406	799,010	40,533,785	252,413
<u>Items that are or may be reclassified to profit or loss</u>				
Foreign currency translation differences	491,021	(139,231)	-	-
Gain/(Loss) of changes in fair value of cash flow hedging	287,908	(253,349)	641,691	(204,975)
Income tax on income and expense recognised directly in equity	(50,931)	65,871	(166,840)	51,814
Other comprehensive income/(expense) after taxes	727,998	(326,709)	474,852	(153,161)
Total comprehensive income/(expense) after tax	71,210,335	(63,196,648)	24,896,619	(28,387,772)
Attributable to:				
Equity holders of the parent company	69,230,657	(57,442,895)	24,896,619	28,387,771
Minority interests	1,979,678	(5,753,753)	-	-
Total comprehensive income/(expense) after tax	71,210,335	(63,196,648)	24,896,619	28,387,771

The attached notes of the Annual Financial Report 2014 are an integral part of the financial statements.



IV. Statement of Changes in Equity										ΠΟΣΑ ΣΕ ΕΥΡΩ
	Share Capital	Share Premium Reserves	Fair Value Reserves	Other Reserves	Reserves for Revaluation of Fixed Assets to Fair Value	Result Carried Forward	Foreign Exchange Forward	Fair Value Total	Non-controlling Interests	Total Equity
GROUP										
Balance as at January 1, 2013	38,486,258	67,138,064	1,652,034	75,044,197	-	(66,797,115)	(6,481,900)	109,041,538	30,521,231	139,562,769
Net Profit/(loss) for the period	-	-	-	-	-	(57,979,469)	-	(57,979,469)	(5,689,479)	(63,668,948)
Other comprehensive income	-	-	(245,785)	(32)	-	1,151,622	(369,231)	536,574	(64,274)	472,300
Total Comprehensive Income	-	-	(245,785)	(32)	-	(56,827,847)	(369,231)	(57,442,895)	(5,753,753)	(63,196,649)
Transfer of reserves	-	-	-	105,129	-	(206,045)	-	(100,916)	100,916	-
Dividend	-	-	-	-	-	-	-	(124,656)	(124,656)	-
Total	-	-	-	105,129	-	(203,045)	-	(100,916)	(23,740)	(124,656)
Balance as at December 31, 2013	38,486,258	67,138,064	1,406,249	75,149,294	-	(123,831,008)	(6,851,131)	51,497,727	24,743,738	76,241,466
Balance as at January 1, 2014	38,486,258	67,138,064	1,406,249	75,149,294	-	(123,235,338)	(6,851,131)	51,497,727	24,743,738	76,241,466
Net Profit/(loss) for the period	-	-	-	-	-	(51,235,338)	-	(51,235,338)	(8,234,733)	(59,470,071)
Other comprehensive income	-	-	376,086	-	120,553,816	(787,237)	323,328	120,465,993	10,214,411	130,680,404
Total Comprehensive Income	-	-	376,086	-	120,553,816	(52,022,575)	323,328	69,230,655	1,979,678	71,210,333
Transfer of reserves	-	-	-	(977,440)	-	862,727	-	(114,713)	114,712	(1)
Dividend	-	-	-	-	-	-	-	-	(62,328)	(62,328)
Liquidation of Subsidiaries	-	-	-	(11,095)	-	32,940	191,589	213,434	(262,590)	(49,156)
Total	-	-	-	(988,535)	-	895,667	191,589	98,721	(210,206)	(111,485)
Balance as at December 31, 2014	38,486,258	67,138,064	1,782,335	74,160,759	120,553,816	(174,957,916)	(6,336,214)	120,827,103	26,513,210	147,340,316
	Share Capital	Share Premium Reserves	Fair Value Reserves	Other Reserves	Reserves for Revaluation of Fixed Assets to Fair Value	Result Carried Forward	Foreign Exchange Forward	Fair Value Total	Non-controlling Interests	Total Equity
COMPANY										
Balance as at January 1, 2013	38,486,258	67,138,064	66,924	69,062,881	-	(51,597,440)	-	123,156,688	-	123,156,688
Net Profit/(loss) for the period	-	-	-	-	-	(28,487,024)	-	(28,487,024)	-	(28,487,024)
Other comprehensive income	-	-	(153,162)	-	-	252,413	-	99,251	-	99,251
Total Comprehensive Income	-	-	(153,162)	-	-	(28,234,611)	-	(28,397,773)	-	(28,387,773)
Balance as at December 31, 2013	38,486,258	67,138,064	(86,237)	69,062,881	-	(79,832,051)	-	94,768,916	-	94,768,916
Balance as at January 1, 2014	38,486,258	67,138,064	(86,237)	69,062,881	-	(79,832,051)	-	94,768,916	-	94,768,916
Net Profit/(loss) for the period	-	-	-	-	-	(16,112,019)	-	(16,112,019)	-	(16,112,019)
Other comprehensive income	-	-	474,852	-	40,803,235	(269,449)	-	(41,008,638)	-	41,008,638
Total Comprehensive Income	-	-	474,852	-	40,803,235	(16,381,468)	-	24,896,619	-	24,896,619
Transfer of reserves	-	-	-	(563,550)	-	563,550	-	-	-	-
	-	-	-	(563,550)	-	563,550	-	-	-	-
Balance as at December 31, 2014	38,486,258	67,138,064	338,614	68,499,331	40,803,235	95,649,969	-	119,665,534	-	119,665,534

The attached notes of the Annual Financial Report 2014 are an integral part of the financial statements.

	amounts in Euro			
	GROUP		COMPANY	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit/(loss) before taxes	(73,008,985)	(53,636,733)	(21,390,220)	(20,309,429)
Adjustments for:				
Depreciation of tangible assets	23,072,891	21,775,070	4,858,916	5,376,503
Depreciation of intangible assets	1,035,691	924,180	170,803	110,846
Depreciation of grants	(576,895)	(441,990)	(111,102)	(111,102)
Provisions	463,538	1,685,304	(610,661)	-
(Profit)/loss from revaluation of Assets	23,441,304	-	10,797,228	922,036
Investing activities result (income, expenses, profits and losses)	(551,933)	(243,299)	(68,473)	(103,686)
Interest charges and related expenses	44,723,121	38,326,132	17,568,195	16,171,211
(Profit)/loss from sale of tangible assets	(19,269)	(1,383,972)	(2,080)	(5,936)
(Profit)/loss from sale of investments	-	(613,599)	-	(613,599)
(Profit)/loss from the sale of fixed assets in properties	(105,379)	284,634	(15,087)	34,228
(Profit)/loss from the fair value of derivatives	146,081	284,508	-	-
Impairment of participations	-	-	-	995,300
Decrease/(increase) in inventories	(25,599,390)	20,377,084	(3,803,809)	1,942,244
Decrease/(increase) in receivables	4,348,855	2,192,212	10,039,896	11,982,228
(Decrease)/Increase in liabilities (minus banks)	33,315,198	26,131,357	4,934,237	1,212,904
Interest charges and related expenses paid	(51,295,415)	(39,576,551)	(18,500,877)	(16,418,811)
Income tax paid	(216,109)	(290,258)	-	-
Net Cash flows from operating activities	(20,826,694)	15,794,079	3,866,965	1,184,935
Cash flows from investing activities				
Purchase of tangible assets	(43,592,406)	(57,652,647)	(4,921,731)	(1,325,238)
Purchase of intangible assets	(2,598,711)	(3,636,914)	(301,891)	(248,521)
Purchase of Investment Property	(1,535,473)	-	-	-
Investment properties	22,853	7,272,081	2,080	7,812
Sales of Participations in other companies	-	1,200,725	-	1,200,725
Dividends received	-	-	97,850	75,200
Interest received	96,538	173,632	25,201	28,486
Sales of investment properties	-	-	-	(30,021,402)
Purchase of participation in other incestments	(2,032,641)	(5,200)	(781,641)	(5,200)
Net Cash flows from investing activities	(49,638,840)	(52,648,323)	(5,880,132)	(30,288,138)
Cash flows from financing activities				
Dividends paid to shareholders of the parent	(8,283)	(9,466)	(3,813)	(5,115)
Loans received	60,098,328	330,579,704	23,313,642	180,550,000
Loans paid	(27,902,880)	(274,091,889)	(17,522,500)	(154,313,518)
Changes in financial leases	(166,641)	(321,975)	-	-
Dividends paid to minority interest	(143,315)	(143,315)	-	-
Grand proceeds	8,030,422	2,100,000	-	-
Net cash flows from financing activities	39,907,632	58,113,059	5,787,329	26,231,367
Net (decrease)/increase in cash and cash equivalents	(30,557,903)	21,258,815	3,774,162	(2,871,836)
Cash and cash equivalents at the beginning of period	49,125,244	27,859,388	3,052,697	5,924,534
Cash and cash equivalents at the end of period	11,497	7,041	-	-
	18,578,838	49,125,244	6,826,859	3,052,697

The attached notes of the Annual Financial Report 2014 are an integral part of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HALCOR METAL WORKS S.A.

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 2014 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 2014 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 information 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.

Athens, 13 March 2015

**KPMG Certified Auditors A.E.
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2014

Corporate Responsibility
and Sustainable
Development Report

HALCOR
METAL WORKS S.A.



Corporate Responsibility and Sustainable Development Report 2014

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Message from the Chairman of the Board of Directors

The course towards Sustainable Development, which we have committed to over time, requires actions and measures in all planes. In this context, strongly focusing on the principles of Sustainable Development (economic prosperity, environmental protection and social cohesion), Halcor operates responsibly across the entire spectrum of its activities, as a responsible business partner.

In the difficult economic situation experienced by the country, we try to contribute by strengthening the national economy, supporting Greek society, caring for environmental protection, seeking to preserve jobs and applying responsible operating practices. In this spirit, our Company continued its long-term investment program, with a total investment of EUR 5.9 million and produced a “social product” worth EUR 82.8 million.

In a still rather discouraging business environment, both nationally and internationally, Halcor remained committed to its principles, values and priorities, and achieved all of its objectives related to corporate responsibility that it had set in the previous period. Additionally, the financial results of the year ended marked a significant improvement, as earnings before interest, tax and depreciation (EBITDA) without depreciation of fixed assets amounted to EUR 11.8 million, versus EUR 2.1 million in 2013. Of this improvement, EUR 4.9 million relates to the improvement of the result of metal products, while EUR 4.8 million the improvement of operating profitability. In 2014, the demand for industrial products in the main European markets showed signs of stabilisation after the downward trend of 2013, and we have thus managed to increase our sales volume (in copper tubes) and achieve bigger market shares.

For Halcor, ensuring high product quality is a strategic choice, a competitive advantage and an issue of corporate responsibility. By investing a total of EUR 498 million for the 2000-2014 period in upgrading and expanding our facilities, in creating state-of-the-art infrastructure and in research and development, we demonstrate our commitment to producing innovative products with excellent quality features and high added value for our customers.

In 2014, we completed the installation of the new thermal efficiency laboratory for inner grooved tubes, which has generated substantial benefits for both the Company and for our customers, given the range of new services Halcor can now offer. Moreover, acknowledging that the appropriate management of our supply chain is a major factor for both the competitiveness of our products and for our development planning, we have incorporated corporate responsibility criteria in our procurement procedures.

Our commitment to health and safety at work focuses on creating a workplace free of hazards, injuries, accidents and occupational diseases. The goal of “zero accidents” remains our first priority. To this end, we apply a certified Occupational Health and Safety Management System (OHSAS 18001:2007), we continuously improve our procedures and invest in health and safety support infrastructure in the workplace. Our extensive investments and the health and safety programs applied in recent years have brought about significant improvement in this area.

Halcor is also sensitive to the issue of environmental protection, as attested to by the fact that in 2014, despite the continued poor market conditions, the Company proceeded to a 50% increase in environmental expenditure. Specifically, in 2014 expenditure exceeded EUR 1.5 million, aimed at upgrading Halcor's environmental protection infrastructure, reducing our environmental footprint and continuously improving our performance in this area. Halcor ensures integrated environmental management through the implementation of an Environmental Management System certified according to the requirements of international standard ISO 14001:2004 in all the Company's production units (plants). Furthermore, we place special attention to the efficient use of raw materials and the recycling



of metals, with a view to protecting natural resources, combining structured environmental management with economic efficiency. In 2014, scrap accounted for 49% of the total metals purchased, a substantial high percentage

Halcor sees offering and acting responsibly towards society as one of the important issues in Corporate Social Responsibility and Sustainable Development. For this reason, we stand by the local community and care for the development of a constructive bilateral cooperation. In this context, our Company covers a significant part of its needs in human resources and suppliers from the local areas where it operates, while supporting and boosting various local events and social activities.

This Report presents our operations in 2014, in every area of our business, as well as the strategic priorities we have set for the coming year. Our goal and expectation for 2015 is to continue actively investing in the development of innovative products, through research and the development of new technologies, and to continue providing high-quality products and comprehensive services to the Greek and international market. At the same time, we focus on further reducing our environmental footprint by applying best practices and systems, on continuously improving safety and safeguarding of our employees' health and on strengthening partnerships with local communities, responding to the needs and expectations of our stakeholders.

Although the markets where we operate in suffer from continuing uncertainty, we are determined to remain worthy of the trust our shareholders and other stakeholders have placed in us over time. We are optimistic about the future and feel ready to responsibly meet any challenges that may emerge.

Theodosios Papageorgopoulos

Chairman of the Board of Directors



HALCOR

Presentation of the Halcor Group

Halcor Group

The Halcor Group holds a leading position in Europe in processing copper products, copper alloys, zinc and cables.

1,080
EUR
million

Revenue

30
EUR
million

Gross profit

45.8
EUR
million

Capital
expenditure plan

92.6%

Export
activity
(as % of revenue)



Halcor – Tube works,
Oinofyta, Greece



Halcor – Foundry,
Oinofyta, Greece



Sofia Med,
Sofia, Bulgaria



Fitco,
Oinofyta, Greece



A powerful presence with:

13 Subsidiaries

10 Production plants

220 Volume of sales (thousand tons)

80 Countries worldwide where we have commercial operations

1,000 Total exports (EUR million)



Hellenic Cables Thiva, Greece



Fulgor, Soussaki, Corinth, Greece



Icme Ecab, Bucharest, Romania



Hellenic Cables Livadia, Greece



6



The Halcor Group produces and trades in a wide range of copper and brass rolled and extruded products, zinc rolled products, copper and brass tubes and wires. Based on a clearly outward trade policy, reaching beyond Greek borders, the Halcor Group has developed long-term relations with major customers abroad. These relations are based both on the excellent quality and highly competitive features of the Group's products and on the range of pre- and after-sale services it offers.

The Group's main categories of products are:

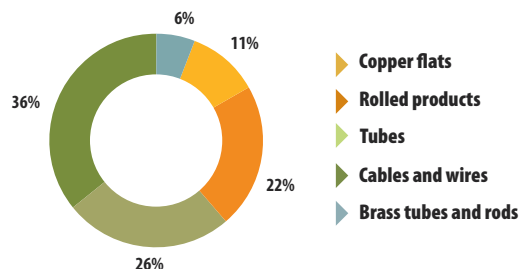
- Copper and brass tubes
- Rolled copper, brass, titan zinc and special alloy products
- Extruded copper and brass products
- Cables of various types and enamelled wires.

We create new, innovative products, realising our objective of continuous innovation at a national and international level, through continuous heavy investments in research and the development of know-how.

For 2000-2014 period, the Group's investments have exceeded EUR 163 million.

In 2014, the Group's sales to the Greek market amounted to 7.4% of the consolidated revenue, while the remaining 92.6% was sold abroad.

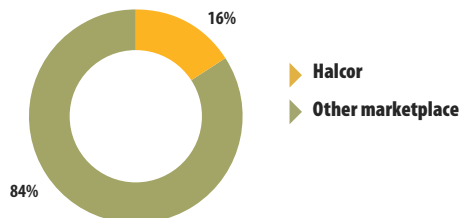
Group Sales



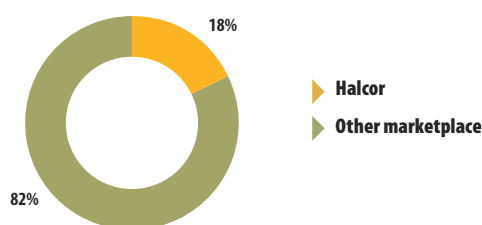


Specifically, 72.2% of sales concerned other EU countries, 8.9% other European countries, 4.3% Asia, 5% America, 1.9% Africa and 0.3% Oceania. The Group maintains large market shares across Europe, as shown in the diagrams.

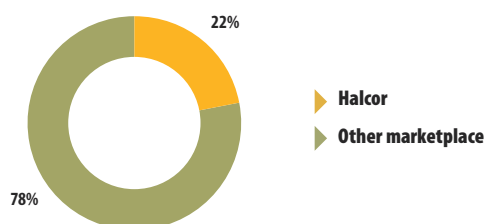
Copper tubes



Copper bars

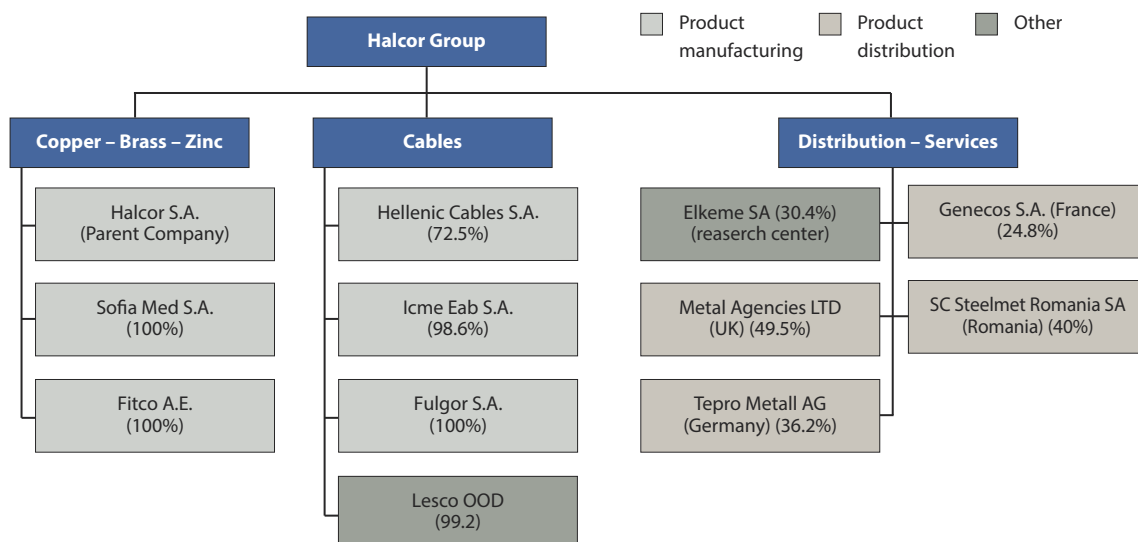


Rolled copper (rolling)



All the above are based on the company's data and on studies carried out by international organizations related to copper.

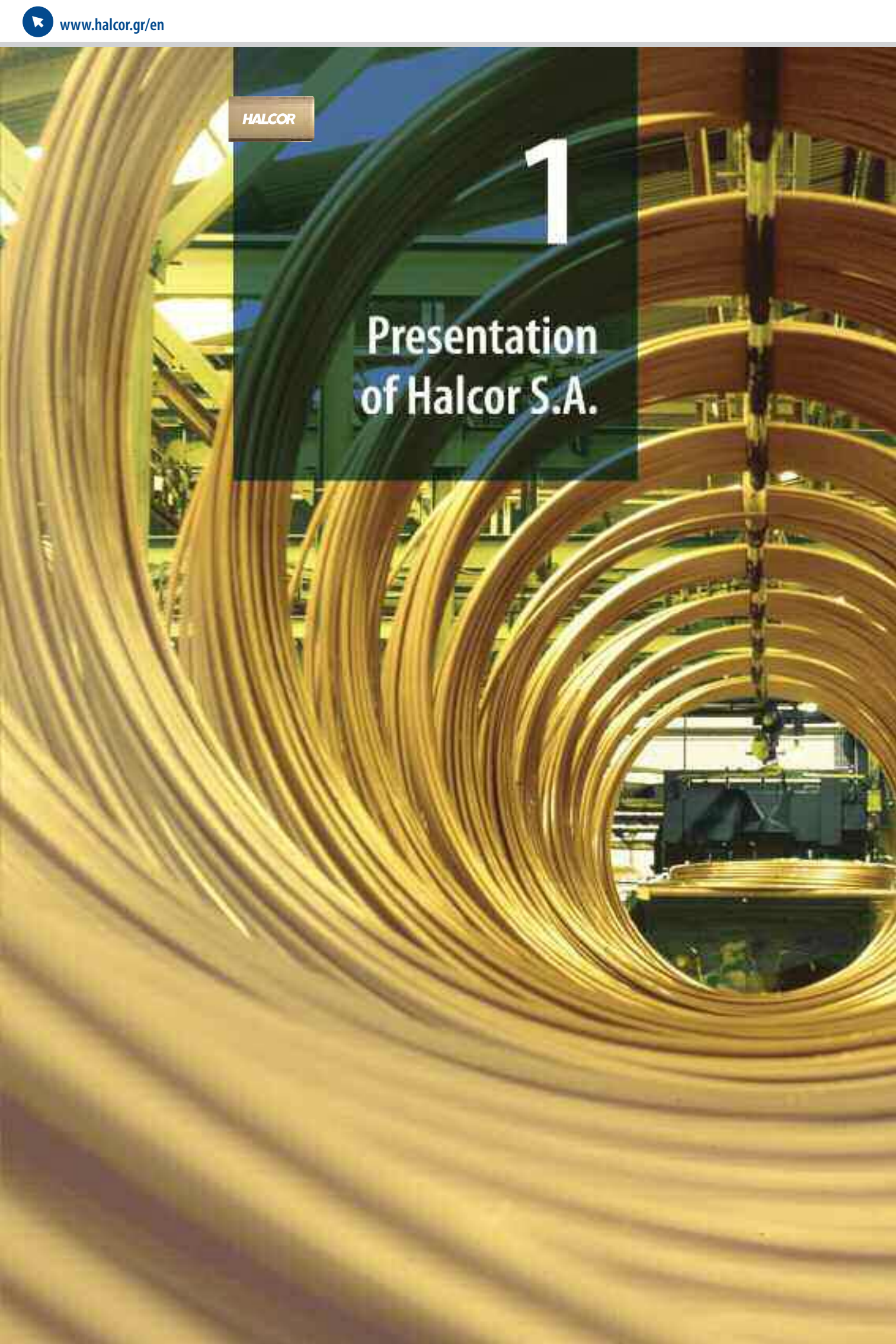
The main companies of the Halcor Group are:



HALCOR

1

Presentation of Halcor S.A.



1.1 Company presentation

Halcor is a large modern company, which holds an important position in the European and global market. It is the sole copper tube producer in Greece and operates in producing a wide range of copper products used in heating, cooling, water supply and natural gas transport networks, as well as in broader industrial applications.

Halcor was founded in 1976 and is headquartered in Athens, at 2-4, Mesogeion Avenue, Athens Tower, Building B, GR 115 27. Halcor is a Societe Anonyme, with shares listed on the Athens Stock Exchange (ASE) since 1996. The shareholder structure of the Company as at 31/12/2014 was as follows:

- Viohalco SA/NV: 66.41%
- Other shareholders: 33.59%.

The Company is predominantly export-oriented, competing worldwide with large multinational companies in the sector. Its operation is structured so as to respond to the increased and demanding needs of international copper product markets, ensuring a successful outward-looking commercial presence. In the fiscal year 2014, sales in markets outside Greece amounted to 92.6% of revenue.

The Company has two modern production facilities in Oino-fyta, Viotia, and a production line in the compounds plant of its subsidiary Hellenic Cables. The investment strategies for research and development it has implemented in recent years have allowed Halcor to rank among the top industries in the sector internationally, creating new standards in copper processing.



416

396

EUR million

Revenue

5,6

EUR million

Capital
expenditure plan



Foundry:

- Production capacity: 235,000 tons per year
- Manufacture of semi-finished products (bars and slabs)



Copper tubes plant:

- Production capacity: 75,000 tons per year
- Production of copper tubes for use in heating, water supply, cooling, natural gas transmission and a/c networks as well as tubes for various industrial applications



10



By investing a total of EUR 498 million for the 2000-2014 period in upgrading and expanding its facilities, in creating state-of-the-art infrastructure and in research and development, Halcor demonstrates its commitment to producing innovative products with excellent quality features and high added value for its customers.

Halcor's products are available in more than 50 countries around the world. The Company is one of the leading companies in copper and copper alloy processing worldwide and the largest copper product manufacturing company in Southeast Europe, and the leader in the Greek market.

The Company produces a wide range of products used in industry, as well as in heating, cooling, water supply and natural gas transport networks. These include TALOS copper tubes, TALOS coated, TALOS GAS, TALOS MED, TALOS ECUTHERM, TALOS ACR, TALOS ACR INNER GROOVED, TALOS GEOTHERM, TALOS PLATED, TALOS ECUTHERM SOLAR, TALOS FORM and CUSMART tubes.

More information about Halcor's products is available in the 2014 Annual Report, section 5 and on the Company's website www.halcor.gr/en/.



1.2 Financial performance

We consider our overall contribution to the country's economic and social development important, as the Company's activities generate value for all stakeholders through, inter alia, the payment of direct and indirect taxes, suppliers, employees, social security contributions and the significant investments we implement each year. In addition to expanding the productive base, these investments create secondary and tertiary income that contributes to increasing national resources.

Social product**Annual contribution to social development (EUR thousand)**

	2012	2013	2014
Payments to suppliers (apart from those for materials and intragroup transactions)	45,620	43,776	42,212
Employee salaries and benefits (including social security contributions)	20,118	17,671	17,084
Payments to capital providers	16,230	17,138	17,568
Company investments	2,379	1,325	5,951
Total	84,347	79,910	82,815

Occurred economic value

	2012	2013	2014
Total revenue (EUR thousand)	551,014	449,410	399,318

In 2014, Halcor saw a significant improvement of its financial results, as earnings before interest, tax and depreciation (EBITDA) without depreciation of fixed assets amounted to EUR 11.8 million, versus EUR 2.1 million in 2013. Of this improvement, EUR 4.9 million relates to the improvement of the result of metal products, while EUR 4.8 million the improvement of operating profitability. In 2014, the demand for industrial products in the main European markets showed signs of stabilisation after the downward trend of 2013, and Halcor has thus managed to increase its sales volume (in copper tubes) and achieve bigger market shares.

Halcor S.A.'s key financials

	2012	2013	2014
Revenue (EUR thousand)	545,522	446,045	396,015
Other revenue (EUR thousand)	5,275	3,290	3,205
Revenue from financial investments (EUR thousand)	217	75	98
Total revenue (EUR thousand)	551,014	449,410	399,318
Operating costs (EUR thousand)	(524,765)	(434,910)	(386,056)
Employee salaries and benefits (EUR thousand)	(20,119)	(17,671)	(17,084)
Payments to capital providers (EUR thousand)	(16,231)	(17,138)	(17,568)
Net profit / (loss) (EUR thousand) – before taxes	(10,101)	(20,309)	(21,390)
Net profit / (loss) (EUR thousand) – after taxes	(10,998)	(28,487)	(16,112)
Net profit / (loss) per share (EUR)	(0.0767)	(0.2813)	(0.1591)
Total payments to governmental (EUR thousand) (taxes paid)	-	-	-
Company investments (EUR thousand)	2,379	1,325	5,951
Total capitalization (EUR thousand)	88,315	83,454	80,910
Equity (EUR thousand)	123,161	94,769	119,666
Total liabilities (EUR thousand)	271,136	305,099	321,288
Total assets (EUR million)	394,297	399,868	440,953

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

More information on Halcor's financials is available in the 2014 Financial Report, the 2014 Annual Report and on the Company's website, www.halcor.gr/en/ (Investors Relations).





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1.3 Our strategy priorities

The Company's strategy is based on the principles of Sustainable Development and Corporate Responsibility, aiming at creating added value for its shareholders, staff and the wider community.

Innovation focus on research and technology



Investing in research and technology, the Company:

- offers an expanded range of products that save energy and respect the environment
- innovates and highlights its leadership in metal processing, creating hi-tech, high added value products for any building, industrial and architectural application
- implements significant investments in equipment and expertise, in order to enhance its production capacity.

Customer-oriented approach



Seeking to maximise customer satisfaction, we:

- place particular emphasis on consistency, our speed of response to demand and the completeness of our product support services
- apply a certified Quality Management System and ensure all our products bear the appropriate certifications.

Investing to our people



Our people are the driving force behind the Company's growth and development. In this context, we apply responsible labour practices, care for the advancement and development of our employees and implement all possible measures to safeguard health and safety in the workplace.



Environmental protection

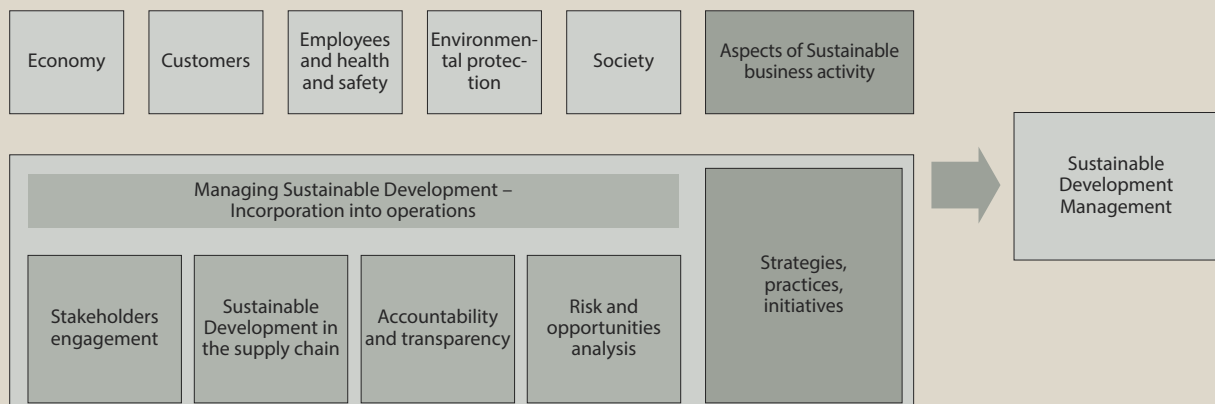


Respect for the environment is everyone's responsibility. Proving our respect for the natural environment and our commitment to reduce our environmental footprint in practice, we apply a certified Environmental Management System.

Sustainable value



- We act responsibly, creating value for all our stakeholders.
- The Company has established and applies a specific Corporate Responsibility and Sustainable Development policy.





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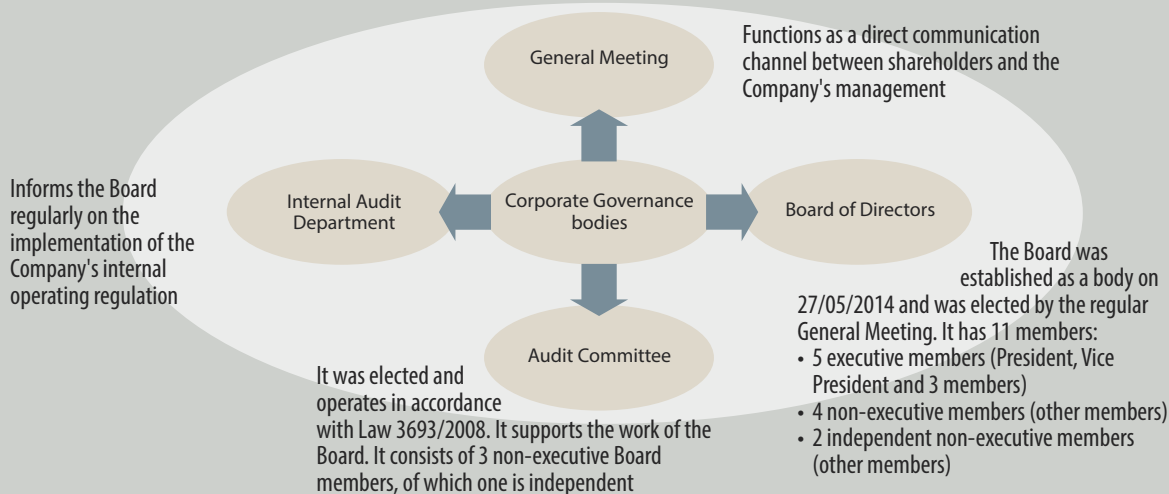
1.4 Corporate Governance structure

The Company has adopted Corporate Governance practices in its management and operation, as defined by the current institutional framework and the Hellenic Corporate Governance Code (EKED), available on-line at www.sev.org.gr/kodikasetairikisdiakyvernisis.gr (more information provided in the Company's Annual Financial Report 2014, p. 14). Halcor's Corporate Governance system aims to ensure the Company's transparent, sound and effective management, which leads to business and financial success in the long term.

In order to enhance our corporate transparency and control mechanisms, we have established and implement an Internal Operating Regulation (approved by the Board of Directors) and a Code of Conduct (binding for all employees throughout the company's operations).

"The Company is committed to operating with integrity. We follow ethical business practices and conduct our activities transparently and reliability. We believe that the Company's growth and success must be based on the excellence of its products and services." (excerpt from the Code of Conduct)

The Company's main corporate governance bodies are as follows:



More information about Halcor's corporate governance and about the line-up and competences of the Board of Directors, the powers of the Chairman of the Board, BoD committees (line-up, competences, and scope) is available in the 2014 Annual Report, the 2013 Annual Financial Report (Corporate Governance Statement – Line-up and operation of the Board of Directors, Company supervisory bodies and committees, pp. 16-21) and on the Company's website www.halcor.gr/en/ (section Investor Relations/Financial Statements).



Avoiding conflict of interests

A series of processes ensuring the prevention of conflicts between the own interests of Board members, executives and other employees and the Company is applied, in order to avoid conflicts of interest.

Avoiding conflict of interests

- Independent and non-executive members in the Board of Directors
- Regular audits by the Department of Internal Audit
- Regular employee information
- Policy prohibiting the recruitment of persons who are spouses or relatives up to the second degree by blood or marriage of a person already working in the Company

Employees and Board members are called to conduct their personal and any other external activities in a way that does not conflict or appear to conflict with the Company's interests.

Risk and opportunity management

Based on a preventative principle, the Company maintains a monitoring mechanism, evaluates and manages potential risks associated with its activity and the current economic environment.

Risk category	Risk management
Industrial risk	To fully achieve the objectives set by the Company in the field of industrial risks, it implements strict operational and safety criteria, in full compliance with Greek and European law. It has also created a detailed contingency plan, covering all possible eventualities and working closely with the local authorities and the Fire Brigade to rapidly and effectively deal with potential incidents.
Environmental risk	Environmental risk is assessed and managed in the framework of a certified Environmental Management System (ISO 14001:2004)
Occupational risk	Occupational risks are assessed and managed in the framework of a certified Occupational Health and Safety Management System (OHSAS 18001:2007)
Financial risks and uncertainties	Information about how financial risks are managed is contained in Halcor's Annual Financial Report 2014 (p. 7-9), available on the Company's website www.halcor.gr (Investor Relations section).

The Company follows a preventative approach in the risk management procedure it implements. The risk management system implemented by the Company aims to avoidance (of risks), the reduction or elimination of events/eventualities that could adversely affect the achievement of its business objectives and the optimisation of those that could, respectively, influence these positively (potential opportunities). Halcor's Annual Financial Report 2014, (p. 9) details its financial opportunities/prospects.

The Company's risk management policies are applied in order to identify and analyse the risks faced by the Company, set risk-taking limits and apply relevant control systems. Both the risk management policies and the risk management systems are examined periodically, so as to take into account any changes in market conditions and the Company's activities. The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs ordinary and extraordinary audits relating to the implementation of procedures, the results of which are notified to the Board of Directors. Halcor's Board monitors and reviews issues related to the Company's Sustainable Development, as well as the risk coverage and management procedure.

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1.5 Awards - Distinctions

We are especially proud when our efforts yield positive results, and when their success is sealed by an award. We feel honoured and deeply rewarded by every distinction, as this rewards the Company's strategic choice to act as a responsible business, investing in modern business practices with a view to Sustainable Development.

Honorary distinction by Tuv Hellas for Halcor's contribution to society as a whole and to consumers.

2008

- 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.

2009



- Honorary distinction for our "2009 Corporate Responsibility and Sustainable Development Report" from the University of the Aegean.

2010

Distinction at the "Business Awards HRIMA - George Ouzounis 2014"

Halcor was recognized as one of the best companies with operations in the international market and was presented with the 2nd Award during the 'Business Awards HRIMA - George Ouzounis 2014'. This distinction confirms the Group's efforts to enhance its export orientation and support the Greek economy, by strengthening its international activity in the production, distribution, processing and marketing of copper, copper alloy and zinc products and cables.

More specifically, Halcor was recognized as an industry that strongly emphasizes on technology development, as well as high quality processes and products that ensure customer satisfaction. The company invests heavily in R&D with the objective to maintain state-of-the-art facilities, introduce technology improvements in various metallurgical applications and offer cutting-edge products and integrated solutions that address specific customer needs.



- The Icap Group rated Halcor as one of the "Strongest Companies in Greece".

Distinction for Halcor at the Greek Exports Awards 2014

Halcor received the 2nd award in the Best Industry Category, during the annual presentation of the Greek Exports Awards 2014 ceremony. The goal of the Greek Exports Awards is to showcase and reward Greek businesses whose activities contribute to increased productivity, competitiveness and employment in the Greek marketplace, while also highlighting best practices that can be utilised by Greek businesses.



Best Supplier Award 2014

Halcor was awarded the Best Supplier Award 2014 from Daikin Europe, a leading innovator and provider of advanced, high-quality air conditioning solutions for residential, commercial, and industrial applications. Halcor supplies Daikin Europe with copper tubes for air conditioning, refrigeration and heating systems. This cooperation lasts almost 20 years.

Halcor was recognised as a "Best Supplier" for the quality of its products and its customer services, among other factors. This recognition is an important validation of the company's customer-oriented approach as it constantly tries to achieve continuous improvements in the quality of its products and services to maintain high levels of satisfaction among other competitive advantages.



- Halcor was chosen as Greece's Country Representative during evaluation of the Greek participations in the European Business Awards 2011.
- Halcor among the "Strongest Companies in Greece" (based on the rating performed by the Icap Group)



- Halcor was praised awarded 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.

2011

2012

2013

2014

Dual distinction for us at the "Bravo 2012" awards:

- 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.



- Distinction at the "Business Awards HRIMA - George Ouzounis 2014".
- Distinction for Halcor at the Greek Exports Awards 2014.
- Best Supplier Award 2014.

- Exporter of the year - Top distinction for Halcor at the Greek Exports Awards 2013.
- IASON 2013: Premier Greek Exports Award at the Greek Exports Awards 2013.
- Honorary distinction for our 2012 Corporate Responsibility and Sustainable Development Report from the University of the Aegean.



1.6 Participation in networks and organisations

In the framework of the Company's Sustainable Development strategy, Halcor actively participates in various networks, organisations, agencies with a view to jointly finding and promoting solutions relating to important sectoral issues, the development of responsible Corporate Responsibility practices or issues of concern to the country in general.



Hellenic Network for Corporate Social Responsibility (CSR Hellas)

CSR Hellas's mission is to promote the concept of Sustainable Development, Corporate Social Responsibility and Social Cohesion in Greece, as well as to develop communication, synergies and co-ordination mechanisms between the companies which are members of the network, for the joined implementation of programs and the exchange of good practices. Halcor is one of the main members of this network since 2009, participating in actions, working groups and network events.



Hellenic Federation of Enterprises (SEV)

Halcor has incorporated the SEV Principles Code concerning the Sustainable Development, while the company has been an active member of SEV since 1997. The Hellenic Federation of Enterprises mission is to contribute towards the modernization and development of Greek enterprises, creating a competitive national asset within the European and global economic competition.



Federation of Sterea Ellada Industries (SBSE)

The Federation of Sterea Ellada Industries (SBSE) (former Viotia Industries Association – SBB) was founded in 1982 and its primary objective is to promote the needs of the industries and to ensure the creation of the appropriate means to achieve sustainable development responsibly, within a competitive business environment. SBSE aims at supporting its members by promoting entrepreneurship, competitiveness, Sustainable Development and the environmental protection of Viotia. Halcor is a founding member of the Federation and has sat on its BoD since 1982.



Federation of Hellenic Recycling and Energy Recovery Industries (SEPAN)

SEPAN's (former SEVIAN) formation was completed in early 2010. Halcor has been a member of SEPAN since 2010 and helped found it. The companies participating in SEPAN operate in Greece and are active in waste recycling and recovery of by-products and secondary raw materials, according to regulations applied to the private sector. SEPAN's mission is to strengthen Sustainable Development through a series of actions related to recycling and energy recovery.

International Wrought Copper Council (IWCC)



The IWCC, which was founded in 1953, is an industrial council whose goal is to promote the copper industry and its interests (Halcor participates as a member of the IWCC). It operates in a large number of countries in Europe, as well as in Japan, Australia, China, Iran, India, Mexico, Malaysia, South Africa, South Korea, Taiwan and USA.



European Copper Institute (ECI)

ECI is a non-profit organization that aims to promote the responsible application and offer updates on the uses of copper. Halcor has been a member of ECI since 1996.



Hellenic Copper Development Institute (HCIDI)

HCIDI was founded in 1996 and is a non-profit organization that aims to promote the responsible application and offer updates on the uses of copper and its alloys, to specialized users and the general public. Halcor is a founding member of the Hellenic Copper Development Institute. Together, they participate in the programs of the European Copper Institute (ECI), which is a non-profit organization and belongs to the International Copper Association (ICA). As a result, HCIDI belongs to a global network of 27 copper centers, funded and supported by the global non-profit organization ICA.



The Company is also a member of the associations and chambers listed below:

- Athens Chamber of Commerce and Industry (ACCI): founded in 1914 to protect and promote commercial and industrial enterprises.
- Union of ASE Listed Companies (ENEISET): ENEISET represents more than 150 companies, representing around 80% of the capitalisation of the Athens Stock Exchange. Halcor participates in the Union of ASE Listed Companies since 1996.
- European Committee for Standardisation (CEN): The company participates in CEN's standard drafting committees.
- Hellenic Recovery Recycling Corporation (HERRC): The corporation was founded in December 2001. In response to the provisions of Law 2939/2001, HERRC has developed the Recycle Collective Alternative Management System in Greece in its endeavour to discharge its obligations in an efficient, cost-effective manner.
- Hellenic Union of Industrial Consumers of Energy (UNICEN): UNICEN represents Greek industries for which energy accounts for a major proportion of their production costs and consequently a key factor in their competitiveness at international level.

1.7 Key facts about copper

Copper and health

Approximately four million people in the EU acquire a healthcare-associated infection each year, from which approximately 37,000 die. Antimicrobial copper kills the microbes that cause these infections.

Healthcare-associated infections place a significant socio-economic burden on people from all regions of the world. In the UK, 300,000 people acquire infections in hospitals each year resulting in nearly 5,000 deaths. These infections are caused by microbes that thrive on objects we touch every day. Antibiotic-resistant organisms have spread from the healthcare environment to schools, homes and mass transit. Despite aggressive hand washing campaigns and routine cleaning, infection rates remain unacceptably high and more needs to be done.

Antimicrobial copper has been shown (following many studies and applications) to kill pathogenic microbes in the laboratory and in the clinical environment, significantly reducing contamination.

Antimicrobial Copper is the only touch surface material to have efficacy data independently verified through the US Environmental Protection Agency (EPA) registration, which supports the claim to continuously kill more than 99.9% of the bacteria that cause healthcare-associated infections within two hours of contact. The supporting science has proven antimicrobial copper to be the most effective antimicrobial touch surface and has sparked a global campaign advocating the use of these materials to combat infectious microbes in healthcare facilities, mass transit, educational institutions and beyond.

More information is available online at www.antimicrobialcopper.com/gr.asp.





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Copper and society

Copper plays a crucial role in today's society. It is essential for our health and well-being, as well as for our homes, businesses and industry.

A sophisticated global supply chain delivers over 25 million tons of copper products annually. Copper is everywhere, often hidden behind walls or inside equipment, covered by protective insulation, or below/above the ground. In general, it is essential for modern living: in delivering electricity and clean water into our homes and cities and makes an important contribution to sustainable development. Its antimicrobial properties have been proven through extensive research and related studies: it reduces patient risk against healthcare-associated infections by over 58%.

Copper's electrical and heat conductivity also contributes to environmental protection by improving energy efficiency, thereby reducing harmful emissions of greenhouse gases. Copper is an environmentally-friendly metal, as its use is not only non-detrimental to the environment but can significantly contribute to its protection, as it is:

Antimicrobial copper is safe to use because:

- It is not harmful to humans or the environment.
- Its antimicrobial properties are inherent, as no chemicals are added.
- It is fully recyclable.



- a 100% natural material found in soil and water
- fully recyclable and can even be recycled many times without losing any of its properties
- an excellent electricity conductor, thereby increasing the efficiency of its electrical applications and has excellent strength and durability.

According to research and studies:

- the use of copper in the manufacture of high-performance electric motors, apart from annual savings of 200 billion KWh, could reduce CO₂ emissions by 100 million tons.
- energy savings through the use of copper in electrical applications (transformers, motors, etc.) could reach up to 70% of energy consumed.



1.8 Key facts about the Corporate Responsibility of subsidiaries

At the Halcor Group, the integration of Corporate Responsibility has advanced to the Group's subsidiaries. There follows a summary of Corporate Responsibility details for Halcor's two main subsidiaries, the Fitco S.A. and Sofia Med S.A. Over the last six years, the subsidiary Hellenic Cables S.A., which is listed in the Athens Stock Exchange, publishes a separate Corporate Responsibility and Sustainable Development Report.

Fitco S.A.

Fitco S.A., a subsidiary of Halcor SA, specialises in producing copper alloys and has operated commercially world-wide for more than 60 years. Its production unit, with a capacity of 40,000 tons per year, located in Oinofyta of Viotia, produces a range of products (using brass scrap in billet form as raw material) through hot or cold extrusion, including:

- Solid and perforated brass bars (round - hexagonal - squared)
- Solid and perforated brass profiles
- Brass wires
- Brass sheets
- Brass tubes with a variety of cross-sections
- Brass fencing for fish farm cages.



The raw materials used come exclusively from recycled copper and brass, in the form of billets.

Who we are

Fitco S.A. was founded in 1978 and is dedicated to the production of copper fittings. In 1984, it merged with Co-tour S.A. and, in 1985, it started the production of brass products

In 2001, it was listed on the Athens stock exchange

Absorbed by Halcor S.A. Certified in accordance with ISO 18001: 2007

Was granted a UR30 patent Production of UR30 brass wire for brass meshes and fish farm cages

1978-1985

1994

2001

2004

2006

2010

2012

2014

In 1994, it secured an ISO 9001 certification

In 2004, it absorbed a brass bar plant from Halcor S.A. Certified in accordance with ISO 14001: 2004

Spin-off from Halcor S.A.

Installation of a 2nd cage with a diameter of 50m, of UR30 mesh



For more information about the company's profile and products, you can visit the company's website www.fitco.gr.



Economic performance

Fitco is a market leader. Importantly, it is a predominantly export-oriented company, as 72% of its production is exported to foreign markets. In 2014, the company's revenue amounted to EUR 59.4 million, while its sales volume amounted to 16,144 tons.

Key corporate indicators	2012	2013	2014
Revenue (EUR million)	53.4	50.6	59.4
EBT (EUR million)	(1.7)	(2.4)	(3.3)
Net profit / (loss) (EUR million) – after taxes	(1.3)	(2.5)	(2.9)
Capital expenditure plan (EUR million)	0.8	0.3	0.3
Operating cost	(50.7)	(49.1)	(58.5)
Employee salaries and benefits	(3.2)	(2.8)	(3)
Volume of sales (tons)	11,839	15,237	16,144
Domestic customers (number)	253	184	200
International customers (number)	94	86	122

Product and service quality

Fitco's Sustainable Development strategy is expressed through significant investments in state-of-the-art equipment, further expanding its range of products and quality assurance certifications. In this context, it operates a specialised and fully staffed quality department, and applies a quality policy and a Quality Management System, in accordance with the requirements of international standard ISO 9001:2008.

The quality department's executives ensure the implementation of the quality policy across the range of the company's activities and perform both routine and non-routine quality control audits. Fitco's products comply with the main European and American quality standards (EN, DIN, BS, NSF, SITAC, ASTM).

Customer satisfaction

Fitco aims to the complete satisfaction of its customers by immediately responding to their needs and offering technical support throughout its commercial network, spread over more than 50 countries worldwide. Utilising its extensive experience, expertise and highly qualified staff, the company has managed to put copper and its products in the service of man.

Fitco sees extensive customer satisfaction as a top priority. In this context, it monitors and records any complaints by its customers and immediately takes corrective actions where required.

Innovation and development of products and technology

Fitco focuses on continuous development, constantly investing in research and know-how to produce innovative products. In this context, it develops new products with innovative applications.



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Antimicrobial copper

Copper, as well as alloys with a copper content of 60%, show one of the basic properties of copper, which is antimicrobial. Greek and foreign scientists have documented this property of surfaces made of copper and its alloys, studying their effectiveness in neutralising bacteria hazardous to health, when these come into contact with such surfaces.



Regarding the effect of copper on bacteria and microbes, Dr Panos Efstathiou, scientific advisor to the Hellenic Copper Development Institute (E.I.ACH.) states: "The microbicidal action of antimicrobial copper alloys eliminates over 90% of methicillin-resistant staphylococci (MRSA). The use of antimicrobial copper touch surfaces in hospitals, and especially in intensive care units, has the best results in reducing in-hospital microbial flora."

The logo of its global trademark consists of the designation "antimicrobial copper" and the sign "Cu⁺". This mark identifies alloys of antimicrobial copper and its derivatives. This global trademark will help in confidently selecting antimicrobial copper alloys and designates the most effective material that does not wear out, has lasting action and is safe to use.

Antimicrobial copper has a number of applications such as is door handles, handrails, indoor surface coatings, batteries and bathroom accessories, catering establishments and public transport.

Brass fish cages

In the framework of managing the issues of viable development relevant to its operation, Fitco has proceeded to wires' production used in constructing fish cages. The wire is made of copper UR30.

The UR30 wire contains copper over 60% and maintains all copper's properties in that it is environmentally friendly, antipollution, high durable, corrosion-resistant and 100% recyclable.

The wire is produced through the use of a copper mixture based on copper, zinc and tin. The UR30 wire's diameter is 2mm-6mm and it obtains the shape of a wire through special reforming machines. The wire is available in square openings from 18mm to 100mm.

The advantages of using copper wires in fish farming are various. The management and production benefits are important and are internationally proved.

Using copper to produce fish cages contributes to antipollution protection without requiring the use of chemicals during bio-pollution. The copper wire helps refreshing the water and oxygenation providing with a cleaner and healthier environment for the fish development in fish farming. Moreover, the copper wire is high durable and corrosion-resistant, while it maintains its shape, volume and good state with the least maintenance requirements. As a result, the operation cost is reduced since divers are not needed for regular maintenance which is a positive factor for the fish.



Copper wire's environmental benefits

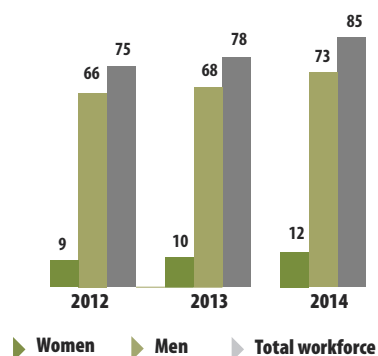
- Prevents fish losses: The fact that it is a durable material and it cannot be cut or broken leads to the fauna's balance in the marine area.
- Deters predators attacks: Due to its resistance it prevents big fish from attacking the fish in the cages
- 100% recyclable material: At the end of lifecycle it is 100% recyclable and can be used to produce new wire
- No anti-fouling chemicals needed: Its body chemistry prevents bio-pollution and therefore no chemicals are required.

Care for our people

Recognising the contribution of employees in the framework of a competitive and constantly changing environment, the Company focuses on the development of its human resources. Fitco invests in its people and takes care to ensure a healthy and safe working environment.



Human resources data



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In 2014, Fitco increased its human resources by 9%. The Company's total employees as at 31/12 amounted to 85 people, of which 20% are locals (17 employees are from the broader region of Viotia and Evia), and 80% from Attica and other Greece.

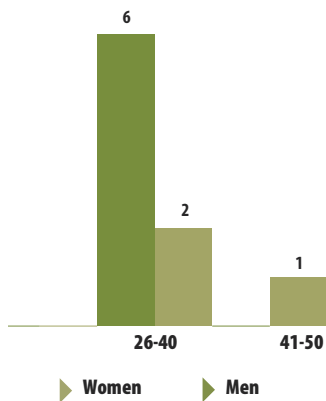
14% of women in human resources

All employees (73 men and 12 women) are covered by labour contracts and are employed on a full-time basis (in 2014, the company employed no seasonal workers or part-time employees).

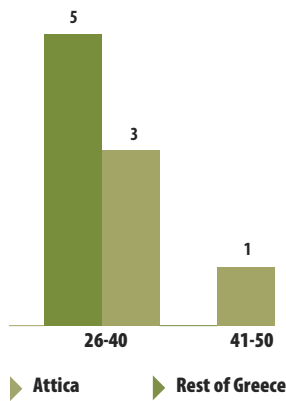
Distribution of workforce by age and gender group	20-25	26-35	36-45	46-55	55+
Men	1	18	13	26	15
Women		6	4	1	1
Total	1	24	17	27	16

Human resources data by geographical sector and gender group	Men	Women	Total
Attica	59	9	68
Greater Viotia and Evia Area	14	3	17
Rest of Greece	73	12	85

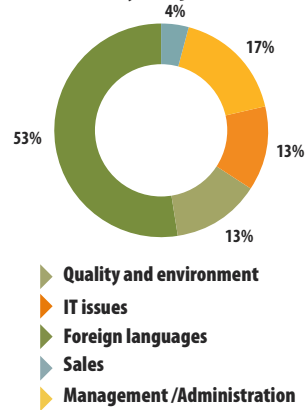
Total employee hires by age and gender group



Total employee hires by age group and geographical sector



Distribution of training man-hours by subject



The training program implemented by the company is multifaceted and covers a wide range of technological and administrative issues, concerning all sectors and levels. Particular emphasis is placed on training related to health and safety at work.

Training indicators	2012	2013	2014
Total training hours	62	68	187
Employee trained	9	4	8

The company applies fair remuneration practices for its employees, while providing equal development opportunities, respecting diversity and internationally protected human rights.

Hierarchical level (2014)	Men	Women	Total
Board of Directors	6	-	6
Managers	4	1	5
Senior executives	-	-	0
Office staff	8	7	15
Other staff (warehouse staff and workers)	61	4	65
Total*	73	12	85

* The Board of Directors members are not included in the Company's total Human Resources.

Occupational health and safety management

The company has set a primary and constant goal to achieve the highest possible level of health and safety for its employees, partners and visitors. The Company's commitment to ensuring health and safety at work is evidenced through the implementation of a certified Occupational Health and Safety Management System (in accordance with OHSAS 18001:2007).

In 2014, the company continued its plan for continuous improvement in health and safety, with preventive measures such as:

- reorganisation and maintenance of the fire prevention system
- upgrading of personal protective equipment
- certification for lifting and other machinery
- continuous training of employees in related issues.

Health and safety indicators	2012	2013	2014
Expenditures for health and safety (EUR)	93,000	40,000	47,000
Health and safety training hours	83	44	40
Training man-hours / production employees	-	-	0.6
Total incidents	2	2	1
Fatal incidents	0	0	0
Lost time incidents	2	2	1
Number of near misses	0	3	1
Man-days lost due to incidents	75	20	61
Frequency Rate	11.3	11.2	4.8
Accident Severity Rate	424	112	290
Injury rate (IR)*	2.26	2.24	0.95
Occupational disease rate (ODR)*	0	0	0
Absentee rate (AR)*	84.8	22.35	58.07

* Pages 114 and 115 present the index calculation formulas.

Environmental protection

With great respect to the environment, the company constantly strives to reduce its environmental footprint. In this context, it has developed and operates a certified Environmental Management System complying with the requirements of international standard ISO 14001:2004. At the same time, it implements a large-scale capital expenditure plan each year, dedicated to environmental protection and prevention projects, mainly aiming at its continuous improvement in environmental management issues. In 2014, investments in this area amounted to EUR 379 thousand.

Environmental expenditures (category)	2014
Maintenance and operation of environmental protection equipment	100,258
Environmental Management Department and consulting services	45,975
Waste management by licensed contractors	143,293
Monitoring environmental parameters	54,014
New environmental infrastructure and anti-pollution systems	35,897

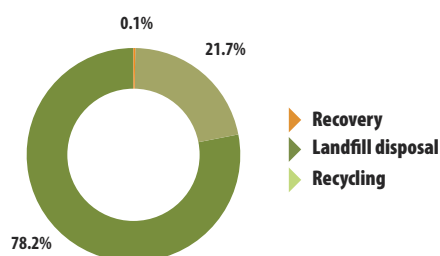
Proving its commitment to continuously reducing its environmental footprint, Fitco monitors its environmental performance and implements environmental management plans and responsible environmental practices, such as:

- use of an oil-solvent mixture to reduce fugitive emissions
- neutralisation of acid solutions in a physicochemical treatment unit
- use of equipment (oil spillage collection basins, chemicals) to collect possible leakages
- collaboration with licensed companies in waste management issues
- optimisation of production processes through the use of the Best Available Techniques defined by the European Union
- continuous training of employees in environmental management issues and distribution of of the educational leaflet: "Instructions for good environmental behaviour" to all employees.

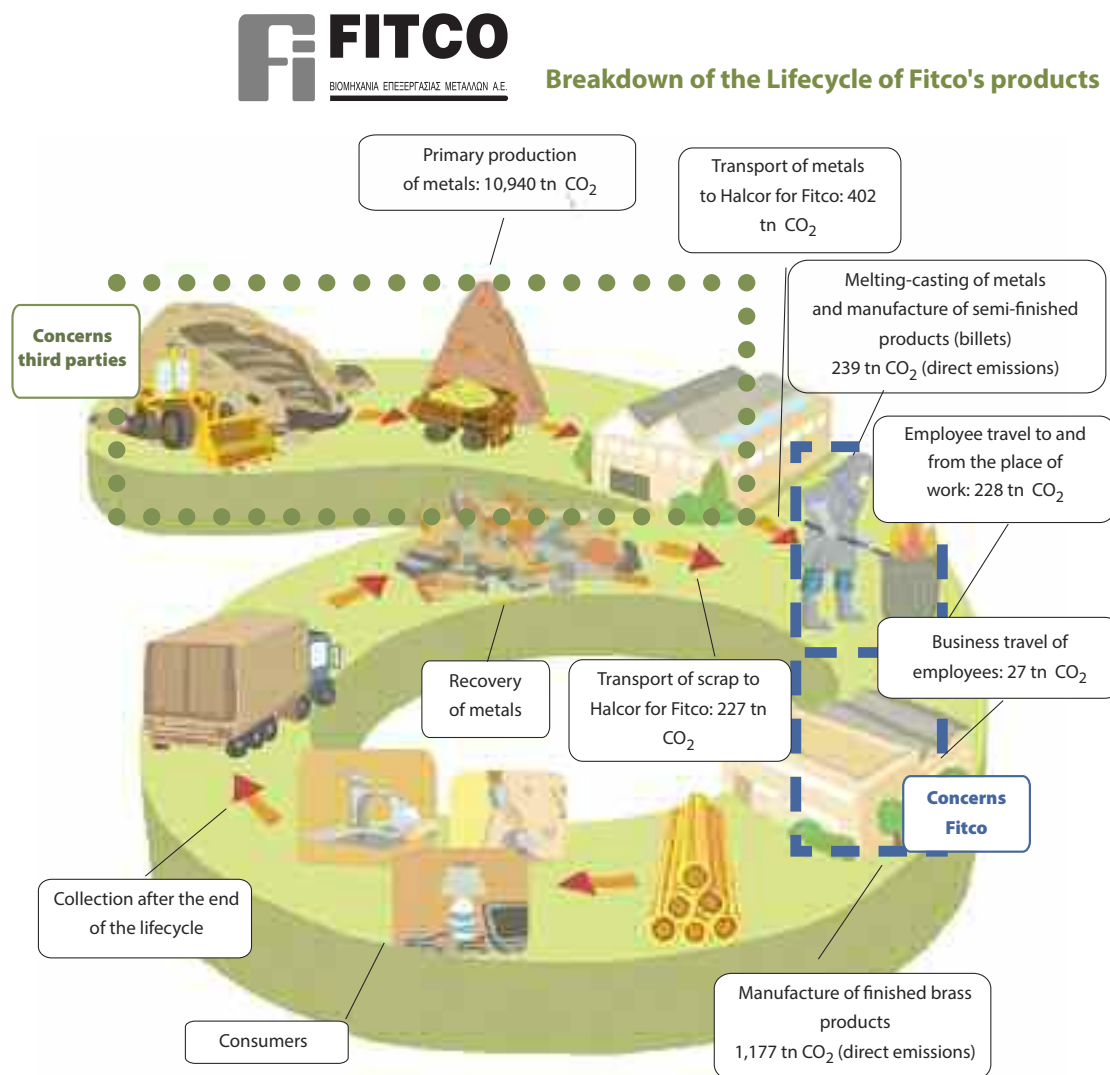
Environmental performance	2012	2013	2014
Energy consumption (KWh)	3,569,799	4,136,000	4,453,278
Specific energy consumption (KWh per 1 tn product)	293	322	278
Thermal energy consumption (KWh)	5,874,672	5,639,140	6,516,604
Water consumption (m ³)	28,894	38,782	45,372
Specific CO ₂ emissions (Kg CO ₂ /tn product)	86.9	79.1	73.5
Total direct emissions CO ₂ (tn)	1,059,847	1,015,455	1,176,982
NO _x emissions (Kg)	796	761	879
Specific NO _x emissions (kg/tn products)	0.065	0.059	0.055
Number of non-monetary sanctions for non compliance with environmental laws and regulations	0	0	0

The company applies management practices for the waste produced as a result of its production processes, according to applicable laws and regulations. In 2014, special waste production amounted to 1.650 kg/tn product, down by 11% compared to the previous year.

Waste management method



The following diagram presents calculated data on environmental impact (GWP - Global Warming Potential - CO₂ emissions) based on the evaluation of certain stages of the lifecycle of Fitco's products.



The company aims to extend the calculations to subsequent stages/phases of its products' lifecycle in the coming years.

Supporting local community

Fitco sees offering and acting responsibly towards society as one of the important issues in corporate social responsibility and Sustainable Development. Despite the continued international and national economic downturn, in 2014, once more, the Company made substantial efforts to meet the needs of, and to offer to, society. At the same time, Fitco's employees actively demonstrate their social sensitivity, not just by contributing but also by organising volunteer support programs for vulnerable social groups (gathering and distribution of goods to needy families in the local area) and environmental protection (beach cleaning) by their own initiative.



Sofia Med S.A.

Sofia Med, a subsidiary of Halcor, is based in Sofia, Bulgaria in an area of 250,000 sq.m. and has three production units: foundry, rolling and extrusion. Sofia Med produces a wide range of rolled and extruded copper, copper alloys and zinc products such as sheets, strips, plates, disks, rods, bus bars, profiles, components and wires, used in a diverse range of building and industrial applications.



Sofia Med prioritises Sustainable Development issues, such as caring for employees, protecting the environment, ensuring health and safety at work and high customer satisfaction. To this end, it implements integrated systems for quality management, environmental management, and management of health and safety at work, in accordance with the requirements of international standards ISO 9001, ISO 14001 and OHSAS 18001. Its wide range of products meets the requirements of the European standards (EN), and the standards BS, DIN, ASTM, JIS or any other specific customer requirements. The company plans to launch procedures for the implementation of ISO 26000:2010 in 2015.

For more information about the company profile and its products, please visit www.sofiamed.bg.



Between 2001-2014 the company implemented a major investment plan worth EUR 165 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 produce wider and thinner strips and sheets
- Better equipment at the extrusion plant
- Improvements to and automation of the entire production process and quality procedures
- Energy performance projects
- Fire refining line for scrap
- Tin-plating line for bus bars.

Key corporate indicators	2012	2013	2014
Capital expenditure plan (EUR million)	6.3	6.8	9.3
Gross profit (EUR million)	5.3	(2)	0.9
Sales revenue (EUR million)	341.3	346	319
EBITDA (EUR million)	9.2	2	5.4
EBIT (EUR million)	0.2	(7)	(4)
Working capital (EUR million)	34.5	53	41
Debt / Equity (EUR thousand)	1.32	1.05	1.13
Customers (total number)	388	423	426
Employee salaries and benefits (EUR million)	6.2	6.9	6.6

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



Sofia Med ensures its operations integrate corporate responsibility practices, respecting the principles of Sustainable Development. The Company is committed to transparency in all its operations, protects the health and safety of its employees and seeks to constantly manage its environmental impact. Sofia Med implements a series of actions and plans across all fields pertaining to Corporate Responsibility, such as:

- protection of the natural environment and continuous improvement of the company's environmental performance
- continuous improvement of working conditions and ensuring a safe and efficient working environment (management of health and safety at work)
- keeping customer satisfaction at high levels and quality management of products and services
- advancement and development of employees and providing equal opportunities at work
- investments in technology that will allow greater use of recycled materials and further reduction in direct emissions.

Enhanced customer service

Customer satisfaction is a top priority for Sofia Med which has a comprehensive Quality Management System. Systematically implementing it, the company can guarantee the very high quality standards are met and the specific customer requirements are achieved. Implementation of the company ISO 9001:2008-compliant Quality Management System is based on its Quality Policy.

The company business is the manufacturing of copper, copper alloys and zinc products. The Quality Policy states the following objectives:

- Continuous improvement in the level of customer satisfaction
- High quality products to meet customer requirements and remain highly effective
- Maintaining the company reputation for quality, customer service and reliability, as well as improving it further
- Constantly adapting to new market needs
- Collaborating with customers to develop tailor-made products and solutions that match their needs.

Development of high performance alloys

Sofia Med aims at the development of production capabilities in the area of two high performance alloy groups:

1. Copper Nickel Silicon alloys – CuNiSi alloys, which are utilized almost exclusively in the automotive industrial sector for the construction of electrical connectors
2. Copper Iron alloys – CuFe alloys, which are used both in the automotive industry for electrical connectors, as well in the sector of electronics for the manufacture of lead frames.

Downstream operation of the components

Due to the specific requirements of each customer, Sofia Med provides bespoke technical support and expertise, as well as tailor-made solutions for copper fittings. The company has made significant investments in modern machinery and production lines for extruding, punching, bending and lathes (CNC). The accurate final quality control guarantees their high quality.

Preweathered titan zinc

Sofia Med provides preweathered titan zinc products. This material varies in shades, providing manufacturing solutions that can best suit local customer preferences, innovative architectural concepts, and construction projects with particularities.



Care for our people

Sofia Med invests in its people, emphasising their continuous training and development. At the same time, it provides all its employees with equal opportunities for professional development and personal growth, with respect for human rights, supporting diversity and equality in the workplace, without room for discrimination.



Each year, Sofia Med carries out a series of social events and educational campaigns for employees and their families, including:

- May: a month dedicated to health, safety and the environment
- annual social event for employees and their families, with a tour of the plant's premises
- annual summer children's camp
- annual Christmas children's party
- annual medical examinations for all employees.

Human resources data (31/12)	2012	2013	2014
Men	443	476	441
Women	105	109	113
Total workforce	548	585	554
Employee departures	64	68	116
Employee hires	91	122	70
Total training hours per employee	11	8	15

As part of its social policy, Sofia Med provides additional health insurance for its employees, as well as a medical centre, which operates within the Company's facilities.

Occupational health and safety management

The Company recognises the protection of employee health and safety as a top priority and therefore implements an Occupational Health and Safety Management System (in all its production facilities), certified in accordance with the international standard BS OHSAS 18001:2007.

At the same time, it implements a health and safety policy, which focuses on creating a working environment free of hazards, injuries, accidents and occupational diseases. The Management's main objective and priority is to continuously improve health and safety at work.

Health and safety indicators	2012	2013	2014
Expenditures for health and safety (EUR million)	0.5	0.5	0.8
Health and safety training hours	6,737	4,536	3,204
Training hours per employee	4.2	7.6	5.8
Total incidents	10	6	4
Frequency Rate	8.3	4.6	3.3
Accident Severity Rate	264	195	106
Lost days	318	256	129

Environmental protection

Environmental protection stands high in Sofia Med's priorities. The company is committed to continuously reducing the environmental impacts from its operation and, to this end, implements a certified Environmental Management System, in accordance with international standard ISO 14001:2004. At the same time, to reduce its environmental footprint and continuously improve its environmental performance, in recent years, the Company has invested in new infrastructure and technologies and has achieved a further increase in the use of recycled materials.

Environmental performance	2012	2013	2014
Environmental protection investments and expenditure plan (EUR million)	0.5	0.4	1.5
Energy consumption (MWh)	53	56	55
Water consumption (m ³)	655,563	652,151	428,209
Specific CO ₂ emissions (Kg CO ₂ per 1tn product)	225	223	220

Supporting local communities

Sofia Med strives to form partnerships with the local communities in which it operates, as well as with all its stakeholder groups. The company supports local communities, cultivates a spirit of cooperation with local authorities and strives to meet the various needs that arise by sponsoring and supporting social programs in this field. At the same time, it collaborates with various government agencies, technical colleges and universities and provides professional education and training to students and university graduates.

HALCOR

2

Customer-oriented approach





For us, satisfying our customers' needs is a strategic priority. We systematically invest in research and technology, always aiming at innovation and the creation of advanced technology products.

We have completed the installation of the new thermal efficiency laboratory for inner grooved tubes



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2.1 Investing in research and technology

We systematically invest in research and continuous improvements and developments, with the aim of developing innovative new technology products to provide integrated and tailor-made services to our customers. In this context, we implement a continuous investment program on an annual basis, focusing on the optimisation of production processes.

Investing in research and technology: Completion of the installation of the new thermal efficiency laboratory for inner grooved tubes

Oriented to our goal for comprehensive customer service and in the framework of development and improvement, in 2014, we completed the installation of a new, innovative thermal efficiency testing platform/laboratory for Inner Grooved Tubes (IGT).



The thermal efficiency testing platform allows the measurement of the heat transfer coefficient of tubes for heat exchangers. The heat transfer coefficient is measured for HFC refrigerants (R410A, R134A, etc.) in the condensation and evaporation phase. It is also possible to measure pressure drops due to friction.



This platform allows the incorporation of the test results in an integrated technical support framework for customers/heat exchanger manufacturers, for the optimisation of the exchanger's design by improving any of the following parameters:

- improved efficiency
- greater features/capacity
- reduced use of raw materials
- reduced heat exchanger size
- reduced refrigerant load.

In this way, we are now able to:

- accurately understand the basic principles that govern the behaviour of heat exchangers with different internal tube groove designs
- associate the operating conditions of the heat exchangers with those at the laboratory
- adapt the design of the geometry in internal tube groove designs, in such a way as to achieve the desired performance objectives set by each manufacturer for the heat exchanger sub-design.

The results from the use of this laboratory include significant benefits both for the Company and for its customers, given the new range of services that it is now in position to offer.

The technology applied for the manufacture of TALOS® IGT series of copper tubes allows us to produce advanced models of tubes with inner grooves to a full range of sizes, starting from tubes of 16 mm outer diameter up to a new generation of tubes under microgroove® technology with an outer diameter of 5 mm or less. Halcor is among the few manufacturers featuring this technological capability.

Furthermore, with this new platform, the tests conducted, have resulted in the optimisation of energy efficiency tubes, with very positive results for the environment. The use of energy efficient pipes has

resulted in an overall improvement in energy efficiency of new energy exchangers, having as an ultimate benefit the reduced energy consumption and therefore fewer air pollutants into the atmosphere.

Technical customer support has already started in an integrated and targeted cooperation program which starts with the design of tests and is completed with the evaluation and exploitation of results. It is worth noting that the improvement in thermal efficiency of a tube with internal groove threading (IGT) may be at 120%, compared to a smooth tube.



In order to strengthen research in the field of copper, to develop new technologies, to improve products and to meet today's requirements, we participate and collaborate with Elkeme - the Hellenic Research Centre for Metals.

Additionally, the Company is a founding member and participates in the preparation of programs of the Hellenic Copper Development Institute (H.C.D.I.), either in the form of providing materials and room to hold seminars or through funding to implement some specific programs across Greece. This enhances its continuous development and improvement and its presence in the developments as regards copper and new technologies.

Events for thermohydraulic issues

The Company supported holding the following information thermohydraulic events conducted by the H.C.D.I. in 2014:

- Event on "The role of copper in modern society" held in Patras
- Event in collaboration with the plumbers' association of the Prefecture of Karditsa
- Event in collaboration with the plumbers' association of the Prefecture of Trikala
- Event in cooperation with the association of hydraulic - thermal and air conditioning works of Volos - Prefecture of Magnesia
- Event in collaboration with the plumbers' association of the Prefecture of Larisa.
- Contest for plumbers-burner technicians, for the sixth consecutive year.



Event on "The role of copper in modern society"

The event on "The role of copper in modern society" was held in Patras in cooperation with the H.C.D.I. The objective of this event was to mainly stimulate the construction industry, enabling professionals to enhance their knowledge regarding innovative applications of copper, adding value to their business. At the same time, it also informed the public and on the role of copper in modern society.

The topics presented at the event focused on the applications of copper in plumbing systems, electrical installations and new opportunities that the properties of antimicrobial copper brings. Specifically, the following thematic issues were discussed: "Copper in the water supply - heating - cooling - air conditioning networks", "Secure household facilities" and "Antimicrobial copper in designing indoor areas and boosting health".



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2.2 Products

The Company produces a wide range of products used in industry, as well as in heating, cooling, water supply and natural gas transport networks. These include TALOS copper tubes, TALOS coated, TALOS GAS, TALOS MED, TALOS ECUTHERM, TALOS ACR, TALOS ACR INNER GROOVED, TALOS GEOTHERM, TALOS PLATED, TALOS ECUTHERM SOLAR, TALOS FORM and CUSMART tubes.

TALOS® ACR Linesets

TALOS® ACR Linesets are designed especially for the split Air-Conditioning and Heat Pump Systems products requiring installation with flared connections. The unique advantages offered by TALOS® ACR Linesets, including, copper resistance and durability, high performance foam insulation and pre-flared ends with mounted flare nuts, result in significant energy savings and in quick, cost effective field installations.

Advantages of TALOS® ACR Linesets:

- significant and continuous energy savings
- quick, safe and cost-effective installations
- comprehensive range of sizes.

TALOS® ACR Linesets comprise pre-insulated TALOS® copper tubes manufactured according to the European Standard EN 12735-1 for use in air conditioning and refrigeration installations. TALOS® ACR Linesets meet the current requirements imposed by the new green refrigerants (R -410A, etc.), adopted by major refrigeration and air conditioning unit manufacturers. The insulating material used in the manufacturing of TALOS® ACR Linesets is an extruded high quality crosslinked polyethylene (PE-X) foam with closed microcells. The closed microcells of the insulating material, combined with an external protective skin layer of thin polyethylene coating, form an integral barrier to aggressive environments. The continuous factory-applied insulation avoids seams or openings that can cause dripping and decrease efficiency. The ends of TALOS® ACR Linesets are conveniently pre-flared and mounted with forged brass flare nuts manufactured according to the SAE J513 international standard for use with standardized 45° flare joints. The flare nuts are capped with protective plastic plugs for shipment.



TALOS® ACR Linesets are supplied either in single or "twin tube" configurations with a variety of foam thicknesses to meet every insulation requirement. The comprehensive range of sizes reduces waste and time.

TALOS PLATED™

TALOS PLATED™ copper tubes have been developed for use in plumbing and surface heating installations. These metal plated copper tubes provide unique aesthetics and are suitable for both new-build and renovation work. There is no need to conceal the tubes and the result delivers a smart finish, which is easy to keep clean. TALOS PLATED™ copper tubes possess excellent resistance to internal, as well as, external corrosion due to the inherent properties of copper and the tough external coating. The metallic coating ensures a brightly polished, mirror-like surface that is long lasting and is well matched with other plated accessories found in contemporary bathroom and heating installations. TALOS PLATED™ copper tubes are supplied in half-hard or soft temper that enables easy bending. This makes TALOS PLATED™ copper tubes quick to install, saving time and money.

**Product features:**

- Long lasting plated surface for that modern chromium-look which fits perfectly with contemporary taps, radiators, towel rails and bathroom fittings.
- Suitable for all exposed plumbing and heating installations, in both horizontal and vertical runs.
- Half-hard temper to retain the bendable qualities of copper tube.
- Supplied in a variety of straight lengths to save waste.

TALOS LPG

LPG for vehicles is the term generally used for liquefied petroleum gas, when used for the propulsion of land vehicles. LPG has heating value similar to that of gasoline, which makes it an excellent fuel for automotive use. The main component gases of automotive LPG is propane (C₃H₈) and butane (C₄H₁₀). Following the recent implementation of European Regulation ECE-R67, Halcor has developed the TALOS® LPG copper tubes for use in LPG vehicles, who meet successfully the requirements of even the strictest controls. TALOS® LPG copper tubes are manufactures according to the harmonised European standard EN 12449. The outer plastic covering reduces heat loss, prevents burns to users, protects copper tubes from aggressive environments and prolongs their product life. The outer plastic covering is elastic and allows bending and any other handling during installation. TALOS® LPG copper tubes meet the requirements of ECE-R67 and satisfy the German regulation on AD 2000/W6 pressure containers.

TALOS FORM

Halcor has developed TALOS FORM as an advanced copper tube with exceptional forming capability. TALOS FORM is characterized by the ability to be formed into shapes that have a high level of permanent elongation. This advanced forming ability finds application in the manufacturing of critical HVACR elements, such as connection fittings, heat exchangers parts and other intricate-formed components.

The use of TALOS FORM over standard tubing ensures higher productivity, by requiring a smaller number of forming steps to achieve a precise shape. At the same time, components made from TALOS FORM achieve excellent functional quality.

The enhanced properties of TALOS FORM are achieved through a highly-controlled production process, specifically designed for the particular purpose. The high level of formability of TALOS FORM is verified through measurement of the tube expansion behavior, following the standardized test method EN ISO 8493.

For more information on Halcor products see the Annual Report 2014, section 5, and the corporate website www.halcor.gr.



2.3 High product quality

We constantly improve the quality of our products and services, so that they have a prominent position in the European and global market.

Our products and services are distinguished for their high quality. This gives them a leading place in the European and global market.

The Company applies a highly organised Quality Management System, adapted to the needs of modern industry, which is certified according to the requirements of international standard ISO 9001:2008.

Applying requirements, standards and regulations

Strict and comprehensive control is carried out by qualified and trained personnel at all stages of production to ensure high quality in products offered by the Company. The quality control procedures applied are confirmed both through frequent audits by customers, and through audits by independent national and international certification bodies.


In addition, we carry out continuous controls to ensure product compliance with performance criteria, as determined by requirements of international standards, order and customers requirements. Meeting the needs of each customer in full is a priority for the people of the Company.

Monitoring and product controls














- Control of all incoming materials (in terms of quantity and quality)
- Regular checks throughout production (based on specific procedures with detailed work instructions)

Quality marks

The observance of high standards of quality products is certified through the various quality labels that accompany them. Below are listed in detail all quality labels that accompany our products.

Certification	Country	Label
AENOR	Spain	
CSTB	France	
AFNOR	France	
NSF	U.S.A.	

Certification	Country	Label
VTT	Finland	
CU	Germany	
GREDEC	Algeria	
VIK	Croatia	

Certification	Country	Label	Certification	Country	Label
NSAI	Ireland		KIWA	Netherlands	
DVGW	Germany		GOST	Russia	
GL	Germany		SITAC	Sweden	
TUV CERT	Germany		SETSCO	Singapore	
CE	European Union		SZU	Czech Republic	
BSI	United Kingdom		KIWA/GASTEC	Netherlands	
ATA/KIWA	Netherlands				

Ensuring the health and safety of users

Although the Company's products are primarily used for industrial purposes, regular checks are carried regarding the interaction of products with the health and safety of users, since in some cases the Company's products are used in important applications, such as water pipes. In any case, the natural properties of copper contribute to protecting the health of end users, as they offer significant antimicrobial action.

Safety in product use during application

- The relevant safety data sheet is issued, to inform final recipients
- Info leaflets drafted and issued, which include all information relevant to the optimal operating conditions of the products
- Manuals are made available, stating the performance guarantees provided by the Company (for water supply and natural gas pipes)

According to numerous recent scientific studies, copper features strong antimicrobial properties. This makes copper and its alloy products ideally suitable for use in various sectors such as health, heating, plumbing, ventilation, air conditioning and food processing.

2.4 Customer satisfaction

Customer satisfaction survey

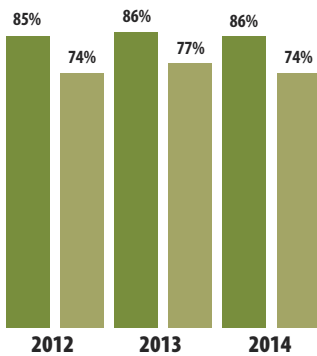
One of Halcor's ongoing pursuits is the extensive satisfaction of its customers and partners. The Company's philosophy focuses on customer satisfaction and considerable efforts are made over time to ensure this goal. The certified Quality Management System applied in the Company highly contributes to this end.

Customer satisfaction levels are systematically recorded and structured, through regular customer satisfaction surveys, while the survey results are evaluated to plan actions for improvement where necessary.

Specifically, the Quality Management System applied by the Company records and evaluates a combination of customer opinions, any complaints and takes into account their comments and suggestions for the continuous improvement of product and service quality.

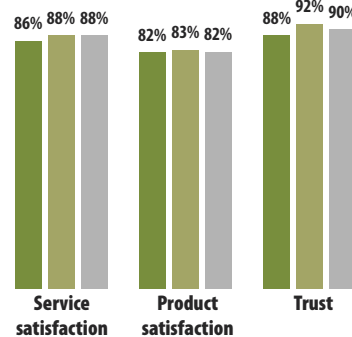
In 2014, customer satisfaction levels remained broadly unchanged, with a slight decline for customers abroad, nonetheless remaining at relatively high rates.

Total Halcor customer satisfaction (%)



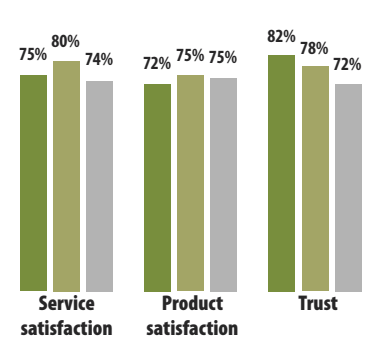
- ▶ Domestic customers
- ▶ International customers

Degree of satisfaction domestic customers (%)



- ▶ 2012
- ▶ 2013
- ▶ 2014

Degree of satisfaction international customers (%)

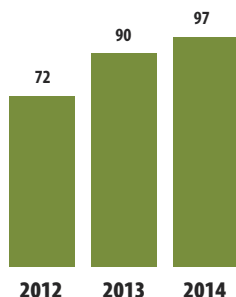
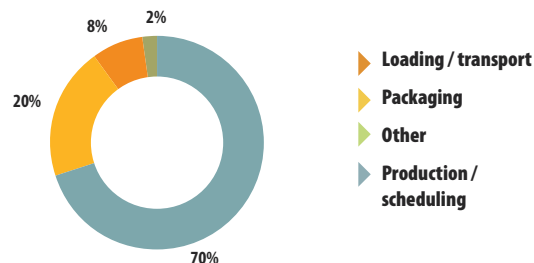


- ▶ 2012
- ▶ 2013
- ▶ 2014

Complaint management

The Company's philosophy regarding possible complaints that may arise from customers, aims at continuous improvement. Therefore, those are treated more as a source of information, an opportunity for improvement and possible redesign of procedures where necessary, rather than as something undesirable which should be ignored.

The Company manages arising complaints in an organised manner, recording them and forwarding every complaint to the competent department. In 2014, for yet another year, Halcor achieved further improvement with respect to the response time to customer complaints, reflecting a continuous effort for improvement and high customer satisfaction.

Total customers complaints**Complaint type / category**

Looking at customer complaints in absolute values, there was an increase of 7,7% of the total number of complaints in relation to 2013. However, taking into account that the cost of compensations was reduced by 10%, the total quality performance has improved. The increase in the absolute value of complaints is due to minor unfortunate events such as damage during transport.

Corrective action to a customer claim

A new technological product (thin-walled copper tube with internal threading) was developed for use in high performance cooling units. The main objective was to achieve significant energy efficiency (by reducing wall thickness and diameter), without implying lower productivity during the production phase of cooling units. After trial production, the product was put into mass production. At the assembly line (customer/unit manufacturer line), the client identified weaknesses in the welding phase, leading to an increased number of discharges. Laboratory investigations have shown that the cause of failures was the insufficient removal of internal lubricants in the tube by nitrogen flushing (traditionally applied).

Although until now the applied oil removing technique was successful, thorough studies and laboratory data resulted in:

- changing parameters of the purification process/removal of internal lubricants,
- improvements to the nitrogen flushing device and
- increasing controls to verify the correctness of operations.

The success of the method was confirmed by the customer by an increase of the ordered amounts.

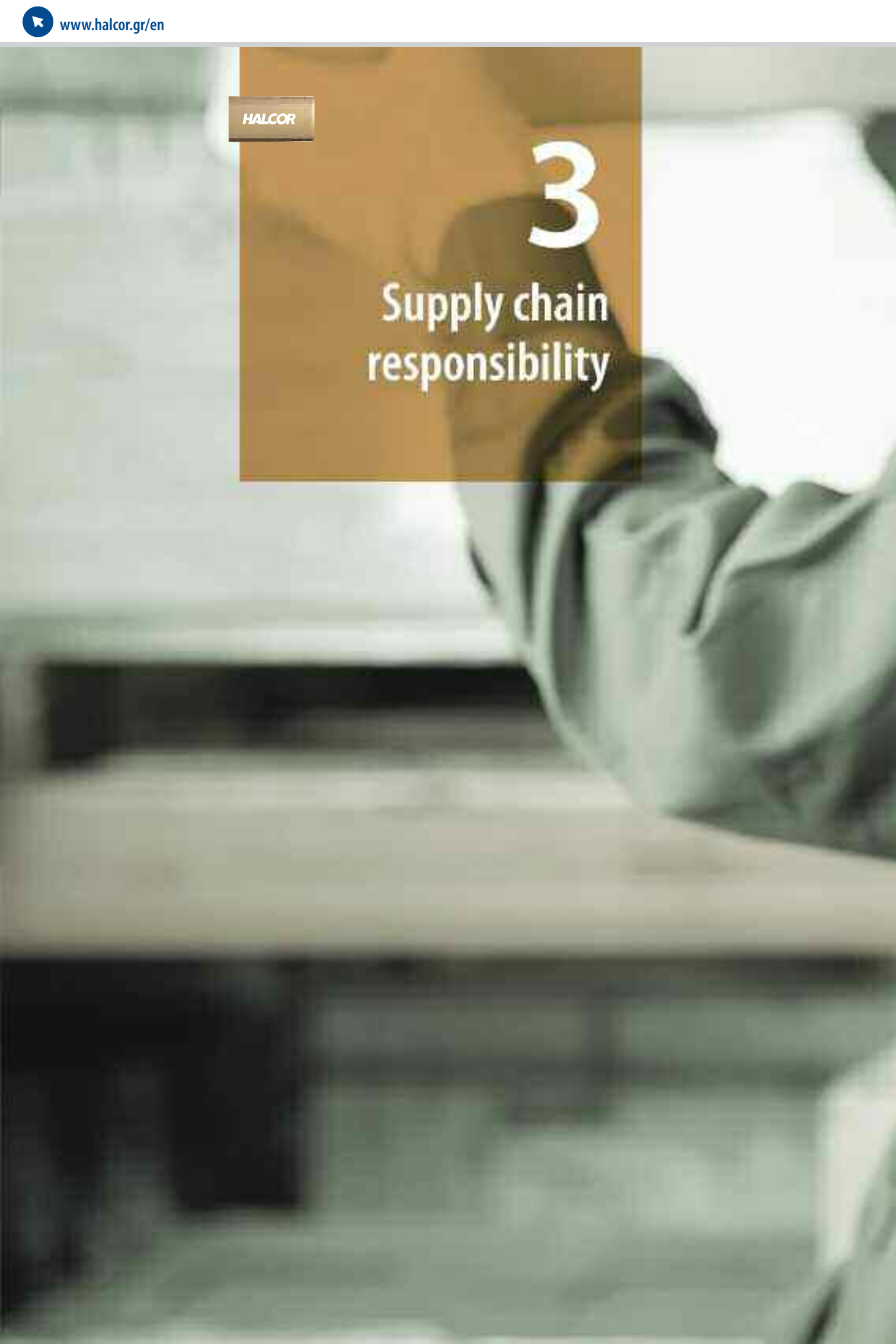
Our goals for 2015

1. Development and promotion of new products in the domestic and international market.
2. Expansion of quality labels for our products.
3. Increase of market shares in existing and new markets.
4. Active participation in the development of European standards, participating in the development and standardisation efforts aimed at high energy efficiency and therefore reducing the greenhouse effect.
5. Enrichment and upgrading of laboratory equipment for the continuous quality monitoring of new demanding products.
6. Participation in research on energy efficiency of tubes used in heat exchangers.
7. Systematic monitoring of new tools and means of production that were included in the manufacturing process, to document the improvement of product quality.

HALCOR

3

Supply chain responsibility



49%

**the proportion
of purchased scrap
for all purchased
metal**

1,502

**our suppliers
in 2014**

10%

**local suppliers
in total**

**We seek to promote
accountability practices
in our supply chain.**

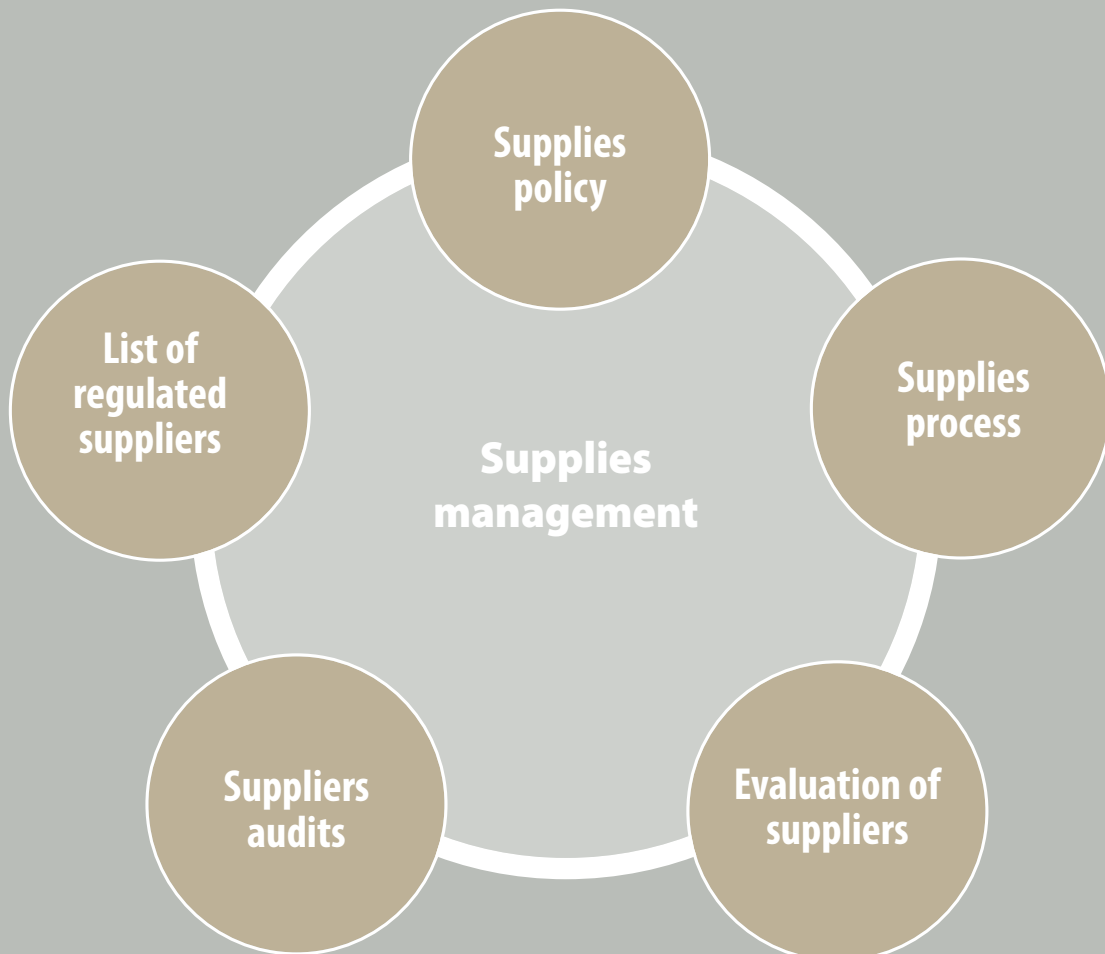
3.1 Our supply chain

We use various materials and components for the production of our products, making significant procurements. We procure raw materials, materials related to production processes, support materials or components, packaging materials, and services.

Due to the nature our company's activity, the largest volume of purchases relates to metals, especially copper, and consumables needed for the production process. More specifically, the Company procures both copper from primary production, and copper scrap, contributing significantly to recycling and promoting the circular economy in Europe.

Therefore, its supply chain is made up largely (both in terms of volume of procurements and in terms of cost) of metal traders and suppliers from both Greece and abroad. In 2014, Halcor collaborated with a total of 1,502 suppliers, of which 1.139 were national. Specifically, we had a total of 115 metal suppliers.

The total value of payments to suppliers in 2014 amounted to EUR 387,7 million. No significant change was noted as regards the structure of the supply chain in 2014, compared to previous years.





3.2 Supply chain responsibility

The promotion and dissemination of responsibility issues in the supply chain is important, as the effects from the Company's operation extend along the supply chain. The management of suppliers is a critical factor for its growth; therefore, it implements specific procedures for managing its supplies.

3.2.1 Supplier evaluation and selection

For us, suppliers are key business partners, as the quality of the materials and components we procure have a direct effect on our products. For conducting our supplies:

- we follow specific procedures, which aim to ensure the compliance of supplies and finished products with specifications and quality standards
- we apply control policies on the specifications of materials outsourced and received, while, in cases of non-compliance, we notify our suppliers of the results in the form of a complaint, expecting improvements
- we participate (as appropriate) in trial productions at our suppliers' premises and evaluate the results.

The evaluation/ selection criteria for suppliers include, among other things, environmental criteria as well as corporate responsibility criteria.

3.2.2 Suppliers and environmental management

The Company frequently takes into account the implementation of environmental practices by suppliers, as a parameter for assessing its partnerships with them.

In this context, the implementation of an Environmental Management System, certified according to the requirements of the standard ISO 14001:2004 (or any other environmental management standard) is rated positively in their overall evaluation, and in some cases constitutes a necessary criterion. Additionally, according to the supply order process for specific material, a certification of compliance with the REACH Regulation and the sending of the respective safety data sheets (SDS) are required.

Particular attention is given to cases of suppliers who will undertake to manage part of the waste. In these cases, the environmental performance of the supplier is a crucial and decisive factor for his selection. In any such case, the Company ensures that applicable legislation and associated regulations are strictly complied with. In 2014 controls were conducted to two new suppliers as regards environmental performance matters. Halcor's environmental department conducts all relevant controls to Company suppliers/associates used for the procedures of waste collection, transfer and management. In the framework of said controls, in 2014, cooperation with an existing supplier was stopped, as a result of infringement of the relevant environmental law.



3.2.3 Protecting the health and safety of associates

Our concern for health and safety, is not limited only to our people but also includes our associates. Specifically, the safety rules applicable to our employees are mandatory for contractors carrying out work at the Company's facilities. A prerequisite for the commencement of collaboration with any contractor, is that they fill out and sign a special form in which they warrant that:

- They take all necessary safety measures specified by law that are appropriate to the nature of the specific project undertaken
- They comply with all the provisions of our occupational Health and Safety regulations.

3.2.4 Promoting responsible practices in our supply chain

Our intention is to cooperate with suppliers that implement the applicable labour laws as a minimum. To this direction, a necessary prerequisite for the commencement of cooperation with any contractor, is that they fill out and sign a special form, which warrants the their human resources are insured with the relevant insurance funds (we perform relevant controls).

In 2014 we became aware of a contractor, with whom we had a cooperation, upon which there was both non-compliance with the laws on staff insurance and infringement of the relevant provisions of the co-operation agreement by the contractor. The reaction of the Company, in this case, was immediate as it stopped any form of cooperation with the specific supplier.

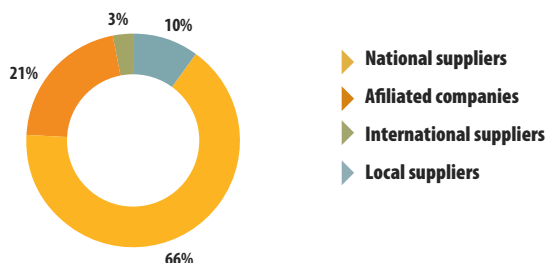
3.2.5 Supporting local suppliers

Supporting suppliers from the national and mainly from the local market is our permanent strategy. . In the framework of supporting local communities and encouraging the growth of the local market, the Company evaluates suppliers positively when they come from the local area, and wherever feasible collaborates with suppliers and contractors that operate locally (from the wider Evia and Viotia areas).

Although the majority of our supplies are raw materials - metals that can only be procured from abroad, in 2014, 22% of the total procurement spend (total domestic purchases excl. metals) went on local suppliers.



Distribution of suppliers 2014



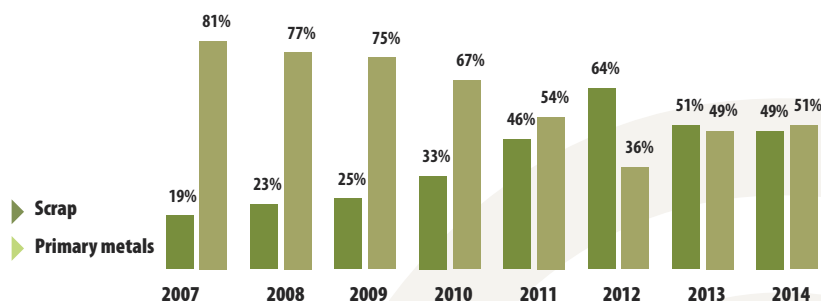
We are the greatest recycler of copper, zinc and alloys thereof in Greece.

3.2.6 Purchasing recyclables (scrap)

We promote copper recycling with significant benefits for the economy and the environment.

Copper recycling has both significant financial and environmental benefits. In this framework, combining economic efficiency with environmental protection (reduction of inert waste) and the protection of natural resources (reduction of raw material consumption), the Company uses increasingly larger quantities of various used metals (scrap) as raw material. In this manner Halcor becomes the greatest recycler of copper, zinc and alloys thereof in Greece, where metal recycling has significant margin for improvement/increase. In 2014, 49% of the Company supplies in metals, was scrap.

Scrap proportion to total metal purchases



Our goals for 2015

1. Further recording of the supply chain.
2. Updating/ training of the group of Company suppliers on matters of corporate responsibility / human rights.
3. Conducting of further controls to new suppliers as regards of environmental matters
4. Conducting of controls to supplier groups as regards of Corporate Responsibility matters.

4

Creating value

Corporate Governance



Standards of professional conduct

Developing new products, expanding into new markets

Risk management

Increased customer satisfaction



Product quality assurance

Customer satisfaction surveys

Responsible briefing of customers

Work practices and health and safety



Ensuring an equal opportunities working environment

"Open Door's Policy"

Promoting health and safety

Environmental protection



Implementing the Environmental Management System

Reducing the environmental footprint

Promoting environmental protection



Committed to the local community



Stakeholders engagement

Support, sponsorship and financial assistance for organisations

Employee hires from the local community

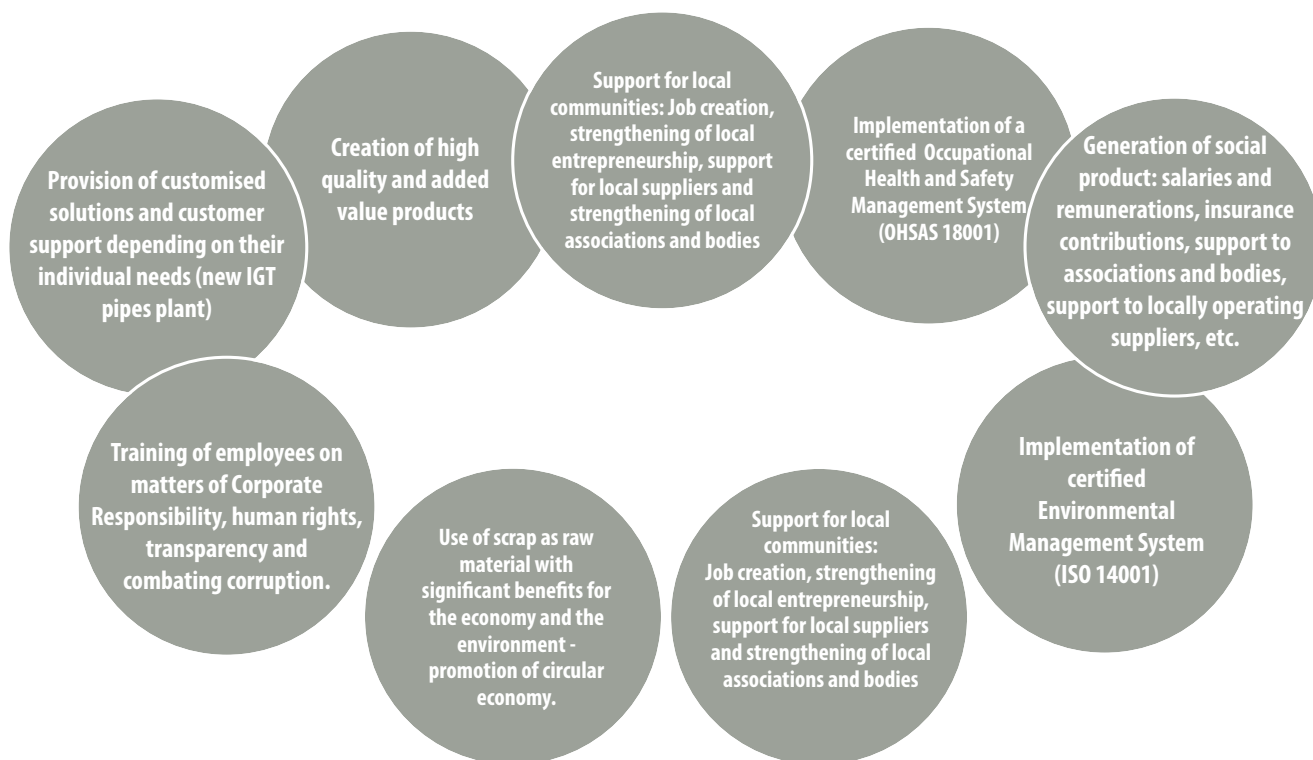
Steadily orientated to the principles of Sustainable Development we implement responsible practices in anything we do.



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The incorporation of responsibility practices in Halcor's method of operation, leads to the creation of a value for all parties linked to the Company: employees, customers, shareholders, suppliers, local community and the wider society.

Strongly focusing on the principles of Sustainable Development (economic prosperity, environmental protection and social cohesion), Halcor operates responsibly across the entire spectrum of its activities, as a responsible business partner.



4.1 Corporate Responsibility & Sustainable Development Policy

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.

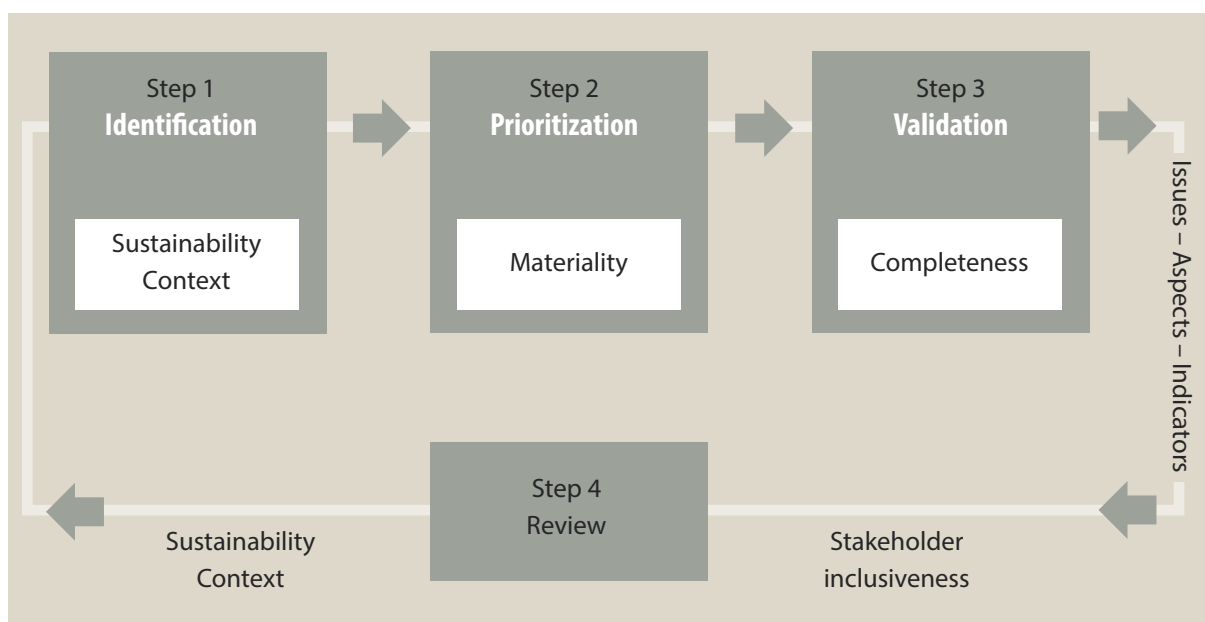
The full text of the Company's Corporate Social Responsibility Policy can be found on the website www.halcor.gr/en



- 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.

4.2 Focus on material issues: Materiality analysis

As the Corporate Responsibility matters related to the operation of the Company are many and various, Halcor implements a specific materiality analysis and determination procedure of material issues of Corporate Responsibility and Sustainable Development, in order to detect and prioritise the most important issues of Corporate Responsibility related to its operation.



Specifically, in 2014, due to the review of GRI guidelines and to the preparation of the Corporate Responsibility and Sustainable Development Report for 2014 in accordance with the new version of the GRI guidelines, GRI-G4, the prioritisation procedure of important issues of the Company was also reviewed.

This procedure is regularly repeated, so as to record the changes and incorporate any new trends. Specifically, in order to detect material issues, the CSR team of the Company met and from all the aspects of the GRI-G4 guidelines, those related to the operation of the Company were selected. Then, said issues (aspects) were prioritised on the bases of their relevance to the Company activities and to the extent of the impact they have on stakeholders. Subsequently, the completeness of the list of significant issues was checked and there was an overall review of the procedure. Throughout the procedure of material issues redetermination the view of stakeholders on each individual matter was taken into account.

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The following figure shows the prioritisation of material issues of the Company, as arising after the relevant reviewed procedure implemented in accordance with the GRI-G4 guidelines.





The reviewed redetermination procedure of material issues (materiality analysis), implemented in 2014 by Halcor, promoted the following issues as important (per sustainability area):

Sustainability area	Material/ important issues of Halcor
Economic viability	<ul style="list-style-type: none"> Financial performance (1) Responsible supplies management (supporting local suppliers) (8) Fair and ethical practices of corporate governance and transparency (19) Stakeholder engagement (16)
Environmental protection	<ul style="list-style-type: none"> Proper management of raw material - supply of recycled material and scrap (5) Proper energy management (4) Proper water management (6) Management of air emissions (7) Proper waste management (3) Environmental footprint of products (11) Transportation of products (15) Suppliers evaluation (10)
Social welfare	<ul style="list-style-type: none"> Preservation of jobs (13) Employee and third party health and safety (2) Employee training and development (14) Dialogue with the local communities (20) Prevention of corruption issues (12) Legal and regulatory compliance (9) Service and products quality (17) New markets and investments (18)

Halcor uses the results of prioritisation of the material issues of Corporate Responsibility and Sustainable Developments to design actions and set goals, in the framework of the continuous improvement of its performance and of the management of its operation impact.

4.3 International standards and initiatives

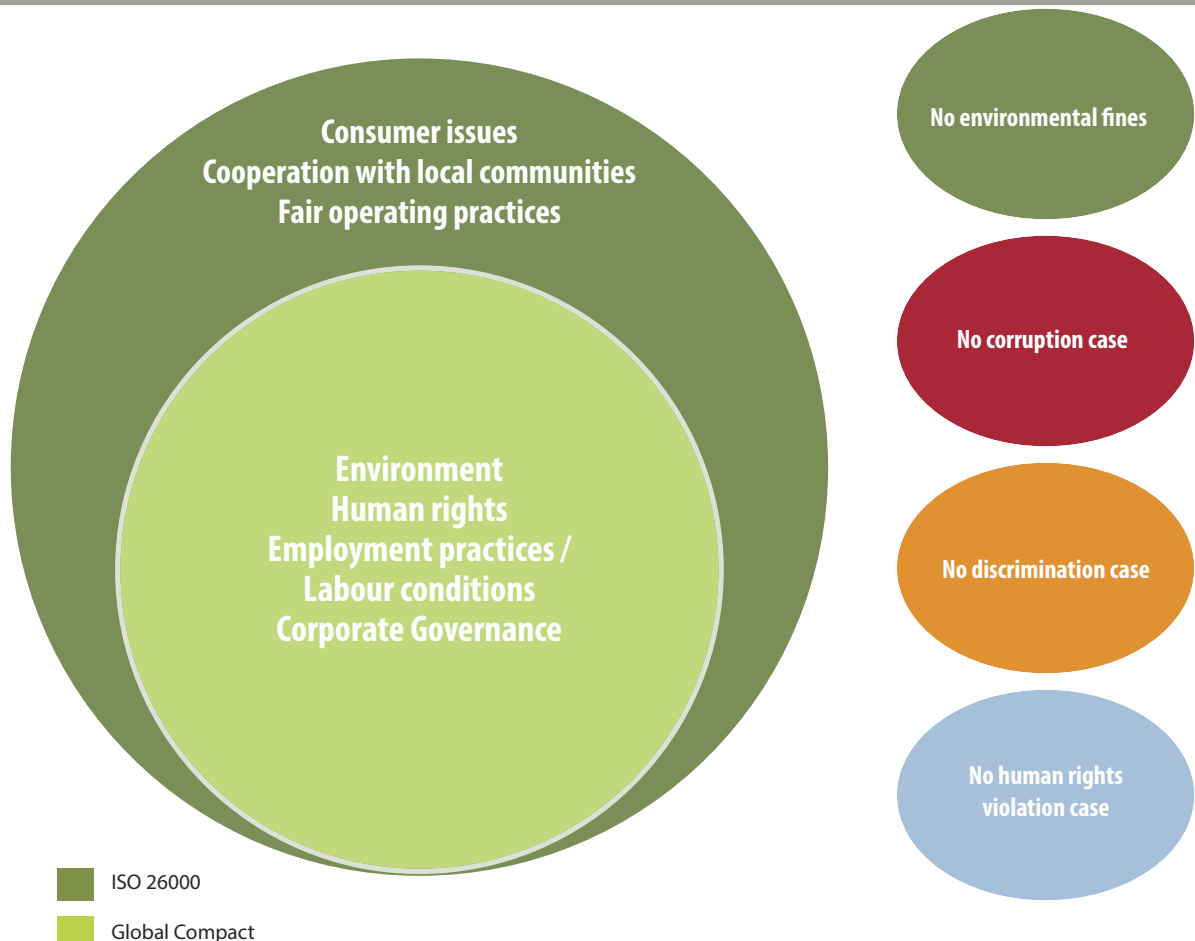
International standard ISO 26000 for Social Responsibility

The ISO 26000 framework of guidelines for Corporate Responsibility issues is a significant and key tool, as it guides a business with clarity into the methods of evaluation and continuous improvement of all its actions and their impact (on an economical, social and environmental level) and of updating all its stakeholders. Halcor, steadily orientated to the principles of responsible business, has incorporated the principles of Corporate Responsibility of the ISO 26000 in its business philosophy and seeks to operate within a specific ethical framework, in cooperation with the wider community within which it operates. The general framework of the method of implementation of the ISO 26000 guidelines by Halcor, is presented as follow, per theme category.

Supporting Global Compact principles

The Global Compact of the UN (United Nations), is the greatest voluntary initiative of Corporate Social Responsibility internationally. Halcor supports the Global Compact and has incorporated its ten principles, in the policies, procedures and system it applies. The Global Compact consists of ten principles which are divided in the following areas:

- of human rights,
- of labour rights,
- of environmental protection and
- of combating corruption.



Cooperation with local communities

Halcor focuses particularly in the support of local communities, acknowledging the importance of the mutually beneficial coexistence and cooperation. Specifically:

- It supports local business by selecting, when possible, suppliers operating in the local community.
- It provides employment opportunities, covering a significant part of its needs in human resources, from the local community.
- It supports on an annual basis a number of bodies, organisations and associations, in material evidence of its social profile.

Consumer issues

The Company's philosophy focuses on customer satisfaction and considerable efforts are made over time to ensure this goal. The certified Quality Management System implemented by the Company contributes specifically to this direction while the Company products meet high standards and have the relevant certificates. The Company has regular communication with its customers to detect and record any complaints and to take the appropriate correction and prevention actions. Furthermore, it ensures that it fully complies with all the requirements as regards the information it has to provide on its products and services. In 2014, like the years before, there were not any case of non compliance with the law and regulations, as regards the impact of its products, the information provided by the Company to its customers and the labelling that should accompany its products. At the same time, the Health and Safety of consumers is protected, while there was no case of violation of customer privacy.

Fair operating practices

Halcor ensures that all its operations are made in a responsible manner, with respect for people and the environment. Responsibility in the manner of operation, is currently a strategic choice of the Company. Although the risk of corruption cases is low, the Company takes all necessary measures to control and detect any potential cases. To this day, no corruption case has been detected. The Company fully respects the right to ownership (material or intellectual) and seeks the promotion of social responsibility. In the previous years, a number of training programs have been organised for executives and employees, as regards the combating of corruption.

Environment

Environmental protection is a top priority of the Company and to this end it implements a certified Environmental Management System. Halcor ensures the continuous reduction of its environmental footprint, which is achieved by investment projects and programs it implements on an annual basis. The constant aim of the Company is the use of raw and auxiliary material with maximum efficiency, while it should be noted that Halcor is the greatest recycler of copper and its alloys in the Balkans. The Company operates in compliance with the existing environmental laws and its aim is to have an environmental performance that is higher than that required by the applicable law.

Human rights

The respect and implementation of internationally agreed human rights are a commitment for Halcor. Moreover:

- Policies in favour of human rights are implemented.
- Trainings are made as regards human rights, gradually to all human resources of the Company.
- All security staff of the Company has attended a special training seminar on human rights.

Corporate Governance / Transparency

We implement an integrated framework of Corporate Governance which ensures transparency in all activities, as well as the interactive relationship of cooperation with our shareholders, customers, human resources and any other group of stakeholders.

Furthermore, the Company:

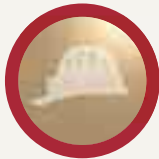
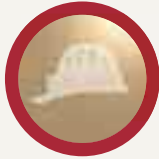
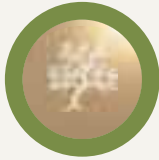

- Is opposed to any type of corruption and is committed to operate in an ethical and responsible manner.
- Implements trainings to executives on transparency and corruption issues, in order to prevent and avoid such phenomena.
- Implements internal procedures in order to ensure the combating of corruption cases.
- Ensures the implementation of practices above and beyond the law, acting in full integrity and morality at all times.
- Adopts mechanism that promote transparent and responsible business conduct.

Employment practices / Labour conditions

Halcor respects and acknowledges the internationally accepted labour rights. Among other things:

- A policy of equal opportunities and prevention of all discrimination of all types is implemented.
- All employees are over 18 years old.
- The Company is fully opposed to child and forced or compulsory labour.
- Controls are conducted on subcontractors for preventing any uninsured employment and for the implementation of safety regulations.
- In 2014, like in the years before, no discrimination cases in work or hiring process were detected, nor reported.

Halcor's performance as regards each principle and area of the ISO 26000 is presented in table GRI in the end of the Report, by correspondence of the GRI indexes to the ISO 26000 areas.

Category	The Global Compact's 10 Principles	GRI indicators	CSR report section
	Human Rights		
	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>G4-HR2, G4-HR7, G4-HR8, G4-HR9, G4-HR12, G4-S01, G4-S02</p> <p>G4-HR1, G4-HR10, G4-HR11</p>	Care for our people
	Labour Conditions		
	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	G4-11, G4-HR4, G4-LA4	Care for our people
	<p>Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.</p>	G4-HR6	
	<p>Principle 5: Businesses should uphold the effective abolition of child labour.</p>	G4-HR5	
	Environment		
	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p>	G4-EC2, G4-EN1, G4-EN3, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21, G4-EN27, G4-EN31	Environmental protection
	<p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>G4-EN1, G4-EN2, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN9, G4-EN10, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21, G4-EN22, G4-EN23, G4-EN24, G4-EN25, G4-EN26, G4-EN27, G4-EN28, G4-EN29, G4-EN30, G4-EN31, G4-EN32, G4-EN33, G4-EN34, G4-EN6, G4-EN7, G4-EN19, G4-EN27, G4-EN31</p>	
	Anti-corruption		
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	G4-56, G4-57, G4-58, G4-S03, G4-S04, G4-S05, G4-S06	Presentation of Halcor S.A.	



Halcor's Corporate Responsibility team, where Fitco is stakeholder too.

HALCOR

5

Stakeholder engagement



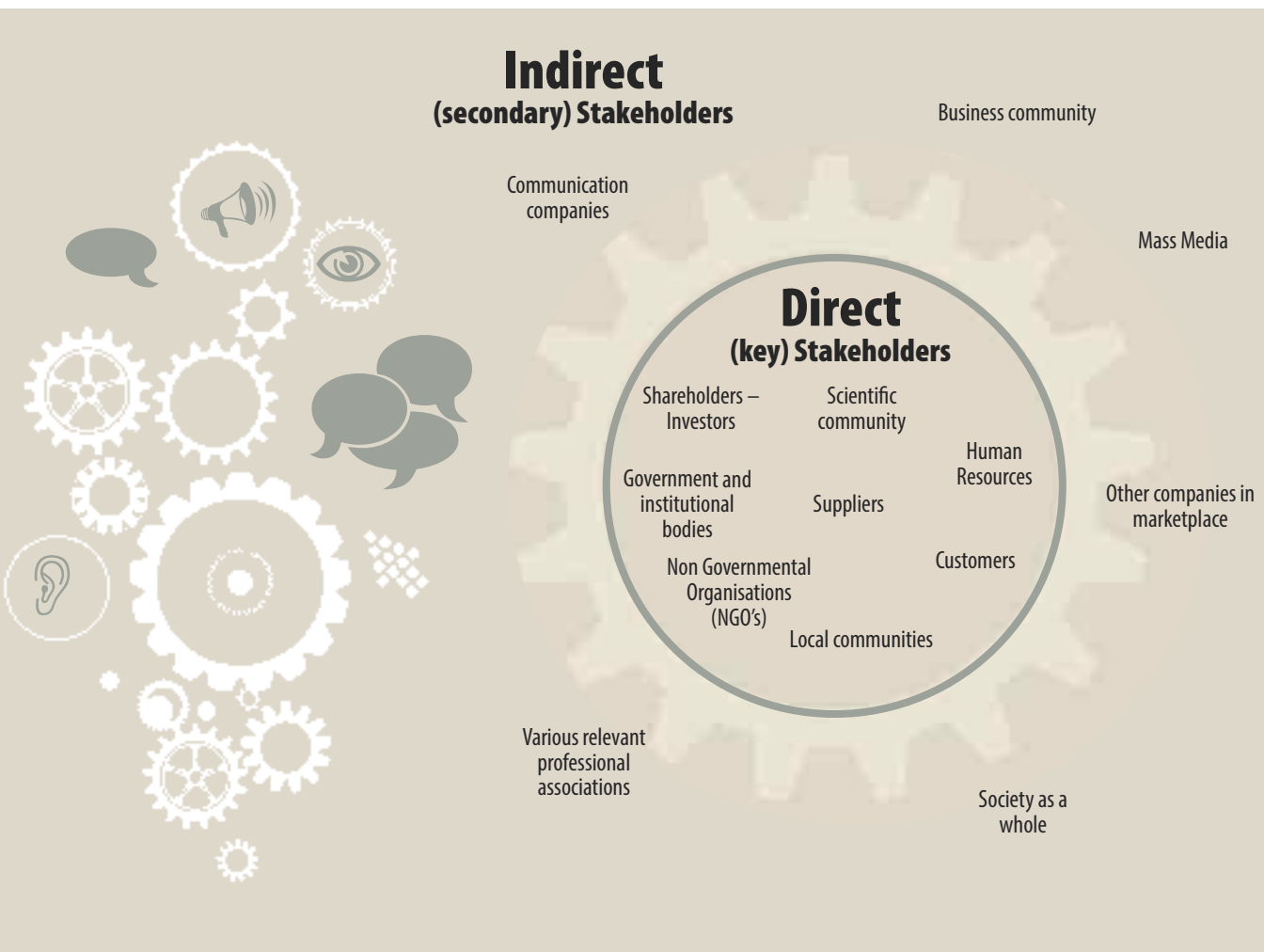


**Dialogue with our stakeholders
is a prerequisite for the
strategic management of
Sustainable Development
issues of the Company.**

5.1 Regular communications

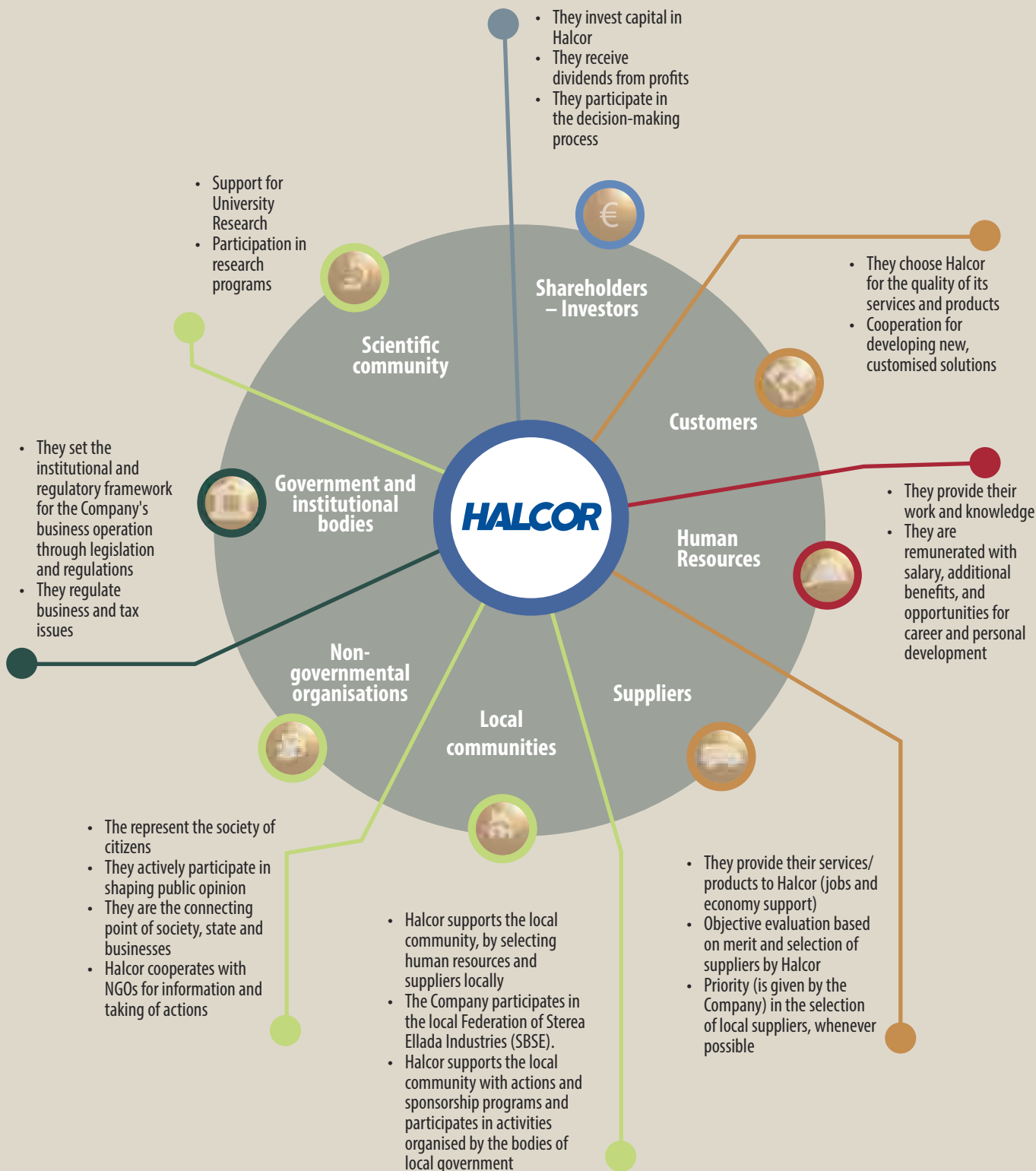
Systematic interactive communication with the various groups of stakeholders (which consist of all natural and legal persons affected or affecting in a direct or indirect manner the business operation of the Company), is a constant aim for Halcor, directly linked to the commitment of implementation in practice of the principles of Corporate Social Responsibility and with transparency. Dialogue with our stakeholders is a prerequisite for the strategic management of Sustainable Development issues of the Company.

For the determination of the stakeholders group of the Company, a specific internal procedure was implemented (consultation between executives of the Corporate Responsibility group and prioritisation of stakeholders). Following the procedure of identification of the stakeholders, Halcor's main stakeholder groups have as follows:






Our constant efforts for the implementation practice of responsible business requires our cooperation with the stakeholder groups for the mutual finding and promotion of solutions on the issues of our concern. In this framework, transparency in communication and honest dialogue are key elements for the development of mutual trust and cooperation with stakeholder groups.






Relationship-interaction framework with direct - key Stakeholders





The Company, through communication with its stakeholders identifies the key issues of concern for each group, records said issues and plans the actions with the aim of its optimal response and constant improvement in individual areas. The following table presents the main issues of concern for stakeholders, as recorded following communication of the Company with them, and the response/ actions of Halcor on said issues.

Stakeholders	Halcor's Commitment	Communication channels	Stakeholders' expectations	Halcor's response
Human resources 	Occupational health and safety. Personal and career development.	<ul style="list-style-type: none"> • Constant communication between Management and human resources • Communication and updating via the Company intranet • Updating via e-mails and notices on bulletin boards • Updating via the Company website 	<ul style="list-style-type: none"> • Labour and insurance issues • Staff evaluation issues • Human resources personal and career development • Updating on the goals of the Company and the achievement thereof • Communication with the Management 	<ul style="list-style-type: none"> • Implementation of staff evaluation system • Implementation of training programs • Additional benefits to all employees • Monthly updating of the General Management to all staff • Implementation of "Open doors" policy for constant dialogue between employees and the Company Management
Shareholders - Investors 	Good corporate governance and transparency in all activities. Compliance with the legal framework and standards.	<ul style="list-style-type: none"> • Annual General Meeting of shareholders • Investor relations department • Updating of shareholders by the Board on any development in the Company • Issue of regular press releases, announcements and reports • Reporting of results on a quarterly, semi-annual and annual basis to the Board • Constant communication of financial analysts and investors with the Company executives • Investor Relations Officer • Shareholder Relations Officer • Presentation at the Hellenic Fund and Asset Management Association • Annual Report • Annual Corporate Responsibility & Sustainable Development Report 	<ul style="list-style-type: none"> • Supporting Company competitiveness • Company profitability • Containing operating costs • Transparent relations with stakeholders • Proper Corporate Governance • Regulatory compliance • Avoidance of incidents that slur the Company's name • Reduction / Elimination of Risks/Hazards 	<ul style="list-style-type: none"> • Penetration into new markets • Enhanced profitability for the Company and improvement of financial results • Constant updating • Issue of Report (Annual and Corporate Responsibility & Sustainable Development Report) • Evaluation and management of opportunities and risks
Customers 	High levels of customer satisfaction. Development of innovative products.	<ul style="list-style-type: none"> • Sales Department • Constant contact, physical, over the phone or by email • Company website • Customer satisfaction survey: • Participation at trade fairs 	<ul style="list-style-type: none"> • Excellent standards, high quality products • High level of service • After-sales support • Updating of customers on market developments and about Company products 	<ul style="list-style-type: none"> • Customer satisfaction survey conducted • Evaluation of survey results and taking of corrective measures • Special after sales technical support department operation

Stakeholders	Halcor's Commitment	Communication channels	Stakeholders' expectations	Halcor's response
Suppliers 	Support of local suppliers and responsible practices of selection and evaluation of suppliers.	<ul style="list-style-type: none"> Halcor's Procurement Department Constant communication, both physical and over the telephone Attendance at trade fairs and events 	<ul style="list-style-type: none"> Objective evaluation based on merit Support of local suppliers Updating of suppliers on market developments 	<ul style="list-style-type: none"> The Company implements a supplier selection and evaluation procedure for critical materials The selection of suppliers from the local community, whenever possible, is prioritised
Local community 	Support for local communities to promote mutual growth.	<ul style="list-style-type: none"> Constant communication with local bodies and associations Participation in activities organised by local bodies and associations 	<ul style="list-style-type: none"> Company response to local community issues Recruitment of staff from the local community Support of local entrepreneurship by supporting local suppliers 	<ul style="list-style-type: none"> Priority is given to recruiting employees from local areas 41% of the Company's staff is drawn from the local community Selection of local suppliers Support for local bodies / sponsorship Employee volunteer initiatives
Non Governmental & Non Profit Organisations (NGOs) 	Transparency in all activities.	<ul style="list-style-type: none"> Participation in NGO as member Events / Conferences 	<ul style="list-style-type: none"> Support for NGO activities Partnership with NGOs 	<ul style="list-style-type: none"> Support for the NGOs "Proi" and "AgaliaZO" Halcor's participation in the Hellenic Network for Corporate Social Responsibility as main member
Governmental and Institutional bodies 	Good corporate governance and transparency in all activities. Compliance with the legal framework and standards.	<ul style="list-style-type: none"> Conferences and events organised by the steel industry or of a more general business interest Consultation with representatives of the public sector and of institutional authorities at the national level 	<ul style="list-style-type: none"> Compliance with the legislative and regulatory framework in force Support of State actions and programmes 	<ul style="list-style-type: none"> Legislative compliance in all sectors of activity
Scientific community 	Investments in research and technology.	<ul style="list-style-type: none"> Involvement in institutes and research centres of sectoral interest Conferences / events of sectoral interest Studies / Surveys 	<ul style="list-style-type: none"> Exchanges of views on issues of joint interest Extended applications of copper Effects of copper and other metals on the human body and the environment 	<ul style="list-style-type: none"> Halcor is a founding member of the Hellenic Copper Development Institute (HCDI) Halcor participates and cooperates with Elkeme (Hellenic Research Centre for Metals)

Halcor proves in practice its commitment for communication with its stakeholders, proceeding to the issue of a Corporate Responsibility and Sustainable Development report on an annual basis, since 2008. In this manner it enhances its communication with all stakeholders, in response to their concerns and problems, and to the need for more information, through an initiative of transparency and updating of all its stakeholders on the actions and activities it implements. In the following table the main issues of our stakeholders have been recorded, as well as the method of communication of the Company with the various groups.



66

5.2 Review of Corporate Responsibility & Sustainable Development goals

In order to monitor our performance in Corporate Responsibility issues, our response to the demands of our stakeholders , we set the relevant goals per CSR area on an annual basis, for our constant improvement in all levels. We are very proud of the fact that, in 2014, we managed to achieve most of the goals set for the year. The Company's new goals for 2015 are listed at the end of each chapter of the Report.



Environmental protection

- The installation of the closed copper pipe degreasing system was completed.
- 907 hours of training were held, similar to 2013 levels.
- The new sewage system was completed and appropriate equipment was procured for the management of urban waste water.
- The replacement of fixtures and the installation of an inverter is in progress.
- We achieved a 15% reduction in the specific consumption of solvents in the production process and reduced the use of solvents in degreasing baths by 63%.
- We replaced conventional light bulbs with energy saving bulbs in 78% of the indoors areas of the copper tube plant.
- We completed the recording of the environmental footprint from the transfer of employees and products.



Care for our people

- We trained 55 employees on first aid issues, in cooperation with a certified body.
- We organised an information campaign for employees, for 2nd consecutive year, on serious health problems, in cooperation with NGO AgkaliaZO.
- We accepted in total six students in the Company, for traineeship and acquisition of professional experience
- We supported the local school community and local associations and bodies.
- For yet another year, we supported the actions of the NGO Pnoi and the NGO AgkaliaZO.



Occupational health and safety

- 10 Health and safety audits were conducted by each production officer, per plant.
- 10 monthly health and safety meetings were held per plant.
- 1.8 hours of training was implemented for every production employee on health and safety issues (exceeding the 1.5 set goal).
- We implemented an staff awareness program on reporting the risk of accidents (near misses).



Customer-orientated approach

- We developed new products TALOS® ACR Linesets, TALOS® LPG, TALOS FORM, TALOS® PLATED
- We penetrated new markets and expanded our customer database.
- We expanded the existing certifications of our products (organisations AFNOR (for straight pipes), CSTB (ECUTHERM M1 pipes in white), VIK (Croatia) and SITAC (for straight pipes).
- The percentage of scrap purchased to the total of metals supplied amounted to 49%, almost the same as in 2013.

HALCOR

6

Care for
our people





416

7.9%

**women in our
human
resources**

41%

**human resources
from the local
community**

**Our business develop-
ment and success is
based on our people.**

70

Having acknowledged the definitive contribution of the human factor in our successful business course and the achievement of our goals, we systematically invest in the selection, training, evaluation, preservation and career development of our human resources.

Our commitment

- Ensuring of the health and safety of our employees
- Protection of human rights
- Respect for human values: no discrimination of any type
- Provision of equal opportunities and career development to all employees
- Support of local employment
- Ensuring the constant education and training of employees

Our goals

- Preservation of jobs
- Implementation of responsible employment practices (equal opportunities, additional benefits)
- Fair evaluation
- Human resources personal and career development (education, training)
- Ensuring health and safety at work
- Preservation of the balance between professional and personal life

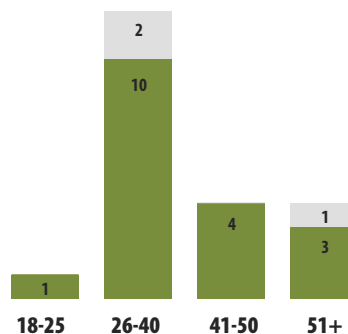
6.1 Human resources data

By the end of 2014 (31/12/2014) Halcor's human resources amounted to 416 employees in total. Aiming to support local areas in which we are active and the provision of reciprocal benefit to them, we hire personnel from the local communities, where this is feasible. As a result, 41% of our employees comes from the local area (wider area of Viotia and Evia) and 59% from Attica and the rest of Greece.

Human resources data (31/12)	2012	2013	2014
Men	398	384	383
Women	36	30	33
Total workforce	434	414	416
Employee departures (p.e. retirement, contract termination)	36	25	19
Employee hires	3	5	21
Third-party employees (e.g. contractors)	62	63	64
Ethnic minority (and different nationalities) employees	22	22	21

In the last few years employees recruitments are considered particularly important in the labour market. In this framework the Company, hired 21 persons (3 women and 18 men) in 2014, and 8 of them come from the local area (wider area of Viotia and Evia).

Total employee hires by age and gender group



Breakdown of departures (category)	2012	2013	2014
Dismissals	27	14	5
Contract termination	-	-	-
Resignations	2	3	2
Retirements	7	8	12
Total	36	25	19

The total number of the Company's personnel presents a very small increase, by two persons, compared to the previous year.

Employee mobility percentage	2012	2013	2014
Employee hires (total new hires / total employees 31.12)	0.70%	1.21%	5.05%
Employee departures (total departures / total employees 31.12)	8.30%	6.04%	4.57%

Around 75% of employees are middle-aged (36 to 55 years old) while 15% are aged under 35. The average age for an Halcor employee is 44 years.

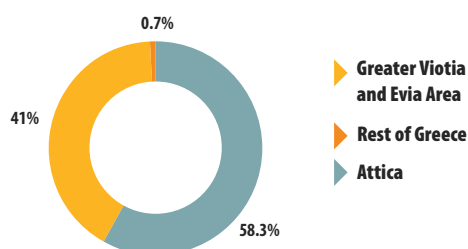
Distribution of workforce by age and gender group	20-25	26-35	36-45	46-55	55+
Men	-	55	139	149	40
Women	-	8	11	11	3
Total	-	63	150	160	43

We support and boost employment at a local level

Halcor intends to cover part of its needs in human resources from the local communities, thus contributing significantly in the enhancement of local employment. In 2013, 41% (170 employees out of 416 persons) of the Company employees came from the local community (wider area of Viotia and Evia), and from them about 10% are managers and chief executives. Furthermore, 8 out of the 21 newly hired staff of the Company came from the wider area of Viotia.

41% of the total human resources of the company corresponds to employees from the local area

Human resources data by geographical sector



6.2 Employee assessment

The implementation of employees evaluation programs has a positive effect on the structure of the Company, rewarding good professional performance of employees and encouraging the effort for performance improvement. The performance evaluation procedure is an integrated system that supports a cycle of goal-setting, evaluation and career development of employees. The evaluation of employees is implemented on an annual basis. The human resources performance evaluation system is implemented on all executives and employees of Halcor, while a similar special system is also implemented on the labour staff of the Company. Currently, the performance evaluation system is being reviewed and this review shall be completed in 2015. New, more user friendly evaluation forms will be drawn up, and the entire evaluation process will be carried out by electronic means.

Employee assessment	2012	2013	2014
No. of employees assessed	57	50	44
Men	41	33	31
Women	16	17	13
Employees assessed who had access to assessment results	100%	100%	100%

6.3 Equal opportunities and human rights

We provide equal opportunities to all employees and cultivate an environment of dignity and respect. The Company's strategic approach and philosophy go beyond just numbers, extending to the principles of non-discrimination, equal opportunities and the recognition of the right of every person to work. Meanwhile, we implement a Human Resource Management Policy, aimed at providing equal development opportunities to all employees.

7.9%
the percentage of
women in human
resources

For Halcor, respect for human rights is an inviolable principle. We are opposite to any type of forced or child labour. Furthermore, the Company is in full compliance with the national regulatory provisions as regards child labour and implements procedures that eliminate the chance of any such cases (control of ID cards upon recruitment etc.) In 2014, like in the years before,

21
Ethnic minorities
employees

No discrimination case or relevant complaint has ever been reported

no case of forced or child labour was reported. With absolute respect to human rights and in implementation of the relevant national laws, no salary or other discrimination is made in Halcor on the basis of the employees' sex in all our activities.

The rate of men and women employees is approximately 92% to 8% respectively. This is mainly due to the nature of Halcor's activities (industrial), as well as to the distance of productive ac-

tivities from large urban centres. The two above factors have a hindering effect and therefore the participation of men is much larger. The Company makes constant efforts to encourage the participation of women in its personnel.

Hierarchical level	Number of employees		
	Men	Women	Total
Board of Directors	11	0	11
Managers	13	0	13
Senior executives	30	1	31
Office staff	64	30	94
Plant personnel	276	2	278
Total*	383	33	416

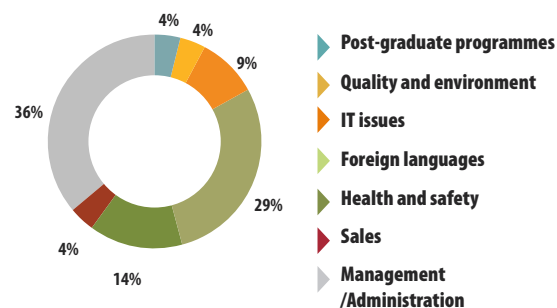
* The Board of Directors members are not included in the Company's total Human Resources.

6.4 Employee training and development

Understanding the importance of personal growth and career development of our people we provide training programs and opportunities to all employees combining both the demands of the sector and the business targets of Halcor. To this end various training programs are organised inside and outside the Company on an annual basis. In 2014, 391 employees were trained in total at least once, namely 94% of our employees. The average training hours per participant for 2014 was 5 hours of training.

The constant improvement of expertise and professional skills and competencies of employees via developmental interventions, combined with the promotion of self-education and lifelong learning are top in our agenda as regards human resources management.

Distribution of training man-hours by subject (2014)



Lifelong learning programmes (number of employees)	2012	2013	2014
Employee foreign languages programmes	n/a	7	6
Employee postgraduate programmes	2	3	1

Training programmes are regularly assessed and training needs are investigated, so that they are readjusted in order to respond to continuously changing conditions and that they are effective.

**Training indicators per employee category/hierarchy**

Position/Rank	Total training hours			Average hours of training per category		
	Men	Women	Total	Men	Women	Total
Managers	125	-	125	9.6	-	9.6
Senior executives	432	16	448	14.4	16	14.5
Office staff	376	462	838	5.9	15.4	8.9
Plant personnel	674	-	674	0.45	-	2.4
Total	1,607	478	2,085	4.1	14.5	5.0

Training program on transparency and combating of corruption

Halcor, applying increasingly more practices or responsible operation, proceeded to the design and implementation of a significant training program on transparency, combating corruption and corporate governance. The implementation of this training program started in 2010 with the training of all Company executives, while in the period 2012-2014 64 persons were trained out of a total of 91 administrative employees. The Company in total has trained on issues of corporate governance, transparency and combating corruption, 70% of its administrative employees and 100% of its executives. In 2015 we have scheduled the training on the same issues the remaining 30% of administrative employees of the Company.

6.5 Salary and benefits policy

We implement an integrated system of remuneration and benefits, in order to attract and keep competent executives and to ensure a descent standard of living for all our employees. Our salary policy is always in compliance with the applicable legislative regulations. All Company employees are paid more than the minimum specified by the applicable legal data of the country on labour matters.

All our employees (100%) are covered by labour contracts and are employed on a full-time basis (in 2014, the company employed no seasonal workers or part-time employees).

Total workforce by employment type and employment contract

Category employment type and employment contract	Men	Women	Total
Total employees	383	33	416
Full-time employees	383	33	416
Collective bargaining agreement	100%	100%	100%
Indefinite-term employment contract	100%	100%	100%
Fixed-term employment contract	0	0	0



Additional benefits

The Company having more than covered the benefits specified by law to its human resources, also offers a number of additional benefits, rewarding its people. The additional benefits are offered to all human resources of the Company, without any discrimination among employees of different facilities or activities.

- Free preventive medical check-up.
- Private insurance coverage for life and health risks.
- Hospital care.
- Free transportation of employees by corporate means.
- Provision of half-board.
- Loan and financial facility granting, in accordance with the corporate policy.
- Financial support in cases of personal or family emergency.
- Summer camps for employees' children.
- Annual gift vouchers a) for super markets and b) for toy stores.

The remuneration and benefits of executives are determined by a remuneration system, which is directly linked to the evaluation of their jobs, their personal performance and goal achievement.

Additional benefits in accordance with Company policy:

- provision of accommodation when required
- provision of Company car and mobile phone
- provision of special savings plan.

6.6 Employee volunteer schemes

The support of initiatives taken by Company employees and the participation in voluntary activities that contribute to local communities reflect Halcor's commitment of responsible corporate practice. In this framework the Company encourages its employees to develop and organise initiatives, actions and to participate in social programs.

Volunteerism programme

In 2010, by initiative of the Company employees and in response to the needs of people from the local community, the internal program "Everyone contribute for a solidarity society" started with the collection of goods (food, clothing, toys and books) for the support of families in need of the local area. In 2014, for yet another year, Halcor's employees proved their social awareness and solidarity, by their remarkable contribution in this action. . According to the data kept by the Diocese of Thebes - Levadia, in the four years 2010 - 2013 this action helped dozens of families in need in the local area. Specifically, in 2014 this action was implemented in a more targeted manner and the goods that were collected, were delivered to the Chronic Diseases Infirmary "O Agios Vlasios". Along with the contribution of the employees, the Company contributed with the purchase of double the quantity of food of the previous year, in order to reward and enhance this voluntary action of its staff.

Environmental protection actions

Beach cleaning

In the framework of the international month on the marine environment, Halcor's employees for the 4th consecutive year implemented a voluntary action for the cleaning of the beach of the natural habitat Varyko of the Municipality of Oropos. The cleaning of the beach started from the north side (where the boatyard is located) and expanded 1 km to the east up to the salt pits of Oropos.

Tree planting event

Halcor's employees participated as volunteers in the tree planting organised by initiative of the tv/radio station SKAI, in the framework of the program "Environment: All together we can make it". The tree planting took place in Penteli, in the area Agios Petros, with the objective of protecting and reformation of Penteliko mountain.

In the last four years, Halcor's blood bank has helped 95 persons in total.

Volunteer blood donation Programme

Voluntary blood donation is a gesture of good will, care and love. . For this reason the employees of Halcor, for 14 consecutive years now, dynamically support the program of voluntary blood donation. On an annual basis 2-3 blood donation programs are scheduled and implemented in the Company facilities, in cooperation with Laiko Hospital.

Volunteer blood donation programme	2012	2013	2014
Bottles of blood collected	34	54	51

6.7 Social activities

The Company has always been by the side of the local community, systematically supporting various organisations, schools and other bodies. On an annual basis, in response to the needs and expectations of its stakeholders (Local community, NGOs, education institutions and local bodies), it supports programs and actions that concern society, vulnerable social groups, culture and health. Indicatively, the main Company actions of social contribution for 2014 concern:

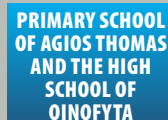
NGO Support:

- As of 2012 to this day, the Company supports the work of NGO "Pnoi - Friends of child intensive care". Pnoi is a non-profit organisation, established to support the intensive care units for children and infants (ICU).
- In 2014 for yet another year we supported the work of NGO "Volunteers against Cancer- AgaliaZO".



Support of the school community:

- In 2014, the Company supported the Primary School of Agios Thomas and the High School of Oinofyta, providing computers and other electronic equipment. Furthermore it provided material (pipes and parts) to schools and institutions (School workshop of Halkida, 1st Laboratory centre of Elefsina, Special vocational training workshop of Piraeus).



Support of local associations and bodies:

- It participated in the initiative of the Municipality of Tanagra, for the creation and sustainment of the local social grocery. Specifically, the Company purchased food, that was distributed to the social grocery of the Municipality.
- Halcor has a long tradition of many years in the constant support and cooperation with local authorities. In the framework of said support, it provided local authorities (e.g. Police Department) with stationery and other material for covering their needs.
- It supported in the form of sponsorship the local archery club.



Our goals for 2015

1. Review and implementation of a new system for evaluating employee performance.
2. Training on transparency and anti-corruption for other administrative employees and extension of this training program to employees of our subsidiary Fitco.
3. Training in the Six Sigma methodology for executive groups.

HALCOR

7

Occupational health and safety



134
thousand EUR
capital
expenditure
plans for health
and safety

35%

the improvement
of the lost time
injuries
frequency rate

27%

the improvement
of the severity
rate

**Our top priority is the
health and safety of our
employees and associates.**

7.1 Occupational health and safety management

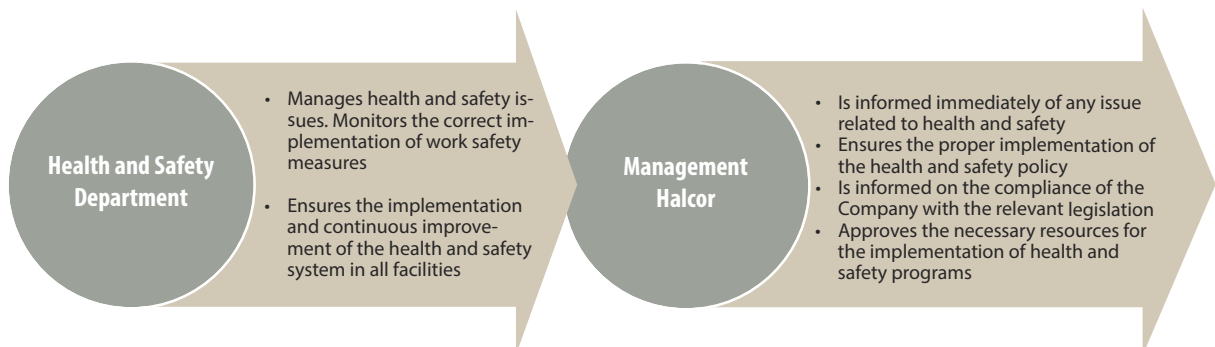
We ensure the creation of a safe working environment, always focusing on prevention by taking all necessary measures. Integrated management of health and safety issues in Halcor is achieved by the certified Occupational Health and Safety Management System implemented by the Company as of 2010.

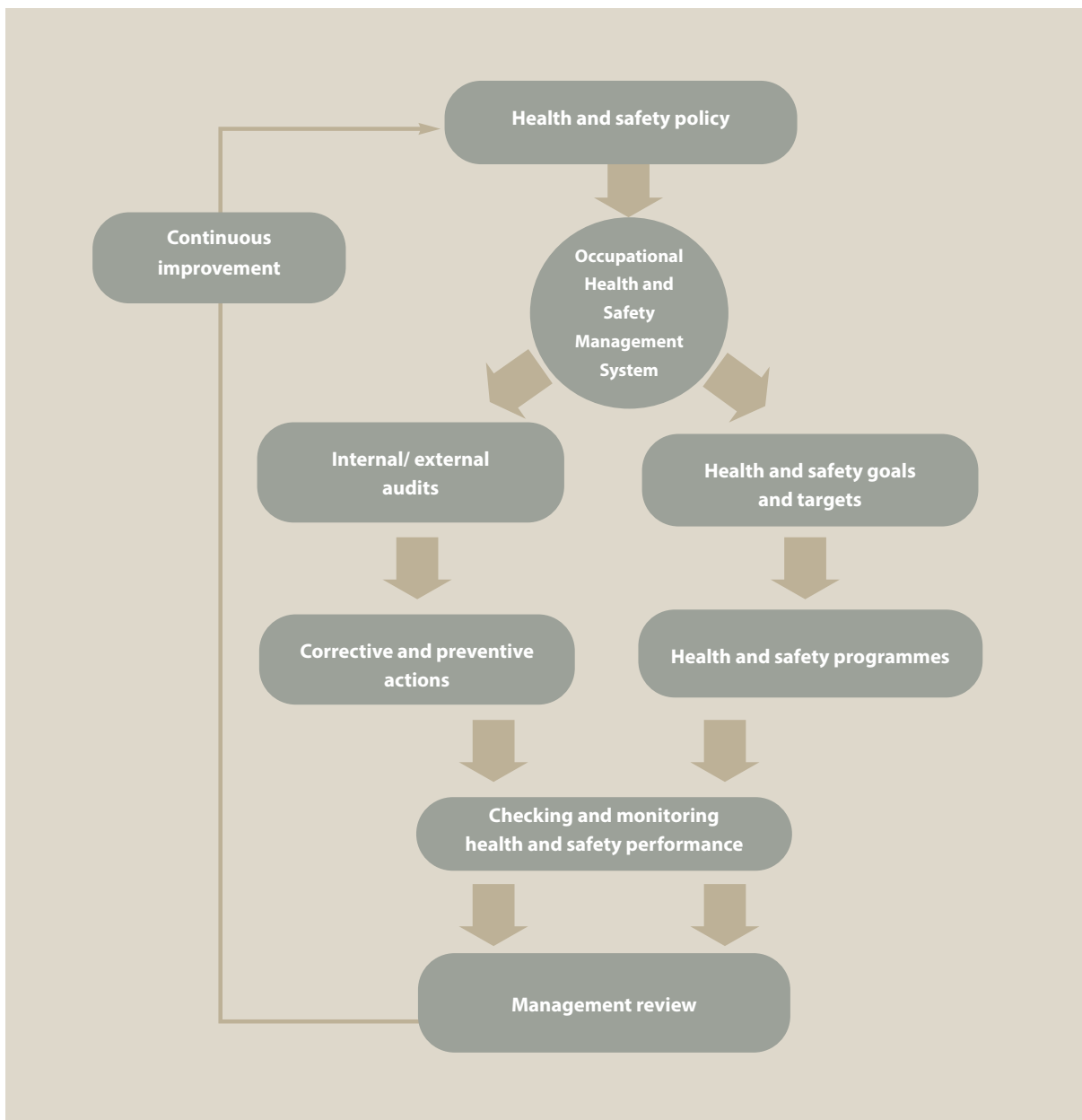
To us, “zero accident” is a constant objective. To this direction we make every possible effort, by:

- material implementation of the Occupational Health and Safety Management System
- constant investment projects implemented annually
- regular controls and audits conducted by various levels of managers, either on a daily or monthly basis in all departments.
- the health and safety programs we implement
- the constant improvement programs we implement, such as the 5S system
- the constant training, awareness and active participation of all employees.

Our commitment (according to the occupational health and safety policy) focuses on:

- ensuring the health and safety of employees, associates and visitors
- the creation of an occupational environment without risks, accidents and occupational diseases
- the compliance with the applicable legal framework and implementation of higher standards in health and safety matters
- the prevention and our constant improvement in the area of occupational health and safety
- the promotion of a health and safety culture in all Company activities, also including cooperating companies, contractors, suppliers, etc.





Halcor proves in practice its commitment for ensuring the health and safety of its employees and associates, by the certified Occupational Health and Safety Management System (OHSAS) it implements. In the framework of the system, by the health and safety policy, the Company is committed to providing the necessary resources required for achieving constant improvement in matters of health and safety.

The Company fully complies with the existing national law regarding the practices of recording, investigation and reporting of accidents to the relevant authorities. Specifically, in every incident, the conditions are investigated, in order to seek the root cause(s) that lead to the incident. Following this, corrective and preventive actions are planned and implemented.

5S system: Continuous improvement programme

The Company, for a more effective management of its resources and equipment and for its constant improvement, from 2009 it implements the 5S methodology, with five implementation stages, known as: Sort, Set in place, Shine, Standardise, Sustain - 5S. It has been internationally proven that the 5S system is an effective methodology for the constant improvement of the work environment with direct and obvious benefits also in the area of health and safety. During 2014, Halcor and Fitco facilities were audited by an independent body and were certified for the implementation of the 5S system.

To this day, no occupational disease has been reported in the Company

On an annual basis, scheduled audits are conducted on all Company facilities by a team of managers. Within a period of about 3-4 days, all units are audited, findings are recorded and the relevant report is prepared on the findings that must be resolved and on any suggestions for the improvement of working conditions.



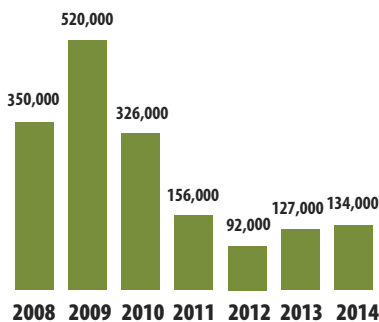
Furthermore, work groups have been created, with the participation of a significant number of employees, while at the same time, in all production sections of the plant and on the external auxiliary areas, tables with photographs (before and after) and various information on the progress of the implementation of the system, have been posted.

Ongoing investments in the health and safety sector

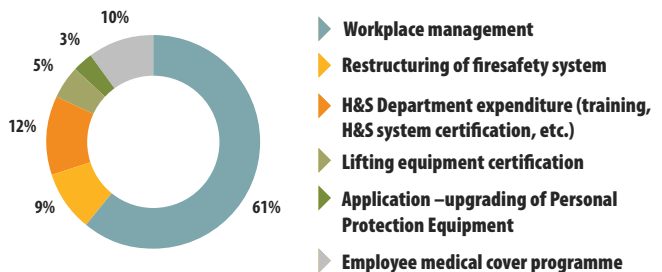
Aiming at the constant improvement of the Company performance in this area, Halcor makes continuous and significant investments on the health and safety of its employees and associates. Specifically, in 2014, the annual expenditure on health and safety amounted to 134,000 EUR, while in total, in the last 7 years 2008-2014 more than EUR 1.7 million have been spent on programs and upgrading of the Company infrastructure on health and safety issues.

The total expenditure on health and safety in 2014 exceeded 134,000 EUR

Investments & operational expenditures on health and safety (EUR)

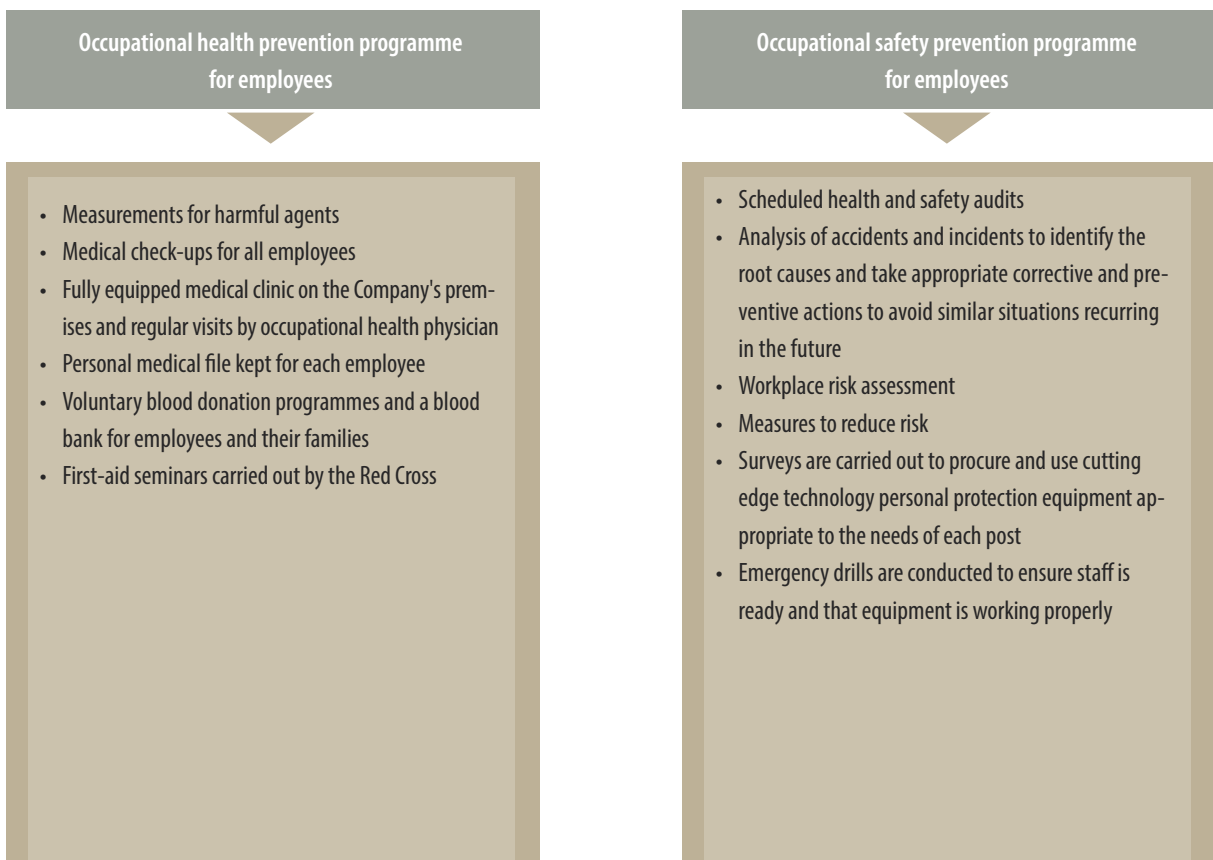


Investments & operational expenditures on health and safety



7.2 Health and safety programmes

Aiming to reduce incidents of any type, control and/or eliminate risks, upgrading of the work environment and the overall improvement of the Company's performance with regard health and safety issues, prevention actions and programs for the employees' health and safety are planned and carried out on a yearly basis.



In 2014, in cooperation with a specialised training body, first aid seminars were conducted in Halcor. In total, 55 employees were trained. After the completion of said seminars, the Company decided and purchased two defibrillators and a training manikin for cardiopulmonary resuscitation, in order to create and train a team of immediate intervention in any case of employees' heart attack.

Updating on serious diseases

In 2104, in cooperation with NGO "Volunteers against Cancer - AgaliaZO", Company employees received information on the prevention and timely diagnosis of prostate cancer. The topics covered were:

- What is prostate cancer
- Prevention of prostate cancer
- Timely diagnosis
- Treatment.



7.3 Training for health and safety

Training plays a particularly important role in ensuring safe carrying out of activities and maintaining adverse events in low levels. For this reason, Halcor places particular emphasis on the training of the employees on health and safety issues. In the framework of the occupational health and safety management system implemented by Halcor and in order to create and enhance a “Safety environment”, the company implements an extensive training program.

Placing particular emphasis on employee and associate training on health and safety issues, the following were implemented in total:

- 525 hours of training to 282 production employees of the Company and
- 94 hours of training to contractor employees that carry out work within the Company facilities.

Average training hours per production employee



Health, safety and environment month

As of 2010, Halcor has adopted the “Month of health, safety and environment”. This month has now been established in the Company and is implemented on an annual basis. For fifth consecutive year, the Company, by implementation of this institution, proves that the health and safety of employees is a top priority and constant principle for Halcor. It is an event, with a rich training program and main target the change of philosophy and further awareness of staff on occupational health and safety issues, and on environmental management issues.



During the health and safety month, an extensive training program is implemented for employees on the proper application of safety measures, the implementation of prevention measures against occupational risks and accidents, and the prevention and addressing of environmental effects.

At the same time, printed material is distributed to the human resources and associates of the Company. Every year the main theme of the training program is adjusted to the particularities and needs arising. It is noted that during the first years of implementation of the “Month of health, safety and environment”, the attempt was focused on intensive training on general occupational health and safety issues, while in the last few years, it is focused on the coverage of existing and specialised needs in the area of occupational health and safety.

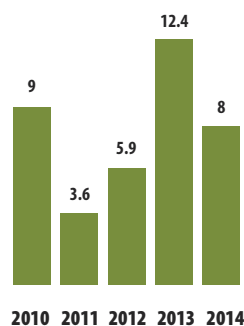
Both the “Month of health, safety and environment” and the intensive training program (all year round) and the large investments and programs on Health and Safety issues implemented in the last years, have brought about a significant improvement in this area.

Occupational health and safety performance

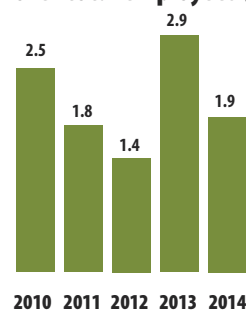
Health and safety indicators	2010	2011	2012	2013	2014	Performance annual change
Rate of injuries / accidents over total employees (%)	2.5	1.8	1.4	2.9	1.9	-34.5%
Number of incidents	11	4	6	12	8	-33.3%
Incidents without lost days	4	7	2	5	3	-40%
Injury rate (IR)	1.9	0.7	1.2	2.5	1.6	-36%
Accident Frequency Rate	9	3.6	5.9	12.4	8	-35.5%
Accident Severity Rate	370	124	41	65	47.3	-27.2%
Number of near misses	-	-	23	25	19	-24%
Total health and safety expenditures (EUR)	326,000	156,000	92,000	127,000	134,000	+5.5%

Note: Pages 113-116 present an analysis of the health and safety indexes that the Company monitors and records, as well as the relevant formulas of index calculation.

Frequency rate



Rate of injuries / accidents over total employees (%)



In the five years period 2010-2014, the frequency index of safety incidents was improved by 10%.

In the five years period 2010- 2014, the number of absent days due to safety incidents were significantly reduced (from 515 in 2010 to 47 in 2014) and therefore the severity index was improved by 87% (from 30 in 2010 to 47 in 2014).

Note: In order to calculate lost days, day count begins from the day following the incident and minor accidents requiring only first aid provision are included.



Our goals for 2015

1. Employees' blood tests and x-rays.
2. Carrying out of 10 health and safety audits by each production officer, per plant.
3. Carrying out of 10 monthly health and safety meetings per plant.
4. Attendance of at least 1.5 hour of training / production employee.
5. Implementation of staff awareness program on reporting the risk of safety incidents (near misses).

HALCOR

8

Environmental protection





1.54
million EUR
Environmental
protection
investments and
expenditure

1,113
MWh
Energy saving per year
by improvements in
the production
Procedure

4.5%

Increase of secondary
material (scrap) use
compared to primary raw
material

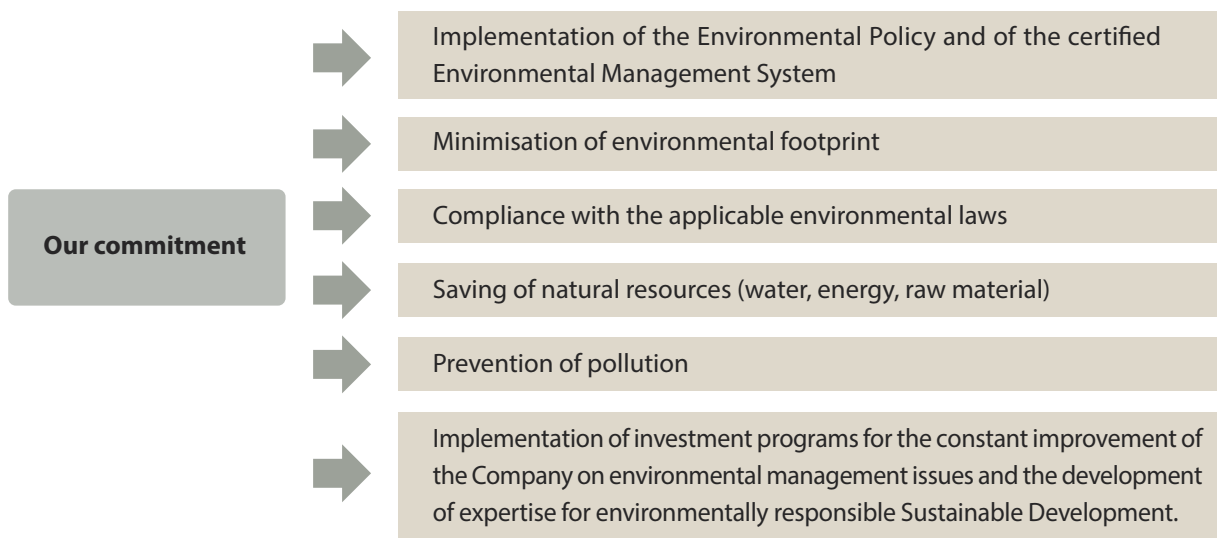
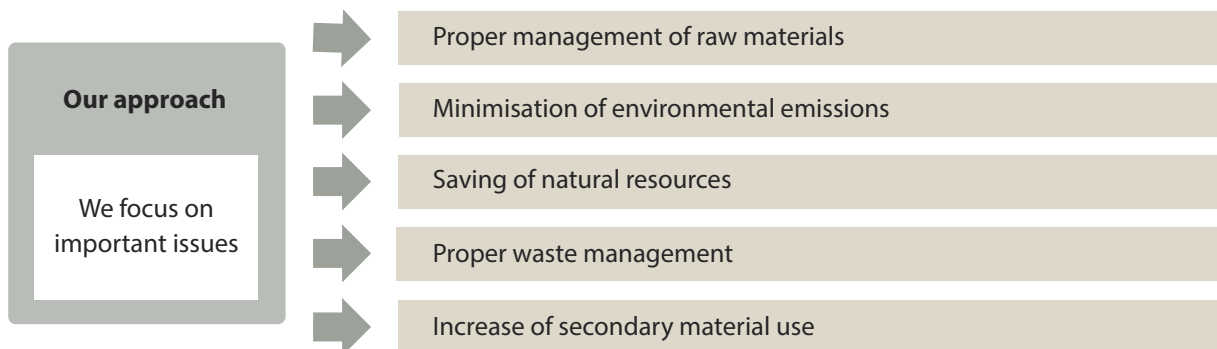
**To us, proper management
of our environmental aspects,
is top priority.**

“Halcor, as environmentally responsible company does not jeopardise the development and living standards of generations to come. It is committed to saving natural resources and water in particular, energy and raw material as well as to the constant improvement, pollution prevention and compliance with other than legal requirements, providing all necessary means”.

Extract of the Quality - Environment - Occupational Health and Safety Policy of Halcor

8.1 Our approach to environmental protection

Environmental protection stands high in Halcor's priorities. Implementing a number of practices, procedures and control systems, the Company achieves systematic and integrated management of the impact on natural environment in an effective manner. The Company Management ensures the provision of all necessary means and resources to allow the implementation of rational and integrated management of environmental aspects.



Halcor actively supports the effort for the creation of recycling infrastructure in our country. By its contribution paid to the Hellenic Recovery Recycling Corporation (EEAA) from 2007 to this day, it has supplied the market with approximately: 762 blue wheeled bins of 1 recycling collection vehicle.



8.2 Environmental Management System

Halcor has implemented for a number of years a certified Environmental Management System in all its production units, in accordance with the requirements of the ISO 1400:2004 international standard.

At the same time, a specific Environmental Policy has been established and implemented (see <http://www.halcor.gr/corporate-responsibility/environment/environmental-policy>); the Policy reflects how the Company ensures integrated management on environmental aspects).

ISO 14001 certification at Halcor's plants

No	Plant	2009	2010	2011	2012	2013	2014
1	Copper tubes	√	√	√	√	√	√
2	Recycling - melting	√	√	√	√	√	√
3	Titanium-zinc rolling plant (*)	√	√	√	√	√	√
4	Polyethylene sheet production line (plastic and rubber compounds plant)	-	-	√	√	√	√

(*) This plant suspended production activities on 01.01.2011.

Halcor ensures the implementation of environmental laws and other regulations. Apart from the applicable laws and European regulations, Halcor also implements preventive measures as regards the environment, as the Company Management provides all resources and means required to achieve the intended level of their implementation.

Halcor goes beyond just the compliance with the law and makes the effort to achieve environmental performance that is higher than that required by the applicable law. A significant tool to that direction is the significant investment program implemented by the Company on environmental protection, intending and achieving environmental performance that exceeds the minimum requirements set by law. In 2014, there was no case of non compliance with the applicable National and European environmental laws. Furthermore there were no complaints, nor fines or other penalties imposed for environmental issues.

Organisational structure for the environmental protection

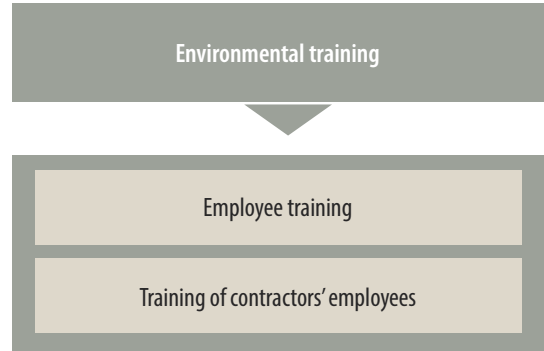
An Environmental Department operates in Halcor, staffed with specialised scientific personnel in order to implement the environmental policy and programs and to constantly improve the Environmental Management System. The senior management of the Company is updated directly from the Department's executives on all environmental protection issues and monitors the implementation of the Environmental Policy (via the annual review of the System).

Organisational structure for the environment



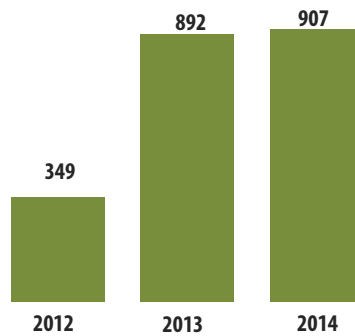
Environmental training

The successful implementation of the Company's environmental policy depends significantly on the participation and efforts of all employees. The Company, in order to create a relevant philosophy, organises on an annual basis seminars and training for the staff on environmental protection. In 2014, 907 training hours were implemented on environmental protection issues and 346 employees were trained in total (of which 64 are contractors' staff).



Training on environmental issues	2012	2013	2014
Employees trained (number)	241	196	282
Contractor's employees (number)	-	66	64
Total people trained	241	262	346
Number of workshops held	11	16	14
Training hours	349	892	907

Training hours on environmental issues



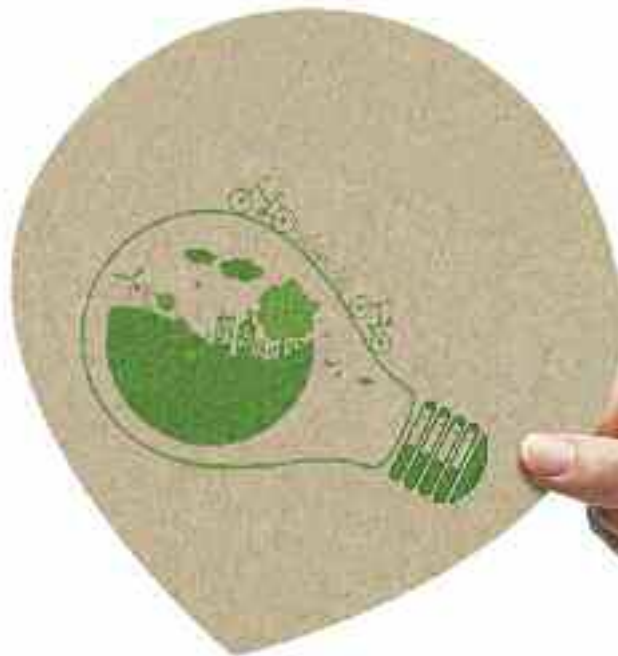
8.3 Investments and expenditure on environmental protection

The Company Management ensures the provision of all necessary resources for the efficient protection of the environment. In order to upgrade the infrastructure on environmental protection and to continue to improve its relevant performance, significant investments are made on an annual basis.

The annual needs of environmental protection are evaluated and prioritised and then respective actions are implemented in accordance with the goals set by the Environmental Department of the Company and approved by Halcor's Management.

EUR 1.54 million in 2014 for expenditure and investments for environmental protection

The total of Halcor's expenditure and investments for environmental management and protection in 2104 amounted to EUR 1.54 million.



Category	Category of environmental expenditures 2014	2014 (EUR)
Prevention	Waste management by licensed contractors	318,055
	Support to Environmental Management Department and consulting services	199,862
	Monitoring environmental parameters	46,116
	New environmental infrastructure and anti-pollution systems	636,518
Emissions treatment	Maintenance and operation of environmental protection equipment	323,324
Landscape	Improvement and maintenance	20,455
Total		1,544,330

8.3 Efficient use of natural resources

For the needs of Halcor's production procedure the use of natural and other resources is required. The main core of the Company's philosophy as regards the use of various materials is achieving the highest possible efficiency in their use. In this manner, the protection of natural resources is ensured, the used of materials is reduced while at the same time the environmental impact from production is minimised, with significant benefits for the society, the environment and the economy.

8.3.1 Halcor's product Life Cycle Assessment

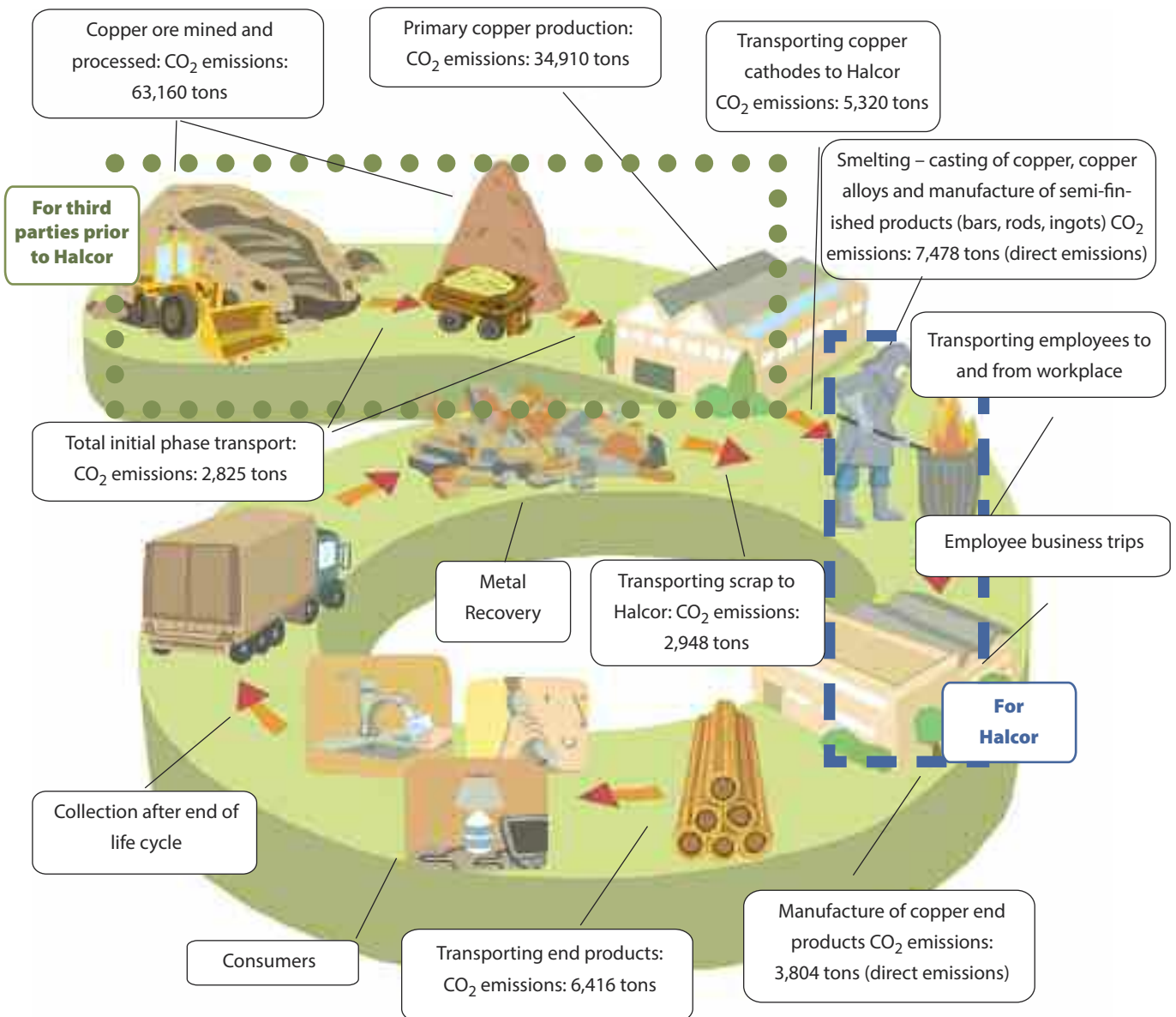
During the life cycle of product, all procedures and activity that take place have an impact on the environment due to the consumption of resources, the emissions to the natural environment and other environmental interactions. The Life Cycle Analysis is a methodology used for the assessment and evaluation of environmental impact during the life cycle of a product.

Halcor always aims that the largest part of its requirements in raw material (copper) is covered by the use of recycled metals that have completed their life cycle (scrap). In this manner there is an excellent combination of economic efficiency with reduction of the Company's environmental footprint, both as regards the reduction of natural resources mining and as regards the total environmental impact from the production of primary metals.

The CO₂ emissions of every phase of the "life cycle" of Halcor's products, are presented in detail in the following figure.



Copper Life Cycle Assessment



(More information as regards the formulas, the method of calculation and the assumptions used, is presented in p. 117).

The valuation of the “life cycle” of copper products

In the last years both in Europe and internationally, the reduction of the environmental impact of products to a “life cycle” level has become a matter of increasingly higher interest both for consumers and for industries, while at the same time businesses are urged to implement relevant practices not only in the framework of their activities but also extending to the entire supply chain.

At the same, the EU undertakes the promotion of sustainable consumption via the transition to a “circular economy”, focused on the reuse and recycling of existing materials and products. Measures, such as the improved ecological design and the prevention of generation and reuse of waste may result in net savings of up to EUR 604 billion for businesses across the EU, corresponding to 8% of their annual revenue, reducing at the same time, greenhouse gases emissions by 2-4% (*).

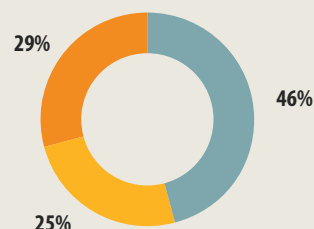
The copper industry has a commitment for the reduction of environmental impact from its activities. Responding to the market trend for a shift to a circular economy, and to the respective requests by end users and regulatory authorities, it has implemented detailed analysis on the life cycle of copper and intermediate copper products (sheets, pipes and wires).

Below the results of the Life Cycle Analysis (LCA) are presented (Global Warming Potential - GWP), in accordance with the sources:

- Pollutants arising directly in the production area in the EU (yellow)
- Pollutants arising indirectly as a result of the local primary energy mix (orange)
- Other indirect emissions occurring in previous stages of the chain (blue)

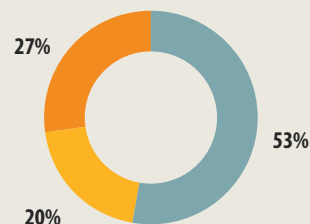
More information is available online at <http://www.copperalliance.eu/gr/about-copper/life-cycle>
 (*): http://ec.europa.eu/environment/enveco/resource_efficiency/pdf/report_opportunities.pdf

Copper tube



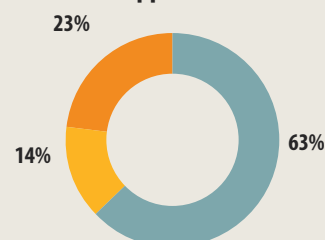
- ▶ Other indirect emissions that occur in the previous stages of the LCA
- ▶ Emissions that occur directly in the production area in EU
- ▶ Emissions that occur indirectly, as a result of the local primary energy compound

Copper sheet



- ▶ Other indirect emissions that occur in the previous stages of the LCA
- ▶ Emissions that occur directly in the production area in EU
- ▶ Emissions that occur indirectly, as a result of the local primary energy compound

Copper wire



- ▶ Other indirect emissions that occur in the previous stages of the LCA
- ▶ Emissions that occur directly in the production area in EU
- ▶ Emissions that occur indirectly, as a result of the local primary energy compound



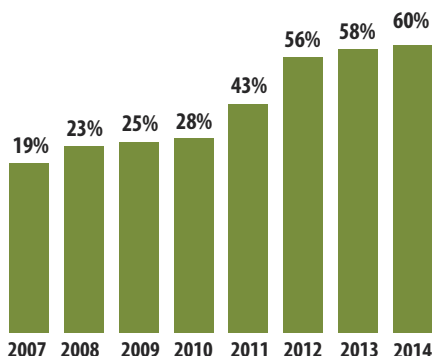
8.3.2 Raw materials

The primary raw material supplied and used by the Company is copper. Halcor's main philosophy axis is the use of raw material and other auxiliary materials with the maximum possible efficiency, as the increase of efficiency leads, among other things, to the reduction of the waste generated.

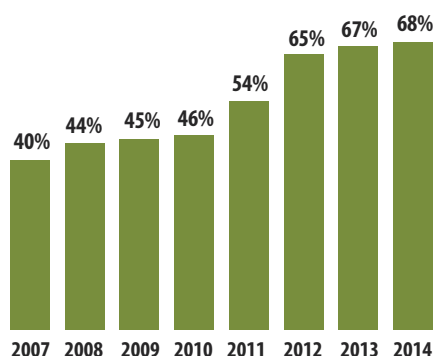
Halcor is the greatest copper and copper alloys recycler in Greece.
68% of the metal used in 2014 in Halcor's production procedure (along with internal returns) came from recycled metals.

The largest part of the Company's need in copper is covered by the use of recycled metals that have completed their life cycle (scrap). The use of scrap instead of the primary production of copper, leads to very significant benefits for economy and the environment.

Recycled metal consumption (percentage) in relation to total metal consumption (without internal returns)



Recycled metal consumption (percentage) in relation to total metal consumption (*)



(*) Recycled metals by internal returns during production process have been included in the diagram

Copper recycling: Environmental and economic benefits

The protection of natural resources by the reuse and recycling of materials and products, with parallel reduction of waste is particularly important for the economy, for society and for the environment. Halcor covers the largest part of its needs in copper by the use of recycled metals that have completed their life cycle (scrap).

As of 2007 up to 2014, Halcor has recycled large quantities of metal, being the greatest copper and copper alloys recycler in the Balkans. In this way, there is significant contribution in the promotion of conditions for the creation of circular economy, with emphasis on the saving of natural resources, energy and cost. Halcor has significantly increased its use of scrap: The use of scrap was 19% in 2007 and in 2014 it reached 60%, thus significantly reducing the impact on natural environment.

Energy saving, compared to the primary production of the same quantity of copper, is calculated as at least 1,975,376 MWh*, namely the equivalent of annual consumption of a city of 340,000 people (calculated by the EU average).



*100 GJ/tn is the amount of energy required for the production of 1 tn of primary copper.

85% is the minimum energy saving

100 GJ/tn x 85% x 83.663tn = 7.111.355 GJ x 1KWh/0,0036GJ = 1.975.376.389 KWh = 1.975.376 MWh (1KWh = 0,0036 GJ)

8.3.3 Raw materials and safe use

In the framework of the production procedure the use of various chemicals is required, for the proper processing of metal. The Company takes measures, in order to reduce the use of said chemicals to the minimum level required, while ensuring that it is always in compliance with the applicable law.

All actions undertaken by Halcor for the proper use and management of the substances it uses, are in conformity with the proper work instructions as cited in the Safety Data Sheets (SDS) and concern:

- storage in dry and protected areas, when so required
- training of users for the proper management and prevention of leakage to the environment
- conducting of security drills in case of emergencies
- taking of preventive measures to prevent leakage of chemical substances.

8.4 Energy consumption and save energy

Halcor aims at the efficient use of energy consumed in its facilities for production needs. However, due to the nature of its activities there are increased needs in thermal (natural gas, oil) energy and electric power.

Thermal energy

The consumption of thermal energy in 2014 amounted to 62,043 MWh, being slightly increased by 5% in comparison to the previous year. This small increase is mainly due to a production increase. Respectively, the thermal energy specific consumption (consumption per product quantity) was 802 KWh per product tn, this remaining on the same levels as the previous year (0.6% increase).

Specific thermal energy consumption



Electricity

The specific consumption of electric power in 2014 amounted to 675 KWh per product tn, being increased by 2.5% in comparison to the previous year. This increase is mainly due to a different mix of products.

All indirect energy consumption comes from electric power, which the Company gets from the Public Power Corporation (DEH).

Specific electric energy consumption



Electricity saving

Halcor makes significant efforts to reduce energy consumption to the absolute minimum required and to increase efficiency during its use. To this direction, a number of measures and actions are take, while significant investments are also made.

The interventions made in 2014 for power saving concerned mainly the redesign of production procedures, as well as changes and reconstructions of equipment. The total profit in energy saving from said interventions amounts to 1,113 MWh per year. The most important actions to that direction were the following:

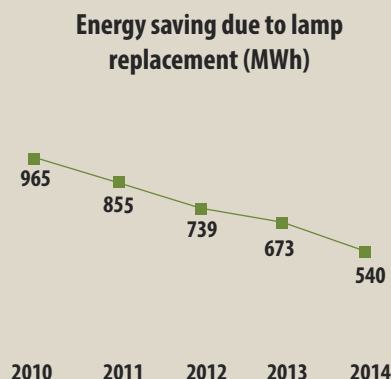
Intervention object	Intervention type (Change of procedures)	Energy saving (2014)
Optimisation of method of operation	Change of power consumption zinc line from 371 KWh/tn in 2013 to 343 KWh/tn in 2014	597,576 KWh

As regards interventions of change and reconstruction of equipment, the actions made in 2014 are:

Intervention object	Intervention type (change and reconstruction of equipment)	Energy saving (2014)
Plant lighting Recycling - Casting	Change of 30 fixtures saving 250W in new type LED 100 W	15,750 KWh

Interventions of change and reconstruction of equipment: replacement of light bulbs in the Copper Pipe plant

As regards interventions of change and reconstruction of equipment for 2014, the Company proceeded to the gradual replacement of light bulbs with other respective LED type of lower power consumption. Having completed the upgrading of 78% of the internal lighting, there is a gradual reduction of the installed lighting power from 380 KW (September 2009) to 184 KW (September 2014), thus achieving power saving of 500 MWh/year. Furthermore, we are currently examining the optimal type of fixture with incorporated motion sensor and dimmer for use in various areas of the Company.



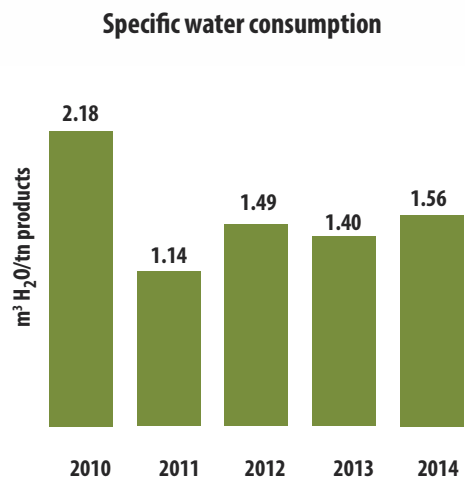
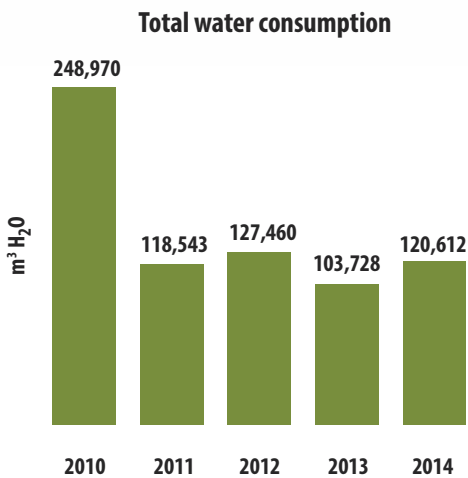
Halcor aims at continuing the investment and intervention program in order to achieve further power saving in the following years.



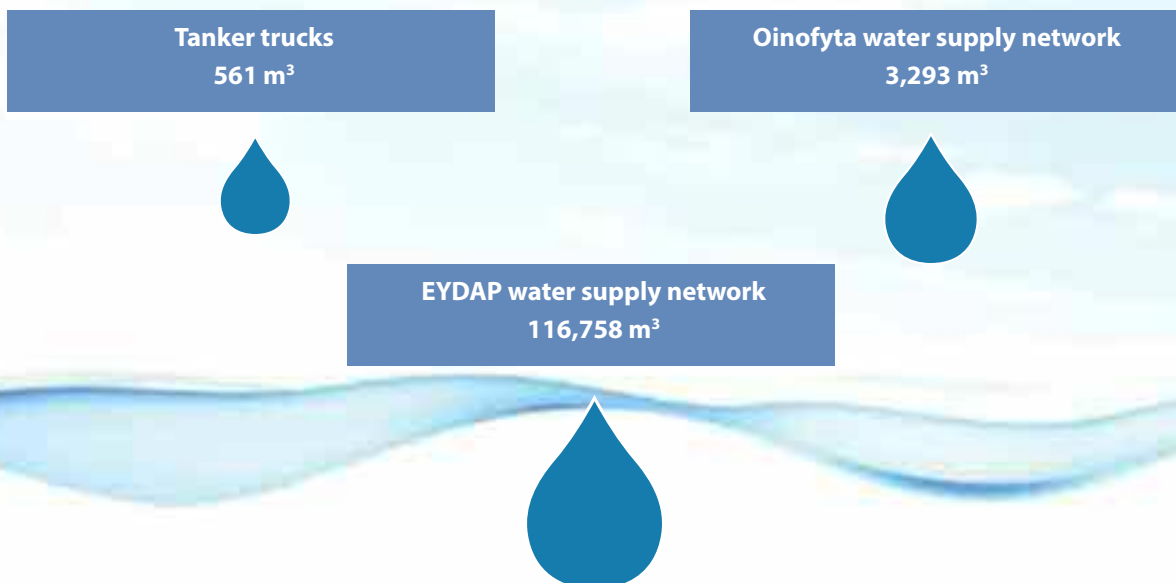
8.5 Water use

Water is a valuable natural resource and its protection requires everyone's contribution. Halcor acknowledges the great value of water and implements practices for its efficient use and for limiting the quantities used to the absolute minimum levels required. At the same time, whenever possible, recycling practices are applied, while special emphasis is placed on the minimisation of liquid waste disposal.

In 2014 the use of water amounted to 120,610m³ being increased by 16% in comparison to the respective consumption of the previous years, which was mainly due to the increase of special alloy production.



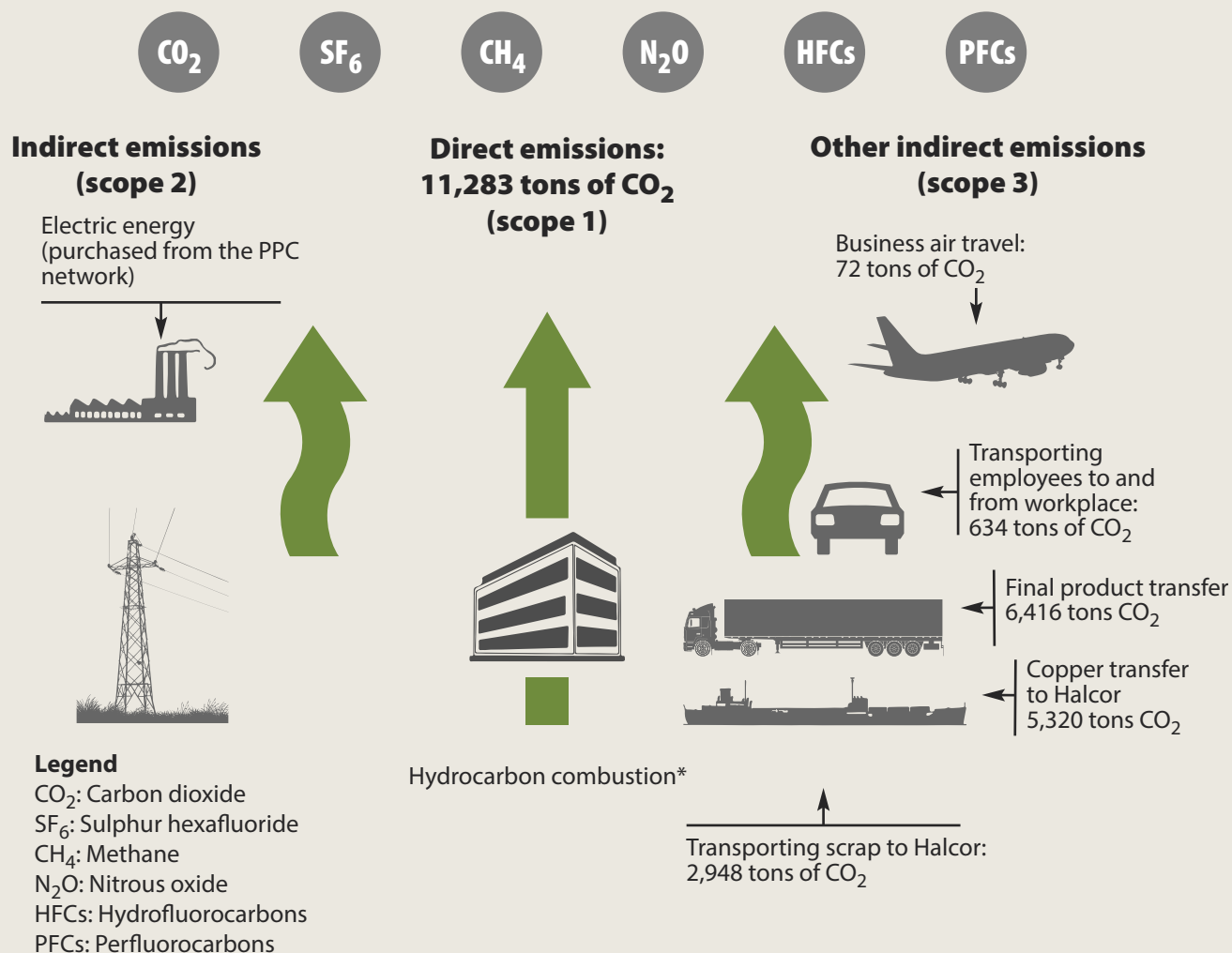
Water consumption by source (m³)



8.6 Air emissions management

As a result of thermal metallurgy gaseous emissions are produced, which Halcor monitors, records and manages. At the same time the Company acknowledges the necessity of preventing climate change and the importance of a collective effort in this direction. On this basis, a number of measures are taken and efforts are made for the reduction of the greenhouse gas emissions generated, such as:

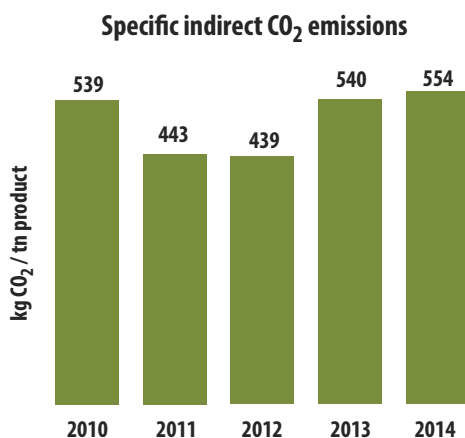
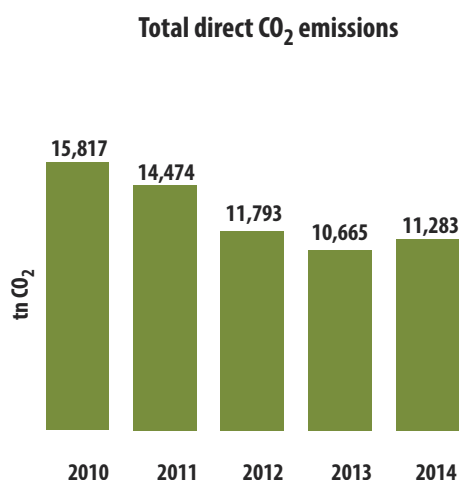
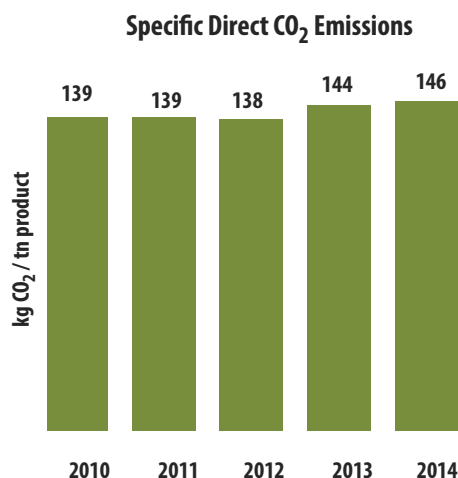
- use of fuels with lower greenhouse gas emissions per power generated, such as natural gas
- frequent and appropriate maintenance and adjustment of equipment and automated systems, in order to achieve optimal combustion of fuel and therefore minimal emission of air pollutants.





8.6.1 Carbon dioxide (CO₂)

At Halcor, the main CO₂ emission sources are fossil fuel combustion for thermal energy in production and the traffic of forklifts. In 2014 the total direct CO₂ emissions amounted to 11,283 tn CO₂ being increased by 5.8% in comparison to the previous year.



* The quantity of direct emissions is calculated based on natural gas consumption in production and the consumption of oil for the transfer. For calculating the indirect CO₂ emissions the 0.82 kg CO₂/KWh was used for year 2014.

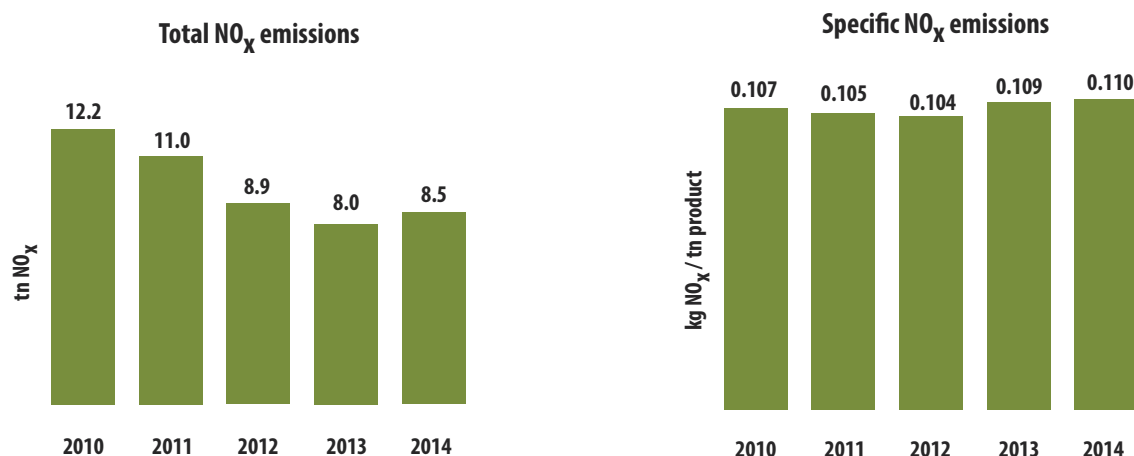
8.6.2 Other air emissions (NO_x)

Natural gas and other fossil fuel used for generating thermal power produce oxides of nitrogen (NO_x) emissions. In 2014, total NO_x emissions amounted to 8.5 tn.

Monitoring and measures to reduce emissions

The company monitors, records and manages appropriately the gaseous emissions, aiming at the minimum possible aggravation of the atmosphere. For the continuous monitoring of solid particles emission, a system is installed for the constant measurement of particulate matter in the waste gases of the furnaces of the recycling and casting plant.

A primary objective of the Company is compliance with the applicable law. To this day, in accordance with the measurements made, the permissible limits set by the existing national law and the environmental terms of the facilities have not been exceeded. Compliance with the emission limits is achieved by implementation of the Best Available Techniques such as, e.g. the use of bag filters for addressing particle emission and activated carbon filters for addressing VOCs emissions.



8.6.3 Transport emissions

The locations of the Company's production plants and the nature of its activities, require the transportations of human resources and the transfer of raw material and products to and fro the production plants. For these transportations fossil fuels are used and the respective gaseous emissions are generated .

The Company intends to minimise said transportations, to the absolute minimum level required. To this direction, the following are applied:

- installation and use of teleconference systems for the communication needs with customers and associates based abroad.
- provision of accommodation to employees for staying in the local area
- staff transportation by company buses
- recruitment of staff from the local community

CO₂ emissions for the transportation of copper cathode and scrap to Halcor facilities by ship and vehicles are calculated as 5,320 and 2,948 tn CO₂ respectively in 2014. Furthermore, the emissions from employees transportation to and fro the workplace resulted in the emission of 634 tn CO₂ while the emissions from the business air-travel of executives were 72 tn CO₂. Moreover, CO₂ emissions from the transportation of end products from Halcor facilities was 6,416 tn CO₂.

8.6.4 Other impacts

Apart from the gaseous emissions in the air emissions, the transfers made, both as regards raw material, products and employees, have some, limited effects on the environment. These effects and the measures taken for their management are presented in p. 113.

8.7 Waste management

The Company implements a specific policy and makes significant efforts as regards the rational management and use of the waste of its production procedures, by applying management practices, as required by the applicable law and the Best Available Practices.

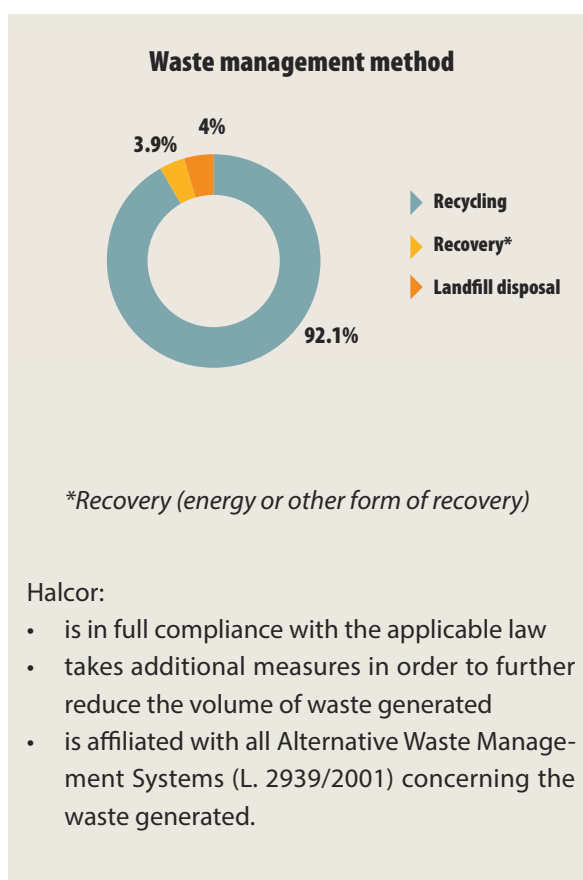
In the framework of the constant effort of environmental performance improvement and by the implementation of the Environmental Management System, the Company aims at and achieves the exceed the minimum requirements of the law, with the objective of optimal environmental protection.

Halcor's main objective, as regards waste management is the avoidance of their generation and the reduction of their volume, while then, best practices are applied as regards their recycling and use.

As a result of their practices applied, there is a drastic reduction of the final volume disposed in landfills ('XYTA'). The largest part of the waste generated goes for recycling and energy use, while as shown in the diagram, only a small part of the waste is disposed to landfills, thus minimising the impact to the natural environment.

The special waste production in 2014 amounted to 211 kg/tn of product, being increased by 11% compared to the previous year, due to the increased use of raw material and specifically of recycled metal (scrap).

For the appropriate management of liquid waste generated from the production procedure, the Company has Liquid Industrial Waste Treatment Systems. Specifically, three liquid waste treatment units are in operation; said units is where the primary treatment (sedimentation and oil removal - physical treatment) or even chemical treatment (pH adjustment) is made, as appropriate. The operation of said infrastructure and their diligent operation and maintenance, ensure that the liquid waste leaving the facilities meet the specifications of the provisions governing their disposal to the receiving waters.





Completion of the installation of the closed copper pipe degreasing system

Despite the fact that the air quality in the workplace of the Company was within the limits set by the laws and regulations, the Company proceeded in the installation of a new closed type degreasing system, in order to ensure the minimisation of emissions by the specific solvents, with obvious benefits for the personnel working in the specific areas.

The new closed type degreasing system replaced one of the existing degreasing systems. The implementation of this program achieves significant advantages for the Company, both environmental and financial, such as:

- Reduction of solvents' use
- Minimisation of gaseous emissions due to the use of solvents
- Improvement of the air quality in internal spaced in the production procedure.

The degreasing system operates in vacuum and is controlled in all operation phases (during the entire operation cycle) by an independent system of solvent concentration measurement. In particular, in accordance with the design of the system proposed, solvent concentration measurements under the limit (1mg/m³) are the safety threshold for removing the tube bundle from the work room after the end of the degreasing cycle.

The degreasing means applied in the new closed type degreasing system is tetrachlorethylene (Perchloro), while it is estimated that the consumption quantity required amounts to 11 tn per year (a quantity corresponding to the maximum capacity of the facility). Applying the closed type degreasing system resulted in saving 34,320 kg solvent, corresponding to a 87% reduction in a period of 8 months.

Furthermore, in accordance with the approved environmental terms, the environmental parameters of treated waste (such as pH, BOD5, COD, total suspended solids, oils and grease - hydrocarbons, heavy metals, temperature, etc.) are monitored on a monthly basis.

8.8 Compliance

Halcor takes the necessary measures to ensure the implementation of environmental laws and other regulations. The laws and any changes existing in the legal framework and regulations are monitored and implemented even preventively, in order to achieve the indented level of implementation.

In 2014, there was no case of non compliance with the applicable national and European environmental laws.

However, Halcor goes beyond mere compliance with the law and makes great efforts to achieve environmental performance that often exceeds the set minimums. A significant tool to that direction is the great investment program implemented by the Company on environmental protection, intending and achieving environmental performance that exceeds the requirements set by law.



Audits and compliance with legal requirements

Compliance with the legislation and European environmental laws is a key principle for Halcor. For the evaluation and for ensuring compliance, environmental controls are constantly conducted in all facilities; during these controls, compliance with the law and with the procedures and environmental measures of the Company is checked. The results of these environmental controls, are presented to the Company Management and when deemed necessary, additional measures are taken.

In 2014 there were no complaints, no fines or other penalties imposed for environmental issues.



Our goals for 2015 - 2017

- 1.** Construction of a new pipeline routing treated liquid waste to the treatment unit of Elval S.A.
- 2.** Start of works for the implementation and certification of the Energy Management System in accordance with ISO 50001 in the facilities of the Recycling- Casting, Copper Pipes plants and Fitco facilities.
- 3.** Installation of a new technology unit for processing production water for use (reverse osmosis unit) in the Recycling - Casting plant.
- 4.** Further signage in external areas for the information of employees and subcontractors on environmental management, health and safety and 5S issues.
- 5.** Replacement of conventional light bulbs with energy saving bulbs in 100% of the indoors areas of the plant.
- 6.** Extending training on generic environmental topics.





Key Corporate Responsibility Indicators

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Customers

Customers geographical distribution

Categories	Europe	America	Asia	Africa	Total
Industrial tubes customers	75%	96%	91%	60%	78%
Installation tubes customers	25%	4%	9%	40%	22%

Purchasing

Number of suppliers per category /origin

Supplier category	2012	2013	2014
Local suppliers	130	145	148
National suppliers	880	877	991
International suppliers	334	315	323
Group companies	49	41	40
Total	1,393	1,378	1,502
Suppliers from the local community (percentage)	9%	11%	10%

Number of suppliers per category / type

Category	2014
Total metal suppliers	115
Local metal suppliers	28
Group metal suppliers (local)	10

Suppliers expenditure distribution per category/origin

Suppliers categories	2014
Total expenditure on suppliers (local suppliers)	387.7
Expenditure on metal suppliers	336
Expenditure on national metal suppliers (local suppliers)	28.9
Expenditure on international metal suppliers	307.1
Supplied materials-Halcor	51.7



Halcor's purchased materials

Categories	Type of material	Measurement unit	Quantity/ volume	2013		2014		
				Presence in the final product	Non renewable	Quantity/ volume	Presence in the final product	Non renewable
Raw materials	Metals	Kg	n/a	√	n/a	n/a	√	n/a
	Metals	pieces	n/a	√	n/a	n/a	√	n/a
	Plastic	Kg	n/a	√	n/a	n/a	√	n/a
	Plastic	pieces	n/a	√	n/a	n/a	√	n/a
	Plastic	M	n/a	√	n/a	n/a	√	n/a
	Plastic	m ²	n/a	√	n/a	n/a	√	n/a
Production related materials	Consumables	Kg	1,155,016	-	n/a	1,128,023	-	n/a
	Consumables	Lt	162,690	-	n/a	128,257	-	n/a
	Consumables	m ³	4,210,644	-	n/a	4,431,507	-	n/a
	Consumables	pieces	24	-	n/a	29	-	n/a
	Fuels	Lt	189,060	-	n/a	220,699	-	n/a
	Fuels	m ³	7,5	-	n/a	8	-	n/a
	Fuels	Nm ³	4,996,117	-	n/a	5,246,124	-	n/a
Supporting materials or spare parts	Spare parts	Kg	139,798	-	n/a	105,632	-	n/a
	Spare parts	M	9,703	-	n/a	13,043	-	n/a
	Spare parts	m ²	18	-	n/a	128	-	n/a
	Spare parts	set	378	-	n/a	592	-	n/a
	Spare parts	carton boxes	30	-	n/a	-	-	n/a
	Spare parts	pairs	8	-	n/a	6	-	n/a
	Spare parts	pieces	97,134	-	n/a	113,040	-	n/a
Packaging materials	Metals	Kg	32,038	√ (only 27.232)	n/a	35,434	√ (only 30.118)	n/a
	Wood	pieces	98,885	√	-	111,215	√	-
	Wood	m ³	664	√	-	414	√	-
	Paper	Kg	27,121	√	-	11,122	√	-
	Paper	pieces	1,532,672	√	-	1,693,849	√	-
	Belts	pieces	232,017	√ (only 227.617)	n/a	196,065	√ (only 189.865)	n/a
	Plastic	Kg	187,524	√	n/a	212,597	√	n/a
	Plastic	m	47,350	√	n/a	47,400	√	n/a
	Plastic	Km	780	√	n/a	696	√	n/a
	Plastic	pieces	6,486	√	n/a	204	√	n/a
Plastic plugs	pieces	8,584,784	√	n/a	9,347,877	√	n/a	

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

* Return to supplier

Fitco's purchased materials

Categories	Type of material	Measurement unit	2014		Non renewable
			Quantity/volume	Presence in the final product	
Raw materials	Metals	Kg	n/a	√	n/a
	Metals	pieces	n/a	√	n/a
	Plastic	Kg	n/a	√	n/a
	Plastic	pieces	n/a	√	n/a
	Plastic	m	n/a	√	n/a
	Plastic	m ²	n/a	√	n/a
Production related materials	Fuels	lt	11,601	-	n/a
	Fuels	Nm ³	561,004	-	n/a
Fuels	Kg	25	-	n/a	
Supporting materials or spare parts	Spare parts	Kg	3,585	-	n/a
	Spare parts	m	1,265	-	n/a
	Spare parts	set	2	-	n/a
	Spare parts	pieces	55,592	-	n/a
Packaging materials	Metals	Kg	9,692	√ (only 8,238)	n/a
	Wood	pieces	2,281	√	-
	Wood	m ³	93	√	-
	Paper	Kg	415	√	-
	Paper	pieces	4,076	√	-
	Belts	pieces	17,500	√	n/a
	Plastic	Kg	889	√	n/a

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

Human resources

Human resources data by geographical sector and gender group

Geographical sector	2012			2013		
	Men	Women	Total	Men	Women	Total
Attica	221	24	245	216	27	243
Greater Viotia and Evia Area	160	6	166	164	6	170
Rest of Greece	3	0	3	3	0	3



Human resources

Human resources data by geographical sector of employment

Geographical sector	2012	2013	2014
Attica	15	12	12
Greater Viotia and Evia Area	411	393	395
Rest of Greece	2	2	2
Other (relocation abroad)	6	7	7
Total	434	414	416

Distribution of workforce by age and gender group 2014

Attica	20-25	26-35	36-45	46-55	55+
Men	-	55	139	149	40
Women	-	8	11	11	3
Total	-	63	150	160	43

Distribution of workforce by age and gender group 2014 (percentage)

Attica	20-25	26-35	36-45	46-55	55+
Men	-	13.2%	33.4%	35.8%	9.6%
Women	-	1.9%	2.6%	2.6%	0.7%
Total	-	15.1%	36.1%	38.5%	10.3%

Total employee hires by gender and age group (2014)

	18-25	26-40	41-50	51+
Men	1 (4.8%)	10 (47.6%)	4 (19%)	3 (14.3%)
Women	-	2 (9.5%)	-	1 (4.8%)
Total	1 (4.8%)	12 (57.1%)	4 (19%)	4 (19%)

Total employee hires by geographical sector and age group (2014)

	18-25	26-40	41-50	51+
Attica	1 (4.8%)	7 (33.3%)	2 (9.5%)	3 (14.3%)
Greater Viotia and Evia area	-	5 (23.8%)	2 (9.5%)	1 (4.8%)
Rest of Greece	-	-	-	-
Total	1 (4.8%)	12 (57.1%)	4 (19%)	4 (19%)

Total employee departures by gender and age group (2014)

	18-25	26-40	41-50	51+
Men	1 (5.3%)	2 (10.5%)	3 (15.8%)	13 (68.4%)
Women	-	-	-	-
Total	1	2	3	13

Total employee departures by gender and age group (2014)

	18-25	26-40	41-50	51+
Attica	1 (5.3%)	1 (5.3%)	3 (15.8%)	9 (47.4%)
Greater Viotia and Evia Area	-	1 (5.3%)	-	4 (52.6%)
Rest of Greece	-	-	-	-
Total	1 (5.3%)	2 (10.5%)	3 (15.8%)	13 (68.4%)

Employee assessment

	2012	2013	2014
No. of employees assessed	57	50	44
Men	41	33	31
Women	16	17	13
Employees who had access to assessment results	100%	100%	100%

Environment**Environmental expenditures**

Category of environmental expenditures (EUR)	2012	2013	2014
Maintenance and operation of environmental protection equipment	358,926	387,080	323,324
Support to Environmental Management Department and consulting services	189,208	177,932	199,862
Waste management by licensed contractors	328,279	196,338	318,055
Monitoring environmental parameters	63,163	70,557	46,116
New environmental infrastructure and anti-pollution systems	74,664	230,249	636,518
Landscape improvement and maintenance	32,177	10,460	20,455
Total	1,046,417	1,072,616	1,544,330

**Specific thermal energy consumption per production plant**

Specific thermal energy consumption (KWh/tn products)	2012	2013	2014
Halcor's total thermal energy consumption	761	797	802
Recycling-melting	446	435	457
Copper tubes	377	370	356
Titanium-zinc rolling	-	-	-
Compounds	1,359	1,367	1,462

Direct energy consumption by type of fuel

Type of fuel	2012	2013	2014
Diesel (lt)	229,840	185,678	94,802
Natural Gas (Nm ³)	5,492,610	4,996,117	2,808,713
LPG kg	-	-	-
Total (GJ)	223,084	202,016	113,199

Breakdown of waste by category and management method

Waste	Category	Waste management	Quantity (Kg)		
			2012	2013	2014
Mixed recyclables (scrap metal, metal packaging paper, wood, plastic)	solid	Recycling	12,271,374	11,667,513	13,569,645
Sewage sludge	solid	Recycling	-	-	-
Slag	solid	Recycling	433,996*	601,857*	684,083
Mixed materials	solid	Recovery	102,880	-	-
Waste	solid	Landfill disposal	552,460	587,270	641,750
Used oils	liquid	Recycling	375,509	288,364	325,317
Batteries	solid	Recycling	530	1,020	2,120
Filter dust	solid	Recycling	124,750	178,600	70,390
Emulsions	liquid	Recovery	627,740	498,900	558,420
Polluted absorbing materials	solid	Recovery	53,430	44,440	66,780
Fluorescent lamps	solid	Recycling	130	193	90
WEEE	solid	Recycling	2,670	4,130	2,100
Tires	solid	Recycling	4,360	2,700	3,150
Total waste			14,549,829*	13,874,987*	15,923,845

*Review due to incorrect register

Breakdown of PPC's fuel compound (as provided by PPC at country's level. 12months, 01/2014-12/2014)

Breakdown of production and interconnections	Percentage %
Lignite	44.07%
Oil	-
Natural gas	14.47%
Hydroelectrical	7.58%
Renewable Energy	16.77%
Interconnections	17.11%
Total	100%

Environmental impact of transfers of raw material and products and employees' transport

Environmental impact of transports of raw material and products and employees' transport	Significant impact	Quantities	Impact containment measures
Energy use	Yes	The procedure of recording energy \ consumption in various transport phases has started	See also preceding paragraph on "Emissions"
CO ₂ emissions	Yes	The procedure of recording emissions in various transport phases has started	See also preceding paragraph on "Emissions"
Waste due to use of chemical substances	Non significant impact, due to limited quantities and appropriate management in vehicles (e.g. batteries, lubricants, etc.)		
Noise	Non significant impact as the noise levels are limited and in the framework of maritime/ road transport		
Leakage of chemicals, oil etc.	Non significant impact, no leakage incidents have been reported		

Occupational health and safety
Number of accidents

Plant	2012	2013	2014
Copper tubes	4	11	6
Recycling - melting	2	1	2
Titanium-zinc rolling plant (1)	0	0	0
Total	6	12	8

(1) Production has stopped since 01.01.2011.

**Number of near misses**

Plant	2012	2013	2014
Copper tubes	20	15	14
Recycling - melting	3	10	6
Titanium-zinc rolling plant (1)	0	0	0
Total	23	25	20

Accident frequency rate

Plant	2012	2013	2014
Copper tubes	4.8	13.6	7.2
Recycling - melting	13.3	7.6	14.8
Titanium-zinc rolling plant (1)	0	0	0
Total	5.9	12.4	8

$$\text{Frequency Rate} = \frac{\text{number of accidents (LTI)} \times 10^6}{\text{number of manhours worked}}$$

Accident severity rate

Plant	2012	2013	2014
Copper tubes	12	78	44.5
Recycling-melting	213	0 (45,765*)	73.9
Titanium-zinc rolling plant (1)	0	0	0
Total	41	65 (6,260*)	47.3

Including the penalty on the lost man-days due to the fatal accident, based on internal guidelines (respectively to the international practice).

$$\text{Severity rate} = \frac{\text{absence days due to incidents} \times 10^6}{\text{number of manhours worked}}$$

Days lost due to incidents

Plant	2012	2013	2014
Copper tubes	10	63	37
Recycling-melting	32	0	10
		(6,000*)	
Titanium-zinc rolling plant (1)	0	0	0
Total	42	63	47
		(6,063*)	

*Including the penalty on the lost man-days due to the fatal accident, based on Company's national regulation (respectively to the international practice).

Total manhours

Plant	2012	2013	2014
Copper tubes	828,957	807,842	832,102
Recycling-melting	149,835	131,104	135,335
Titanium-zinc rolling plant	43,358	29,206	26,764
Total	1,022,150	968,152	994,201

Occupational health and safety indicators

Indicators	2012	2013	2014
Incidents without lost days	2	5	3
Fatal accidents	0	1	0
Injury rate (IR)	1.2	2.5	1.6
Occupational disease rate (ODR)	0	0	0
Lost days rate (LDR)	8	13	9.5
		(1,252*)	
Absentee rate (AR)	66	183	139
		(1,423*)	

*Including the penalty on the lost man-days due to the fatal accident, based on Viohalco's national regulation (respectively to the international practice).

$$\text{Injury rate = (IR)} = \frac{\text{number of injuries} \times 200.000}{\text{number of manhours worked}}$$

$$\text{Occupational disease rate = (ODR)} = \frac{\text{number of occupational diseases} \times 200.000}{\text{number of manhours worked}}$$



$$\text{Lost Days rate (LDR)} = \frac{\text{Absence days due to accidents} \times 200,000}{\text{number of manhours worked}}$$

$$\text{Absence rate (AR)} = \frac{\text{absence days due to accidents} \times 200,000}{\text{number of mandays worked}}$$

Occupational health and safety indicators – Contractors

	2012	2013	2014
Total number of employees	67	63	64
Manhours	163,868	159,440	160,484
Total health & safety and environment training hours	138	233	94
Total incidents	2	0	0
Days lost	72	0	0
Near misses	4	0	0
Frequency rate	12.2	0	0
Severity rate	440	0	0

Fitco**Environmental expenditures****Category of environmental expenditures (EUR)**

	2014
Maintenance and operation of environmental protection equipment	100,258
Support to Environmental Management Department and consulting services	45,975
Waste management by licensed contractors	143,293
Monitoring environmental parameters	54,014
New environmental infrastructure and anti-pollution systems	35,897
Landscape improvement and maintenance	-
Total	379,437

Energy saving actions

- Reprogramming the operation method of the press furnace boilers
- Unification of the heating circuit of the deoxidation baths and pipes rinsing
- Activation of small air compressor (15 kw) instead of a big one (132 kw) during the limited operation of the plant
- For 2015, the partial replacement of existing light bulbs is scheduled, with the respective LED type bulbs, of lower energy consumption

Training on environmental issues**Indices of training on environmental issues**

	2014
Total number of persons trained	66
Hours of training	61

Calculation assumptions Halcor Life Cycle Analysis

For calculating the CO₂ emitted in the various phases of the Life Cycle, data and assumptions were used as follows:

- 1) As regards the calculation of CO₂ emitted in the first phase, namely from mining to the primary production of copper (up to the exit gate of Halcor's suppliers - "Cradle to gate"), coefficients and data based on PE INTERNATIONAL AG studies were used.
- 2) As regards the transfer of copper cathodes from the suppliers' gate to Halcor's gate ("gate to gate"), the following assumptions were used:
 - The distances between international ports were calculated based on the data of the web page <http://www.searates.com/reference/portdistance/> and an extra 20% of distance was added as safety margin - the first port in alphabetical order is selected each time as departure port
 - CO₂ emission of commercial ships carrying containers: 15gr CO₂ / tn km (based on the data of the International Chamber of Shipping)
 - an additional 20% of distance as safety margin was added to distances covered by road - the capital is selected as departure city
 - capacity of ship containers: 22 tn copper / container
 - distance Piraeus - Oinofyta: 70km)
 - for transports in Greece, we made the assumption the the average distance is set as 70 km
 - copper in bulk: loading of 22 tn / container, 1 container per truck
 - average CO₂ emission of trucks carrying containers: 200 gr CO₂ / tn km (based on the data of the International Maritime Organization).
- 3) As regards the transport of scrap copper to Halcor, the CO₂ emissions cited (2,948 tn CO₂) concern only the scrap quantities intended for Halcor and do not refer to scrap quantities used for third party products.
- 4) As regards the phase in Halcor (melting, casting of copper and manufacture of copper end products), the CO₂ emission data presented are measured by Halcor and the production of semi-final products to third parties is included. In particular, the direct emissions of the Recycling - Casting plant are calculated for all the activities of the plant, namely they also include the emissions for third party production (e.g. Fitco).

For the calculation of CO₂ emitted for the transportation of Halcor's staff by bus, the following assumption was used on fuel consumption: 39lt/100km.

For calculating the CO₂ emitted by the employees' cars, data and assumptions were used as follows:

- As regards CO₂ emissions for cars consuming gasoline, the assumption of CO₂ emissions used was 2.3035 kg CO₂/lt.
- As regards CO₂ emissions for cars consuming diesel, the assumption of CO₂ emissions used was 2.6256 kg CO₂/lt.

For calculating the CO₂ emitted because of our executives travelling to cities abroad, data and assumptions were used as follows:

- The coefficient 115 gr CO₂/passenger per km was used (based on the data provided on the website http://www.carbonindependent.org/sources_aviation.htm)
- Distances between cities were calculated on a straight line, using data from the website http://www.apostaseis.gr/loc_ap/apostaseis-se-eftheia.asp



Calculation assumptions Fitco Life Cycle Analysis

For the calculation of CO₂ emitted for the production of 1 kg of the metals Zn, Pb, Ni, Sn, As, Fe, Si, Mn, Sb (from the phase of mining up to the production of 1 kg of metal), data and assumptions were used as follows:

- Zn: 2,36 tn CO₂ / tn Zinc in accordance with http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/3_Volume3/V3_4_Ch4_Metal_Industry.pdf (p. 4.80) bellows
- Pb: 1,63 tn CO₂/tn pb in accordance with [http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO₂_report.pdf](http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO2_report.pdf) (p. 20) bellows
- Ni: 2.12 tn CO₂ /tn Ni in accordance with [http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO₂_report.pdf](http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO2_report.pdf) (p. 23) (Benchmark Energy Requirements for Nickel Production)
- Sn: 2.18 tn CO₂ /tn Sn in accordance with [http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO₂_report.pdf](http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO2_report.pdf) p.25 (p. 25) bellows
- Fe: 1.67 tn CO₂ / tn Steel [http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO₂_report.pdf](http://cari-acir.org/wp-content/uploads/2014/08/BIR_CO2_report.pdf) p.17 (Blust furnace /Basic Oxygen Furnace Route (Mean-SD))
- Si: 5 tn CO₂ / tn Si in accordance with <http://www.pyrometallurgy.co.za/InfaconXI/044.pdf> (p.3) (459)
- Mn: 1.9 g CO₂ / Mn in accordance with http://www.manganese.org/images/uploads/pdf/Manganese_Fact_Sheet_11_-_LCA_Results.pdf (p.1)
- Sb: 13 kg CO₂ / kg Sb in accordance with http://www.awel.zh.ch/dam/audirektion/awel/abfall_rohstoffe_al-tlasten/abfall/dokumente/urban_mining_stoffdossiers/stoffdossiers_englisch/awel_antimony_a3_en.pdf.spooler.download.1422525275805.pdf/awel_antimony_a3_en.pdf (p.1)

For the calculations made for the other life cycle phases, the exact same assumptions have been used, as those used for the respective Halcor phases.

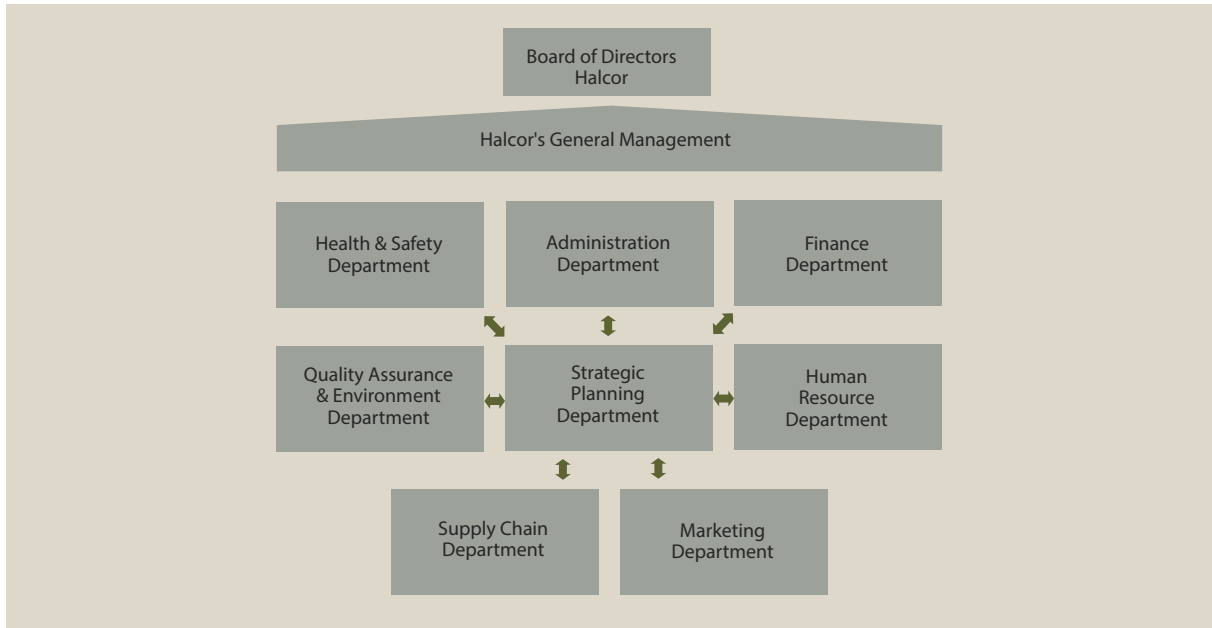
Other information

Halcor, with the objective of optimal and integrated management of Corporate Responsibility issues in every Company activity, has created the Corporate Responsibility Group as of 2009. This group:

- consists of Company management executives and is coordinated by the Strategic Planning Department, which reports to the General Management
- reviews the development of Corporate Responsibility goals
- examines issues arising on a monthly basis and plans relevant actions.

Halcor's General Management forwards all issued to the Board of Directors of the Company, by quarterly reports, covering the entire range of Company activities and achieving a more efficient management of Corporate Responsibility issues. Furthermore, the Board of Directors updates shareholders on Company CSR issues, by the published CSR Report, which is distributed during the annual general meetings of shareholders.

Corporate Responsibility organisation chart



Based on this structure, the Company senior Management ensures its best updating possible, the control and responsible management of issues relating to its financial, environmental and social aspects of its operation.

G4-42: The top governance body approves all Company policies as regards Sustainable Development issues (Environmental Policy, Health and Safety Policy etc.), reviews Management Systems on an annual basis and approves the objectives.

G4-48 The Strategic Planning Manager and CSR Officer reviews and approves the report and ensures that all "material issues" are covered.

G4-56: The Company has established and applies an Internal Regulation. The internal regulation is approved by the top management body, while its implementation is mandatory for all Company employees and executives. All newly-hired employees are updated on the matter. The internal regulation is also translated in English. As regards the Hellenic Corporate Governance Code, more information is provided in the Annual Financial Report/ Annual Board Report / Corporate Governance Statement/ p. 14.

**Limit of material issues**

Material / important Halcor issues	Limit	
	Within Halcor	Outside Halcor
Financial performance	√	-
Supplies practices (supporting local suppliers)	√	√
Raw material use	√	-
Energy consumption and saving	√	-
Water use	√	-
Air emissions	√	-
Solid and liquid waste management	√	-
Environmental impact of products	√	√
Environmental compliance	√	-
Transport (products & employees)	√	√
Assessment of suppliers' environmental profile	√	√
Staff employment	√	-
Health and Safety	√	-
Training and development	√	-
Assessment of suppliers for work practices	√	√
Training on human rights	√	-
Combating corruption	√	-
Compliance (with laws and regulations)	√	-

Responsible information

All promotion and advertising activities of Company products are conducted in accordance with the applicable legislation and regulations. The Company does not sell products that are the object of public consultation or dispute. Furthermore the Company is voluntarily committed to provide full and clear information, adopting the Hellenic Advertising and Communication Code. For more information see Corporate Responsibility & Sustainable Development Report 2012, p. 62.

About the Report

Report profile

The Corporate Responsibility and Sustainable Development Report 2014 presents Halcor's programs, practices and performance in the framework of Corporate Responsibility and its future goals, centred on Sustainable Development. The Report covers calendar year 2014 (01/01/2014 - 31/12/2014), while it is the seventh consecutive annual report of the company, aiming at a more complete information of investors, shareholders, employees, customers, suppliers and other Company stakeholders. Halcor has decided to publish on an annual basis a Corporate Responsibility & Sustainable Development Report, thus proving with its closer communication with all stakeholders. The Company website (www.halcor.gr), at "Corporate Responsibility" includes all Corporate Responsibility & Sustainable Development Reports published by Halcor from 2008 to 2014, available for any interested party.

Scope and boundary

This Report covers all of the Company's production activity (Halcor S.A.) in Greece, while the scope of reporting does not include the subsidiaries Sofia Med S.A. and Fitco S.A., for which Corporate Responsibility information is briefly presented. Over the last six years, the subsidiary Hellenic Cables S.A., which is listed in the Athens Stock Exchange, publishes a separate Corporate Responsibility and Sustainable Development Report.

There are no significant changes in the scope or the boundary of performance issues covered or information reviews compared to previous Reports. Similarly, no changes have been made in the evaluation or/and calculations of quantitative performance data of the Company.

Report preparation in accordance with the Guidelines of the Global Reporting Initiative - G4

In the Corporate Responsibility & Sustainable Development Report 2014 we followed the Guidelines of the international Organisation Global Reporting Initiative in its latest version (GRI-G4) and to "In accordance - Core" coverage level. At the same time, in the preparation procedure of its sections, the ISO 26000 guideline framework were used. The table of contents according to GRI and ISO 26000 is presented in pages 123 -130.

Methodology and project team

For the drafting of the Report a special team of executives has been established from all Halcor Departments involved. The main project of the team is to collect the information required and concerning the areas of Corporate Responsibility in the Company.

Halcor's Corporate Responsibility team members that cooperated for this edition, are:

- Coordinator: Giorgos Mavraganis
- Department Representatives - material officers: Thaleia Aggelidi, Ila Anagnostopoulou, Panagiotis Danamos, Katerina Kapeleri, Eftychios Kotsabasakis, Giorgos Samartzis, Dionysis Skarmoutsos, Vasilis Solidakis, Giorgos Tzortzos, Spyros Hondrogiannis.

The creation of the Corporate Responsibility & Sustainable Development Report 2014 was made in cooperation with the company Action Public Relations Hellas LLC. (in charge of the creative and visual imaging of the Report) and the specialised consultants Tania Takou and Giorgos Iliopoulos (head of data collection, assessment and drafting of the CSR Report).



External verification

Halcor acknowledges the added value of external verification of the Report, as it increases the quality and accountability reliability to its stakeholders. For this reason the Company chose to proceed to an external verification of the data included in the Report chapters “Caring for our people”, “Health and Safety at Work”, and “Customer-orientated approach” in cooperation with an external body. The relationship of the Company with the verification body is independent and the body provided no consultation services to the Company. The selection of the verification body was made by the Company CSR officer. The conclusions and comments made from the external verification procedure will be assessed by the Company for improving the quality of Corporate Responsibility Reports it publishes. In this framework, the Company intends in the future to expand the practice of data verification to other chapters of the Report as well.

Pages 132-133 present the Statement of the independent Body, who performed the verification.

Contact point

We welcome any question, clarification or suggestion on the improvement of the Report or Halcor's corporate responsibility practices, as we highly value the opinion of Company stakeholders.

Halcor S.A.
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GRI-G4 Indicators table

Global Reporting Initiative Content Index / GRI-G4 'In accordance' – Core

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference	Reason(s) for omission/ non-disclosure
G4-1	Chairman's statement – Sustainable development strategy	4.7, 6.2, 7.4.2	p.2-3, p. 12-13, p. 52-53	√
G4-2	Description of key impacts, risks and opportunities	4.7, 6.2, 7.4.2	p. 15, Annual Financial Report 2014/p. 7-9	-
G4-3	Name of the Company	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	«Halcor S.A.»	√
G4-4	Primary brands, products, and/or services	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 4-10, p. 38-39, Annual Report 2014/section 5	√
G4-5	Location of organization's headquarters	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 8	√
G4-6	Countries where Halcor operates	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 4-5, p. 8	√
G4-7	Nature of ownership and legal form	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 8	√
G4-8	Markets served	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 4-8	√
G4-9	Scale of Halcor	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 4-8, p. 10-11	√
G4-10	Quantitative data of labor force	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 70-74	√
G4-11	Percentage of total employees covered by collective bargaining agreements	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 74	√
G4-12	Description of Halcor's supply chain	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 46, p. 49	√
G4-13	Significant changes during the reporting period	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	There were no significant changes	√
G4-14	How the precautionary approach/ principle is addressed by the organization	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 15	√
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which Halcor subscribes or which it endorses	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 14, p. 56-58	√
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	6.3.10, 6.4.1-6.4.2, 6.8.5, 6.4.3, 6.4.4, 6.4.5, 7.8	p. 18-19, p. 37	√
G4-17	Entities included in the organization's consolidated financial statements	5.2, 7.3.2, 7.3.3, 7.3.4	Annual Financial Report 2014/ FY 2014 Financial Report (Group and Company) of 31st December 2014 /S14, p. 39	√
G4-18	Process for defining the report content and the Aspect Boundaries – Implementation of Reporting Principles for Defining Report Content	5.2, 7.3.2, 7.3.3, 7.3.4	p. 53, p. 62-63	√
G4-19	List of all the material Aspects identified in the process for defining report content	5.2, 7.3.2, 7.3.3, 7.3.4	p. 54-55	√
G4-20	Aspect Boundaries within the organization	5.2, 7.3.2, 7.3.3, 7.3.4	p. 64-65, p. 120	√
G4-21	Aspect Boundaries outside the organization	5.2, 7.3.2, 7.3.3, 7.3.4	p. 64-65, p. 120	√
G4-22	Restatements of information provided in previous reports	5.2, 7.3.2, 7.3.3, 7.3.4	There are no restatements	√
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	5.2, 7.3.2, 7.3.3, 7.3.4	There were no significant changes	√
G4-24	List of stakeholder groups engaged by Halcor	5.3	p. 62-65	√
G4-25	Basis for identification and selection of stakeholders	5.3	p. 62	√
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	5.3	p. 64-65	√
G4-27	Key topics and concerns that have been raised through stakeholder engagement	5.3	p. 64-65	√
G4-28	Reporting period	7.5.3, 7.6.2	p. 121	√
G4-29	Date of most recent previous report	7.5.3, 7.6.2	Corporate Responsibility and Sustainable Development Report 2013	√
G4-30	Reporting cycle	7.5.3, 7.6.2	Annual	√
G4-31	Contact point for the report	7.5.3, 7.6.2	p. 122	√
G4-32	Report of the 'in accordance' option – GRI Content Index - External Assurance Report	7.5.3, 7.6.2	GRI-G4 'In accordance' – Core p. 123, External assurance of the report	√
G4-33	Policy and current practice with regard to seeking external assurance for the report	7.5.3, 7.6.2	p. 122-123, 135	√
G4-34	Governance structure of the organization	6.2, 7.4.3, 7.7.5	p. 14-15, Annual Financial Report 2014/p. 16-18, Annual Report 2014/Section 9 – Halcor's executive management	√
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	6.2, 7.4.3, 7.7.5	p. 118-119	√



Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference	Reason(s) for omission/ non-disclosure
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	6.2, 7.4.3, 7.7.5	p. 118-119	√
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	6.2, 7.4.3, 7.7.5	p. 64-65	√
G4-38	Composition of the highest governance body	6.2, 7.4.3, 7.7.5	Annual Financial Report 2014/p. 17, p. 19-21 http://www.halcor.gr/el/investment-relations/control/	-
G4-39	Report whether the Chair of the highest governance body is also an executive officer	6.2, 7.4.3, 7.7.5	Annual Financial Report 2014/p. 17	√
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	6.2, 7.4.3, 7.7.5	Corporate Responsibility and Sustainable Development Report 2012 p. 46-47, Annual Financial Report 2014 – p. 13-15	-
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided	6.2, 7.4.3, 7.7.5	p. 14-15, Annual Financial Report 2014/p. 16	√
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	6.2, 7.4.3, 7.7.5	p. 119	-
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	6.2, 7.4.3, 7.7.5	Annual Financial Report 2014/p. 17-18	-
G4-48	Report of the highest committee/position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	6.2, 7.4.3, 7.7.5	p. 119	√
G4-56	Organizational values, principles, standards and norms of behavior	4.4, 6.6.3	p. 12-14	√

Economic performance indicators

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/ non-disclosure	External assurance
Economic Performance	G4-DMA / Management Approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p.10	-	√
	G4-EC1: Direct economic value generated and distributed (EVG&D)	6.8.1-6.8.2, 6.8.3, 6.8.7, 6.8.9	p.10-11	-	-
	G4-EC2: Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure	6.5.5	No significant Financial implications on the business activities of the Company have been identified, Halcor's CSR Report 2012 – p.49-50	-	-
	G4-EC3: Coverage of the organization's defined benefit plan obligations	6.8.7	Halcor covers insurance expenses for all employees as defined by the law. Retiring employees receive retirement by relevant governmental authorities. Furthermore, according to the company's policy, the ability to voluntarily participate in a saving program is provided along with the company's support by offering twice the employees' deposited amount. Annual Financial Report 2014/ FY 2014 Financial Report (Halcor Group and Company) of 31st December 2014 - p. 20, p. 52	-	-
	G4-EC4: Financial assistance received from government	—	Annual Financial Report 2014/ FY 2014 Financial Report (Halcor Group and Company) of 31st December 2014 - p. 22, p. 53	-	√
Market Presence	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 8-9, p. 10, p. 12-13, p. 15, p. 38-39, p. 70-71, p. 74	-	-
	G4-EC5: Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	6.3.7, 6.3.10, 6.4.3, 6.4.4, 6.8.1-6.8.2	p. 72, p. 74	-	-
	G4-EC6: Proportion of senior management hired from the local community at significant locations of operation	6.4.3, 6.8.1-6.8.2, 6.8.5, 6.8.7	p. 71	-	-
	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
Indirect Economic Impacts	G4-EC7: Development and impact of infrastructure investments and services supported	6.3.9, 6.8.1-6.8.2, 6.8.7, 6.8.9	p. 76-77	-	-
	G4-EC8: Significant indirect economic impacts, including the extent of impacts	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8.1-6.8.2, 6.8.5, 6.8.7, 6.8.9	p. 47, p. 48, p. 77	-	-

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/non-disclosure	External assurance
Procurement Practices	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 47	-	-
	G4-EC9: Proportion of spending on local suppliers at significant locations of operation	6.4.3, 6.6.6, 6.8.1-6.8.2, 6.8.7	p. 46, p. 48	-	√

Environmental performance indicators

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/non-disclosure	External assurance
Materials	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88-89, p. 91	-	√
	G4-EN1: Materials used by weight or volume	6.5.4	p. 94, p. 108	-	-
	G4-EN2: Percentage of materials used that are recycled input materials	6.5.4	p. 49, p. 94	-	√
Energy	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 43, p. 57, p. 88	-	-
	G4-EN3: Energy consumption within the organization	6.5.4	p. 96, p. 112-113	-	-
	G4-EN4: Energy consumption outside of the organization	6.5.4	p. 96-97	-	-
	G4-EN5: Energy intensity	6.5.4	p. 96-97, p. 112-113	-	√
	G4-EN6: Reduction of energy consumption	6.5.4, 6.5.5	p. 97	-	-
	G4-EN7: Reductions in energy requirements of products and services	6.5.4, 6.5.5	The Company's products do not consume energy p. 96-97	-	-
Water	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88, p. 98	-	-
	G4-EN8: Total water withdrawal by source	6.5.4	p. 98	-	-
	G4-EN9: Water sources significantly affected by withdrawal of water	6.5.4	p. 98	-	√
	G4-EN10: Percentage and total volume of water recycled and reused	6.5.4	Water recycling is applied where feasible, however without being possible to have an exact measuring of the amount being recycled.	In 2014 it was deemed unattainable to accurately assess the total volume of water that is recycled.	-
Biodiversity	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88	-	-
	G4-EN11: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6	The Company does not operate in or adjacent to protected areas	-	√
	G4-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	There are no significant impacts as the Company does not operate in or adjacent to protected areas	-	√
	G4-EN13: Habitats protected or restored	6.5.6	Apart from tree planting these has no other restoration plan been developed	-	√
	G4-EN14: Total 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	There has been no negative impact on IUCN Red List species and national operations, by conservation list species, since the Company does not operate in such areas	-	√
Emissions	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 43, p. 57, p. 88, p. 99, p. 101	-	-
	G4-EN15: Direct greenhouse gas (GHG) emissions (scope 1)	6.5.5	p. 99-101	-	-
	G4-EN16: Energy indirect greenhouse gas (GHG) emissions (scope 2)	6.5.5	p. 99-101	-	-
	G4-EN17: Other indirect greenhouse gas (GHG) emissions (scope 3)	6.5.5	p. 99-101	-	-
	G4-EN18: Greenhouse gas (GHG) emissions intensity	6.5.5	p. 100-101	-	√
	G4-EN19: Reduction of greenhouse gas (GHG) emissions	6.5.5	p. 101	-	-
	G4-EN21: NOx, SOx and other significant air emissions	6.5.3	p. 100	-	-
Effluents and Waste	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88, p. 102	-	-
	G4-EN22: Total water discharge by quality and destination	6.5.3, 6.5.4	p. 102-103, p. 112	-	-
	G4-EN23: Total weight of waste by type and disposal method	6.5.3	p. 102, p. 112	-	-



Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/ non-disclosure	External assurance
	G4-EN24: Total number and volume of significant spills	6.5.3	There were no spills	-	√
	G4-EN25: Weight of transported, imported, exported, or treated waste deemed hazardous	6.5.3	p. 112 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.	-	-
	G4-EN26: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	6.5.3, 6.5.4, 6.5.6	There have been no water discharges in protected areas. There has been no negative impact on biodiversity, since no operations in, or adjacent to, protected areas have been performed.	-	√
Products and Services	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 43, p. 57, p. 88	-	-
	G4-EN27: Extent of impact mitigation of environmental impacts of products and services	6.5.3, 6.5.4, 6.5.5, 6.7.5	p. 95-96, p. 103	-	√
	G4-EN28: Percentage of products sold and their packaging materials that are reclaimed by category	6.5.3, 6.5.4, 6.7.5	Due to the nature of the Company's products, they are not reclaimed, however the Company uses extensive scrap which is metal recycling. During 2014, 68% of the total metals used, was scrap.	-	√
Compliance	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88, p. 103-104	-	-
	G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.6	p. 56, p. 104	-	√
Transport	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88	Energy consumption by ships is not available. The Company intends to estimate this figure during the following year.	-
	G4-EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	6.5.4, 6.6.6	p. 101-102, p. 113	-	√
Overall	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 57, p. 88-89. P.90	-	-
	G4-EN31: Total environmental protection expenditures and investments by type	6.5.1-6.5.2	p.90-91	-	√
Supplier Environmental Assessment	G4-DMA: Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p.47, p. 57, p. 88	-	-
	G4-EN32: Percentage of new suppliers that were screened using environmental criteria	6.3.5, 6.6.6, 7.3.1	p. 47, p. 49 All (100%) new suppliers related to environmental aspects (waste management) are screened using environmental criteria. In 2014, two new suppliers were screened according to such criteria. The total number of the Company's new suppliers for 2014 is 269.	-	√
	G4-EN33: Significant actual and potential negative environmental impacts in the supply chain and actions taken	6.3.5, 6.6.6, 7.3.1	p. 47, p. 49	-	-
Environmental Grievance Mechanisms	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, p. 62-65, p. 88	-	-
	G4-EN34: Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	6.3.6	There were no grievances	-	√

Social performance indicators

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/ non-disclosure	External assurance
Labor practices and decent work					
Employment	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p. 70, p. 74	-	√
	G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region	6.4.3	p. 70	-	-

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/non-disclosure	External assurance
	G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	6.4.4, 6.8.7	p. 75	-	√
	G4-LA3: Return to work and retention rates after parental leave, by gender	6.4.4	The Company provides parental leaves to all employees who already have child or are about to have one. In 2014, 2 female employees took the parental leave they were entitled to. All employees who receive such a leave continue working in the Company 12 months after they take this leave.	-	-
Labor/Management Relations	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p.64, p. 66, p. 80	-	-
	G4-LA4: Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	6.4.3, 6.4.5	The company has not established a specific minimum notice period. However, all legal restrictions are applied. Employees are informed directly by the Company's management for every important issue concerning the Company.	-	-
Occupational Health and Safety	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p. 33, p.80-81, p. 82, p. 83, p. 85	-	√
	G4-LA5: Percentage of total workforce represented in formal joint management-worker health and safety committees	6.4.6	There is a Health and Safety Team which reviews annually Health Safety and Environment issues and the Company's Health, Safety Department reports directly to the BoD on relevant issues that may affect the employees.	-	-
	G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	6.4.6, 6.4.8	p. 82, p. 85, p. 113-116 The figures concern Halcor's production facilities at Oinofyta, Viotia. All incidents concern men employees.	-	-
	G4-LA7: Workers with high incidence or high risk of diseases related to their occupation	6.4.6, 6.4.8	p. 82	-	-
	G4-LA8: Health and safety topics covered in formal agreements with trade unions	6.4.6	There are no relevant agreements-all legal restrictions are applied	-	√
Training and Education	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p. 72, p. 73, p. 77, p. 83, p. 84, p.90	-	√
	G4-LA9: Average hours of training per year per employee by gender, and by employee category	6.4.7	p. 73-74	-	√
	G4-LA10: Programs for skills management and lifelong learning	6.4.7, 6.8.5	p. 73-74, p. 83, p. 84, p.90	-	-
	G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	6.4.7	p. 72	-	√
Diversity and	G4-DMA / Management approach Equal Opportunity	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57, p. 72	-	-
	G4-LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6.2.3, 6.3.7, 6.3.10, 6.4.3	p. 73 The members of the Board of Directors are of Greek nationality and do not belong in any minority group (ethnic minorities or disabled).	-	-
Equal Remuneration for Women and Men	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 72, p. 74	-	-
	G4-LA13: Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	6.3.7, 6.3.10, 6.4.3, 6.4.4	p. 72 Halcor does not approve remuneration discrimination or any other kind of discrimination. Salaries are equal for all similar positions. Therefore, women's salary is equal to men's for the same work positions.	-	√
Supplier Assessment for Labor Practices	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p. 47, p. 48, p. 57	-	-
	G4-LA14: Percentage of new suppliers that were screened using labor practices criteria	6.3.5, 6.4.3, 6.6.6, 7.3.1	p. 48, p. 57 0%	-	-
	G4-LA15: Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	6.3.5, 6.4.3, 6.6.6, 7.3.1	p. 48	-	-
Labor Practices Grievance Mechanisms	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	The Company enforces an open-door policy, according to which Management is always willing to discuss issues concerning its human resources	-	-



Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/non-disclosure	External assurance
	G4-LA16: Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	6.3.6	There were no grievances about labor practices	-	√
Human rights					
Investment	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	G4-HR1: Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3.3, 6.3.5, 6.6.6	Not applicable to the Company's activities. So far, no relevant restrictions are included in investment agreements and contracts, since there is no association to the company's work.	-	√
	G4-HR2: Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	6.3.5	During 2014 no educational program took place since it was implemented in 2012 and all manager executives participated, Halcor's CSR report 2012, p. 74	-	√
Non-discrimination	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	G4-HR3: Total number of incidents of discrimination and corrective actions taken	6.3.6, 6.3.7, 6.3.10, 6.4.3	p. 56	-	-
Freedom of Association and Collective Bargaining	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	G4-HR4: Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	6.3.3-6.3.5, 6.3.8, 6.3.10, 6.4.5, 6.6.6	p. 56 The Company respects the law and acts in accordance with the relevant legislation.	-	-
Child Labor	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 56, p. 57, p. 72	-	-
	G4-HR5: Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	6.3.3-6.3.5, 6.3.7, 6.3.10, 6.6.6, 6.8.4	p. 56, p. 72 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.	-	√
Forced or Compulsory Labor	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 56, p. 57, p. 72	-	-
	G4-HR6: Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	6.3.3-6.3.5, 6.3.10, 6.6.6	p. 56, p. 72 There is no risk of compulsory labor. The Company is against compulsory labor.	-	√
Security Practices	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	G4-HR7: Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	6.3.4, 6.3.5, 6.6.6	p. 57 During 2014 no educational program took place since it was implemented in 2012 and all manager executives participated and the security staff as well. Halcor's security staff consists of 100% company's employees and no security staff from third parties is used. Halcor's CSR report 2012, p. 74.	-	√
Indigenous Rights	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	G4-HR8: Total number of incidents of violations involving rights of indigenous peoples and actions taken	6.3.4, 6.3.6-6.3.8, 6.6.7, 6.8.3	No incident of human rights violation of local people has been reported or recorded to date.	-	√
Assessment	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments	6.3.3-6.3.5	No risk of human rights violations on the part of the Company has been identified. Therefore, it was not deemed necessary the elaboration of a relevant specialized study.	-	√
Human Rights Grievance Mechanisms	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57	-	-
	G4-HR12: Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	6.3.6	There were no grievances about human rights impacts	-	√

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/non-disclosure	External assurance
Society					
Local Communities	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 64, p. 76, p. 77	-	-
	G4-S01: Percentage of operations with implemented local community engagement, impact assessments, and development programs	6.3.9, 6.5.1-6.5.3, 6.8	Collaboration programs with the local communities are applied in the context of the production area of the company (Oinofyta Viotia) and the wider area. However, due to restricted and production activities impact no special study is considered necessary apart from the Environmental Impact Studies that are conducted according to the relevant legislation. The Company reviews the direct and indirect impacts towards local communities during business plans preparation.	-	-
	G4-S02: Operations with significant actual and potential negative impacts on local communities	6.3.9, 6.5.3, 6.8	There are no negative impacts to local communities as the Company takes all the necessary measures and fully complies to the legislative framework	-	√
Anti-corruption	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 57, p. 74, p. 77	-	-
	G4-S03: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	6.6.1-6.6.2, 6.6.3	Annual Financial Report – Corporate Governance – p. 17-18. All business units are being systematically audited. There have been no incidents of corruption.	-	√
	G4-S04: Communication and training on anti-corruption policies and procedures	6.6.1-6.6.2, 6.6.3, 6.6.6	p. 57, p. 74 All new employees are explicitly informed based on the company's Internal Regulation which includes relevant issues. Furthermore, seminars on anti-corruption have been implemented where executives and employees of the Company have received relevant training	-	-
	G4-S05: Confirmed incidents of corruption and actions taken	6.6.1-6.6.2, 6.6.3	p. 56, p. 57	-	√
Compliance	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 52, p. 57	-	-
	G4-S08: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	4.6	There have been no incidents of non compliance in 2014	-	√
Grievance mechanisms about impacts on society	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p.56-57, 62-63, 65	-	√
	G4-S011: Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	6.3.6, 6.6.1-6.6.2, 6.8.1-6.8.2	There were no grievances about impacts on society	-	√
Product responsibility					
Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/non-disclosure	External assurance
Customer Health and Safety	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p. 40-41, p. 43, p. 57	-	-
	G4-PR1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8	Copper has a positive impact on Health and Safety of the Users and therefore, the company develops products with suitable applications	-	-
	G4-PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	4.6, 6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8	There have been no incidents of non compliance	-	√
Product and Service Labeling	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12, p. 40-41, p. 42, p. 57	-	-
	G4-PR3: Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	6.7.1-6.7.2, 6.7.3-6.7.5, 6.7.9	p. 40-41 All products are accompanied with the appropriate documents, signs and quality labels according with relevant regulation and/or law.	-	-



Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/comments	Reason(s) for omission/ non-disclosure	External assurance
	G4-PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	4.6, 6.7.1-6.7.2, 6.7.3-6.7.5, 6.7.9	p. 57 There have been no incidents of non compliance	-	√
	G4-PR5: Results of surveys measuring customer satisfaction	6.7.1-6.7.2, 6.7.6	p. 42	-	√
Marketing Communications	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 43, p. 120	-	-
	G4-PR6: Sale of banned or disputed products	—	p. 120	-	√
	G4-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	4.6, 6.7.1-6.7.2, 6.7.3	There have been no incidents of non compliance	-	√
Compliance	G4-DMA / Management approach	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 40, p. 55, p.57	-	-
	G4-PR9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	4.6, 6.7.1-6.7.2, 6.7.6	There have been no administrative or judicial sanctions	-	√

The photographs in this Report were taken by the photographer Spyros Haraktinos and FBRH Consultants Ltd.



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Annual Report



Financial Statements



CSR Report



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TÜV AUSTRIA Hellas
Independent Assurance Statement
for HALCOR's Sustainability Report 2014

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 Corporate Responsibility Report 2014 ('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 never provided any consulting services to the Company.

Economic and financial data were not audited. Instead, they were assessed with respect to the information contained in the 2014 annual financial statement which has been audited by other third parties.

Scope of Assurance

The Provider undertook the following tasks during April and May of 2015:

1. Review of the Report against the requirements of Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4, in order to confirm that the GRI-G4 "Core option" requirements are fulfilled.
2. Verification of the data included in the Report's chapters under the title "Human Resources", "Health & Safety" and "Client-oriented Approach".
3. Site visits at the Company's factory for production of copper tubes and the foundry, 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 reliability of 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 Report's chapters under the title "Human Resources", "Health & Safety" and "Client-oriented Approach" 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.

The Provider concurs that the GRI-G4 "Core option" requirements have been met.

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.
- ☛ Provision of information for additional GRI G4 indicators, in order to fulfill the "Comprehensive option" requirements.

Note: This Independent Assurance Report has been prepared as a translation of the original Greek version

On behalf of TÜV AUSTRIA Hellas,
Athens, 16th of May 2015.

Sifakis Nikolaos
Lead Auditor



Kallias Yiannis
General Manager

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ΥΠΕΡΑ



Corporate Responsibility and Sustainable Development report feedback form

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Halcor strives to maintain an open, transparent and two-way dialogue with those who are interested in its activities. Please fill out the questionnaire below to record your views about the Halcor 2014 Corporate Responsibility and Sustainable Development report, or express any concerns or issues you identified during your collaboration with Halcor. This will actively assist us in our attempt to improve our performance ratings and the annual Corporate Responsibility and Sustainable Development report.

What Halcor stakeholder group do you belong to?

- | | |
|---|--|
| <input type="checkbox"/> Employee | <input type="checkbox"/> Local community |
| <input type="checkbox"/> Shareholder / Investor | <input type="checkbox"/> Non-governmental organisation |
| <input type="checkbox"/> Customer | <input type="checkbox"/> Public/Statutory body |
| <input type="checkbox"/> Supplier | <input type="checkbox"/> Mass media |
| <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
Material issues included in relation to the company's activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 to 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"/>

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 the Chairman of the Board of Directors	<input type="checkbox"/>	<input type="checkbox"/>
Presentation of Halcor Group	<input type="checkbox"/>	<input type="checkbox"/>
Presentation of Halcor SA	<input type="checkbox"/>	<input type="checkbox"/>
Customer-oriented approach	<input type="checkbox"/>	<input type="checkbox"/>
Supply chain responsibility	<input type="checkbox"/>	<input type="checkbox"/>
Creating Value	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder engagement	<input type="checkbox"/>	<input type="checkbox"/>
Care for our people	<input type="checkbox"/>	<input type="checkbox"/>
Occupational health and safety	<input type="checkbox"/>	<input type="checkbox"/>
Environment protection	<input type="checkbox"/>	<input type="checkbox"/>
G4 and ISO 26000 indicators table	<input type="checkbox"/>	<input type="checkbox"/>



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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:

Please describe basic concerns or issues you have identified during your cooperation with the Company which you wish to communicate

What actions do you suggest the Company should take to respond to your concerns?

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, Strategic Planning Manager and Corporate Responsibility Coordinator
 57th km Athens-Lamia National Road, GR-32011, Oinofyta, Viotia, Greece
 e-mail: csr@halcor.vionet.gr
 or by fax to +30 22620 48910

All data submitted on this form will be used exclusively for internal assessment by the Strategic Planning Division of Halcor which is responsible for and Corporate Responsibility issues. Personal data is protected in the manner laid down by the privacy legislation.

Contact details:

- Strategic Planning Division (Corporate Responsibility issues) - csr@halcor.vionet.gr
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- Domestic Sales Department - domestic@halcor.vionet.gr
- Exports Department, Copper Tubes Installations - installations@halcor.vionet.gr
- Exports Department, Industrial Copper Tubes - industrial@halcor.vionet.gr
- Marketing Department - marketing@halcor.vionet.gr
- Supply Chain Department - supplychain@halcor.vionet.gr
- HR Division - hr@halcor.vionet.gr