

# Corporate Governance

[GRI 102-18]

This section briefly describes the MYTILINEOS Corporate Governance framework. Detailed data are presented in the "Corporate Governance Statement" section of the Company's Annual Financial Report 2021. The corresponding indicators are reported in the GRI Content Index (pages 134-146), which also includes references to the Company's Annual Report and to this Report.

## Corporate Governance Code

The Board of Directors sets the tone regarding the corporate governance standards. To this end, the Board of Directors decided to voluntarily adopt the UK Corporate Governance Code as of 01.01.2019, acknowledging that this code is widely recognized as the best model of corporate governance. The Code, together with its translation into the Greek language, is posted on the Company's website [[mytilineos.gr/who-we-are/governance/corporate-governance/corporate-governance-code/](https://mytilineos.gr/who-we-are/governance/corporate-governance/corporate-governance-code/)] and on the website of the UK Financial Reporting Council (FRC), at [frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code](https://frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code).

## Board of Directors

The Company is managed by a Board of Directors consisting of eleven (11) members, of which (a) three members, namely the Chairman & CEO, the Vice Chairman B' and one more member, are Company Executives, (b) the Vice Chairman A is a non-executive member, and (c) seven members are independent non-executive members. The Board of Directors continues to consider the separation of the roles or the dual role of the CEO. Further information on this matter is available in the Corporate Governance Statement (Clause 9). The two committees of the Board of Directors, namely the Audit Committee and the Remuneration and Nomination Committee, are fully independent. The Board of Directors has appointed the Company's Corporate Governance Director as Corporate Secretary, in order to receive the necessary guidance and advice on corporate governance issues.

The shareholders approve the independence of the Board's non-executive members when the latter submit their candidacy for being considered for election to the Board of Directors.

The Company applies a Diversity Policy, in which it acknowledges that diversity in the workplace in the broadest sense can increase the potential for accessing a broader range of business strategy solutions and thus increase its competitive advantage. The Company had set measurable targets, to be achieved by 2020, regarding the representation of women on the Board of Directors. In 2021, the Company exceeded the target set, as the new Board members elected on 15.06.2021 brought the number of women on the Board of Directors up to three, i.e., 27% of the total members.

The Board of Directors is responsible for managing (administering and disposing of) the Company's assets as well as for representing it, with the aim of strengthening its economic value and profitability and of safeguarding the Company's interests. The Board of Directors holds regular meetings at least once per month, and extraordinary meetings whenever important issues arise or decisions need to be made, except in cases of personal impediment. The regular meetings of the Board of Directors are usually attended by all Board members. Until today, there has never been a case in which the Board of Directors could not adopt a resolution due to lack of quorum.

The Company has clearly allocated responsibilities between the Management and the Board of Directors, as described in the Articles of Association. The roles and responsibilities of the Chairman, the CEO, the Lead Independent Director and the Board committees are included in the Company's Articles of Association approved by the shareholders at the 2019 Annual General Meeting. Further information is available in the Corporate Governance Statement (Clause 12 and Chapter 1.2).

## Committees of the Board of Directors

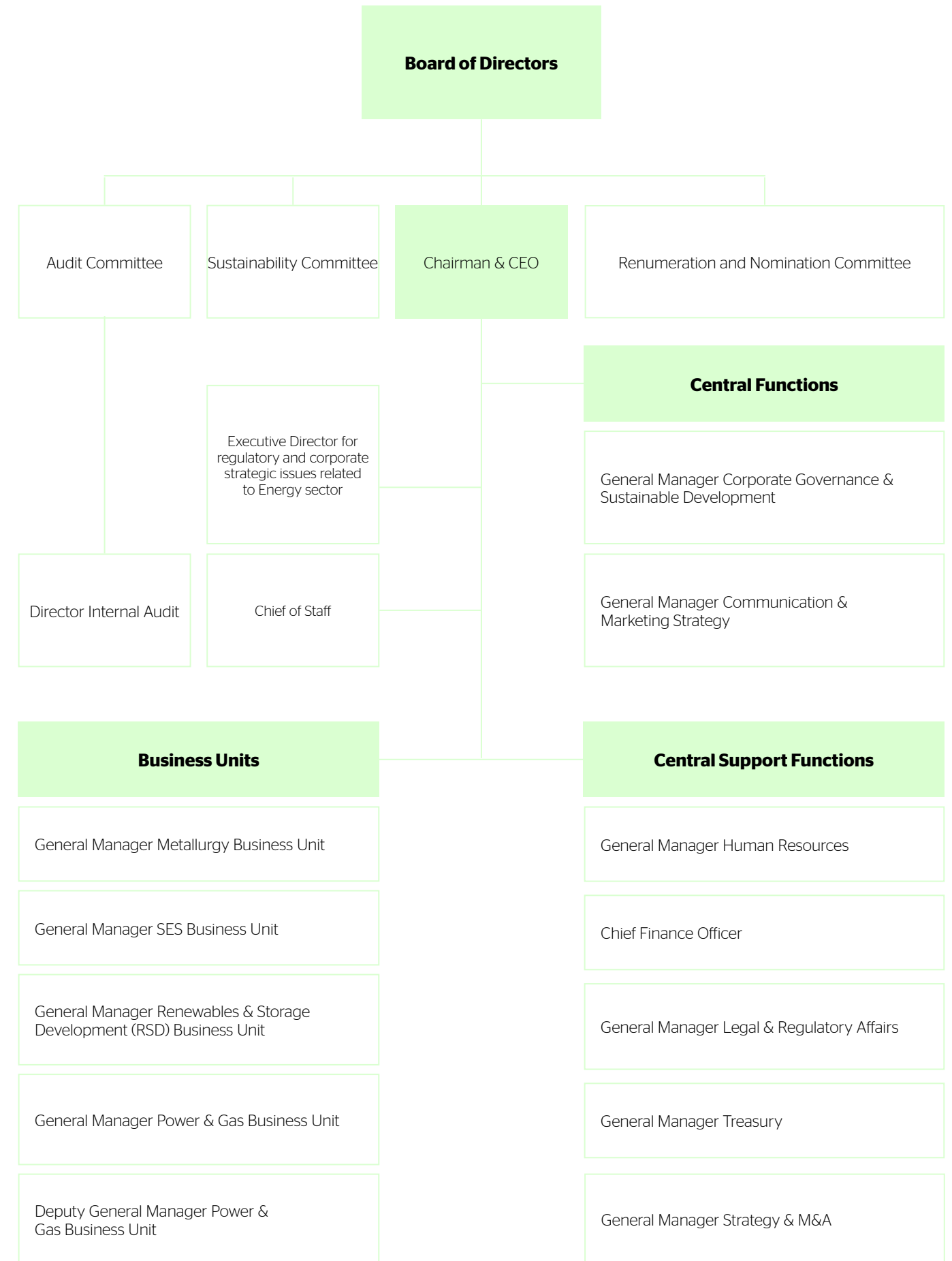
As mentioned above, the Audit Committee and the Remuneration and Nomination Committee, are fully independent. In particular:

The Company has established a dual-role **Remuneration and Nomination Committee**, which examines and addresses issues regarding (a) the remuneration of Board members and of the senior and other executives, and (b) the suitability of the Board's in-office and candidate members, within the Committee's remit and in accordance with its Terms of Reference. The Remuneration and Nomination Committee is responsible to examine the independence of candidate non-executive Board members, before their nomination as candidates for election to the Board is submitted.

The **Audit Committee** of the Company has been established with the purpose of assisting the Board of Directors to fulfil its supervisory responsibilities in the audit procedures, in compliance with the legal and regulatory framework regarding (a) financial information (b) internal control, (c) the internal control system and the risk management system, and (d) the supervision of the (regular) statutory audit of the Company's individual and consolidated financial statements.

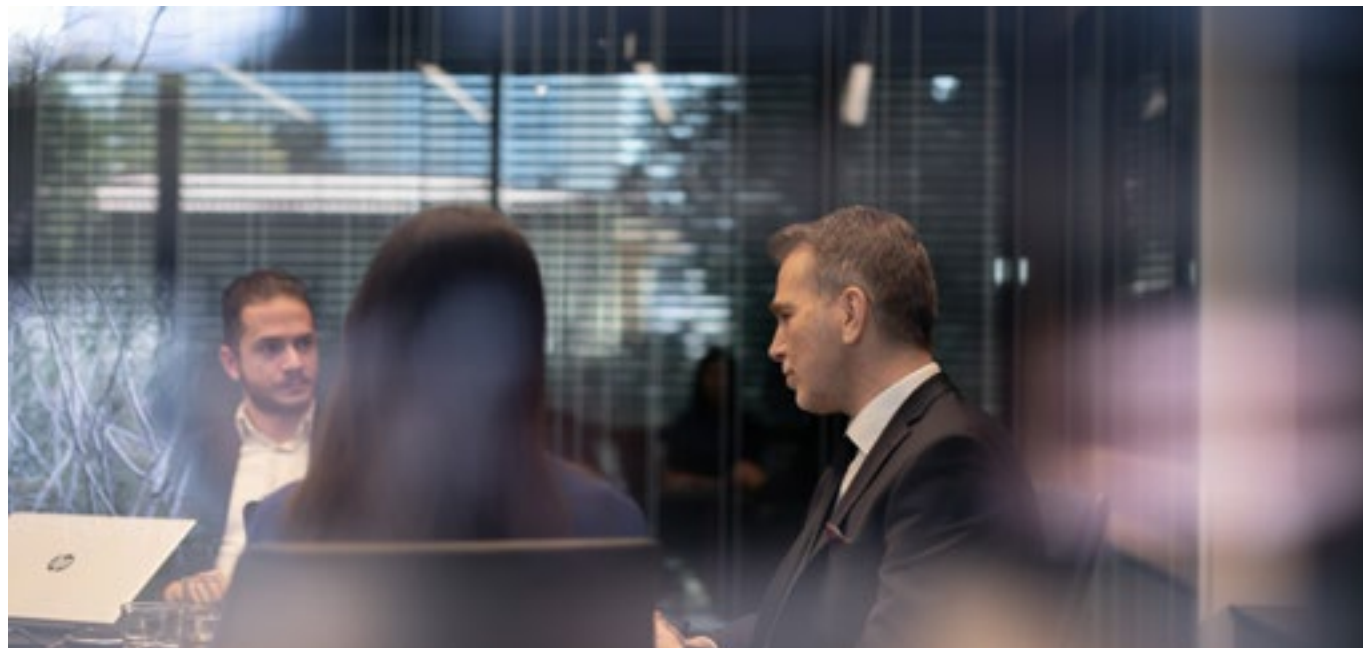
In 2021, the Board of Directors established the **Sustainability Committee**, whose purpose is to assist the Board in strengthening the Company's long-term commitment to creating value in all three pillars of Sustainable Development (economy, environment and society) and in overseeing the implementation of responsible and ethical business conduct, and is evaluated regularly on the basis of its results and its performance in Environmental, Social and Governance (ESG) issues. The Committee assists the Company's Board of Directors in integrating the Sustainable Development policies and procedures into the Company's core decision-making processes and operations.

The Company's organizational chart was revised by resolution of the Board of Directors on 04.02.2020 and is available at: [mytilineos.gr/who-we-are/leadership/organizational-chart/](https://mytilineos.gr/who-we-are/leadership/organizational-chart/).



## Major developments in 2021

- In 2021, the Board of Directors established the Sustainability Committee.
- The Board of Directors approved and ratified MYTILINEOS' Conflict of Interest policy and procedure, which applies both to the Board of Directors itself and to all Company employees.
- Since February 2021, the Company has achieved a percentage of 27% in the representation of women in the Board of Directors, in accordance with the target it has set itself, while in Greek law 4706/2020 the relevant percentage is 25%.
- Compliance with the UK corporate governance code reached 75%, according to an independent reviewer.
- In order to fill two independent non-executive member vacancies on the Board of Directors, the Remuneration and Nomination Committee, taking into account (a) the policy for the Suitability Assessment of the Board Members, (b) the Company's strategy and (c) the results of the Board of Directors' assessment, described the role, the competences and the required personal characteristics that will enhance the knowledge and skills of the Board as a whole.
- The Remuneration and Nomination Committee discussed and adopted the Policy for the Suitability Assessment of the Board Members, which was approved by the General Assembly by its resolution of 15.06.2021, following its approval by the Board of Directors' resolution of 12.05.2021, and which sets out the set of principles and criteria to apply during the selection, replacement and renewal of the tenure of Board members, in the context of the assessment of their suitability at individual and collective level. The Policy aims to ensure the quality of staffing, effective operation and fulfilment of the role of the Board of Directors, based on the Company's overall strategy and medium to long-term business goals, with the aim of promoting the corporate interest.
- The first official succession planning project was completed at the end of 2021, with support from an external consultant. The evaluation framework for Executives adopted a holistic approach to calibrating the leadership skills that are critical to the Company's success, through face-to-face interviews as well as by using management evaluation tools. Critical competences examined included strategic orientation, results orientation, collaboration and influence, team leadership, change leadership and organizational capacity building.
- The effectiveness of the Board was addressed through two initiatives: the first one involved an external review of the Board's collective capabilities and was discussed by the Board in 2020, and the second one involved a follow-up review launched in 2021 and completed in 2022, which focused on each Board member's individual capabilities and contribution. The two Board evaluation exercises reinforced the Board's progress towards continuous improvement, while the initiatives adopted have already led to a substantial improvement in the Board's capacity to add value through enhanced and more permanent participation.
- The Board approved the Policy on the Independence of its Members, according to which the Company must ensure that the composition of the Board of Directors includes an appropriate number of independent members (at least 60% of the Board's total members).
- In 2021, the second Corporate Governance Road Show was organized for the investor stewardship teams. The Board Remuneration Report describes how the views of major institutional shareholders of the Company were taken into account, as they emerged from the consultation with the investor stewardship teams.



## Sustainable Development Governance

[GRI 102-18]

The management of Sustainable Development is exercised by at senior management level at MYTILINEOS. It is steadily integrated into the Company's organizational structure and operational model through the regular review of all material topics, the planning of appropriate actions, target setting and the implementation of environmental, social and governance practices. The management of the Sustainable Development topics is implemented through the Company's corporate Sustainable Development governance system, with the following objectives:

- to highlight the importance of Sustainable Development, with the ultimate goal of preventing business, social and environmental risks.
- to adopt initiatives and actions that substantially contribute to the Global Sustainable Development Goals (2030 Agenda) and to the respective national priorities, and
- to balance the economic, social and environmental implications of MYTILINEOS' activities and, at the same time, enhance the value created for all its key Stakeholder groups.

The Sustainable Development governance system of MYTILINEOS has the following structure:

### Sustainability Committee of the Board of Directors [GRI 102-32]

The purpose of the Committee is to assist the Board of Directors in strengthening the Company's long-term commitment to creating value in all three pillars of Sustainable Development (economy, environment and society) and in overseeing the implementation of responsible and ethical business conduct, evaluated regularly on the basis of its results and its performance in Environmental, Social and Governance (ESG) issues.

The Sustainability Committee was established by resolution of the Company's Board of Directors of 02.04.2021. The Committee's members are in their majority Independent Non-Executive members of the Board. The Chair is appointed by the Committee members. More information is available in the [Terms of Reference of the Sustainability Committee](#).

### General Division for Corporate Governance and Sustainable Development

With its crucial coordinating role, the General Division for Corporate Governance and Sustainable Development sets the short-term strategic priorities as well as the long-term overall Sustainable Development strategy of the Company. It informs the Company's Executive Committee and submits, via the Sustainability Committee, information to the Board of Directors, including updates on the progress made towards the achievement of climate-related targets. It cooperates directly with the Central Functions on sustainability issues, and is responsible for supporting all the newly established Sustainability / ESG teams in each Business Unit regarding Sustainable Development standards and MYTILINEOS targets. Moreover, it coordinates, monitors, aggregates and synthesizes the sustainable development actions carried out across the entire Company, ensuring that, collectively, they produce the best possible results based on the ESG criteria and the relevant ratings, and that the Company's ESG performance remains at the highest possible level and meets the increasing requirements of the investors community in this field.

### Enterprise Risk Management System

The operation of MYTILINEOS' Enterprise Risk Management System seeks to limit the likelihood and the impacts of risks and to maximize the benefit from the opportunities that are presented and are related, inter alia, to the Company's material for Sustainable Development topics. 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, promoting a unified culture that integrates risk management into processes, activities and decision-making at all levels of the organization.

### Business Units

The General Divisions of the Business Units define the directions to their respective Sustainability / ESG teams, in cooperation with the General for Division for Corporate Governance and Sustainable Development, ensuring that the Key Performance Indicators (KPIs) are aligned with the strategic objectives of MYTILINEOS. Moreover, the new Sustainability / ESG teams, with the newly created roles of "BU Sustainability leaders" and "BU Sustainability / ESG initiative owners", are responsible for the organization and implementation of sustainable development initiatives in each Business Unit of the Company.

### Consultations with Stakeholders & Local Communities

The institution of Consultation with Stakeholders and Local Communities is a long-established principle of MYTILINEOS' responsible operation, contributing to greater transparency, solidifying the Company's "social license to operate" and helping further improve its responsible entrepreneurship and sustainable development initiatives.

### Codes of Conduct

The following codes play an important role in the governance of Sustainable Development:

(a) The MYTILINEOS **"Code of Business Conduct"**, which refers to the rules of acceptable conduct regarding the conduct of the Company's Management towards employees, the principles of professional ethics and the rules that govern the conduct of employees between themselves and towards third parties.

(b) The **"Suppliers and Business Partners Code of Conduct"**, which describes the Company's minimum requirements / expectations of its supply chain actors regarding environmental, social and governance (ESG) related issues as one of the main prerequisites for the establishment of a commercial cooperation with them.