

vironmental remediation, it implements a plan for its systemic market penetration starting from Europe, Middle East and Africa, leveraging in the added value of subsidiary's exceptional expertise, ZEOLÓGIC, which acts as a pioneering technological provider in this market. In this direction, a pilot unit for the management of liquid oil and chemical waste was concluded in 2021, on behalf of MYTILINEOS, in ZEOLÓGIC's facilities.

## VI. Business risk management

### Risk Management purpose and policies

MYTILINEOS activities are affected by multiple risks, the occurrence of which may affect its overall activities, business activity, financial performance as well as the achievement of its strategic objectives.

The Company implements a Risk Management Framework in order to limit the chances and impacts of risks and maximize the benefit of the opportunities. In this context, an Enterprise Risk Assessment methodology has been adopted, which is based on best international practices and is tailored to the needs of MYTILINEOS. It also promoting a unified culture that integrates risk management into processes, activities and decision-making at all levels.

The methodology is followed by all areas of business activities, central services and operations of MYTILINEOS and includes:

- Identification of key risk factors
- Categorisation of risks
- Assessment of the likelihood of the risks occurring and their consequences
- Assessment of the adequacy of risk mitigation mechanisms
- Assessment of residual risk

The Board of Directors is responsible for the effective monitoring of the exposure to business risks, with a view to maintaining the stability, continuity of operations and growth of the Company.

The Company's Management is responsible for the implementation of the Risk Management Framework in the day to day operations of the organization. Specifically, the Management is responsible for the systematic identification and evaluation of the risks that affect the business operations and in addition, supervises the development and timely implementation of the risk management plans. It regularly evaluates the effectiveness of the management plans and the need to adjust them in order to achieve optimal risk management.

### Principal Risks

#### Non-Financial Risks

The principal risks of MYTILINEOS are identified through the mapping of risks in all functions of the organization and their analysis as a whole, taking into account their probability of occurrence, the assessment of their impact on the Company's strategic objectives, as well as risk mitigation measures, such as development of procedures, controls, audits, and risk transfer mechanisms.

#### 1. Health & Safety Risk

Due to the nature of the Company's operations, the business units are exposed to Occupational Health and Safety risks (minor accidents, ac-

cidents with work time loss, occupational diseases and fatalities) which can have significant or less significant social impacts, not only for the employees themselves and their families but also for third parties such as the employees of independent contractors, the Company's business partners, student interns and trainee employees as well as all types of visitors to their premises.

In addition, these issues cause impacts involving loss of employee satisfaction and morale, increased accident/absenteeism costs and adverse effects on the image and reputation of MYTILINEOS.

#### Management / Risks control practices

Occupational Health and Safety line of responsibility starts from the Management and Directorates General and stretches along all stages of production of every MYTILINEOS Business Sector. To address these risks, the Company strictly implements security systems and safety measurements to assess their impact on the human body and to identify the need for interventions in all workplaces (offices and industrial plants).

At the same time, continuous progress and improvement highly depends on both, preventive actions undertaken and broader experience that the Company gains from any incident and near accident, while educating and training personnel is crucial in order to maintain and further develop an accident prevention mentality.

MYTILINEOS in all its Business Units, implements an integrated and certified Occupational Health and Safety management system, allowing the continuous adoption of measures to prevent and minimize accidents and occupational diseases, providing for ongoing employee training and strengthening a safe work culture. The system is certified according to the international standards OHSAS 18001 and ISO 45001-2018 covering, at the end of 2020, 83.3% of the Company's total production plants and RES units in operation. MYTILINEOS is already in the process of transitioning the certification of its Occupational Health and Safety management system of all production units to the new ISO 45001-2018 standard, a process which is expected to be completed by the end of 2021.

#### 2. Climate Change Risk

MYTILINEOS owns coastal industrial facilities in Greece and operates in countries where the climate change effects are more intense. In addition, its mining activity, which is directly related to natural resources may face a range of challenges and problems caused by the changes in the climate. The main challenge of the Company is the assessment of the vulnerability of its business activities in the face of climate change, taking into account the existing and expected climate events and the effects that they are expected to have.

In the context of the above challenges, the Company may be exposed to:

- natural hazards, such as extreme natural phenomena or long-term physical changes which are considered important for the operation of the Company's industrial facilities,
- transition risks, which relate to extensive policy, legal, technological changes related to climate change adaptation and mitigation measures,
- risks impacting reputation, which are related to the change of perceptions of social partners, regarding the Company's contribution to an economy of lower pollutants.

#### **Management / Risks control practices**

Given that future investments of MYTILINEOS will be largely determined by the new strategy that will be followed for climate change (as presented in section Management of Climate Change and Energy Transition) the Company has already incorporated in its strategic priorities the execution of a study to identify the risks and opportunities from the effects of climate change on its activities.

In the Metallurgy and Mining sector, risk studies performed related to floods, accidents, and disasters, and facilities have been constructed or improved to deal with the most extreme phenomena. Relevant contingency plans have also been set up to ensure operational continuity.

In the Power & Gas sector, the thermal power plants have prepared Emergency Plans, to manage extreme natural phenomena (intense heat, frost, storm, flood, etc.) and special studies performed on flooding risk wherever there are watercourses near the plants. In the field of RES operation, the wind turbines are equipped with safety systems, where in the event of very strong winds are put out of operation and rotate in a safe position, while the solar panels selected are made of hail-resistant surfaces.

Regarding the Company's activity abroad, appropriate protective measures are taken within the limits of each project facilities, to manage extreme weather phenomena and effectively protect operations from all the conditions that may affect normal execution of the construction projects.

Finally, within 2021, the Company plans to adapt to the climate-related financial risk disclosures framework, by following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) regarding the analysis of the risks and impacts of climate change, as well as its inclusion in the CDP – Climate Change international initiative.

### **3. COVID-19 Pandemic Risk**

During 2021, MYTILINEOS continued to effectively manage the impact of the COVID-19 pandemic, prioritizing the safety and security of its people and ensuring the uninterrupted continuation of operations in all Business Units, but also minimizing the economic impact of the pandemic.

#### **Management / Risks control practices**

MYTILINEOS promptly recognized the potential risks posed by the COVID-19 pandemic and immediately set up a special management team, which reports directly to the top Management and has undertaken the coordination and strategic response.

Business continuity plans were formulated and implemented for all the critical operations of the Company which indicatively include:

- Implementation of policies that restrict or prohibit business travel.
- Establishment of procedures for managing a possible or confirmed outbreak of the virus.

- Establishment of criteria for conducting COVID-19 Rapid tests on employees and contractors.

- Increased use of personal protection and safety equipment.

- Evaluation of the business continuity plans of critical partners / suppliers.

- Maintaining high stocks of raw materials and consumables.

The Company continues to successfully implement remote working, ensuring the smooth continuation of work in all sectors of its business activities, while regular disinfections are carried out at the facilities depending on their criticality and risk exposure.

The special management team regularly evaluates the effectiveness of these measures, to ensure that they meet their objectives and that they comply with the relevant measures imposed by the authorities.

### **4. Geopolitical Risk**

The strategic, political, and economic interests of countries, as well as changes in their governments and policies, lead to unrest, population movement, changes in legislation, sanctions between states, and even military action, creating an ever-changing geopolitical environment which threatens the activities of MYTILINEOS, its supply chain, its financial performance and the safety of its employees.

The Company is exposed to geopolitical risk, mainly through its activities in Africa, the Eastern Mediterranean, Latin America and Central Asia.

#### **Management / Risks control practices**

MYTILINEOS has formulated specific policies and procedures for the assessment of geopolitical risk exposure but also for the implementation of risk mitigation plans, so that the geopolitical risk exposure is maintained within its risk appetite.

The main geopolitical risk mitigation plans implemented by MYTILINEOS are:

- Contractual terms
- Financial instruments
- Insurance products
- Emergency and evacuation plans
- Security measures/guards

The International Business Division is the main source of information and assessment of existing and emerging geopolitical risks of MYTILINEOS, which with the assistance of experts and specialized subscription services, ensures the objective evaluation of risks, and raises Management awareness for the necessary risk management measures to be implemented.

Especially for the expansion of MYTILINEOS activities in new countries, multidiscipline working groups are formed, which in collaboration with specialized consultants assess the type and extent of the risks that the Company may be exposed to (political, credit, health & security, tax, supply chain, etc.) and risk management strategies are developed, which are evaluated in relation to the benefits presented by the expansion of activities.

## 5. Legal & Regulatory Compliance Risk

MYTILINEOS operates in countries with a diversified legal and regulatory environment which is subject to frequent changes. Therefore, the Company is exposed to the risk of not maintaining its legal and regulatory compliance at the business, labor, social and product level, which ensures that the overall corporate activity meets high levels of responsible entrepreneurship and strengthens the climate of trust between MYTILINEOS and its Social Partners (customers, employees, suppliers, local authorities, etc.).

Also, the Company is exposed to the risk of non-compliance with its obligations under the environmental legislation and, more specifically, with the terms of the environmental permits of its industrial plants. In the event of a breach of the applicable regulations, the competent authorities may impose fines or sanctions, and may also withdraw or refuse to renew permits and approvals.

Further, the Company is exposed to financial risks, from potential adverse outcomes of litigation related to non-compliance with the law in general.

### Management / Risks control practices

To prevent the aforementioned risks, MYTILINEOS has procedures for monitoring the legislative developments concerning the geographical regions in which it operates and reviews and evaluates its compliance with the applicable laws and regulations on a regular basis.

Additionally, monitoring compliance with the approved environmental licenses (Environmental Terms Approval Decisions) for the Company's operational units, is a process conducted internally, on a regular basis in each Business Unit, by qualified personnel, as well as annually, by a recognized independent organization, which undertakes to audit and certify the Company's environmental management system.

The Company, as a member of the UN Global Compact, ensures that its business practices are fully aligned with the Compact's internationally recognized Ten Principles. Furthermore, under its Corporate Social Responsibility Policy, MYTILINEOS is committed to adopt a responsible, sustainable, and ethical business conduct, that is regularly evaluated based on the achieved results, while is committed to improving its performance in the areas of employment, environment, social, transparency and governance.

Finally, in 2020, the Compliance Division developed two trainings for the employees, a training in personal data protection (GDPR) and a training in the Code of Ethics of MYTILINEOS, which includes theory, case studies taken from everyday work, awareness to potential risks, and incident response and escalation, when necessary.

## 6. Competition Risk

The competition risk is related to the possibility of not achieving the Company's strategic objectives due to the actions of existing and new competitors. Globalization, free trade, and innovations in technology, manufacturing, transportation, and communications have created a highly competitive global economy that exposes MYTILINEOS to the potential risk of losing customers, reducing revenue and / or profit margins.

## Management / Risks control practices

MYTILINEOS' business mission is to operate in demanding local and international markets, with creativity, efficiency and respect for the environment and the society. Therefore, the management of this risk is a priority of the Company's Management, which constantly examines the operating environment and adopts best practices and technologies, while investing in research and development that will give a competitive advantage, which will allow an increase to customer base, profitability, and profit margins.

Through the vertically integrated production, trading and supply of power and gas, the independent natural gas import with main objective to meet Company needs, and the continuous investment in new technologies and clean energy, MYTILINEOS gains a competitive advantage and allows the Company to maintain high profit margins and profitability.

Specifically, the Power & Gas sector of MYTILINEOS is constructing a new gas-fired power plant with an efficiency of 63% which will be at the top of the global efficiency, and is expected to significantly strengthen MYTILINEOS' market position in both the production as well as the supply of electricity to businesses and households.

Further, with the agreement to acquire under development photovoltaic parks with a total capacity of 1.48GW and 15 under development electricity storage facilities, it seeks to create a wide portfolio of power generation units and become a Company with advanced capabilities and flexibility, which is a requirement for energy companies of the future.

Finally, it should be noted that the sector is active mainly in Greece, with several years of experience and deep knowledge of the energy market.

Respectively, the vertically integrated production of Alumina and Aluminum, the implementation of competitiveness and increased production programs, reduce the production costs of the Company and increase its competitiveness.

Finally, the EPC and Infrastructure sector, which has been transformed into the Sustainable Engineering Solutions sector, as well as the Renewables & Storage Development sector, focus on projects that promote the goals of Energy Transition and Sustainable Development where the Company has experience and know-how that offers a competitive advantage.

## 7. Cyber Security Risk

Possible breaches in the security of networks, information and operational systems, threaten the integrity of our intellectual property, other sensitive information, as well as disrupt our business operations. The occurrence of such events could negatively impact the Company's reputation and our competitive position and could result in litigation with third parties, regulatory action, loss of business, potential liability and increased remediation costs, any of which could have a material adverse effect on our financial condition and results of operations. In addition, such

attacks or breaches could require significant management attention and resources.

### **Management / Risks control practices**

MYTILINEOS has developed an Information Security Framework and is committed to the implementation of a holistic Information Security Management System, through which the effective and efficient protection of the Company's information systems and data is achieved

The Information Security Framework sets out a continuous cycle of improving the Information Security Management System, prescribing activities for risk assessment, developing and implementing information security policies, standards, procedures and guidelines for the mitigation of risks and monitoring their effectiveness and efficiency.

MYTILINEOS periodically works with independent agencies and consultants, who evaluate the adequacy and effectiveness of the Information Security Management System and verify that an information resource, or management system, meets the necessary requirements set by the respective policies for information systems and their data.

Moreover, a regular and structured information security awareness and training program has been developed, which is executed throughout MYTILINEOS. The aim of the program is to ensure that all employees, contractors and relevant third parties with access to information and information systems, understand the need for information security, accept and perform the responsibilities assigned to them under the Information Security Framework while demonstrating a high level of professional ethics.

Finally, to ensure business continuity and minimize the impact following a cyber security breach or natural disaster, a business continuity and disaster recovery plan has been designed and implemented, which is tested and updated on a regular basis. The Senior Management is responsible for taking appropriate measures that will guarantee business continuity according to the business needs.

### **8. Human Resources Risk**

The Company's effort to be constantly competitive is based on the know-how, skills, and dedication of its people. Therefore, the risk of MYTILINEOS failure to attract and retain a skilled, capable, and productive workforce, may threaten the timely achievement of the Company's commitments and the success of its strategic objectives.

### **Management / Risks control practices**

MYTILINEOS is not complacent because of its high retention rate over time. It invests in the continuous education and training of employees, offers the tools and opportunities to develop their skills, encourages innovation, initiative, learning and diversity. The Company modernizes the performance appraisal process and shapes the talent development process, which will improve the identification and utilization of employees who have the ability, skills, and dynamic to support the organization. Through continuous improvement, training and development, employees are offered career opportunities and the feeling of satisfaction is promoted.

In relation to attracting skilled and capable employees, the Company has programs and partnerships that enhance its image as employer of choice. Specifically, MYTILINEOS has a two-year program to attract new engineers (Engineers in Action) through which about 30 new engineers are selected and employed in the business units.

In addition, the Company maintains collaborations with universities and educational organizations and participates in career fairs. Both, the Metallurgy activities and the construction/infrastructure innovative projects of the Company (such as waste management, energy, etc.), as well as its ESG initiatives, renders MYTILINEOS an attractive employer that offers the opportunity to get acquainted with new technologies in a range of activities.

MYTILINEOS' culture and values promote collaboration and its achievements, enhance the sense of pride, thus creating a strong employer value proposition.

### **9. Corporate Reputation Risk**

There is a risk of damage to corporate reputation, through false news, misconceptions about the Company's operations and corporate objectives, as well as possible errors in the communication of information through the Company's websites, social networks and/or in direct communication with potential or existing customers.

Also, at regular intervals the Company organizes events and participates in exhibitions to inform stakeholders about new products, the progress of its activities, strategic objectives, financial results, etc. Possible errors and omissions in the planning and execution of these activities, may damage the corporate reputation, fail to deliver the expected benefits and in some cases impose sanctions for non-regulatory compliance.

### **Management / Risks control practices**

The Communication and Marketing Strategy Division has designed and implemented policies and procedures for managing corporate reputation, to align the entire organization with the approved communication strategy, ensure proper communication with stakeholders and protect corporate reputation.

Further, the Company collaborates with specialized associates, who monitor the media and social networks, record Company related publications, which are then evaluated for the possible reputation risks involved. If necessary, the Communication and Marketing Strategy Division, in collaboration with the Legal & Regulatory Affairs Division when required, intervenes in a timely manner to protect the reputation of the Company.

Finally, the process of organizing events and participating in conferences prescribes multi-level controls by working groups, in order to ensure the smooth conduct and safety of the events, necessary to deliver the expected benefits.

### **Financial risk management**

The risk management policy is applied by the Corporate Treasury Department. The latter acts as a service center, operating under specific Management-approved lines.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2021 and 31.12.2020 respectively:

### **10. Credit Risk**

Credit risk originates from available cash and cash equivalents, derivative financial instruments and deposits at banks and financial institutions, as well as from exposure to client derived credit risk.

## Management / Risks control practices

Regarding commercial and other claims, the Group is not theoretically exposed to significant credit risks; as of the multifaceted nature of the Group's activities, there is no significant concentration of credit risk with respect to its commercial requirements, as this is allocated over a high number of clients. However, the atypical conditions that dominate the Greek market and several other markets in Europe are forcing the Group to constantly monitor its business claims and also to adopt policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold to a considerable degree; safeguarding claims by collateral loans on customer reserves; and receiving letters of guarantee.

To minimize credit risk on cash reserves and cash equivalents; in financial derivative contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2021 and 31.12.2020 respectively:

### MYTILINEOS GROUP

| (Amounts in thousands €)                           | Past due but not impaired |            |             |          | Non past due but not impaired | Total     |
|--|---------------------------|------------|-------------|----------|-------------------------------|-----------|
|  | 0-3 months                | 3-6 months | 6-12 months | > 1 year |                               |           |
| <b>Liquidity Risk Analysis - Trade Receivables</b> |                           |            |             |          |                               |           |
| 2021   | 282,377                   | 23,984     | 2,092       | 41,983   | 1,003,009                     | 1,353,444 |
| 2020   | 71,579                    | 14,424     | 47,556      | 42,077   | 880,824                       | 1,056,460 |

### MYTILINEOS S.A.

| (Amounts in thousands €)                           | Past due but not impaired |            |             |          | Non past due but not impaired | Total   |
|--|---------------------------|------------|-------------|----------|-------------------------------|---------|
|  | 0-3 months                | 3-6 months | 6-12 months | > 1 year |                               |         |
| <b>Liquidity Risk Analysis - Trade Receivables</b> |                           |            |             |          |                               |         |
| 2021   | 74,582                    | 22,698     | 896         | 14,816   | 628,535                       | 741,527 |
| 2020   | 43,400                    | 5,664      | 47,095      | 35,734   | 399,720                       | 531,614 |

The below analysis of the balance of the Group's trade receivables on 31/12/2021 (per nature of trade receivable item) as well as the simple average collection days (DSO, based on the annual Turnover) is shown in the following table:

| <i>amount in k. €</i> |  | <b>Group</b>     |
|-----------------------|--|------------------|
| <b>T.R.</b>           | Trade Receivables  | <b>1,353,444</b> |
|                       | <b>Out of which:</b>   |                  |
| <b>(a)</b>            | Related to advances given to Trade Creditors                           | 161,650          |
|                       | Advances received from Customers in liabilities                        | -46,431          |
| <b>(b)</b>            | Related to Revenue recognition (not yet invoiced)                      | 278,070          |
|                       | Liabilities for invoiced but not yet recognised as revenue receivables | -194,724         |
| <b>(c)</b>            | Related to payables (no offsetting performed)                          | 174,054          |
| <b>(d)</b>            | Related to EPC financing (secure)                                      | 185,834          |
|                       | <b>Net Trade receivables (recurring basis), T.R. - a-b-c-d</b>         | <b>553,835</b>   |
|                       | <b>TURNOVER</b>  | <b>2,664,050</b> |
|                       | <b>Simple calculated DSO (w/o VAT adjustments)</b>                     | <b>75.9</b>      |

## 11. Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis.

### Management / Risks control practices

The Group ensures that there is sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held. The funds for long-term liquidity needs ensured by a sufficient amount of loanable funds and the ability to sell long-term financial assets.

The tables below summarize the maturity profile of the Group's liabilities as at 31.12.2021 and 31.12.2020 respectively:

## MYTILINEOS GROUP

| Liquidity Risk Analysis - Liabilities<br>(Amounts in thousands €)<br>2021 | up to 6 months | 6 to 12 months | 1 to 5 years     | after 5 years  | Total            |
|---|----------------|----------------|------------------|----------------|------------------|
| Long Term Loans   | -              | -              | 1,265,129        | 15,274         | 1,280,403        |
| Short Term Loans  | 38,828         | 659            | 749              | -              | 40,236           |
| Leasing liabilities   | -              | -              | -                | -              | -                |
| Trade and other payables  | 690,188        | 199,668        | 2,210            | -              | 892,066          |
| Other payables  | 223,315        | 87,348         | 15,091           | 183,432        | 509,185          |
| Current portion of non - current li-<br>abilities                         | 26,798         | 7,891          | -                | -              | 34,689           |
| <b>Total</b>  | <b>979,129</b> | <b>295,567</b> | <b>1,283,179</b> | <b>198,706</b> | <b>2,756,581</b> |

| Liquidity Risk Analysis - Liabilities<br>(Amounts in thousands €)<br>2020 | up to 6 months | 6 to 12 months | 1 to 5 years   | after 5 years  | Total            |
|---|----------------|----------------|----------------|----------------|------------------|
| Long Term Loans   | -              | -              | 886,458        | 25,076         | 911,533          |
| Short Term Loans  | 30,587         | 659            | -              | -              | 31,246           |
| Leasing liabilities   | -              | -              | -              | -              | -                |
| Trade and other payables  | 324,116        | 130,664        | 22,509         | -              | 477,290          |
| Other payables  | -              | 95,068         | 1,213          | 164,920        | 261,201          |
| Current portion of non - current li-<br>abilities                         | 28,543         | 9,121          | -              | -              | 37,664           |
| <b>Total</b>  | <b>383,246</b> | <b>235,513</b> | <b>910,180</b> | <b>189,996</b> | <b>1,718,935</b> |

## MYTILINEOS S.A.

| Liquidity Risk Analysis - Liabilities<br>(Amounts in thousands €)<br>2021 | up to 6 months   | 6 to 12 months | 1 to 5 years   | after 5 years  | Total            |
|---|------------------|----------------|----------------|----------------|------------------|
| Long Term Loans   | -                | -              | 655,505        | -              | 655,505          |
| Short Term Loans  | -                | -              | -              | -              | -                |
| Leasing liabilities   | -                | -              | -              | -              | -                |
| Trade and other payables  | 554,512          | 91,057         | 2,208          | -              | 647,777          |
| Other payables  | 447,787          | 26,891         | 1,837          | 168,859        | 645,374          |
| Current portion of non - current li-<br>abilities                         | -                | -              | -              | -              | -                |
| <b>Total</b>  | <b>1,002,299</b> | <b>117,948</b> | <b>659,551</b> | <b>168,859</b> | <b>1,948,657</b> |

| Liquidity Risk Analysis - Liabilities<br>(Amounts in thousands €)<br>2020 | up to 6 months | 6 to 12 months | 1 to 5 years   | after 5 years | Total            |
|---|----------------|----------------|----------------|---------------|------------------|
| Long Term Loans   | -              | -              | 284,152        | -             | 284,152          |
| Short Term Loans  | -              | -              | -              | -             | -                |
| Leasing liabilities   | -              | -              | -              | -             | -                |
| Trade and other payables  | 230,950        | 11,570         | 22,303         | -             | 264,823          |
| Other payables  | 185,442        | 30,054         | 1,213          | 235,546       | 452,255          |
| Current portion of non - current li-<br>abilities                         | -              | -              | -              | -             | -                |
| <b>Total</b>  | <b>416,392</b> | <b>41,623</b>  | <b>307,668</b> | <b>-</b>      | <b>1,001,229</b> |

It must be noted that the above table does not include liabilities to clients from the performance of construction projects, as the maturity of such values cannot be assessed. Moreover, cash-advances from customers, construction contracts liabilities as well as the provisions and accrued expenses are not included.

## Market Risk

### 12. Price Risk

Goods prices that are mainly determined by international markets and global offer and demand result in the Group's exposure to the relevant prices fluctuation risk. Goods' prices are connected both to variables that determine revenues (e.g. metal prices at LME) and to the cost (e.g. natural gas prices) of the Group's companies. Due to its activity, the Group is exposed to price fluctuation of aluminium (AL) as well as to price fluctuation of natural gas, as production cost.

#### Management / Risks control practices

As regards price fluctuation, the Group's policy is to minimize risk by using financial derivative instruments.

### 13. Exchange rate risk

The Group develops activity at international level and is therefore exposed to exchange rate risk that arises mainly from the US dollar. Such risk primarily stems from commercial transactions in foreign currency as well as from net investments in foreign financial entities.

#### Management / Risks control practices

For the management of such risk, the Group's Financial Management Department establishes financial derivative and non-derivative instruments with financial organizations for the account and in the name of the Group's companies. At the Group level, such financial instruments are considered to constitute compensation means for the exchange rate risk of specific assets, liabilities or future commercial transactions

### 14. Interest rate risk

The Group's assets that are exposed to interest rate fluctuation primarily concern cash and cash equivalents.

#### Management / Risks control practices

The Group's policy as regards financial assets is to invest its cash in floated interest rates so as to maintain the necessary liquidity while achieving satisfactory return for its shareholders

In addition, for the totality of its bank borrowing, the Group uses floating interest rate instruments. Depending on the level of liabilities in floating interest rate, the Group proceeds to the assessment of interest rate risk and when necessary examines the necessity to use interest bearing financial derivative instruments. The Group's policy consists in minimizing its exposure to interest bearing cash flow risk as regards long term funding.

## Effect from risk factors and sensitivities analysis

The effect from the above mentioned factors to Group's operating results, equity and net results as at 31.12.2021 and 31.12.2020 presented in the following table:

### 2021

| LME AL (Aluminium) | \$/t | + 50 | - 50  |
|--------------------|------|------|-------|
| EBITDA             | m. € | 7.8  | (7.8) |
| Net Profit         | m. € | 7.8  | (7.8) |
| Equity             | m. € | 7.8  | (7.8) |

| API (Alumina) | \$/t | + 10 | - 10  |
|---------------|------|------|-------|
| EBITDA        | m. € | 2.7  | (2.7) |
| Net Profit    | m. € | 2.7  | (2.7) |
| Equity        | m. € | 2.7  | (2.7) |

| Exchange Rate €/€ | €/€  | -5%  | +5%    |
|-------------------|------|------|--------|
| EBITDA            | m. € | 32.3 | (30.3) |
| Net Profit        | m. € | 30.8 | (28.8) |
| Equity            | m. € | 30.8 | (28.8) |

| NG Price   | €/MWh | - 5  | + 5    |
|------------|-------|------|--------|
| EBITDA     | m. €  | 34.7 | (34.7) |
| Net Profit | m. €  | 34.7 | (34.7) |
| Equity     | m. €  | 34.7 | (34.7) |

| CO <sub>2</sub> (€/t) | €/t  | - 1 | + 1   |
|-----------------------|------|-----|-------|
| EBITDA                | m. € | 2.1 | (2.1) |
| Net Profit            | m. € | 2.1 | (2.1) |
| Equity                | m. € | 2.1 | (2.1) |



2020

| LME AL (Aluminium) | \$/t | + 50 | - 50  |
|--------------------|------|------|-------|
| EBITDA             | m. € | 8.1  | (8.1) |
| Net Profit         | m. € | 8.1  | (8.1) |
| Equity             | m. € | 8.1  | (8.1) |

| API (Alumina) | \$/t | + 10 | - 10  |
|---------------|------|------|-------|
| EBITDA        | m. € | 2.8  | (2.8) |
| Net Profit    | m. € | 2.8  | (2.8) |
| Equity        | m. € | 2.8  | (2.8) |

| Exchange Rate €/S | €/S  | -5%  | +5%    |
|-------------------|------|------|--------|
| EBITDA            | m. € | 31.4 | (29.7) |
| Net Profit        | m. € | 30.7 | (29.0) |
| Equity            | m. € | 30.7 | (29.0) |

| NG Price   | €/MWh | - 5  | + 5    |
|------------|-------|------|--------|
| EBITDA     | m. €  | 13.5 | (13.5) |
| Net Profit | m. €  | 13.5 | (13.5) |
| Equity     | m. €  | 13.5 | (13.5) |

| CO <sub>2</sub> (€/t) | €/t  | - 1 | + 1   |
|-----------------------|------|-----|-------|
| EBITDA                | m. € | 1.4 | (1.4) |
| Net Profit            | m. € | 1.4 | (1.4) |
| Equity                | m. € | 1.4 | (1.4) |

The Group's exposure in price risk and therefore sensitivity may vary according to the transaction volume and the price level. The aforementioned analysis reflects the nominal exposure to the above factors and does not include any effect from the use of contracts/forwards through which the Group hedges risk.

## VII. Payments to governments report

Mytilineos Group, according to article 6 of law 3557/2007, paid to the Hellenic Government, for the year ended at 31st of December 2021, an amount of 252 thousand Euros, due to the mining activity of its subsidiary company.

The above mentioned amount is related to the Mining Rights of Delphi-Distomon SA subsidiary company.

## VIII. Non financial information

### Introduction

This report has been prepared in accordance with the requirements of the European Non-Financial Disclosure Directive and provides balanced information on the evolution of the MYTILINEOS performance, as well as a description of the main sustainable development risks and challenges given the size of the organization and the complexity of its activities. The information presented throughout the report, focuses on the thematic aspects, as defined in the "Non-Financial Informa-

tion Report" of circular 62784/2017, in accordance with the provisions of Law 4403/2016 in conjunction with the provisions of Law 4308/2014 concerning the material Environmental, Social and Governance (ESG) topics of the Company. The report's data refer to the four Business Units<sup>1</sup> of MYTILINEOS, its major subsidiaries within the Greek territory, its Renewable Energy Sources (RES) plants and to the work sites the Company operates in, through the Sustainable Engineering Solutions (SES) Business Unit and the Renewables & Storage Development (RSD) Business Unit, in countries abroad. In addition, in accordance with legislation requirements, the Company develops on an annual basis a Sustainable Development Report which presents more detailed information regarding the management approach of all sustainable development material topics.

### The timely response of MYTILINEOS to the SARS-CoV-2 pandemic

From the beginning of the pandemic outbreak, MYTILINEOS managed to react quickly and effectively. The company, acting responsibly and maintaining strict vigilance, implemented a multifaceted action plan that supported its human resources by setting their safety as a priority. MYTILINEOS kept all its production units in operation while contributing to the national effort to deal with the pandemic crisis. The primary objectives of MYTILINEOS, for which it allocated more than €4 million in 2021, were:

**1) To safeguard the health of its employees and their safety at work, as well as the health of their families.** From 2020 MYTILINEOS (a) set up a special team (Covid Management Team) that undertook the monitoring of the pandemic, the assessment of the risks and their management in order to protect its employees, (b) prepared a comprehensive preventive action plan two weeks before the first confirmed case in the country (c) constantly informed its employees and associates about the implementation of personal hygiene rules with clear instructions from the competent international and domestic agencies (d) activated teleworking from the first month of the pandemic (e) proceeded to the creation of a special microsite "SARS-CoV-2 - What I need to know", as well as established an "HR Call Center" for keeping employees constantly informed about the Company's measures and instructions while (f) regularly distributing a special personal package per employee, containing face masks and sanitizers; and (g) applied a program of regular disinfections of all facilities, (h) performed molecular tests (PCR) and rapid tests for employees, which reached almost €1.8m.

<sup>1</sup> Data from the Company's Zinc/Lead Metallurgy operations are not included.