









# 2013

Annual Financial and Sustainable Development Report

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### 2013 at a glance



\* The Company's data are presented in a seven-year time series due to the nature of CORINTH PIPEWORKS projects. Usually, these projects last more than one year and therefore, provision of information in respect of only two years, i.e. 2012-2013, would not be representative.

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

77%

Oil and Gas Companies

Trading Companies 10%





1a. Message from the Chairman of the Board of Directors

"We are committed and will continue to invest on sustainable development programs implementing what we have projected. We do know that the path we have decided to follow is not the easiest one, however, it is the path that is consistent with our values and our principles."

In 2013, a particularly difficult year for the Greek economy as well as the country itself, we remained faithful to our commitments and succeeded in maintaining our business efficiency. Responsibility in the way we operate gained deeper meaning and despite the adverse conditions we faced, we managed to establish the appropriate bases that will enable us to look forward to the future with an optimistic attitude.

In particular, within 2013, we implemented significant activities per Corporate Responsibility axis, including the following:

- To conduct analytical and structured risk assessment by an independent body in order to identify any risks to which the Company is exposed (Enterprise Risk Management ERM).
- To develop and implement specific procedures relating to human rights and equal opportunities in employment.
- To increase emergency drills (evacuation, fire, leakage, accident, etc.) by 50%.
- To increase total training hours per employee by 23%, placing emphasis on health and safety at work and environment protection.
- To develop procedures in order to monitor systematically the implementation of initiatives aimed at supporting the local communities.

Concerning the domain of environmental management, which is of particular importance to us, although our reduced production facilitated lower carbon emissions, it did not equally facilitate exploitation of the economies of scale in order to achieve reductions in specific carbon emissions into the atmosphere. Our intention is to intensify our efforts aimed at further reduction of our environmental footprint, placing priority on optimizing our waste management.

As far as an equally important domain – that of occupational health and safety - is concerned, we maintained the same levels as those recorded in the recent years. We constantly monitor the relevant indicators, which are always on guard and implement ongoing training so that the corporate culture could integrate the significance of compliance with the regulations that we have established.

All our initiatives and our performance are recorded in the current Report, which for the first time, is presented as an unified Annual Financial and Sustainable Development Report, in order to provide sufficient and complete information to all our stakeholders. CORINTH PIPEWORKS Annual Financial and Sustainable Development Report for the year 2013 was drafted in accordance with the guidelines of the International Standard set by the international Global Reporting Initiative Organisation (GRI – G3.1 Guidelines) achieving, for the first time, compliance level A (GRI - level A), while, at the same time, fully responding to the provisions of ISO 26000 on Social Responsibility as well as to 10 Principles of the UN Global Compact.

We have been committed and will continue to invest on sustainable development programs while implementing what we have projected and keeping in mind that the integration of CSR into the Company is our strategic option. Our target regarding 2014 is to continue improving our performance in all the domains and invest in developing our people as well as in broadening our product portfolio and thus meet the requirements of the projects that are expected to arise in the market.

Corporate Responsibility is a one way path for CORINTH PIPEWORKS and our business strategy includes programs and operations to be conducted in all the axes that the Company has recognized. These six main Corporate Responsibility axes, reflect the most significant and fundamental issues of our operations:

- Corporate Governance, which represents the basis of the whole organisation.
- Human Resources that are the most valuable asset of our Company.
- Health and Safety of our employees and executives in our facilities, which constitutes an issue of our constant concern.
- Our business responsibility, which is expressed through our customer-oriented philosophy and the recognition of our suppliers as valuable partner, constitutes additional advantage to achieving our global growth.
- Caring for environment, which is an essential factor to our harmonious co-existence.
- Support and development of the local community, which constitute our commitment.

We do know that the path we have selected is not the easiest one, though, it is the path consistent with our values and our principles and we will go on moving in this direction with boldness and wisdom.

Konstantinos Bakouris Chairman of the Board of Directors

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### 1b. Message from the Chief Executive Officer

The financial year 2013 was one more year of uncertainty and volatility resulting in the formation of a more challenging business environment for CORINTH PIPEWORKS Group. The global economy slowed down its growth for yet another year, while investment in new energy projects regarding extraction and transportation of oil and gas, decreased - both in Europe and in other foreign markets.

Taking into account the aforementioned adverse conditions, CORINTH PIPEWORKS Group focused on expanding its operations throughout the new markets that present particular interest, since new energy and infrastructure projects are expected to arise to markets as of the Mediterranean, Gulf of Mexico, Western and Eastern Africa, the North Sea and the Middle East. Concerning the adverse economic environment in conjunction with the decrease in the prices of raw materials, within the last year, the Group sales decreased in respect of volumes as well as values, while the profit margins were also decreased.

In particular, in 2013, consolidated Revenue amounted to Euro 165.4 million, presenting a 29.5% decrease. Sales of energy sector amounted to Euro 135.4 million, presenting a 35.7% decrease, while sales of structural beams amounted to Euro 30 million, increased by 24.6% versus 2012, despite the weakness of the European construction sector. Gross profit decreased by 49.3%, standing at Euro 22.4 million, while consolidated EBITDA amounted to Euro 4.6 million versus Euro 21.3 million in 2012. Consolidated earnings before tax presented losses of Euro 3.4 million, while consolidated earnings after tax and minority interest in 2013 stood at losses of Euro 6.1 million (Euro 0.0494 per share) versus profit of Euro 9.7 million (Euro 0,0778 per share).

The Group's net borrowings remained at satisfactory levels as a result of effective management of the working capital, standing at Euro 32.5 million versus Euro 22.4 million as at 31/12/2012. Another significant issue is the fact that at the end of financial year 2013 the Group restructured its borrowing through issuing new common bond loans. Therefore, at the end of financial year 2013, long-term loans amounted to Euro 52.5 million, while short-term loans amounted to Euro 1.4 million versus Euro 26.3 million in 2012. Furthermore, the Group Equity as at 31/12/2013 stood at Euro 156.3 million versus Euro 164.9 million as at 31/12/2012.

Within this environment, the Company focused its efforts on improving the fundamental financial figures, broadening new markets range and expanding the variety of its products through research and development as well as investments.

The main pillar of CORINTH PIPEWORKS' strategy includes the expansion of the product range manufactured. In this context, an investment in a new production unit of LSAW-JCOE large diameter pipe mill for manufacturing high-strength offshore and onshore gas and oil energy pipes is in progress. While accomplishing the completion of the investment, the Group will have one of the most complete high value added products and a portfolio of specialised services, thus further improving its position in the international market and being one of the most reliable and important steel pipes manufacturers in the energy industry, worldwide.

Since the energy sector is characterized by the on-going technological development, variations in manufacturing process and use of advanced technologies, the Group invests in research and new technology and is involved in a number of innovative programs in collaboration with domestic and foreign academic institutions and organisations. Having established itself among the top global market steel pipe manufacturers, CORINTH PIPEWORKS is in position to capture a considerable part of the emerging demand and lay the foundations for its medium and longterm growth. Through capitalizing its strong capital structure, the complete products portfolio, the extensive sales network and the specialized expertise of its employees CORINTH PIPEWORKS looks forward the course of its development in the following years with an optimistic attitude.

> Apostolos Papavasiliou Chief Executive Officer

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### 2. CORINTH PIPEWORKS Group of Companies

CORINTH PIPEWORKS operates in steel pipe manufacturing of high quality products for the Oil and Gas In-

dustry, as well as for the construction sector. Based in Greece, CORINTH PIPEWORKS Group of Companies has subsidiaries in Greece, Cyprus, Poland, Russia and the USA, as well as offices in Algeria. The basic products of the Group are ERW/HFI and SAWH steel pipes of medium and large-diameter as well as Hollow Structural Sections.

CORINTH PIPEWORKS shares have been traded on Athens Stock Exchange since 1998, while since 2004, the majority of share capital has been owned by SIDENOR Group. SIDE-NOR Group is VIOHALCO's steel production, processing and trading sector and has a leading position in Greece and Southeast Europe in industrial production of long steel products.

Through its subsidiaries and mainly due to the high quality of its products and the experience gained in large international energy and construction projects, CORINTH PIPEWORKS has managed to establish its presence in the major energy markets, worldwide.

The major scope of CORINTH PIPEWORKS subsidiaries' operations is to provide support to the parent company, both at functional and productive level, as well as in terms of products' promotion and customer service. In particular:



CPW AMERICA Co	CPW AMERICA Co is headquartered in the USA and its mission is to promote CORINTH PIPEWORKS products and to render customer services to the Group clients and, generally, to VIOHALCO Group clients in North and South America.
ZAO ТМК - CPW	CORINTH PIPEWORKS, through its 100% subsidiary HUMBEL LTD, controls 49% of ZAO TMK-CPW joint venture, which manufactures medium-diameter steel pipes for oil and gas. ZAO TMK-CPW joint venture established in collaboration with the russian company TMK, one of the largest international pipe manufacturing companies.
DIA.VI.PE.THI.V. S.A.	DIA.VI.PE.THI.V. S.A. is engaged in managing the Industrial Area of Thisvi, in which the Group's main production plant is located.
WARSAW TUBULAR TRADING SP.ZO.O.	WARSAW TUBULAR TRADING SP.ZO.O. is based in Poland and its primary activity is to participate in companies engaged in similar activities.

#### CORINTH PIPEWORKS has the following production units:

Thisvi Plant CORINTH PIPEWORKS S.A.	Thisvi plant is the main production plant of the Group. The plant is located in the Industrial Area of Thisvi, Viotia, and its annual production capacity amounts to 925,000 tons (based product mix). The plant lies at a total area of 497,000 m <sup>2</sup> (89,000 m <sup>2</sup> of which are covered) and started its operations in 2002. The Industrial Area of Thisvi has a fully equipped port, which operates in conformance with the International Ship and Port Facility Security Code (ISPS Code). The International Maritime Organisation code for the port facilities is "GRITA 0001". The use of Thisvi port facilities ensures reduced delivery time for raw materials and dispatch time for final products, as well as competitive transportation costs.
ZAO TMK-CPW Production Plant	ZAO TMK-CPW production plant is located in the city of Polevskoy, in Russia. The plant has a total annual production capacity of 200,000 tons and provides the Company's products to the markets in Russia and the Commonwealth of Independent States.

CORINTH PIPEWORKS Group clientele includes, among others, the following companies: Chevron, BP, Public Gas Corporation (DEPA), DESFA, OMV, GRTGAZ, Snam, National Grid, RWE, Spectra Energy, Energy Transfer, Denbury, DCP Midtream, McJunkin, Spartan, EPCO, Spectra, Enbridge, Cheniere Energy, Talisman, STEG, Sonatrach, PDO, OGC, Aramco, Socar, ABB, EDF, TIGF, Saipem, Genesis, Allseas, Subsea 7 etc.

Focusing on the operation of CORINTH PIPEWORKS S.A., and in particular on its structure, the organization chart presented below, was revised in 2013 in order to enhance its effectiveness. The Company's activities are supported by the Governing Bodies, Internal Auditing, number of departments and the Office of Legal Advisor. In Thisvi plant operates the Occupational Health, Safety and Environmental department, referring to the Plant Director.





Starting from 1969, CORINTH PIPEWORKS has had a successful course of development in steel pipes production and distribution. Throughout its history, it has constantly implemented improvements and modifications to its systems and operations, in order to become more effective and ensure Sustainable Development.





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### 4. Vision, Mission and Values



#### Vision, Mission, Values

Our vision is to reinforce our leading position in steel pipe industry in the global market, be acknowledged by our customers as the premium manufacturer, provide a challenging working environment to our employees, contribute to development of the local communities and ensure maximum return for our shareholders.

- Creating added value for shareholders.
- Supporting our customers through offering high quality products.
- Health and safety- driven operation.
- Respect to the environment.
- Investing in our people's personal development.
- Developing long term relationships with our suppliers.
- Contributing to local communities' development.



#### **Our Philosophy**

Our philosophy incorporates the way we achieve our vision, fulfil our mission and cultivate CORINTH PIPEWORKS values:



- We invest in quality and manufacturing technologically and environmentally advanced products,
- We strengthen our employees' skills and systematically protect our people,
- We deliver integrated solutions to our customers in a timely and effective manner,
- We produce high quality steel pipes, used in energy and construction projects,
- We support our global presence through agents around the world so as to respond quickly to our customers' needs,
- We ensure high capacity\* (up to 925,000 tons per year) through state-of-the-art production facilities,
- 6
- We are acknowledged as the most quality manufacturers of steel pipes in the world.



\* based on product mix





### 5. Strategy, Priorities and Perspectives

**Innovation and Technological Superiority**: CORINTH PIPEWORKS continuously invests in innovation and state-of-the-art technology, thus achieving broader diversification of its product range, creating new business opportunities and meeting customer needs. In order to succeed in this purpose, CORINTH PIPEWORKS undertakes the design and the manufacture of new innovative products either acting on its own or in collaboration with widely recognized Greek and/or international organisations.





**Top Quality**: The collaboration with the leading suppliers of raw materials, the implementation of certified quality system throughout the company's operations, the focus on continuous improvement and the Management's as well as the employees' commitment in pursuing total quality in all areas of activity are the factors, ensuring CORINTH PIPEWORKS leading position in manufacturing high quality products.

**Customer-oriented Philosophy**: Exceeding our customers' expectations and maximizing their satisfaction are the core issues of CORINTH PIPEWORKS operations. The Company has developed a management model, under which the employees concentrate on meeting our customers' long-term needs and requirements.





**Competitiveness**: High production efficiency, the utmost use of raw materials, resources and production means, coupled with the optimization of business procedures in relation to operating costs constitute the most significant elements in CORINTH PIPEWORKS competitiveness.

**Investing in Human Resources**: Employees are the most valuable asset in CORINTH PIPEWORKS. Their ideas and commitment to Company's sustainable development are the cornerstone of our success. CORINTH PIPEWORKS invests in its employees by implementing contemporary Human Resources management practices and providing a safe and healthy working environment.





**Corporate Responsibility**: CORINTH PIPEWORKS and its subsidiaries have incorporated Corporate Social Responsibility principles in their business operations, thus recognizing that their long-term growth and society's prosperity can only be achieved through Sustainable Development. CORINTH PIPEWORKS has developed Corporate Social Responsibility and Sustainable Development Policy and assesses and rates the significant issues at annual basis.

#### **International Markets and Prospects**

CORINTH PIPEWORKS strategy is based on its values and refers to the following six strategic axes: Innovation and Technological Superiority, Top Quality, Customer-oriented Philosophy, Competitiveness, Investing in Human Resources, Corporate Responsibility.

CORINTH PIPEWORKS Management carefully reviews the needs of the target markets and, in the context of its strategy's implementation, designs and performs investments aimed at strengthening its position in these markets. Currently, CORINTH PIPEWORKS focuses its operations on the markets of Europe, North and South America North Africa, Middle East, West and East African regions, where new energy and infrastructure projects are expected to be implemented within the following years.

Through monitoring and contributing to the development of the dynamic energy industry, CORINTH PIPEWORKS gives top priority to research and technology in order to be able to design the most innovative products and services that will establish its position as one of the leading and highest reputable manufacturers in steel pipe production worldwide.

In response to the needs of the energy market, CORINTH PIPEWORKS signed an agreement with the German company SMS Meer (in the beginning of 2013) on the construction of a new production unit for LSAW-JCOE steel pipes. The new mill will be able to produce LSAW (Longitudinal Submerged-arc Welded) steel pipes with outside diameters from 16 to 56 inches, wall thicknesses up to 40 mm, pipe lengths up to 18.3 m and steel grade up to X100. The project is expected to be completed at the beginning of 2015.

With the new LSAW pipe mill, CORINTH PIPEWORKS is expanding its product range in order to meet the growing global demand for high-strength offshore and onshore energy pipes. The new products will be able to meet the stringent quality criteria and their addition to the existing range will provide unique variety products, thus facilitating even better customer service.

Maintaining strong capital structure, CORINTH PIPEWORKS aims at further strengthening of its operations as well as at elaborating on the opportunities arisen due to the expectations for increased growth rate of foreign markets and for investments in new energy and infrastructure projects.

#### Investments

CORINTH PIPEWORKS makes significant investments on an annual basis aiming to its further growth and development. Such investments result in collateral benefits for the national economy as well as for the local areas in which it operates. In 2013, the Company realized a total of Euro 21 million investments in Greece.







### **Integrated Services and Products**

CORINTH PIPEWORKS develops high quality products and renders tailor-made services in order to offer integrated solutions to its customers (one-stop-shop philosophy). CORINTH PIPEWORKS provides domestic and international market with integrated solutions of high technical specifications and top quality, in accordance with international standards and / or customers' requirements.



### **Products and Services**

### **Products**

CORINTH PIPEWORKS offers top quality steel pipes for Oil, Gas, CO<sub>2</sub>, Water and Slurry pipelines and casing pipes for drilling operations. Also offers a wide range of structural hollow sections for the construction sector. Our half century history continuous investments, innovation and 'One-stop-shop' integrated services to our customers, has designated CORINTH PIPEWORKS as one of the top steel pipe suppliers worldwide.



#### Line Pipes for Oil and Gas Transportation

Line pipes for oil and gas transportation are manufactured in order to meet the needs of the energy industry, enabling internal and external coating. Such products ensure corrosion protection and smooth flow of the transmitted energy resources. ERW/HFI and SAWH processes guarantee high production reliability and close-tolerance dimensional accuracy of the pipes.

Line Pipes for oil and gas transportation needed to meet specific quality characteristics, depending on their intended use, while compliance with the safety standards constitutes a prerequisite for their manufacture.

#### **Casing Pipes**

Casing pipes are manufactured in accordance with high frequency welding process (ERW/HFI) and are manufactured in compliance with the requirements of the International Standards (API 5CT / ISO 11960) or with customer specifications in grades H 40 and J 55. The high frequency welding process (ERW/HFI) guarantees reliability in production and accuracy of dimensions within the acceptable limits. Casing pipes are available to customers either with free ends or with an application of specific weld - on connectors.





#### **Hollow Structural Sections**

Hollow Structural Sections are extremely important components in various types of engineering projects and, in particular, in metal constructions. The final products can have round, rectangular or square shape, while their length is defined under the customer specifications. Hollow structural sections are manufactured in accordance with the European Standard EN 10219-1.

#### **Line Pipes for Water Transportation**

Line Pipes for water transportation are manufactured in order to transmit water to long distances networks and to distribute it to consumption centers. In response to customer demands, the pipes can be internally and externally coated, thus ensuring corrosion protection and smooth water flow, in compliance with all the hygienic and potable water requirements.





### **Services**

CORINTH PIPEWORKS provides added value services to its clients in Greek and international markets:

- internal lining and external coating of pipes manufactured by other pipe mills,
  - conduct of tests regarding raw materials and final product according to EN / ISO 17025 at CORINTH PIPEWORKS Accredited Laboratory,
  - weld-on connectors units for casing pipes,
  - in-house corrosion testing laboratory for sour service applications,
  - pipe storage,
  - supply of pipes or subcontracting of pipe coating outside the product range of CORINTH PIPEWORKS to approved subcontractors within the framework of large projects, thus providing integrated solutions,
  - combined transportation modes, including loading/discharge, sea, rail and road transportation.



### **6.1 Plants and Production Units**

The main production unit of CORINTH PIPEWORKS is located in Thisvi Industrial Area in Viotia, while in the context of ZAO TMK-CPW joint venture; a plant is in operation in the city of Polevskoy, Russia.

### Thisvi Plant (Greece)

### **Production Process at Thisvi Plant**

The types of steel pipes used in the energy industry vary and differ depending on the application and the technical specifications of each project. More specifically, the basic categories of steel pipes are as follows:



extraction, as well as for offshore pipelines.

**ERW Pipes** Longitudinal seam electric resistance welded pipes used for oil and gas transportation and extraction. SAWH Pipes Helical seam SAW pipes, of large diameter, used for gas, oil and water transportation.

pipelines.

Thisvi Plant manufactures ERW/HFI and SAWH pipes, while the investment in the new pipe manufacturing unit under LSAW-JCOE process is in progress.

26" ERW/HFI Pipe Mill	In electric resistance welding/ high frequency induction (ERW/HFI), the raw material is steel coil of high quality (API hot rolled coil). The ends to be welded are mechanically pressed together, while the required welding temperature is provided by the resistance of the pipe material to the electrical current flowing through it. The annual production capacity of the ERW/HFI mill is 400,000 tons, outside diameter range from 8 5/8" to 26", steel grade up to X80 and wall thickness range from 4.78 to 25.4 mm. The ERW/HFI mill also manufactures hollow structural sections of large dimensions (from 180x180 to 500x500 and 600x400 mm), which are widely used in metal constructions. The mill was manufactured by the German company SMS-MEER.
7 5/8" ERW/HFI Pipe Mill	The relocation of ERW/HFI mill from the SOVEL plant (Almiros, Magnissia) to Thisvi Plant was completed in 2013. The new ERW/HFI mill has an annual production capacity of 150,000 tons, outside diameter range from 2" to 7 5/8", steel grade up to S355J2H and wall thickness range from 3.00 to 10.00 mm. The steel pipes of 7 5/8" ERW/HFI mill are widely used in construction sector, networks and drilling. The mill was manufactured by the German company SMS-MEER.
100" SAWH Mill	The submerged arc-welded helical seam mill produces large diameter steel pipes using high quality raw materials (Hot Rolled Coil). The welding is achieved by joining ends, which are heated with one or more electrical arcs that are formed between one or more bare metal electrodes and the edges to be joined. The SAWH mill has an annual production capacity of 375,000 tons/year (based on product mix), steel pipes diameter range from 24" to 100", steel grade up to X80 and wall thickness range from 6.00 to 25.4 mm. The mill was manufactured by the German company SMS-MEER.
Weld-on Connectors Mill	The mill manufactures weld-on connectors for casing pipes, in order to provide an integrated final product to the customers. The unit operates in collaboration with the companies MITE and OSI to render services to the broader Mediterranean market. Weld-on Connectors mill has an annual production capacity of 15,000 tons/year, steel pipes diameter range from 6 5/8" to 42", steel grade up to X100 and wall thickness up to 25.4 mm. The mill was manufactured by CORINTH PIPEWORKS and OIL STATE.

Depending on each project's technical specifications, as affected by the environment, the weather conditions and the content of corrosive substances in liquid or gaseous fuel being transported, the pipes may require anticorrosive protection.

CORINTH PIPEWORKS has three external and internal coating mills:

External Coating Mills	TCP 40 Mill: The mill handles pipe coating with a triple layer of PE (Polyethylene) or PP (Polypropylene) or with FBE (Fusion Bond Epoxy) of Single or Dual Layers. The TCP 40 mill can coat pipes with an outside diameter of up to 40". TCP 100 Unit: The unit also handles external coating with the above mentioned materials on pipes with an external diameter of up to 100". The aforementioned units have an annual total capacity of 6.3 million square meters.
Internal Coating (Lining) Mill	TLP 56 Mill: The mill lined steel pipes using epoxy material. It can process pipes with an outside diameter of up to 56", while its annual production capacity is 2 million square meters.

131 V m



#### **Thisvi Port Facilities**

Fully equipped port facilities operate within the Industrial Area of Thisvi. The port is approximately two kilometers from the plant location, which enables CORINTH PIPEWORKS to reduce delivery time of raw materials and dispatch of products, as well as to ensure competitive transportation costs. The port has two docks: Dock A – Depth: 11.10 m, Length: 205 m and Dock C – Depth: 9.50 m, Length: 90 m.

#### Polevskoy Plant (Russia)

CORINTH PIPEWORKS first production plant outside Greek territory started its operations in 2007 as part of ZAO TMK-CPW joint venture. ZAO TMK-CPW joint venture facilities are located in the city of Polevskoy, in Seversky region, at the premises of STW (Seversky Tube Works) plant, a subsidiary of TMK.



The plant's primary activity is to produce longitudinal seam high-frequency welded pipes of up to 21". The equipment used has high technical standards and allows the production of pipes with outside diameter 168-530 mm, wall thickness from 4.8 to 12.7 mm and pipe length up to 18 meters, as well as hollow sections in accordance with international quality standards. The plant's total annual production capacity is 200,000 tons.



### **6.2 Quality Management**

The markets where CORINTH PIPEWORKS operates have established high, technological and qualitative requirements, while are also characterized by development perspectives and intense competition. A factor of particular importance for CORINTH PIPEWORKS to maintain its competitiveness globally as well as to ensure its dynamic and profitable growth is the implementation of a certified Quality Management System in accordance with the requirements of the International Standards.

CORINTH PIPEWORKS manages the Quality of its products and services through:

- developing Policies and Procedures that cover the whole range of its operations,
- monitoring the effective implementation of Policies and Procedures,
- controlling and assessing the results arising from the implementation of Policies and Procedures,
- reviewing and improving Policies and Procedures when deemed necessary.







Quality Foundations Quality management procedures and instructions that have been established based on the requirements of the International Standards, understanding customers' expectations, aiming for continuous improvement and the Company's experience constitute the foundations of quality

### Precautionary Principle

Systematic application of methods and tools for preventive quality assurance contributes to avoiding failures. In CORINTH PIPEWORKS, prevention is more important than eliminating defects

Fully meet our customers' expectations by producing high quality products

**Responsibility of Suppliers** Our suppliers make a significant contribution to the quality of products and services. Therefore, they shall comply with the same high quality standards as the ones, adopted by CORINTH PIPEWORKS

### Responsibility of Executives and Employees

Quality and continuous improvement are the responsibility and ultimate goal of all, from Senior Management to trainee employees.

### **Quality Policy at CORINTH PIPEWORKS**

At CORINTH PIPEWORKS, ensuring product quality is an issue involving all those who take part in its operations. CORINTH PIPEWORKS capitalizes on the active participation of the executives, employees, suppliers and customers and cultivates confidence in its shareholders.

### **Product Licensing and Responsible Communication**

The production standards adhered to at all stages of the production process, ensure products licensing of CORINTH PIPEWORKS' products. The Company takes due care of products licensing, ensuring compliance with the high standards in production, in order to facilitate complete traceability and identification.

All products and services, offered by CORINTH PIPEWORKS are examined for compliance with legal and regulatory requirements, regarding the information that accompanies them. When a product is delivered, it is accompanied by quality certificates, confirming the specifications of production, raw materials used and the finished product, based on international standards (API/EN/ISO). Where appropriate, and depending on the specifications established in every contract, the product is accompanied by a technical file - data book, containing all the information relating to the conducted tests. Moreover, the customer receives written instructions on handling, storage and use of the products.







### 6.3 Research and New Technologies Development in Steel-pipes Production



The business segment, in which CORINTH PIPEWORKS operates, is characterised by ongoing technological advances, variations in manufacturing procedures and extensive use of technologies. The Company closely monitors the changes and invests in research and technological developments through both- implementing technical projects and collaborating with international research organisations.

### **Technical Projects**

### Monitoring the High Frequency Welding Process at ERW/HFI 26" Mill

The high frequency welding process, used for ERW/HFI pipes, utilizes pressure and heat in order to join the strip edges of the open-seam tube without the addition of a filler metal.

Given the specific conditions of welding, welding temperature cannot be easily measured using conventional techniques (pyrometers). This is the reason that none of the international standards on pipe manufacturing (API 5L, EN 10208-2, ISO 3183, DNV-OS-F101) requires continuous measurements. However, the ability to control the temperature of welding undoubtedly constitutes a valuable tool to control the production process.

Making use of the highly specialized application of thermography method, CORINTH PIPEWORKS installed a high frequency thermographic camera in order to facilitate on-line monitoring of the temperature in the area of welding at ERW/HFI Mill.

### Application of Inert Atmosphere under Welding Process at ERW/HFI 26" Mill

Research has demonstrated that using inert atmosphere at ERW/HFI welding area can improve the quality of welding. In particular, the more the formation of oxides is inhibited under welding, the smaller is the probability that these oxides are entrapped in the weld, thus significantly improving its the mechanical properties, which is a matter of particular significance to the pipelines in operation at very low temperatures.

CORINTH PIPEWORKS examines the effect of inert gas on ERW/HFI welding, and considers the installation of the first trial device, at an industrial level.

#### Application of Phased Array for Welding Testing at ERW/HFI 26" Mill

CORINTH PIPEWORKS installed and implements advanced phased array technique for the purposes of welding testing at ERW/HFI edges. Phased array technique is the latest technological advancement in the field of non-destructive testing through ultrasound. The phased array technology significantly improves the quality of testing, while, at the same time, is an innovative application of ultrasonic testing in the industry.

#### **Research Organisations**

### EPRG (European Pipeline Research Group)

EPRG is a registered association of European pipe manufacturers and gas transportation companies. It comprises the largest pipe manufacturers and pipeline users (oil and gas companies). The Group jointly develops the major research programmes in all fields of interest at international level through its collaboration with the respective organisations in the USA (PRCI) and Australia (APIA).

EPRG research teams focus on:

- the management and mitigation of the threats of leaks and failures during service due for example to corrosion, mechanical impact, or load cycling of defects (for the existing pipelines),
- the development of effective materials specifications and performance standards (for new pipelines),



• the expansion of the European gas grid: increased requirements for long-distance transportation from remote gas fields demand application of higher stamina steels and use of advanced design methods.

#### The Welding Institute

The Company receives information about major research activities and key industrial projects from the Welding Institute, which renders services relating to tube welding technology.

### ELKEME (Hellenic Research Centre for Metals)

In the context of research and development of new products and processes, CORINTH PIPEWORKS maintains a close working relationship with ELKEME. In 2013, its activities were mainly focused on the following:

- conducting laboratory tests on crack tip opening displacement (CTOD) to analyse the toughness of high resistance steel,
- · testing tensile resistance at high temperatures,
- collaboration in the domain of high frequency welding for high resistance to hydrogen cracking when gas contains traces of hydrogen sulphide (Sour Service),

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 collaboration in the domain of high frequency welding to meet specific low temperatures resistance requirements (Arctic Grade).

CORINTH PIPEWORKS' cooperation with ELKEME aims to explore and verify the high quality features of the pipes, produced on the basis of specialised laboratory testing and scientific research.

### **Research Programmes**

### European Research Program on the Requirements for Safe and Reliable CO<sub>2</sub> Transportation (SAR CO<sub>2</sub>)

Recently, growing awareness of climate change and the requirements for power stations to reduce greenhouse gas emissions ( $CO_2$ ) have led to investigation of the feasibility of capturing and transporting  $CO_2$  through pipelines to appropriate underground storage pockets. The European research programme SAR  $CO_2$  aims to research, develop and document the technical requirements for planning and manufacturing safe pipelines in order to transport carbon dioxide ( $CO_2$ ), generated by various anthropogenic activities. In addition to theoretical research, the programme includes two controlled full scale burst tests on 120 m length  $CO_2$  pipeline. The three-year programme (2011-2013) is supported by a number of companies and institutes, as well as by the European Pipeline Research Group (EPRG) and Det Norske Veritas (DNV).

### European Research Program on the Investigation of the Structural Integrity of Buried Steel Linepipes (GIPIPE)

GIPIPE European Research Programme started in June 2011 and is of three-year duration (2011 – 2014). The programme is coordinated by the University of Thessaly (Greece) and explores the mechanical behaviour and structural integrity of buried steel pipes, subjected to severe ground-induced permanent action – including tectonic (quasi static) effects, slope movements, and excavation – induced displacements. The programme makes use of advanced experimental techniques and numerical simulations. The ultimate objective of GIPIPE is the development of a complete set of design guidelines and operational recommendations for buried steel pipelines, in areas where ground-induced actions are likely to occur.

### Participation in Joint Industrial Projects, regarding the Study of the Parameters Affecting the Determination of API Quality Tensile Properties Pipes

A significant number of gas companies and pipe manufacturers from the United States participate in this ongoing industrial research programme. The project aims to investigate laboratory and industrial parameters that affect the measurement of tensile properties in helical seam pipes and compliance issues regarding the effective legislation on technical codes. At the programme's current stage, laboratory testing is projected.

### European Research Programme on the Strain-based Design of Spiral-Welded Pipes for Demanding Pipeline Applications (SBD-SPipe)

The European research programme SBD-SPipe started in July 2013 and is of three-year duration (2013 – 2016). The programme is coordinated by the research centre CSM (Centro Sviluppo Materiali SPA) in Italy. The main objective of the project is to generate technical expertise in terms of planning, regarding development and potential use of SAWH pipes for the required applications (onshore and offshore), ensuring the optimal performance under high stress conditions.

CORINTH PIPEWORKS' obligations include the followings:

- development of the methodology for the determination of residual stresses in SAWH pipes following their formation,
- · development of the methodology for the determination of the SAWH pipes' dimensional characteristics of,
- provision of pipes for the conduct of full scale bend test,
- provision of data that will assist in general classification of pipe material (mechanical characteristics) under the conduct of full scale bend test.

Pipes selection for the conduct of full scale bend tests has been completed, while their dispatching to the research centre CSM is in progress.





### 6.4 Key Projects

Having extensive experience in steel pipes manufacturing, CORINTH PIPEWORKS provides products of top quality performance to its customers, meeting the most rigorous specifications. Indicatively, some of the most challenging technical projects carried out by CORINTH PIPEWORKS, worldwide, are mentioned below:

### **Key ERW/HFI Projects**

**Project Objective** Transportation of Gas and Oil



Country	Year	Project –Brief Description
France	2013-2014	TIGF - ARTERE L'ADOUR (in progress) – Pipeline: length 100 km, diameter: 24".
Tunisia	2013-2014	OMV TUNISIA – NAWARA (in progress) - Pipeline: length 400 km, diameter: up to 24".
Italy	2013	SNAM RETE GAS - FORNITURA DI TUBI RIVESTITI - Pipeline: length 100 km, diameter: up to 26".
USA	2013	NOV WILSON - NOV WILSON - Pipeline: length 50 km, diameter: 24". NISOURCE - LINE 700- Pipeline: length 30 km, diameter: 20". NISOURCE - PENNANT MIDSTREAM - Pipeline: length 45 km, diameter: 20"-24". COPANO – DK LOOP - Pipeline: length 95 km, diameter: 24". NOV WILSON – ETC- Pipeline: length 6.5 km, diameter: 24".
Egypt	2013	EL WASTANI - SALMA TULIP AND ALLIUM – Pipeline: length 70 km, diameter: 12.75 ".
USA	2013	DENBURY - NEJD PHASE II - Pipeline: length 16.2 km, diameter: 20".
Algeria	2012	AIBEL/ BP -IN AMENAS - Pipeline: length 96 km, diameter: 10.75".
Norway	2012	ALLSEAS / BG NORGE - KNARR FIELD DEVELOPMENT — Offshore pipeline in the North Sea region, length: 107 km, diameter: 12.75".
Azerbaijan	2012	SOCAR - GAS PIPELINE – Pipeline: length 20 km, diameter: 16".
France	2012	TECHNOFRANCE / TRAPIL - GAS PIPELINE - Pipeline: length 7.3 km, diameter: 22".
USA	2012	MCJUNKIN REDMAN - EAGLE FORD - Pipeline: length 64 km, diameter: 20". NISOURCE — MIDSTREAM - Pipeline: length 99 km, diameter: 20-24". COLUMBIA GAS — MIDSTREAM - Pipeline: length 6.6 km, diameter: 24".
Italy	2012	PIPEX - ENI GAS PIPELINE - Pipeline: length 6.7 km, diameter: 22".
Greece	2011	DESFA / AG. THEODORI MEGALOPOLI - Pipeline: length 151 km, diameter: 24".
Azerbaijan	2010	SOCAR GAS PIPELINE – Offshore pipeline, length: 9.5 km, diameter: 24".
Egypt	2010	GASCO/EDECO EL MAADIA - Pipeline: length 136 km, diameter: 10.75"-18".
Algeria	2010	ABB / EL MERK LOT 3-4 - Pipeline: length 87.9 km, diameter: 8.625"-12.75.
Algeria	2010	BONATTI / EL MERK LOT 2 - Pipeline: length 391.4 km, diameter: 16"-20".
ŬK	2010	RWE / BREAGH OFFSHORE DEVELOPMENT - Pipeline: length 88.3 km, diameter: 20".
USA	2010	WILLIAMS/PASCAGOULA EXPANSION - Pipeline: length 25.4 km, diameter: 26".
Croatia	2010	PLINACRO / LIKA TO DALMATIA - Pipeline: length 95.2 km, diameter: 20".
Holland	2010	B13 to A12 SATELITE PLATFORM – Offshore pipeline, length: 23.5 km, diameter: 16".
Tunisia	2010	STEG/GABES ZARZIS DJERBA - Pipeline: length 10 km, diameter: 12".
Tunisia	2010	STEG/BASIN MINIER GAFSA VILLAGE - Pipeline: length 100 km, diameter: 20".
Egypt	2009	PETROALAM NEGAL OIL - Pipeline: length 160 km, diameter: 12.75"-16".
Algeria	2009	BP / IN AMENAS - Pipeline: length 60 km, diameter: 10.75".
France	2009	GAZ DE FRANCE / ETREZ GENELARD - Pipeline: length 87.6 km, diameter: 24".
Oman	2009	PDO / HARWEEL TO MARMUL - Pipeline: length 161.3 km, diameter: 16-18".
Tunisia	2009	STEG / GABES, ZARZIS, DJERBA - Pipeline: length 170 km, diameter: 12.75".
UK	2008	EDF ENERGY / WEST BURTON GAS - Pipeline: length 19.6 km, diameter: 24".
Ireland	2008	BORD GAIS / CURRALEIGH WEST - Pipeline: length 49 km, diameter: 24".
Oman	2008	OMAN GAS CO. / MURAYRAT AL GHUBRAH - Pipeline: length 29.6 km, diameter: 20".
USA	2012	CHAPARRAL – COFFEYVILLE - Pipeline: length 112 km, diameter: 8.625". MISSISSIPPI POWER / SOUTHERNKEMPER COUNTY IGCC PROJECT CO <sub>2</sub> PIPELINE - Pipeline: length 104 km, diameter: 16". DENBURY – GREENCORE - Pipeline: length 189 km, diameter: 20".
USA	2011	DENBURY / GREENCORE - Pipeline: length 194 km, diameter: 20".

CO<sub>2</sub> Transportation



Casing Pipes for Oil and Gas	Saudi Arabia	2011	SAUDI ARAMCO/CONDUCTORS – Steel pipes, length: 152.4 km, diameter: 18.625″.
- 1-	Saudi Arabia	2010	SAUDI ARAMCO/CONDUCTORS - Steel pipes, length: 91.5 km, diameter: 18.625".
10	UK	2012	MITE – CONDUCTORS - Steel pipes, length: 5.5 km, diameter: 20".
and the second	USA	2012	SPARTAN – CONDUCTORS - Steel pipes, length: 37 km, diameter: 10.75-13.375".
and the second second			

### **Key SAWH Projects**

Project Objective	Country	Year	Project –Brief Description
Transportation	Greece	2012	DESFA - AG. THEODORI TO MEGALOPOLIS - Pipeline: length 16.7 km, diameter:
of Gas			30".
	France	2012	GRT GAZ - ARC DE DIERREY - Pipeline: length 33 km, diameter: 48".
The second se	France	2011-2012	GRT GAS / HAUTS DE FRANCE - Pipeline: length 65.2 km, diameter: 48".
	Austria	2011	OMV AUSTRIA / WAG EXPANSION - Pipeline: length 61.8 km, diameter: 48".
and the second se	Italy	2011	SNAM RETE GAS / ZIMELLA GERVIGNANO - Pipeline: length 34.4 km, diameter: 56".
	USÁ	2010	SPECTRA / TEMAX TIME III - Pipeline: length 87.6 km, diameter: 30"-36".
			CARDINAL GAS/PERRYVILLE INTERCONNECT - Pipeline: length 18.5 km, diameter: 36".
	USA	2009	SPECTRA ENERGY / EAST TO WEST - Pipeline: length 23.7 km, diameter: 36".
	Algeria	2009	MITE-SAIPEM-SONATRACH / MENZEL - Pipeline: length 131.3 km, diameter: 30".
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### Production of Pipes Suitable for Transportation Under Acid Conditions (Sour Service)

Project Objective	Country	Year	Project –Brief Description
Transportation under acid conditions (Sour Service)	UK	2012-2013	Allseas - Knaar Field Development - Production of Sour Service pipes of steel grade X65 for the construction of a gas transportation offshore pipeline in the North Sea. This particular project was implemented by applying the most rigorous specifications due to the submarine installation and also due to the quality of the transported product.
21	USA	2012-2013	Denbury - Greencore $CO_2$ - In cooperation with Arcelor Mittal were manufactured Sour Service steel pipes (grade X70), for the first time. These pipes were used to develop a carbon dioxide transportation network, so as to reduce air pollutants and ensure simultaneous storage in oil fields for their optimum utilisation. Chaparral - Coffeyville $CO_2$ – Production of Sour Service steel pipes of steel grade
	Algeria	2012-2013	X65 for carbon dioxide transportation. Aibel – BP In Amenas – Production of Sour Service pipes of steel grade X70 for the
			construction of a sour gas transportation pipeline in Algeria.

### **Production of Piles with Weld-on Connectors**

Project Objective	Country	Year	Project –Brief Description
Transportation of Gas and Oil	Egypt	2012-2013	Pipes with weld-on connectors for extraction of oil and gas. Total units: 1,300, diameter: 20".
70			"GDF PROJECT" - Pipes with weld-on connectors for extraction of oil and gas. Total units: 120, diameter: 20".
A STREET	Algeria	2012-2013	"BERKINE" – Pipes with weld-on connectors for extraction of oil and gas. Total units: 350, diameter: 20".
	Kenya	2012-2013	"TULLOW KENYA" - Pipes with weld-on connectors for extraction of oil and gas. Total units: 900, diameter: 20".

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### **6.5 Customers and Suppliers**



Close contact with customers, provision of tailor-made solutions that comply with their unique profile and focus on the value of each customer are the main features of CORINTH PIPEWORKS' approach to customer service management.

CORINTH PIPEWORKS' competitive advantage as far as managing its relations with the customers is concerned, is mainly based on the ability to provide high quality products and services, respond to customers' requests and comply with their specific technical requirements, inform them about the progress of their orders and try to improve products' and services' delivery time. Thus, reliability, consistency, understanding the specific requirements and meeting customers' expectations are the factors the Company takes into account in order to satisfy and retain its customers.

Aiming at promoting products and services, in 2013, CORINTH PIPEWORKS conducted a large number of presentations to its major customer groups as well as to product design companies. These presentations enabled the customers to get to know the possibilities offered by the Company's production procedures regarding the development of products that can meet their most specific needs.

#### **Customer Satisfaction Survey**

In 2013, CORINTH PIPEWORKS served 324 customers in domestic market as well as in the particularly demanding markets of Europe, America, Asia and Africa.

In order to ensure customers' satisfaction and design the appropriate actions to maintain excellent customer relations, CORINTH PIPEWORKS runs a Customer Satisfaction Survey, that is conducted under every order completion, in compliance with the provisions of the International Standard EN ISO 9001:2008. In particular, under the completion of every project undertaken by CORINTH PIPEWORKS, a questionnaire is sent to customers so that they could fill it in and return within a month. Through the questionnaire the customers are asked to evaluate the Company's performance on specific aspects, using a scale of 1 to 5. In 2013, the response rate to the customer satisfaction survey stood at 35% and the average overall rating of the Company's performance stood at 4.5.



**Customer Satisfaction Survey Results** 











#### Suppliers' Management

Suppliers are valuable partners for "CORINTH PIPEWORKS" as they can support the Company to fulfill its goal for the provision of top quality performance products and services. CORINTH PIPEWORKS treat its suppliers as one of the most important group of stakeholders, since the quality of raw materials is inextricably connected to the quality of the final product.

To ensure better communication and management of suppliers, CORINTH PIPEWORKS classifies them, based on the type of the supplies, into suppliers of raw materials, secondary materials and consumables and other materials.



#### **Suppliers' Selection**

Under implementing Suppliers' Selection procedure, CORINTH PIPEWORKS' executives, initially, perform market research, in order to identify potential suppliers who are able to provide the required materials. At the initial approach stage, the Company's executives try to collect information not only from the available published data, but also from the companies with which the potential suppliers have previously collaborated.

CORINTH PIPEWORKS opts for the local suppliers in cases when such cooperation or particular provision of materials can be carried out by them under the same conditions.

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#### Suppliers' Evaluation and Re-evaluation

At the next stage, procurement managers communicate with potential suppliers and request additional information and supporting documents. Potential suppliers are also asked to fill in a questionnaire in order to facilitate the development of a complete physical file for each supplier. Suppliers are evaluated and / or re-evaluated based on particular criteria, which, apart from quality and financial issues, include environmental criteria as well as health and safety, aiming at further promoting Corporate Responsibility issues throughout the supply chain.



\* CORINTH PIPEWORKS positively evaluates a supplier that has set in place (or intents to do it in the near future) an Environmental Management System certified in accordance with ISO 14001 International Standard or equivalent. Aiming to promote protection of the environment, the Company asks its suppliers to provide certificates, while, under the ordermaking procedures of specific materials, a certification of compliance with REACH and provision of corresponding Material Safety Data Sheets (MSDS) are also required.

\*\* It should be noted that CORINTH PIPEWORKS requires a trial order per supplier's production line.
#### Criteria –based Suppliers' Ranking

Suppliers are rated and ranked based on the provided information, documents and data.

#### **Final Approval or Rejection of Suppliers**

At the final stage, suppliers are either included or excluded from the list of approved suppliers.

#### Suppliers and Use of Raw and Secondary Materials

Aiming at long-term cooperation, CORINTH PIPEWORKS places particular emphasis on suppliers' selection. Indicatively, as far as suppliers of raw materials are concerned, CORINTH PIPEWORKS maintains collaborations lasting for several years with major suppliers in their business segment.

In 2013, CORINTH PIPEWORKS collaborated with a total of 1,007 suppliers, 83.5% of whom come from the domestic market. The main materials acquired, used and consumed by CORINTH PIPEWORKS are presented in the following table. Moreover, the Company procures significant quantities of spare parts, high-tech parts and industrial consumables and materials required for the production process, maintenance and, in general, its plant's operation. CORINTH PIPEWORKS has developed and monitors several indicators in order to control the usage level of raw materials and of materials engaged in the production process.

Category	Type of Material	Unit of Measurement	Quantity 2012	Quantity 2013
Raw materials	Steel coils **	tn	*	*
	Materials for internal and external anti-corrosion			
	coating and pipe welding	tn	4,450	5,000
Procedures-related	Lubricants (oil-grease)	kg	87,500	67,579
materials	Diesel (transport, heating, generators)	lt	333,600	275,054
	Butane-propane mixture	kg	142,000	130,760
Packaging materials	Lumber for loading pipes	m <sup>3</sup>	1,650	1,583
	Rope	kg	28,300	16,950
	Plastic pipe caps	pieces	44,300	67,120
	Metal strap for packing hollow sections	kg	26,600	28,328

\* The Company prefers not to publicise the particular data.

\*\* The Company tries to achieve the greatest possible utilization of steel, which is the key raw material, and optimum utilization of other materials in order to make the best possible contribution to decreasing the use of natural resources.

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## 7. CORINTH PIPEWORKS Impact on People and Society

The core philosophy of CORINTH PIPEWORKS is its contribution to People and Society that is based on three key axes:



#### 7.1 CORINTH PIPEWORKS Human Resources

At CORINTH PIPEWORKS, its people are the driving force of the Company's operation and growth. The quality and performance of its employees are fully interrelated with CORINTH PIPEWORKS' successful operations, continuous growth, and the quality of its products and services.

Always focused on the human factor, the Company has developed the "CORINTH PIPEWORKS Code of Conduct" in order to promote its corporate culture and ensure the implementation of the principles, guiding the conduct of all its employees.



The adoption of the aforementioned values and the compliance of its employees with the Code are accomplished by the implementation of an effective system of internal communication. The system is supported by the "Open Doors" communication policy, making possible to directly informing its employees about any significant changes taking place in the Company. The Employees have the opportunity to discuss any issues and serious concerns with the Management. The Management, in turn, is in position to promote the Company's strategy and set the targets along with the Executives and the Departments.

Some of the most important means of internal communication used by CORINTH PIPEWORKS are the following:

- Daily meetings of the members of each department at the beginning of the shift in order to discuss the major issues that shall be dealt with during their work. (The Director of the Department, Engineers and fore-man of the shift attend the meetings),
- Weekly meetings of the executives (Directors and Key Executives) in order to plan and assess the work of the departments,

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- Intranet,
- Performance Appraisals,
- Announcement Boards, etc.



# 7. CORINTH PIPEWORKS Impact on People and Society

#### Human Resources at a glance





Number of Recruitments during 2013: 18		
Men	16	4.1%
Women	2	0.5%
Attica	б	1.5%
Viotia	1	0.3%
Other regions of Greece	11	2.8%
18 - 25	1	0.3%
26 - 40	10	2.5%
41-50	7	1.8%
Over 50	-	-

Number of eEmployees' Withdrawals d	luring 2013: 25	
Men	20	5.1%
Women	5	1.3%
Attica	8	6.4%
Viotia	16	2.0%
Other regions of Greece	1	4.1%
18 - 25	1	0.3%
26-40	7	1.8%
41-50	6	1.5%
Over 50	11	2.8%

Personnel per Employment Type and Labour Agreement	Men	Women
Sectoral agreement	361	32
Without sectoral agreement	-	-
Agreement of Indefinite duration	361	30
Fixed-term labour agreement	-	2
Full-time employees	360	32
Part-time employees	1	-
Seasonal employees	-	-

#### **Human Resources Development**

Employees' development at CORINTH PIPEWORKS by extending their knowledge and improving their professional skills aims both at serving Company's objectives and meeting their personal aspirations.

Training is the most significant tool to facilitate development of human resources at CORINTH PIPEWORKS and the basis for maintaining and continuously improving the high level of knowledge and professional skills that its employees already have. The Company continued investing in training in 2013 in order to support its employees to further develop their professional skills and be in position to use them to the highest extent.

A total number of 106 training courses were held, which were either internally organized or held by external providers.

During the 3.721 training hours that were carried out by CORINTH PIPEWORKS, about 82% of the Company's employees took part in at least one (1) training programme. The total investment in training activities in 2013 amounts to Euro 41,143.50.

	Training Hours	Training Hours Average
Key Executives	219	7.6
Administrative Personnel and Workforce	3,502	10.9



#### **Employee Evaluation and Remuneration System**

Following the re-organization that took place in 2012, CORINTH PIPEWORKS started developing a comprehensive Human Resources Appraisals and Remuneration System, in order to support its employees' development.

The initial step in developing such a system was to assess the significance of work performed by the Heads of the Departments with the view to establishing a Performance Indicators System. Performance indicators will relate to both - achievement of strategic / corporate objectives agreed for every employee and also the fulfilment of operational objectives, i.e. the objectives relating to their work performance. Performance indicators will be measured through the Appraisal process and will be linked to the Remuneration System.



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# 7. CORINTH PIPEWORKS Impact on People and Society

Appraisal procedure is also expected to act as a tool, through which CORINTH PIPEWORKS will recognise the educational needs of its employees and plan and develop the appropriate training activities. This imminent change is of outmost significance to CORINTH PIPEWORKS and its implementation is expected to generate multiple benefits, such as:

- development and promotion of corporate performance culture,
- establishment of concrete and transparent performance indicators, tailor-made for every role profile,
- correlation and alignment of the strategic objectives of the Company with the objectives of every role profile,
- correlation of the requirements of every role profile and the level of responsibility involved with remuneration,
- retaining, inciting and motivating our people,
  promoting professional competition among our people.



#### **Employee Benefits and Equal Opportunities**

CORINTH PIPEWORKS supports its personnel with additional benefits, while equal treatment of all employees irrespective of gender, ethnicity and other differentiating factors are integral principles, applied by the Company in managing its human resources. CORINTH PIPEWORKS is opposed to any form of discrimination and there is no discrimination, regarding wages or other kind of remuneration for the same job profiles (for example, gender, ethnicity, etc.), in all Company's operations. In this context, the new CORINTH PIPEWORKS' remuneration system, which is about to be established, will correlate the remuneration with the job profile's requirements, acting as a safety control procedure and ensuring equal opportunities.

#### **Monetary Benefits**

- Financing post-graduate or other long-term programmes (100% of the cost).
- Personnel loans and financial support.
- Financial support in urgent personal or family needs (apart from the amount covered by the insurance) in line with the Company's Policies.

It must be mentioned that while the Company encourages participation of women in its operations, the nature of CORINTH PIPEWORKS activities (steel pipes production) and the distance between the production facilities and major urban centres rather limits it, resulting in higher recruitment rates of men. The majority of women in the Company is employed on administrative roles.

CORINTH PIPEWORKS supports its female workforce and shows particular sensitivity to maternity issues. The percentage of women that return to their duties after the confinement leave and special maternity protection leave reaches 100%. Furthermore, all women who return to work, after the above mentioned leaves, remain with the Company for more than the eighteen months imposed by the relevant law.

In 2013, two employees, who had taken a maternity leave and a special maternity protection leave in the previous year, returned to the Company, while one more employee made use of the aforementioned leaves in 2013. CORINTH PIPEWORKS also offers flexible working hours options to all its employees, such as justified absence for one day per week, part-time work schedule on a daily basis, etc.

Moreover, the Company offers additional benefits to its people (further than those imposed by law, which, on one hand, improve employees' living standards and, on the other hand, act as an incentive to increase their loyalty, thus improving the relations between employees and the Company. It must be mentioned that the Company offers the same benefits to all its employees, regardless of the type of the agreement, signed with each one, contributing to the elimination of discrimination and promotion of equal treatment of employees.

#### **Human Rights**

CORINTH PIPEWORKS recognizes the rights of its employees, ensures their fair remuneration and provides equal opportunities, respecting diversity and internationally protected human rights. In 2013 a special procedure regarding the Respect of Human Rights was established in order to promote the Policy and principles adopted by CORINTH PIPEWORKS in respect of each category of fundamental human rights as well as to clarify the duties and the responsibilities of each employee. In particular, the Chief Executive Officer, the Director of Human Resources and the Directors and Heads of the Departments are in charge of the implementation of the aforementioned procedure. Saving programme for executives. Since 2012, an improved option for partial redemption versus previous years was provided. Employee participation in this programme is optional and unlimited, and in 2013 amounted to Euro 13,570, counting for 28.27% of the total amount (respectively, 71.73% was paid by the Company).

#### **Health Service Benefits**

- Life Insurance and hospitalization coverage for the members of personnel.
- Life Insurance, Health insurance and outpatient health services coverage for executives.

#### **Other Benefits**

- Staff transportation.
- Provision of housing, company car and mobile phone, on a case basis.

CORINTH PIPEWORKS finds unacceptable any kind of discrimination, based either on gender or on any other diversity characteristics.

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# 7. CORINTH PIPEWORKS Impact on People and Society



The issues specified through this procedure are related to abolishing discrimination at workplace, child labour, forced labour and all forms of harassment. The Company will not tolerate any incident of this type either in the course of its operations or while collaborating with its partners. CORINTH PIPEWORKS carefully monitors the implementation of the Policy on Human Rights through specific indicators, which were exclusively developed for this purpose.

Furthermore, in order to support the implementation of the procedure, CORINTH PIPEWORKS performed a training program of 2 hours duration on "Respect of Human Rights" which was attended by 20 executives, Directors and Key Executives of the Company (5% of total employees).

#### **CORINTH PIPEWORKS**

prohibits and condemns child and forced labour

#### **CORINTH PIPEWORKS**

prohibits all forms of harassment

#### 7.2 Occupational Health and Safety at CORINTH PIPEWORKS

CORINTH PIPEWORKS' utmost priority is to maintain the high level of Occupational Health and Safety of its employees who are the most structural element of every aspect of its operations. The Company adopts single and common confrontation for the issues of Health and Safety concerning its total operations, ranging from procurement to product supply stage. CORINTH PIPEWORKS' common belief is that the culture of safety should be cultivated and should be an on-going concern not only to its employees but also to all those involved in its operations.



- Signing contracts that are accompanied by a specific annex concerning expertise and commitment to Health and Safety issues in respect of the subcontractors occupied in Thisvi plant.
- Compliance control regarding Health and Safety issues in respect of the terms under which the subcontractors are occupied in Thisvi plant.
- Training the associates occupied in Thisvi plant.

CORINTH PIPEWORKS has established Health and Safety Policy as well as Occupational Health and Safety Management System (OHSMS) in accordance with the OHSAS 18001:2007 international standard in order to maintain high level of Occupational Health and Safety and its on-going improvement.

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# 7. CORINTH PIPEWORKS Impact on People and Society

In compliance with its Health and Safety Policy, CORINTH PIPEWORKS:

- Sets the highest possible level of Health and Safety for all its activities as a primary and on-going target, aiming at zero number of accidents.
- Supports allocation of all the essential resources (financial, human, organisational, etc.) in order to achieve this level.
- Acknowledges that promotion of Health and Safety issues is the best business practice and is, therefore, committed to its on-going improvement.
- Ensures conformance with all the relevant legislation and application of the highest standards regarding Health and Safety issues.
- Recognises Health and Safety as a key criterion for evaluation process and decision-making.
- Assigns the highest priority to accident prevention and control of hazardous situations before they occur.
- Acknowledges the significance of the human factor in Health and Safety and ensures continuous updating and upgrading of the Company's human resources in this sector.
- Supports active participation of the Company's entire workforce, regardless of job position, in order to upgrade its performance in the domain of Health and Safety.
- Promotes Health and Safety culture to all the Company operations, including the operations of its associates, contractors, etc.

Health and Safety Committee, which includes representatives of all the employees, is an integral part of OHSMS. The Committee is in charge of Health and Safety management issues as well as of the on-going improvement of the Company's performance in this domain.

Moreover, aiming at eliminating accidents, **every Department** separately organises meetings on a **daily basis** at the beginning of the shift in order to discuss crucial issues, arising under the course of operations. These meetings are attended by the Directors of the Departments, Engineers and Foremen of the shift.



**Incidents Management Procedure**<sup>1</sup> is the key factor in monitoring the results of the implementation of OHSMS. The Procedure fully complies with the relevant legal provisions for recording and disclosing occupational accidents and diseases and is consistent with the requirements of the International Labour Organisation, ILO. This procedure is implemented whenever an incident occurs and serves as a basis for reaching important conclusions regarding Health and Safety issues.



1. As "incident" is defined the unplanned and undesired event, which results or may result in injury, illness, and / or property/plant damage and adversely affects the achievement / completion of a target.

The major objective set by the Company in respect of Health and Safety issues is to eliminate workplace accidents. Monitoring the performance in Health and Safety issues, CORINTH PIPEWORKS has developed the relative indicators which are controlled and evaluated in order to be improved. Their improvement constitutes common pursuance of all its employees.







#### **CORINTH PIPEWORKS' Performance in Health Issues**

High levels of health of CORINTH PIPEWORKS' employees were also successfully maintained in 2013, **since, as in the previous years**, **no occupational diseases** occurred.



#### Month for Occupational Health and Safety – April 2013

CORINTH PIPEWORKS established in 2013 the «Month for Occupational Health and Safety» with the view to on-going improvement of its performance in the relative issues. A total number of 205 employees participated in the relevant training, organised in the context of "**Month for Health and Safety**" in the Company's facilities in Thisvi. During the training sessions, which lasted for over 25 hours, four (4) modules of crucial issues for Occupational Health and Safety were presented:

- Analysis of Incidents / Accidents Promoting Sound Practices.
- Basic Principles of Fire Protection Use of Fire Fighting Equipment.
- Use of Personal Protective Equipment (PPE).
- Occupational Safety under explosive atmosphere conditions (ATEX).

A relevant event was organised in the context of the Month for the Health and Safety and one employee was awarded. The selection of the candidate was based on qualitative criteria, relating to the particular employee's contribution to Health and Safety issues. This contribution was expressed by active participation in Health, Safety and Environment inspections, drafting proposals for improvement, participation in the pilot program 5S and, generally, in the attitude demonstrated by this employee towards addressing Occupational

Health and Safety issues. The selection was made by the Head of Health, Safety and Environment Department of CORINTH PIPEWORKS and the Director of the Plant. The employee who received the award is occupied at the Department of Coating Units Maintenance.

#### **CORINTH PIPEWORKS' Performance in Safety Issues**

The Company insists on conducting on-going training programs, providing information and promoting the employees' awareness in terms of Safety issues. However, the performance recorded in 2013 regarding the Safety issues was decreased as compared to 2012. Despite the fact that in all the incidents that occurred within the year, the involved employees were wearing the required personal protective equipment and had taken all the necessary precautions, the human factor played a significant role as well. This is particularly the reason why CORINTH PIPEWORKS implements on-going training programs in the attempt to make the workforce aware of the importance of compliance with the rules relating to Occupational Health and Safety. The fact that no fatal accidents occurred in 2013 deserves particular attention.



\* Note that the number of lost days for 2011 is revised constantly (and, therefore, Severity Rate for 2011), as according to the Company's policy, the days of an accident are recorded only in the year in which the accident occurred, even if the employee remains off work in 2013.

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# 7. CORINTH PIPEWORKS Impact on People and Society

#### **Investments in Health and Safety**

In 2013, CORINTH PIPEWORKS, aiming at improving its Health and Safety performance made several investments in particularly sensitive categories that exceeded Euro 156,834.



#### Analysis of Investments in Health and Safety in 2013



#### **Training in Health and Safety Issues**

Training of CORINTH PIPEWORKS people is one of the key commitments the Company has made in respect of Health and Safety. A significant part of its Health and Safety investments is allocated to training in respective issues.

Overall, in 2013, CORINTH PIPEWORKS held 1,530 hours of training in Health and Safety. The number of training hours in 2013 was increased by 17% versus 2012. It is worth mentioning that training programs involved both the Company's employees and the Company's associates/subcontractors.

In addition, in 2013, the average indicator of training in Health and Safety per employee was increased by 23.1%, thus recording the highest level achieved in the last four years.

Apart from training in significant issues provided in the context of the «Month of Health and Safety», CORINTH PIPEWORKS' employees received training on the use of forklifts and lifting equipment, on working safely at height and on first aid.







#### **Actions for Health and Safety**

Emergency Drills	- Fire drills. - Chemical spill drills. Emergency drills were conducted in order to ensure the readiness of employees to respond effectively in any hazardous situations.
Inspecting the operation of Occupational Health and Safety Manage- ment System	In 2013, 254 internal inspections were conducted, which involved all the heads and foremen of the departments.
Initiatives for Accidents Prevention	These initiatives were implemented at various points of the Company's facilities and are related to ensuring safety of pedestrian zones regarding protection from forklift trucks, controlled passage for pedestrians in view of the pipes rolling tramps, and taking measures to prevent the workers from entering dangerous zones where pipes are transported.
Study of Occupational Risk Assessment	CORINTH PIPEWORKS has established the performance of Occupational Risk Assessment Studies that are regularly reviewed. The studies refer to the overall operation of the facilities. In 2013, the relative studies were performed during the construction of the new units SMS & LSAW.

#### Application of 5 S Methodology

In 2013, CORINTH PIPEWORKS implemented the 5S methodology in two workplaces in Thisvi plant. The 5S methodology was developed in order to provide solutions to issues of workplace organization. Through 5 phases (5S: Straightening, Systematic cleaning, Standardising, Sustaining the discipline and, additionally, Safety), the methodology contributes to development of a better-organised workplace with fewer hazardous points, to strengthening communication among the employees and consequently to increasing their efficiency and productivity.

The implementation of 5S System involved a total number of 22 employees occupied in the Department of Electrical Maintenance (11 employees) and the Department of Mechanical Maintenance (11 employees) of the Coating Units. The results arising from the implementation of the 5S methodology were exploited in order to determine the actions required for improving the workplace.

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#### 7.3 CORINTH PIPEWORKS Contribution to the Society



CORINTH PIPEWORKS' contribution to the development of the society starts with the production and distribution of its products and is extended to supporting the people living next to its facilities, who are in need of its assistance. Social contribution and responsibility, as far as its operations are concerned, constitute CORINTH PIPEWORKS' philosophy which is implemented through creating added value in the following fields:

- the broader areas where its products are promoted,
- the academic community through cooperation and research programs in which CORINTH PIPEWORKS participates or supports,
- the development of its people,
- the communities, from which its people are employed,
- · the local communities, next to which it operates,
- the economy of the country, thus making a major contribution to its growth.

Moreover, through various activities, CORINTH PIPEWORKS strengthens social cohesion, decreasing the obstacles and eliminating the difficulties, which arise due to the economic crisis that country faced with in the recent years.

#### **Creating Value in the Community**

CORINTH PIPEWORKS creates added value through its business activities. The Company's target is to contribute to the development of a sustainable society as well as to the economic prosperity of Greece. The created added value is CORINTH PIPEWORKS' "Social Product".

The Social Product created by CORINTH PIPEWORKS within 2013 is analysed as follows:





# 7. CORINTH PIPEWORKS Impact on People and Society

Category	2012	2013
Sales	Euro 211.9 million	Euro 157.3 million
Compensation and other benefits	Euro 14.9 million	Euro 14.1 million
Supporting local community actions	Euro 79 thousand	Euro 79 thousand
Payments to capital providers	Euro 62.6 million	Euro 103.6 million
Supplies of materials and services	Euro 189.9 million	Euro 150.3 million
Taxes paid	Euro 1.4 million	Euro 2 million

#### **Development of Local Communities**

Local communities and contribution to their development is an issue of utmost concern for CORINTH PIPEWORKS, particularly under the difficult current conditions that have a dramatic impact on the society. Through various communication channels with local communities and as an active member of these communities, CORINTH PIPEWORKS has recorded, assessed and prioritized the significant issues that communities have to address. Based on the needs that have arisen, the Company focuses on welfare and development of local communities by implementing programs in two major domains:



It is worth mentioning that the Company's operations at its facility in Thisvi have been evaluated taking into account any change in the environment (positive or negative), in the context of the overall assessment of CORINTH PIPEWORKS' activity and impact in local communities. The Company implements Environmental Management System certified in accordance with the requirements of ISO 14001:2004 international standard (analytical description is provided in the chapters of the current Report "Responsibility for the Environmental Analysis and Review in order to record all the environmental aspects of its plant's operations and to assess their impact on the environment.

Based on the study of environmental aspects and impacts, CORINTH PIPEWORKS' operations are assessed as "low-annoyance" to the environment and the potential impacts have been eliminated through preventive measures taken by the Company on an on-going basis.

CORINTH PIPEWORKS aims to minimize the negative effects of its operations, thus improving and increasing positive impact on society and economy. CORINTH PIPEWORKS contributes dynamically to the development of the local economy by:

- supporting the local labor market, based on its decision to employ the people, whose vast majority come from the local communities,
- collaborating with local suppliers given that the demand for services or/and products can be met by the local marketplace.

In particular, the following figures were recorded per sector in 2013:

#### **Employment at Local Communities**

The Company has a positive effect on the local labor market, employing 340 individuals from the local community which represents a percentage of 86.5% of the total personnel in 2013. The aforementioned high percentage has remained unchanged for many years.



Employees from the Local Communities	2011	2012	2013
Number of employees	370	347	340
Percentage of the total	88.0%	86.8%	86.5%

#### **Supporting Local Suppliers**

CORINTH PIPEWORKS reinforces local entrepreneurship by collaborating with local suppliers and contractors who operate nearby Thisvi plant locations. The Company's policy is focused on selecting suppliers and contractors who operate around Thisvi Plant or within Regional Unit of Viotia in cases when the project or supplies may be implemented / covered by a local partner under the same other conditions. Specifically, in 2013, a number of 148 out of 1,007 active suppliers of the Company were based in the local market.





#### **Supporting Local Communities Needs**



During the last years, CORINTH PIPEWORKS has taken initiatives to respond to the local communities' needs and has provided grants to various organizations in the local region, where its plant is located. In 2013, the Company's initiatives, aimed at supporting local communities, covered a wide variety of needs.

The Company's social initiatives performed in 2013 per local community/area are classified into the following three categories:



#### Social Initiatives per Category

#### **Contributions by Local Region**



#### Sports

CORINTH PIPEWORKS supports systematically athletic activities, since sports has a positive effect on mental and physical health of children and adults alike and facilitates the most constructive engagement of young people, thus preventing them from developing harmful and addictive habits. In 2013, CORINTH PIPEWORKS was the sponsor of the following Sports Associations:

- ELOPIAKOS SPORTS CLUB,
- EPAMEINONTAS SPORTS CLUB (LEUKTRA),
- KYRIAKI NEOS PAOK,
- ASKRI SPORTS CLUB,
- PANGEORGIKOS AG. GEORGIOU SPORTS CLUB.

The Company financially supported the junior football team of Domvrena for the acquisition of sportswear and covered the needs of the team for sportswear during the local football matches organized by the schools of Domvrena, Prodromos, Xironomi and Ellopia. Moreover, the Company also contributed to the repairmen and maintenance of athletic facilities in Sarandi and Domvrena.

Finally, CORINTH PIPEWORKS sponsored, for yet another year, the event of «Efchideios Athlos», which is an extra-long-distance run covering the route Delphi-Plataea. It is worth mentioning that 2013 was a landmark year for the event, since, due to the excellent quality of its organisation has gained international recognition, and many athletes from foreign countries expressed their interest to participate in 215 km run.

#### Education

The domain of education constitutes a priority to CORINTH PIPEWORKS. In 2013, in its attempt to meet the needs of schools in local communities, the Company implemented a variety of initiatives:

- provided heating fuel to schools in the local area,
- purchased consumables and stationery for primary schools,
- covered the transportation cost (for pupils of primary and secondary schools) for an educational visit to a museum and attending a theatre performance in Athens,
- covered the maintenance costs of a primary school,
- constructed a library for Kiriaki Community,
- covered the maintenance costs of summer camps,
- donated computers to the primary school of Plataea, giving the opportunity to the pupils to familiarize themselves with technology.

Moreover, annually, at Christmas Eve, CORINTH PIPEWORKS organises a festival for the pupils of the nursery and primary schools of Thisvi area. The event, held on December 10, 2013 was attended by 114 pupils from four (4) Primary Schools and two (2) Nursery Schools of Thisvi area (Prodromos-Domvrena-Xironomi-Ellopia). The Christmas festival included various activities, such as:

- painting and decorating wooden toys (spinners or spoons),
- creating and painting Christmas ornaments,
- face painting,
- dancing and presents.

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### 7. CORINTH PIPEWORKS Impact on People and Society

#### **Collaboration with Universities**



#### continuity and consistency

On December 16, 2013 CORINTH PIPEWORKS welcomed to its facilities in Thisvi 40 students of the Department of Mechanical Engineering of the University of Thessaly. Their visit has educational character and the students had the opportunity to visit all the production units of the plant.

#### Internships

In 2013, CORINTH PIPEWORKS accepted two students of the National Technical University as interns.

#### Supporting NGO "Repower Greece"

In 2013, CORINTH PIPEWORKS sponsored an academic discussion circle in 14 Universities of the United States, organized by the Non-profit Organization "Repower Greece". The aim of the organisation is to confront misconceptions that abound about Greece abroad. Through this initiative, "Repower Greece" aims to contribute to rebuilding Greece's credibility among a particular demanding audience (academics, opinion leaders), by exchanging opinions and ideas, presenting the facts as well as the evidence, which demonstrate that Greece can meet the challenges, create and implement solutions. Among the universities that participated in the discussion circle were Harvard, MIT, Georgetown and Cornel.

#### Collaboration with the Department of Metallurgical Engineering of NTUA

For the third consecutive year, CORINTH PIPEWORKS closely collaborated with the Department of Metallurgical Engineering of NTUA in order to develop a method of non-destructive evaluation of mechanical properties of metallic conductors.

More specifically, the project's idea was based on the installation of equipment measuring magnetic properties of metals (Barkhausen and magnetization-demagnetization loop), developed by NTUA, to the Drop Weight Tear Test-DWTT equipment of CORINTH PIPEWORKS laboratory. The research is considered highly innovative in the application of non-destructive testing (measuring magnetic properties) for the evaluation of mechanical properties of steels (DWTT, fracture toughness). The first results of the research verified the potential correlation between the mechanical properties of a steel pipe in respect of the mechanical properties data. The research will continue in 2014, aiming at analyzing and scientifically supporting the results, while submitted a joint research proposal with the above mentioned Department was submitted with the view to obtaining support from the General Secretariat for Research and Technology.

#### Environment

In 2013, CORINTH PIPEWORKS actively participated in improving and upgrading the means of fire protection in the local communities.

In this context, the Company made a major contribution to environmental initiatives, undertaken by the local communities, through a wide variety of activities such as:

- provision of equipment to Thisvi Fire Protection Service,
- cleaning the local areas (ripping grass),
- provision of litter bins,

- · repair of excavating machinery in municipality of Thisvi,
- · collection of litter in Saranti-Prodromos-Thisvi-Domvrena,
- provision of assistance to Kiriaki Association of Mountaineering,
- participation in the Marine Environment and Sciences Awareness Campaign.

# Collaboration with HELMEPA in organising the Marine Environment and Sciences Awareness Campaign

CORINTH PIPEWORKS participated in the campaign organised in 2013 on the premises of DIA.VI.PE.THI.V. S.A., the promoter of Administration and Management of Thisvi Industrial Area. In particular, the pupils of Domvrena Secondary School visited the Company's facilities, and were informed on issues regarding the prevention of pollution. Afterwards, the pupils attended the marine facilities of DIA.VI.PE.THI.V. S.A. where a demonstration of anti-pollution equipment was held.

#### Culture

In 2013, the need to support the initiatives aimed at promotion of the cultural heritage of local communities arose from the discussions held with the local bodies. The most significant initiatives were the following:

- supporting the Museum of School Life,
- supporting the Association Askris "The Hesiod",
- supporting the Cultural Association of Aliartos in creating Greek traditional costumes,
- supporting the Ancient Theatre of Kavireio.

In the end of 2013, a cultural development program contract was signed between the Ministry of Culture and Sports and the Administrative Region of Central Greece regarding the implementation of the project "Excavation research, topographical - architecture mapping and improvement of the Ancient Theatre of Kavireio in Thiva". CORINTH PIPEWORKS responded to the request of the Municipality of Thiva for financial support.







#### **Health and Vulnerable Social Groups**

CORINTH PIPEWORKS carries out initiatives aimed at improving healthcare for the residents in the areas adjacent to its facilities as well as protecting the vulnerable social groups. In 2013, CORINTH PIPEWORKS:

- In collaboration with DIA.VI.PE.THI.V. and ELPEDISON, ensured the services of a medical general practitioner in order to hold a medical examination of the pupils of Dombraina Secondary School.
- Provided heating fuel to cover the needs at the Nursing Home in Thiva.
- Supported a family with a child suffering from an incurable disease.
- In collaboration with the DIA.VI.PE.THI.V., covered the expenses related to establishing covered-space First Aid and Rescue Facilities in Aliki. This facility was created according to the initiative of the Aliki Yacht Club and operates on annual basis. First Aid and Rescue Facilities include voluntary services of two doctors, who render them either on-site or through medical consultations. During 2013, 120 cases were treated at First Aid and Rescue Facilities, two of which were near misses of drowning.
- In collaboration with the DIA.VI.PE.THI.V., covered the housing needs of a resident of Municipal Community of Xironomi.

#### Voluntary Program "Together for Social Solidarity" - "Support Packets"

CORINTH PIPEWORKS believes that volunteering contributes to promoting social solidarity. Therefore, on annual basis, the Company organises at least one voluntary initiative in order to assist the most vulnerable social groups. The Voluntary Program "Together for Social Solidarity" refers to achieving social awareness of its employees and collecting supplies of clothing, dry food, books and toys to be distributed to the people in need. The Company's employees participate in the Program according to their willingness and potential. CORINTH PIPEWORKS undertakes collection and distribution of the donated items. In 2013, 17 "Support Packets" for low-income families of the Municipal Unit of Thisvi were prepared based on the collected items. The remaining packets were dispatched to the Metropolitan Churches of Thiva and Livadia in order to be distributed to the vulnerable social groups. The packets contained food, clothing and other necessary items



to every family in need. CORINTH PIPEWORKS collected and prepared the "Support Packets" and, in collaboration with the Association "Panagia Makariotissa", distributed them to 17 low-income families of the Municipal Unit of Thisvi. The families to be provided with the packets, were selected in collaboration with the local parishes, and the Association "Panagia Makariotissa". "Support Packets" were distributed under any possible discretion, respecting the dignity of the families in need.



#### **Voluntary Blood Donation**

CORINTH PIPEWORKS participates actively in creating a blood bank for its personnel and their families recognising the importance of blood donation, since 2002. In 2013 the Company organized two blood donations in Thisvi plant, Viotia, with the assistance of the Athens General Hospital "Georgios Gennimatas." A total of 63 employees participated in the program, whereas 69 blood units have been provided to people in need, recording a double number of units as compared to the previous years.





### 8. Responsibility for the Environment

CORINTH PIPEWORKS's target is to operate in a responsible manner and effectively implement its environmental commitments. The Company recognises the precautionary principle as a factor of utmost importance to Sustainable Development and performs actions, which facilitate the management of its waste, implements measures in order to address the issues relating to climate change and ensure protection of the natural environment.

CORINTH PIPEWORKS has established, implemented and constantly improves the certified Environmental Management System in accordance with the ISO 14001:2004 international standard.

#### CORINTH PIPEWORKS' Commitment and Environmental Policy

CORINTH PIPEWORKS is committed to safe and responsible implementation of Health, Safety and Environment standards and complies with all the effective regulations and standards. The environmental policy, as well as the Basic Principles, supporting its implementation, reflects the Company's commitment to protecting environment and Health and Safety of its people. Implementation of this policy is a primary target of the Management and a responsibility of every CORINTH PIPEWORKS' employee.



#### The Basic Principles, on which the Company relies while implementing its policy, are the following:

- Performing the Company's management in compliance with the legal requirements, standards and regulations on Environment, Health, and Safety at CORINTH PIPEWORKS.
- Supporting and promoting our culture in respect of Environment, Health and Safety by improving provision of information and knowledge of our people, caring for their protection and welfare.
- Promoting preventive measures to reduce pollution, with an emphasis on reduction at source and preservation of resources applying Environmental, Health and Safety criteria, based on which we assess projects, procedures, products and markets.
- Motivating all our people to undertake responsibility for protecting the environment, their own and their colleagues' health and safety as well as the Company's safety.
- Assessing our performance in environmental, health and safety issues and staying committed to continuous improvement in order to eliminate accidents and their possible consequences.



CORINTH PIPEWORKS management has appointed the Occupational Health, Safety and Environment Manager who is directly accountable to Thisvi Plant Director. Occupational Health, Safety and Environment Manager is in charge of monitoring environmental indicators (KPIs), training employees on environmental issues, providing information and solutions and, generally, improving the performance of the Environmental Management System.



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# 8. Responsibility for the Environment

#### **Investments in Environment**

In 2013, investments in environmental protection amounted to 332,005 Euro, thus indicating the constant attempts made by CORINTH PIPEWORKS in order to improve its infrastructure and reduce its environmental footprint. Particular emphasis was placed on the expenses related to waste management and infrastructure, representing 52.2% and 37.2%, respectively, of the total investments.

#### Expenditure on Environmental Protection 2013 (amounts in Euro)



#### **Employees' Training**

In 2013, a total of 326 employees were trained on environmental issues, representing a 55.5% increase per employee in training on environmental issues versus 2012.

#### **CORINTH PIPEWORKS' Practices**

In the context of continuous improvement of the Environmental Management System, CORINTH PIPEWORKS ensures a reduction of the environmental impact arising from its operations, while at the same time, establishes the best standards in order to motivate its people. In this regard, in 2013, the Company implemented the following programs on its facilities:

- a program to monitor and manage environmental impacts,
- a program to improve waste storage in the plant,
- a program to improve sorting out recyclable materials in the plant,
- a program to improve infrastructure for environmental emergencies,
- a program to improve the use of raw materials,
- a program to monitor environmental performance,
- a program for personnel training.

343.5 hours of Training on Environmental Issues

Programs for continuous improvement of the Environmental Management System Furthermore, the project "Server Consolidation & Virtualization" was implemented at the Company's registered offices. The project was aimed at facilitating more efficient and effective use of the Company's IT infrastructure, generating economies of scale and improving CORINTH PIPEWORKS' environmental footprint. Modifications performed in respect of the Company's servers are expected to result in consuming three times less energy than previously.

CORINTH PIPEWORKS takes measures to limit the emission of gases that contribute to climate change and to decrease consumption of electric and thermal energy.

In order to reduce VOCs emissions, the Company takes care, where possible, to replace the paints used under production with new, low VOCs content products. The Company has installed energy saving filters and uses more environmental friendly forms of energy (LPG) and renewable energy sources. Two network nodes that use solar energy operate at Thisvi plant. The station uses solar panels to charge a battery bank, which enable electricity charging during the entire 24 hour period.

In order to reduce CO<sub>2</sub> emissions released into the atmosphere, CORINTH PIPEWORKS makes efforts to reduce the emissions, caused by transportation of its human resources. The best possibly achieved decrease in transportation is an on-going policy at CORINTH PIPEWORKS, and therefore, the Company:

- employs staff from the local community,
- · provides rent subsidies to executives to promote living near the facilities,
- · transports staff via company buses,
- encourages carpooling to work,
- replaces (where feasible) direct meeting with the customers and partners located abroad with the use of teleconference systems,
- implements a program of replacement of petrol operating leased cars with diesel operating cars of new technology,
- performs systematic maintenance of corporate cars in order to reduce fuel consumption.

Programs for continuous improvement of the Environmental Management System

**More efficient** 

use of IT infrastructure

Initiatives aiming at limiting gas emissions and reducing consumption of electric and thermal energy

Initiatives aiming at reducing CO<sub>2</sub> emissions caused by transportation of raw and secondary materials, products and human resources

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# 8. Responsibility for the Environment

Regarding transportation of raw materials and products, CORINTH PIPEWORKS makes the best possible use of the port facilities, located in the adjacent Industrial Area of Thisvi and thus avoids unnecessary road transportations.

CORINTH PIPEWORKS implements practices in order to reduce the amount of water used during the manufacturing process. In particular, it applies recycling water cooling system at all its units, through which it manages to recycle a significant proportion of the total amount of water used. At the same time, CORINTH PIPEWORKS performs careful maintenance of its plumbing systems in order to prevent leaks, thus minimizing the water footprint of the Company.



CORINTH PIPEWORKS uses substances that do not harm the ozone layer and constantly monitors the quantities of refrigerants, annually added to its systems. The Company is in full compliance with the institutional framework for management of chemicals used or emitted during the manufacturing process in order to protect the environment and its people. In this context, CORINTH PIPEWORKS takes the following measures:

- storage in dry and protected areas,
- training employees on spills prevention and their treatment,
- conduct of emergency cases drills,
- reduction of stored quantity of chemicals,
- minimizes storage time at the premises through collaborating with licensed waste disposal management companies.

#### **Climate Change and Gas Emissions**

In its attempt to contribute substantially to addressing the impacts of Climate Change, CORINTH PIPEWORKS makes significant efforts to monitor gas emissions released into the atmosphere as a result of its operations. Following the international initiative of Greenhouse Gas Protocol, the Company has recognized the "value chain" and records, controls and reduces the environmental impact caused by emissions of air pollutants, as presented in the diagram below.

CORINTH PIPEWORKS monitors and controls gaseous pollutants at the following stages:

- 1. Direct Emissions (Scope 1)
- 2. Indirect emissions inside the Company (Scope 2).

Regarding indirect emissions outside the Company (Scope 3), CORINTH PIPEWORKS monitors and controls them only with regard to management of waste arising from production process (see "Waste Management"). CORINTH PIPEWORKS' target is to reduce the environmental impact and facilitate its on-going monitoring and recording. Minimizing direct and indirect emissions in conjunction with the use of renewable energy are among Company's priorities.

CORINTH PIPEWORKS participation in the overall procedure of development and use of the products is rather limited



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# 8. Responsibility for the Environment

#### Environmental Performance Indicators Gas Emissions Direct and Indirect CO<sub>2</sub> Emissions





\* The quantity of direct emissions is calculated based on consumption of LPG under production, consumption of oil for heating purposes and consumption of oil by forklift truck for transportation purposes.

0.82 Kg CO  $_2$  / KWh rate was used for calculating CO  $_2$  emissions in 2013.

0.88 Kg CO<sub>2</sub> / KWh rate was used for calculating CO<sub>2</sub> emissions in 2012.

 $0.89 \text{ Kg CO}_2$  / KWh rate was used for calculating CO<sub>2</sub> emissions in 2011 (revised).

The methodology for calculating emissions is based on the principles established by GHG Protocol of the International World Resources Institute (WRI).



\* The quantity of NOx is calculated on the basis of LPG and diesel consumption.



#### **Energy Consumption**

#### Thermal Energy Consumption



Thermal Energy Consumption

#### **Specific Thermal Energy Consumption**



#### **Electrical Energy Consumption**





**Specific Electric Energy Consumption** 



Reduction in electrical and thermal energy consumption is due to different total operating time of internal coating unit, under different requirements of every order





# 8. Responsibility for the Environment

#### Water Consumption



The total amount of water required for the Company's production process amounted to 87,152.6 m<sup>3</sup>. The 35.7% (31.105 m<sup>3</sup>) of this amount, arose from recycling-reusing, and therefore, Company's final consumption stands at 56,047.6 m<sup>3</sup>.

Water consumption per source (in m <sup>3</sup> )	2011	2012	2013
Water transport network from Mornos River	30,574	29,537	47,130
Water supply from Thisvi Municipal Unit	11,339	11,602	8,916
Purchased bottled water	1.6	6.7	1.6
Total water consumption	41,915	41,146	56,048

#### **Noise Management**

Sources of noise have been recorded at all the Company's facilities and measures have been taken in order to reduce the level of noise. CORINTH PIPEWORKS target is to protect the health of its people and ensure strict observance of laws and regulations relating to assessment and management of environmental noise. For this reason, the Company controls every noise / interference caused by its operations, both in respect of stationary and mobile sources of noise. In 2013, the Company measured noise levels and air quality around the plant facilities.



#### **Waste Management**

Waste (Liquid and Soil)	Way of		Quantity (in tn)		
	Management	2011	2012	2013	
Metal packaging	Recycling	6.9	6.5	4.1	
Scrap	Recycling	1	1	1	
Aluminium	Recycling	0.004	0.004	0.10 <sup>4</sup>	
Cable Scrap - Copper	Recycling	0.004	0.004	4.40 <sup>4</sup>	
Metal particles and dust	Recycling	318.9	395.9	367.6	
Welding waste	Re-use	150	100	168.4	
Paper	Recycling	31.6	25.6	18.9	
Lumber (wood)	Recycling	128.8	96.3	60.7	
Plastic	Recycling	120.7	195.4	214.5	
Vehicle tyres	Recycling	3.6	4.9	2.9	
Electric and electronic equipment waste	Recycling	7.9	7.8	3.5	
Epoxy Powder	Energy generation	94.8	156.3	117.4	
Waste to the landfill	Disposal to landfills	61.2	71.37 <sup>2</sup>	71.3	
Materials for energy use	Energy generation	196.6	49.8	1.1	
Lubricant waste (Liquid)	Recycling	17.8	19.5	7	
Batteries	Recycling	2.6	1.3	1.9	
Paint and varnish waste (Liquid)	Energy generation	32.4	24.6	23.2	
Emulsions (Liquid)	Energy generation	70.1	610.8	115.8 <sup>3</sup>	
Contaminated soil	Energy generation	5.8	0	0.7	
Grease waste	Energy generation	8.6	2.9	3.6	
Contaminated absorbent materials	Energy generation	5.7	4.2	5.4	
Fluorescent lamps	Recycling	0.2	0.2	0.2	

1. The Company prefers not to publicize this data. 2. In 2012, waste quantities stood at 71.37 tons. A quantity of 21.5 tons was erroneously recorded in the Corporate Responsibility and Sustainability Report 2012.

3. High variations in the amounts of emulsions are due to machinery maintenance, conducted on a biennial basis.

4. Separation and monitoring of such waste was first held in 2013.





CORINTH PIPEWORKS aiming to maximize its value for the interest of those contributing to its development and society in general, has developed a corporate governance framework, taking into account international practices and standards. In particular, in order to protect the rights of its stakeholders, the Company follows and complies with the effective legislation on Corporate Governance and has voluntarily adopted the Hellenic Code of Corporate Governance that has been recently published by the Hellenic Corporate Governance Council, with deviations that are analysed in the Annual Financial Report.

CORINTH PIPEWORKS's objective is constantly assessing and updating the governance framework in order to ensure that the full range of its activities and communication with stakeholders is conducted through transparency, credibility and trust.

#### **Board of Directors**

The members of the CORINTH PIPEWORKS Board of Directors are elected for a one-year term by the General Meeting of shareholders. The Board of Directors consists of 6 members and was elected by the Regular General Meeting on 13 June, 2013. The composition of the Board of Directors reflects a balance between executive, non-executive and independent non-executive members in order to secure the integrity of the decision making process. At CORINTH PIPEWORKS, the majority of the Board of Directors members are non-executive directors and one third of the Board of Directors members are independent non-executive members<sup>1</sup>. This composition of the Board of Directors protects the interests of shareholders as well as the Company's viability.

1. An independent non-executive Board of Directors member is defined as the member who a) is not currently employed or has not been employed as a member of personnel, executive officer or president of the Board of Directors of the Company or subsidiary for the past three years, b) does not have or did not have within the past year material business relationship with the Company or its subsidiary, in particular, as a major client, supplier or consultant of the Company or as a partner, shareholder or member of the Board of Directors, or as a senior executive of a legal entity that has similar relationship with the Company or any subsidiary, c) has no second-degree or non-marital relationship with a non-independent Board of Directors member, senior executive, director or key shareholder of the Company or its subsidiary and d) does not hold shares (or holds a very low percentage) of the share capital of the Company. A non-executive member is not involved in managing the Company's daily issues.
Moreover, since CORINTH PIPEWORKS recognizes that participation of non-executive and independent nonexecutive members is not a "panacea", the Management supports selecting members for the Board of Directors based on criteria such as adequate experience, knowledge of the Company, leadership skills, integrity and honesty.

### **Composition of CORINTH PIPEWORKS Board of Directors**

### Konstantinos Bakouris, Chairman of the Board of Directors, Executive Member

Mr. Konstantinos Bakouris has been Chairman of the Board of Directors of CORINTH PIPEWORKS since 2005. He holds an MBA from DePaul University in Chicago, III. (USA). Since 2000, he is serving as a board member in a number of VIOHALCO companies. He is Chairman of Transparency International - Greece (2006) and Chairman of the Board of the Greek-Russian Business Council. He served as Chairman of the NET MED NV Board of Directors (2004-2008), Managing Director of the Athens 2004 Olympic Games Organising Committee (1998-2000) and Chairman of the Board of the Hellenic Centre for Investment (2001-2002). He has also served as Chairman of RALSTON ENERGY SYSTEMS EUROPE S.A. and Member of the Worldwide Business Council of the same company (1986-1997). From 1970 to 1986, he served as Financial Manager, Managing Director, Vice-President and General Manager of UNION CARBIDE in Greece and Europe. Amongst other activities, he has also served as President of the EUROPEAN PORTABLE BATTERY ASSOCIATION, President of the Greek Community in Geneva, member of the Advisory Board of BUSINESS EUROPE, member of the WORLD PRESIDENTS' ORGANISATION (WPO), member of the MBA Advisory Board at DePaul University, Chicago and Vice- President of the Hellenic Management Association.

### Meletis Fikioris, Vice-Chairman, Non-Executive Member

Meletis Fikioris has been Vice-Chairman of CORINTH PIPEWORKS Board of Directors since January 2005. He has been a member of the Athens Bar Association since 1973 and has served as a legal advisor for a number of companies, participating on their Board of Directors.

### Adamantios Vassilakis, Non-Executive Member

Adamantios Vassilakis is a graduate of Political and Diplomatic Studies at Brussels Free University, as well as of the Chios Commercial School. In his long career in the diplomatic corps, he has served in many countries (indicatively, among others, Yugoslavia, the former USSR and the US) and has held high ranking positions in the Greek Ministry of Foreign Affairs. In 2002, he was named Permanent Representative of Greece to the United Nations, while in the same year, he was appointed chief negotiator representing Greece in discussions over FYROM's disputed name. In 2005, he was promoted to Ambassador and represented Greece during the Country's term on the UN Security Council in New York (2005 – 2006). Within the framework of the Security Council, he participated in missions to Central Africa (Congo, Burundi, Rwanda, Uganda, and Tanzania), Sudan and Afghanistan. He was also Chairman of the UN Security Council Sanction Committee on the Ivory Coast and Sudan, as well as of the Security Council's Informal Working Group on improving sanction effectiveness. In 2007, he was appointed National Representative

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of Greece in the negotiations held under the auspices of the UN to find a permanent name for FYROM. He has been decorated with the Grand Cross of the Order of the Phoenix.

### Ioannis Stavropoulos, Executive Member

Ioannis Stavropoulos is a graduate of the University of Piraeus and has been working at VIOHALCO since 1972. He has held the position of Financial Director at VITRUVIT S.A. (1978) and the position of General Manager at HELLENIC CABLES OF MESSOLOGHI S.A. (1989), KEM S.A. (1998) and at SIDENOR S.A. (1999). He is an executive member of HELLENIC CABLES S.A. and a member of the Board of Directors of other VIOHALCO companies.

### Nikolaos Galetas, Independent Non-Executive Member

Nikolaos Galetas is an independent member of CORINTH PIPEWORKS Board of Directors. He is a Theology graduate of the University of Athens and has studied at the Vienna University of Technology (Technische Hochshule Wien). He has earned an Electrical Engineering degree from the National Technical University of Athens. During his lengthy career, Mr Galetas has served on the boards of the Hellenic Development Bank (ETVA), the Planning and Development Company (EPA) and the National Investment Bank for Industrial Development (ETEVA), where he also served as General Manager. Mr Galetas has also served as a management consultant for ETEVA and EFG EUROBANK PROPERTIES S.A. He has been a board member of a number of companies, including EFG EUROBANK PROPERTIES REIC and ERT-Greek Radio and Television (Vice-Chairman) and several ETEVA Group subsidiaries where he served as Chairman of the Board of Directors during his many years with the Group. In addition, during the period 1990-92, he was advisor to the Ministers of the Interior, Agriculture and Coordination.

### Andreas Kyriazis, Independent Non-Executive Member

Andreas Kyriazis has served on the Company's Board since 2005. Mr. Kyriazis is a graduate of the Chemistry, Physics & Mathematics Faculty of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Athens Chamber of Commerce and Industry, the Hellenic Productivity Centre, the Greek Society for Business Administration and the Wood Processing Association. He was also Vice-Chairman of the Association of European Chambers of Commerce and Industry and the Secretary General of the Association of Greek Chemists

### CORINTH PIPEWORKS' Corporate Executives

### Apostolos Papavasileiou, Chief Executive Officer

Apostolos Papavasileiou has been Chief Executive Officer at CORINTH PIPEWORKS since November 2010. He is a licensed Chemical Engineer from the School of Engineering at the University of Patras, Greece and also holds an MBA from the University of Salford-Manchester, UK. Mr Papavasileiou worked at VIOHALCO as Head of Financial Planning, Budgeting and Reporting and has also served as Strategy and Investment Planning Manager at SIDENOR Group. Previously, Mr Papavasileiou served in several managerial positions at the NESTLE Group, both in Greece and Switzerland (Vevey), where he oversaw the supply chain, technical and industrial performance and operations strategies in projects around the world.

### Ioannis Papadimitriou, Financial Director

loannis Dimitrios Papadimitriou took over as Financial Director of the Company in May 2011. He is an economist and a graduate of the Department of Economics of the University of Piraeus. From 1998 to 2003, he worked as an auditor at PRICEWATERHOUSECOOPERS. In 2003, he joined financial services at CORINTH PIPEWORKS and held various positions of responsibility until 2008. From 2008 to 2011, he worked as Financial Controller in NEWLEAD HOLDINGS, a shipping company listed on NASDAQ.

### Athanassios Kotzakaris, Plant Director

Athanassios Kotzakaris holds the position of Plant Director in Thisvi since July 2009. He is a Metallurgical Engineer, graduate of the National Technical University of Athens and holds a post-graduate degree in the Technology of Metals and Ceramic Materials from the University of Manchester Institute of Science and Technology (UMIST). He joined VIOHALCO in 1996 at the subsidiary KEM as Production Engineer. Prior to assuming his duties at CORINTH PIPEWORKS, he worked as Production Manager at SIDENOR, as well as Technical Director at the SOVEL plant. Since 2004, he has been in charge of SIDENOR Group's rolling mills and in 2007 he assumed the position of Assistant Plant Director at CORINTH PIPEWORKS.

### Athanasios Tazedakis, Deputy Plan Director/ Technology and Development Director

Mr. Athanasios Tazedakis holds the position of Deputy Plant Director and Technology and Development Director at Corinth Pipeworks since 2012. He is a Graduate of Mining Engineering and Metallurgy Department of the National Technical University of Athens and holds post-graduate degree (M.Sc., Ph.d) in the domain of welding from Cranfield University in the United Kingdom. He was first occupied at CORINTH PIPEWORKS in 1999, and since then he has held various positions of responsibility as Quality Director and ERW / HFI Mill Director of Thisvi Plant.

### Nikolaos Sarsentis, HRC Procurement Director

Nikolaos Sarsentis works at CORINTH PIPEWORKS since 2011. He is a Mechanical Engineer graduate of University College London with an MSc in Advanced Applied Mechanics and Management Science from the Imperial College of Science and Technology of the University of London. He has worked at SIDENOR Group since 2006 as Operational Director of the pipe sector. Previously, Mr Sarsentis held management positions at Friesland Foods, Tetra Pak, Alfa Laval and Diamant Boart.

### Konstantinos Danilatos, Deputy Commercial Director

Konstantinos Danilatos holds the position of Deputy Commercial Director of Corinth Pipeworks since 2011.He is a graduate of Civil Engineering Department of the National Technical University of Athens and holds relevant postgraduate degree (M.Sc) from City University (London). In 2005 he joined the marketing department of the Company, as Regional Director. Prior to joining CORINTH PIPEWORKS, he worked as Director of Etalbond Business Unit and as a Head of Project Management in ETEM, while he had also collaborated with the company J + A Fillipou Architectures - Engineers Ltd.

### Grigoris Kakanelis, Human Resources Director

Grigoris Kakanelis holds the position of Director of Human Resources at CORINTH PIPEWORKS since 2004.

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9. Corporate Governance

He is a graduate of the Department of Applied Informatics of Athens University of Economics and holds a degree in Business Administration from ALBA. He began his professional career in the Company in 1997 as a Head of IT Department. In 2000 he was appointed the Head of Administrative Services and Human Resources Department.

### Nikolaos Voudouris, Quality Director

Nikolaos Voudouris holds the position of Quality Director at CORINTH PIPEWORKS since 2012. He holds a graduate and a post-graduate degree (PhD) from the Department of Chemical Engineering of the University of Patras, while he prepared his thesis in the field of metallurgical materials at RWTH AACHEN in Germany. Since 2001, when he started his career at CORINTH PIPEWORKS, he has held various positions of responsibility as Quality Control Director, Head of Quality Control and Head of Quality Control Laboratory.

### Alexandra Tzanetopoulou, Legal Advisor

Alexandra Tzanetopoulou holds the position of Legal Advisor at CORINTH PIPEWORKS since 2004. She is an attorney and a member of the Athens Bar Association and holds a post-graduate degree (Executive MSc) in International and European Economic Studies Department of Athens University of Economics. She specializes in international trade issues, international tendering procedures, insurance law (in particular industrial risks insurance), risk management and business financing. She is a graduate of the Law Department of the University of Athens and holds a Degree in Business Administration (Diploma in Management Studies) of ALBA GRADUATE BUSINESS SCHOOL. In 2013 she graduated from the Executive Training Center of Athens University of Economics and Business and received a Diploma in Negotiations.

CORINTH PIPEWORKS ensures adequate, accurate and timely provision of information to shareholders and potential investors and all interested parties through the organized system of Corporate Governance, which includes:

- management bodies with clearly defined roles, responsibilities and obligations,
- appropriate organisational structure and business processes,
- effective internal auditing system and
- organized communication system with both the Company's exterior and interior environment.



### CORINTH PIPEWORKS Corporate Governance Structure/System

CORINTH PIPEWORKS Board of Directors is responsible for defining, implementing and enforcing long-term strategic and operational objectives of the Company, as well as conformance with the principles of Corporate Governance and Corporate Responsible policy of the Company. Moreover, the Board of Directors ensures that there are no cases of conflict of interest and examines any case of non-compliance with the Company's confidentiality policy and ensures the credibility and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Shareholders Meeting.

The Board of Directors meets at regular intervals to ensure that all the Company's action-plans are carried out in accordance with its principles, policies and strategy. Particular importance regarding the agenda of the Board

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of Directors' discussions is placed on the issues relating to corporate responsibility practices of the Company and, in particular, to Health - Safety and Environment.

In particular, CORINTH PIPEWORKS has developed procedures, under which the department heads of the Company prepare regular reports, reflecting the progress of the undertaken tasks and the relevant matters, including the issues relating to environmental and social performance of the Company.

The performance of the Board of Directors is assessed at least annually at the Ordinary General Meeting, which assesses the results of the decisions they have made on the operations and development of the Company. In fact, the Board of Directors members receive remuneration, approved by the Ordinary General shareholders Meeting. Their remuneration is linked to and affected by the overall performance of the Company in terms of financial metrics and responsible operation.

### **Audit Committee**

The CORINTH PIPEWORKS Board of Directors is supported by the Audit Committee in regard to the fulfilment of its mandate pertaining to ensuring the effectiveness of accounting and financial systems, audit mechanisms, management systems of business risk; assuring compliance with the legislative and regulatory framework;

and the effective application of Corporate Governance principles. The Audit Committee of CORINTH PIPEWORKS is elected and operates in accordance with the Law 3693/2008 and consists of three non-executive members of the Board of Directors, two of whom are independent. In particular, the Audit Committee has the following responsibilities:

CORINTH PIPEWORKS Audit Committee						
Name	Surname	Non-executive Member	Independent non-executive Member			
Meletis	Fikioris					
Nikolaos	Galetas					
Andreas	Kyriazis					

- Assess the effectiveness of all levels of the Management hierarchy, in relation to safeguarding the assets
  under their management and their compliance with the established policy and procedures of the Company,
- Evaluate procedures and amounts for their adequacy, in regard to the achievement of goals, as well as appraise the policy and programs referred to in the activity under assessment,
- Periodically audit various operations of the different divisions or departments, in a manner that ensures that their diverse activities are conducted smoothly, comply with Management instructions, Company policy and procedures, and are aligned with the Company objectives and the Management best practices
- Examine internal auditor's reports and verify their accuracy and adequacy of audit evidence in regard to the results of the audit.

The Audit Committee met four times within 2013, achieving full quorum.

### Internal Auditing System and Risk Management System

CORINTH PIPEWORKS ensures effectiveness and efficiency of its operations and programmes, reliability and integrity of financial and operational reporting and compliance with applicable laws and regulations through its Internal Auditing System. CORINTH PIPEWORKS targets to maintain an effective Internal Auditing System in order to safeguard its assets as well as to identify, record, and address the key risks. In order to achieve this target, a qualified independent Audit Team supports and guides the Internal Auditing Department of CORINTH PIPEWORKS.

Internal Auditing Department verifies the proper implementation of every procedure and internal audit system, regardless if it is accounting related or not and assess the Company through reviews of its operations, acting as a company unit reporting to the Management.

CORINTH PIPEWORKS' Internal Auditing Department conducts numerous audits during the year, examining the implementation of Corporate Responsibility policy, particularly addressing the issues of Environment and Health and Safety. The audit results are collected and submitted to the Company's Board of Directors at least on a quarterly basis.

The Board of Directors of CORINTH PIPEWORKS annually evaluates the internal auditing system. Evaluations are related to the scope of activities and effectiveness of internal auditing team as well as the adequacy of risk management. The Boards also takes into account the reports to the Audit Committee of the Board of Directors, as well as response and effectiveness of the Management in respect of identified errors or weaknesses in internal auditing system.

At the same time, the Company's Internal Control system holds decisive role in effective risk management to which CORINTH PIPEWORKS is exposed. The Internal Control System acts as an identification tool, which delineates, classifies and limits the risks. All corporate risks are related to the Company's business activities, particularly significant, given that the nature of CORINTH PIPEWORKS and its operations in numerous markets can expose it to various risks. Based on the precautionary principle, CORINTH PIPEWORKS has developed practices and established mechanisms, through which it identifies, records, evaluates and manages the risks associated with its operations, as well as its exposure to the markets, in which it operates, and the current economic environment.

The Company implements safety procedures regarding: (a) identification and evaluation of risks in relation to the reliability of financial statements; (b) administrative planning and follow-up in relation to financial data, (c) prevention and detection of fraud; (d) tasks/duties of executives; (e) the procedure followed for closing a fiscal year, and (f) safeguarding the data in computerised systems.

Moreover, risk management is performed by the Finance Department of the Company and, in particular, by Risk Management Service, which operates in conformity with the policies approved by the Board of Directors and is staffed with competent and experienced personnel.

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CORINTH PIPEWORKS risk management general program aims at minimizing potential adverse effects on the financial performance of the Company and its operations. Risk management policies and related systems are periodically reviewed so as to incorporate the changes in market conditions and the Company's activities. CORINTH PIPEWORKS risk management policies are implemented in order to identify and analyse the risks faced by the Company, to establish the required limits of undertaken risks and implement appropriate preventive and corrective control procedures. CORINTH PIPEWORKS' strategy is to evaluate, on the on-going basis, the effectiveness of risk management policies and to broaden risk monitoring.

In this context, in 2013 CORINTH PIPEWORKS the Company started collaboration with an independent body in order to perform analytical and structured risk assessment and to identify any potential risks which the Company has either not identified so far or the risks arising from its internal procedures. In particular, the independent body has reviewed the policies and procedures implemented by CORINTH PIPEWORKS in order to identify and quantify the risks, as well as recorded the risks in relation to the effective policies and procedures of the Company and their subsequent assessment. As a result, an analytical Risk Matrix Profile of the Company was developed, while the next stage of the project involves the issue of recommendations for improvement and revision, if necessary, regarding the operation policies of CORINTH PIPEWORKS.

The risks, to which the Company is exposed given the nature of its operations, involve financial and business risks:

Risk Category	Description
Financial Risks	<ul> <li>The major categories of risk associated with CORINTH PIPEWORKS' operations are as follows:</li> <li>Market risk (foreign exchange risk, interest rate fluctuation risk, products price fluctuation risk),</li> <li>Credit risk (banks and customers),</li> <li>Liquidity Risk,</li> <li>Capital Risk.</li> <li>CORINTH PIPEWORKS has issued specific instructions for the purposes of addressing financial risks. The financial Department implements the policy of managing such risks following the aforementioned instructions. Further information on financial risk management is presented in 2013 Annual Financial Report of CORINTH PIPEWORKS, which is available on the Company website www.cpw.gr (section Investor Relations / Financial Results - Financial Reports).</li> </ul>
Business Risks	The Company operates in energy sector, thus exposed to the increasing international competition observed in recent years. The business risks may arise due to potential decrease in capital expenditure for the large energy companies, as well as due to possible protectionism that exist for local producers. Furthermore, the fact that many core markets, as well as the cost structure of some major competitors are dollar based, in conjunction with a potential Euro appreciation, ceteris paribus, dictates a more aggressive pricing policy, that may lead to squeezed profit margins. Sales in the energy sector are, mainly, on a project basis, where both selling prices and cost of raw materials are fixed throughout the execution period. In addition, freight cost, which is a major cost category for the Company, has been extremely volatile in recent years. In order to address this issue, the Company tries to conclude contracts on a project basis for a big part of its transportation requirements. However, in several cases, such practice is not feasible and therefore, chartering is on the spot market that may affect the profitability of the projects.

Apart from financial and business risks, CORINTH PIPEWORKS has recognized environmental and occupational risks, as well as operational risks. In order to address such risks, Company has made investments during the past years aiming to reduce the probability of their occurrence.

In particular, Environmental Risk is defined as the Risk associated with air and pollution as well as climate change. Environmental Risk is assessed through the application of Environmental Indicators related to financial indicators in order to record the environmental risk in financial terms. Occupational Risk is defined as the Risks associated with health and safety of the employees from their exposure to any harmful factors of the working environment. Occupational risk is assessed through the application of the occupational risk indicators related to probability and / or frequency of exposure of the workforce to some source of exposure located in the workplace that may lead to serious consequences in terms of Company's human resources.

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# 9. Corporate Governance

The Company addresses potential impacts on environment and occupational Health and Safety of its people by:

- conducting all the necessary risk assessments, required by the legislation,
- applying strict criteria for operation in compliance with Greek and European legislation,
- developing a comprehensive emergency response plan,
- closely collaborating with local authorities and Fire Protection Department to facilitate quick and effective response to potential incidents,
- taking preventive measures to monitor the established relevant indicators (Quality, Environment, Health and Safety). These indicators are monitored on a regular basis and are disclosed to all the Company levels.

Operational risks are associated with production costs risks arising from climate change and natural disasters, as well as problems related with the Company's internal procedures, labour relations, Company's systems and generally from any malfunction caused by the human factor.

In order to manage the operational risks, CORINTH PIPEWORKS:

- · develops and implements comprehensive training programs on issues related to its operations,
- conducts inspections at regular intervals,
- · develops policies and systems in respect of operation and organisation,
- · implements and monitors the extent to which the ethics regulations are implemented,
- enters into agreements, aiming at the protection of the Company and / or reduction of its exposure to such risks,
- collaborates with local authorities facilitate effective response to potential natural disasters.

### **Communicating with Shareholders**

CORINTH PIPEWORKS places special importance to timely and reliable provision of information to minority shareholders on the Company's affairs, since it believes that their participation can add value to the Company. During the General shareholders Meeting, all shareholders, including minority shareholders, are given the opportunity to express their views and communicate with the members of the Company's Board of Directors. Moreover, in order to facilitate a continuous and constructive dialogue with the shareholders of the Company, CORINTH PIPEWORKS operates an Investor Relations Department, which is responsible for providing accurate information to all kinds of requests made by shareholders. The Investor Relations Department collects the issues raised by all the shareholders of the Company and forwards them to the Chief Financial Officer and the General Director, who, in turn, discloses them to the Board of Directors.

### **Avoiding Conflict of Interests**

Taking into consideration the **precautionary approach** and protection of stakeholders' interests, CORINTH PIPEWORKS has taken specific measures and implemented practices in order to identify, monitor and address all cases of conflict of interests. In particular, CORINTH PIPEWORKS:

- Defines, in respect of services and products, all the cases or circumstances, which constitute or may give rise to conflict of interests.
- Implements appropriate mechanisms and systems in order to address and avoid conflict of interests.
- Ensures implementation of these mechanisms through constantly modernising them in order to prevent any potential conflict of interests.
- Applies confidential information provision policy, whereby executives, partners and employees of the Company are under a special and explicit obligation regarding confidentiality of information, relating to and concerning the operations of the Company, its transactions and its customers.
- All the executives, employees and partners are subject to SEC provisions on personal transactions, so as to prevent any cases that might generate conflicts of interest, whether arising from access to privileged information or other confidential information related to the Company's or its customers' transactions.

### **Managing Transparency and Corruption Issues**

CORINTH PIPEWORKS aims to meet the needs and expectations of its stakeholders in a transparent manner, following codes of ethics, both within the organisation and in its transactions with any part of its value chain. In this context, CORINTH PIPEWORKS takes preventive actions, which concern defining the limits of responsibility and influence, exercised by every executive of the Company. CORINTH PIPEWORKS establishes controls to prevent corruption, conducts relevant audits throughout the Company and provides information to its executives on transparency and corruption issues.

In this context, for a number of years, the Company has been supporting the activities of the organisation "International Transparency Hellas (IT - Greece)" and in 2013 decided to participate as a sponsor in all the programs and activities to be held in 2013-2014. These programs hold a significant role in making individuals and organisations aware of the existing conditions and are aimed at providing information on issues and cases of corruption, supporting victims and witnesses of corruption and, eventually, combating the corruption.

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CORINTH PIPEWORKS recognises the significance of integrating the Corporate Responsibility principles in strategic management and mainstream business operation and therefore systematically approaches the implementation of several programs per CSR axis.

### The Pyramid of Corporate Social Responsibility at CORINTH PIPEWORKS



Compliance is regarded as an unquestionable issue, and is indispensable, since it constitutes the basis for CORINTH PIPEWORKS operations. Sustainable Development is the only guarantee to ensure the Company's business future and thus generating Added Value for all its stakeholders is the utmost goal of CORINTH PIPEWORKS.

### 10.1 Strategic Integration and Management of Corporate Responsibility

Corporate Responsibility constitutes an integral part of the decision-making process in terms of strategy, management, research and development, production and other key domains of CORINTH PIPEWORKS. Strategic integration of CSR in CORINTH PIPEWORKS also involves its social commitment to the local community, where the Company operates. Moreover, the fact that the Company has established constructive dialogue with its stakeholders contributes to identifying and recording effectively the impact that its operations have on each stakeholder group. Systematic dialogue with stakeholders allows CORINTH PIPEWORKS to handle efficiently and address appropriately social and environmental issues, as well as to identify new challenges and new opportunities.

Strategic integration of CSR in CORINTH PIPEWORKS is implemented through four basic stages:



### **Performance Assessment Indicators**

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Continuous improvement at CORINTH PIPEWORS is ensured through the integrated Management System which the Company applies. The integrated system includes the following 3 certified management systems:

- Quality Management System in accordance with ISO 9001:2008 international standard,
- Environmental Management System, in accordance with ISO 14001:2004 international standard,
- Occupational Health and Safety Management System, in accordance with OHSAS 18001:2007 international standard.

Through the certified Management Systems, CORINTH PIPEWORS monitors and assesses its performance per CSR axe and, in essence, achieves comprehensive treatment of responsible operation issues, as well as making decisions based on its Sustainable Development principles.

CORINTH PIPEWORKS has established the Corporate Responsibility Team, which regularly reviews the arising issues and plans the respective actions on an annual basis so as to facilitate more effective management of corporate responsibility issues. The Corporate Responsibility Team includes representatives of various departments of the Company and is accountable to CORINTH PIPEWORKS General Management.

Integrated management of corporate responsibility issues is a matter of concern for the entire organisation and is based on the following five pillars:



### **Corporate Responsibility Management at CORINTH PIPEWORKS**

The Company's Management in cooperation with the Corporate Responsibility Team ensures provision of the best possible information, as well as control and responsible management of the issues related to economic, environmental and social matters.

### 10.2 Corporate Social Responsibility Policy and Axes of Corporate Responsibility



### **Corporate Social Responsibility and Sustainable Development Policy**

CORINTH PIPEWORKS and its subsidiaries have incorporated CSR principles in their business operations, thus recognizing that their long-term growth and prosperity of society can only be achieved through Sustainable Development. Concern for the employees' Health and Safety, respect and protection of natural environment, integrated response to the customers' needs and harmonious coexistence with the local communities, where it operates, are the main issues of Corporate Social Responsibility of CORINTH PIPEWORKS.

Corporate Social Responsibility and Sustainable Development Policy of CORINTH PIPEWORKS is consistent with the Company's values, responsibility, integrity, transparency, efficiency and innovations and is determined by the Management, entirely committed to the following issues:

- implementation of CSR Policy at all levels and in all Company's operating segments.
- strict enforcement of effective legislation and full implementation of standards, policies, internal guidelines and procedures applied by the Company as well as other commitments, arising from voluntary agreements, signed and accepted by CORINTH PIPEWORKS.
- 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 Sustainable Development objectives.
- providing safe and healthy working environment for employees, collaborates and all the visitors.
- protection of human rights and providing work environment of equal opportunities, free from any discrimination.
- open communication, based on transparency, with all Company's stakeholders.
- continuing efforts to decrease the environmental footprint, through implementing responsible actions and preventive measures in accordance with international best practices, in order to reduce and minimize the impact of Company's operations on the environment.
- continuing pursuit to create added value for the stakeholders.

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

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#### 1. Economic Development and Corporate Governance

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

#### 3. Human Resources

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

### 2. Marketplace

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

### 4. Occupational Health and Safety

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

### 5. Environment

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



The Company designs and implements actions to meet the fundamental needs of society in terms of employment, development, education, health, environment, social welfare and culture. It encourages volunteerism and supports initiatives, in order to develop the local communities, in which it operates. In respect of all the above key issues concerning CORINTH PIPEWORKS and its subsidiaries, the Company sets targets of Corporate Social Responsibility and Sustainable Development, which are annually assessed for their effectiveness and revised when deemed necessary. The policy, the performance of CORINTH PIPEWORKS in the issues of Corporate Social Responsibility, as well as the implementation of relative programs and achievement of its targets are disclosed, on annual basis, in order to provide to all stakeholders the necessary information. Stakeholders' opinions are taken into account under the annually held Management Review of all the above issues.

### **10.3 Engagement and Dialogue with Stakeholders**

Developing systematic channels of communication with stakeholders is an utmost commitment that CORINTH PIPEWORKS has undertaken in order to meet their demands and expectations, including the following:







CORINTH PIPEWORKS has identified as stakeholders the groups that affect and / or are affected, directly or indirectly, positively or negatively, by its business operations. Moreover, it has recognized that factors like the location, range and nature of the Company's operations determine the nature and characteristics of stakeholder groups. The identification and, afterwards, the prioritization of the Company's stakeholders is based on the methodology developed by the International Organization GRI-Global Reporting Initiative, which takes into account both the intensity of the impact that each stakeholder group has on the Company per CSR axis, as well as the intensity of the impact exercised by the Company on each stakeholder group.

Considering the factors that determine the Company's relations with its stakeholder groups, the following interaction framework in respect of every such group has been recorded:

### FRAMEWORK – INTERACTION WITH STAKEHOLDERS



The concept of engaging the Company's stakeholders includes a broad framework of interactive communication means/channels and activities. CORINTH PIPEWORKS develops dialogue with stakeholders' groups in order to identify the main issues of their concern. While communicating and cooperating with its stakeholders, the Com-

pany records the crucial issues and evaluates their views and needs in order to redesign its procedures and define the action plans that will most effectively meet those needs.

This way, the Company aims to provide information to every stakeholders' group, to take into consideration their view and opinions and to have their support and understanding in managing the issues that it has undertaken the commitment to address.



Communication channels with all	Channels of Communication per Stakeholders Group				
Stakeholders	Employees	Customers	Suppliers		
	Intranet	Customer Satisfaction Survey	Procurement Department per supply category		
	On-going communication between the Management and Human Resources, «Open Doors' Policy»	On-going face-to-face and telephone contact Participation in exhibitions	Communication through accounts department on financial issues		
Corporate Website     www.cpw.gr	Update via electronic correspondence and newsletters on bulletin boards	Project Management Department and product certification procedures	Presence at suppliers' trade fairs and events		
<ul><li>Annual Report</li><li>Annual Corporate</li></ul>	Employees' performance appraisals	Participation in conferences, fora and business events either the industry or the customers	Systematic briefing the suppliers on market developments		
Responsibility and Sustainable Development Report	Shareholders & Investors	Local Communities & NGOs	State & Organisations		
Corporate Presentation     at conferences, fora and	Annual General Meeting of shareholders	On-going communication with local organisations and associations	Participation in defining policies and decision-making (through SEV, Hellenic Federation of Enterprises)		
<ul><li>institutions</li><li>Press releases,</li></ul>	Investor Relations Department (person-in-charge of investors and person-in-charge of shareholders)	Participation in activities held by local bodies and associations	Participation in conferences		
announcements, reports, articles etc.	Regular press releases, announcements and reports	Organisation of an event to inform local community and communicate about topics of common interest	Participation in the events organized by state bodies		
	Publication of Annual Financial Report	Participation in CSR Hellas as a key member	Participation in state's researches and discussions		
	Publication of Annual Corporate Responsibility and Sustainable Development Report Participation in the Association of Greek Institutional Investors Participation in road-shows	Participation of the Company's representatives in various events and fora for opinion exchange purposes	Participation in local bodies such as SBSE, Federation of Sterea Ellada Industries		



### Issues of main concern – Expectations per Stakeholders Group

	Stakeholders Groups	Relative Chapter of the Report
1111	<ul> <li>Human Resources</li> <li>Growth and development</li> <li>Benefits</li> <li>Additional insurance coverage</li> <li>Equal opportunities</li> </ul>	7.1 CORINTH PIPEWORKS Human Resources 7.2 Occupational Health and Safety at CORINTH PIPEWORKS 8. Responsibility for the Environment 10. Strategic Approach to CSR
	<ul> <li>Customers</li> <li>Quality of products and services</li> <li>Timely and reliable project implementation</li> <li>Policies and procedures aimed at direct customer service provision</li> <li>Corporate Responsibility</li> </ul>	6. Integrated Services and Products 8. Responsibility for the Environment 9. Corporate Governance 10. Strategic Approach to CSR
€	<ul> <li>Shareholders &amp; Investors</li> <li>Achieving Financial Development</li> <li>Expansion into new markets</li> <li>Improving competitiveness and Company's extroversion</li> <li>Sound Corporate Governance</li> <li>Transparency regarding the interested parties</li> </ul>	9. Corporate Governance 10. Strategic Approach to CSR 11. The Group Financial Data and Corporate Responsibility Key Performance Indicators
	<ul> <li>Suppliers</li> <li>Merit-based / objective assessment</li> <li>Supporting local suppliers</li> <li>Briefing suppliers about market developments</li> <li>Incorporation of criteria about their responsible operation</li> </ul>	6.5 Customers and Suppliers 7.3 CORINTH PIPEWORKS Contribution to the Society 10. Strategic Approach to CSR
<b>*</b>	<ul> <li>Local Communities &amp; NGOs</li> <li>Supporting local entrepreneurship</li> <li>Collaboration with and support of NGOs activities</li> <li>Responding to the local community's issues (e.g., support to associations)</li> <li>Supporting healthcare sector</li> </ul>	7.3 CORINTH PIPEWORKS Contribution to the Society 8. Responsibility for the Environment 10. Strategic Approach to CSR
â	<ul> <li>State &amp; Organisations</li> <li>Compliance with applicable legislation and regulations</li> <li>Support of State activities and programs</li> <li>Timely response to state requirements</li> <li>Collaboration in order to support Greek exports</li> </ul>	2. CORINTH PIPEWORKS Group of Companies 5. CORINTH PIPEWORKS Strategy, Priorities and Perspectives 9. Corporate Governance 10. Strategic Approach to CSR

### **10.4 Material Issues Chart**

Annually, CORINTH PIPEWORKS updates the chart – the list of the significant issues based on the response received from the stakeholders' groups. Under the preparation of the previous edition of the Corporate Responsibility and Sustainable Development Report, complete recording and evaluation of the material issues were conducted in the form of workshop. Similarly, under the preparation of the current edition, these issues were updated based on the expectations of all the stakeholders. Materiality analysis was based on the guidelines of the Global Reporting Initiative GRI-G3.1 and AA 1000 Standard of the International Organisation AccountAbility. During the implementation of the evaluation process, we considered as significant issues the ones that could cause large scale changes to the performance of CORINTH PIPEWORKS.

### Materiality Analysis (materiality workshop)



Collecting and recording material issues assists CORINTH PIPEWORKS to:

- · identify the issues relating to long-term strategic objectives,
- identify, record and assess the risks relating to the Axes of Corporate Responsibility,
- · identify strengths, weaknesses and opportunities,
- align strategic objectives with Sustainable Development,
- maintain and improve its reputation,
- strengthen its competitive advantage,
- accept and manage changes,
- reassess its performance at regular intervals.



Updating material issues that was conducted under the preparation of the current Report has facilitated the development of the following Chart:

### **Material Issue Chart of CORINTH PIPEWORKS**



Material issues are displayed per axis of Corporate Responsibility, including the pressure of stakeholders as well as the impact on the Company's operations. The significance of every issue is illustrated in the respectively colour and the intensity increases from the centre outwards.

### 10.5 UN Global Compact and ISO 26000

CORINTH PIPEWORKS respects the principles of Global Compact and discloses its actions in its Annual Financial and Sustainable Development Report. Specifically, commitments and actions taken by the Company to ensure compliance with the Principles of Global Compact are presented in the table below as follows:

Our commitments	Our Systems and Procedures
Corporate Responsibility and Sustainable Development Policy Respect for internationally agreed human rights is an unquestioned principle for CORINTH PIPEWORKS	<ul> <li>The Company ensures safeguarding and maintenance of recognized labour rights throughout its operations. In particular, in 2013 CORINTH PIPEWORKS developed and applied a special procedure regarding Respect for Human Rights at Workplace. Moreover, relative sections are also included in: <ul> <li>CORINTH PIPEWORKS Code of Conduct</li> <li>Procedures as defined by the "Internal Regulations".</li> </ul> </li> </ul>
Corporate Responsibility and Sustainable Development Policy Being in full compliance with the relevant legislation, the Company is explicitly against all forms of child and forced and / or compulsory labour. Through the adopted procedures, the Company ensures that its employees are over 18 years old. Additionally, the Company implements equal opportunities policy and avoids any form of discrimination	<ul> <li>The Company takes due care to ensure the observance of recognised labour rights in all its operations.</li> <li>CORINTH PIPEWORKS Code of Conduct</li> <li>Procedures as defined by the "Internal Regulations"</li> <li>CORINTH PIPEWORKS implements "open door" policy in order to facilitate direct contact between all the hierarchical levels</li> </ul>
Corporate Responsibility and Sustainable Development Policy, Environmental Policy CORINTH PIPEWORKS ensures minimal possible burden on the environment and is in full compliance with the existing legislation	The Company implements Environmental Management System certified in accordance with the requirements of the ISO 14001 international standard and makes efforts to reduce its environmental footprint. The Company adopts the precautionary principle in the management of its environmental issues.
CORINTH PIPEWORKS is against all forms of corruption. The Company is committed to operating in ethical and responsible manner and implements procedures aimed at controlling and monitoring all its activities Multiple audits are conducted by: • Internal Auditor • Team of Independent Auditors	The Company ensures development of transparent procedures in order to combat all forms of corruption throughout its operations. In particular, in 2013 CORINTH PIPEWORKS developed and applied a special procedure in respect of Prevention and Combating of Corruption. Moreover, relative sections are also included in: • CORINTH PIPEWORKS Code of Conduct • Procedures as defined by the "Internal Regulations"
	Corporate Responsibility and Sustainable Development Policy Respect for internationally agreed human rights is an unquestioned principle for CORINTH PIPEWORKS Being in full compliance with the relevant legislation, the Company is explicitly against all forms of child and forced and / or compulsory labour. Through the adopted procedures, the Company ensures that its employees are over 18 years old. Additionally, the Company implements equal opportunities policy and avoids any form of discrimination CORINTH PIPEWORKS ensures minimal possible burden on the environment and is in full compliance with the existing legislation CORINTH PIPEWORKS is against all forms of corruption. The Company is committed to operating in ethical and responsible manner and implements procedures aimed at controlling and monitoring all its activities Multiple audits are conducted by: • Internal Auditor

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### Standard on Corporate Responsibility ISO 26000

Having already developed ISO systems for managing key issues, such as Quality, Health and Safety and Environment, CORINTH PIPEWORKS launched the process of integrating the guidelines of the new standard into its procedures. Since the aforementioned standard constitutes a framework of guidelines and not a certifiable management system, integration of its main principles is a long and on-going procedure. In particular, the table below presents, per ISO 26000 core subject, the actions and commitments made by the Company:



### **Corporate Governance**

The Company constantly develops and improves the system of governance to ensure transparency in the whole range of its operations. At CORINTH PIPEWORKS, selecting appropriate principles and practices of corporate governance is a commitment, which, in turn, safeguards the interests of all its stakeholders. Ethical and responsible business practices of the Company are shaped after the recognition of potential risks and opportunities associated with Company's every strategic decision. In particular, in 2013 CORINTH PIPEWORKS developed and applied a special procedure in respect of "Prevention and Combating of Corruption". Further details are presented in the chapter "Corporate Governance".

### **Fair Operation Practices**

Through the decisions taken at both – strategic and operational level, CORINTH PIPEWORKS, promotes the concept of business ethics, ensure transparency of its operations and meet the interests of its stakeholders. The practices that are applicable to all Company's operations are based on regulations and principles of responsible business behaviour. At CORINTH PIPEWORKS, we believe that these principles are the means that can ensure our sustainable development. Further details are presented in the chapters "Corporate Governance", "Strategic Approach to CSR" and "Integrated Services and Products".

### **Customer Issues**

CORINTH PIPEWORKS invests in Research and Development of advanced technologies in order to be able to produce Safe and Qualitative Products and thus to render better Services to its Customers. When it comes to raw and supplementary materials, the Company carefully selects its suppliers to ensure the high quality of its products. CORINTH PIPEWORKS operates in a responsible and ethical manner in a highly competitive market. Further details are presented in the chapters "Integrated Services and Products" and "Customers and Suppliers".

### **Labour Practices**

People at CORINTH PIPEWORKS play the major role in its development. The Company focuses on developing a merit system in order to attract employees, a transparent system of fees and promotions and an updated system of employee training and development. CORINTH PIPEWORKS is committed to continuously enhancing Occupational Health and Safety Management System, in accordance with OHSAS 18001 international standard. Further details are presented in the chapter "CORINTH PIPEWORKS Human Resources" and "Occupational Health and Safety at CORINTH PIPEWORKS".

### **Human Rights**

At CORINTH PIPEWORKS, equal opportunities and respect for human rights are integral principles of the CORINTH PIPEWORKS Code of Conduct. In particular, in 2013 CORINTH PIPEWORKS developed and applied a special procedure regarding "Respect for Human Rights at Workplace" and held a specialized training on Human Rights for the Company executives. Further details are presented in the chapter "CORINTH PIPEWORKS Human Resources".

### **Community Involvement and Development**

CORINTH PIPEWORKS is deeply concerned about local communities' development, and therefore, it supports local employment and improves the quality of life for the residents of the areas adjacent to its plants. It successfully collaborates with the local communities and takes into account their needs and concerns while taking decisions or organising relative action plans. In particular, in 2013 CORINTH PIPEWORKS developed and applied a special procedure regarding "Community Involvement and Collaboration". Further details are presented in the chapter "Contribution to the Society".

### Environment

CORINTH PIPEWORKS operates in a responsible manner and fulfils its environmental commitments, while it recognises the significance of the implementation of the Precautionary Principle in respect of all its actions and decisions. The Company applies a certified Environmental Management System, in accordance with ISO 14001 international standard. It designs and puts to practice actions in order to reduce the environmental footprint, placing emphasis on proper management of waste, such as recovery and recycling. Further details are presented in the chapter "Responsibility for the Environment".

The last unit of the current Report includes the tables presenting the correlation between both - Global Compact principles and the indicators of international CSR Reports framework, GRI-G3.1 and the new standard ISO 26000 with GRI-G3.1, since the Report was developed based on the principles and performance indicators of the specific framework (see www.globalreporting.org).







### **10.6 CORINTH PIPEWORKS Participation in Networks**

CORINHTH PIPEWORKS participates, either mandatory, due to the nature of its activities (e.g. ACCI and API) or voluntarily in many professional organisations, associations and unions. Its main objectives are both the constructive cooperation in sectoral or broader business interest and the adoption and promotion of Corporate Responsibility's principles. In particular, the Company is a member of:



**Hellenic Network for Corporate Social Responsibility**, since 2009. The Hellenic Network for Corporate Social Responsibility is the national representative of the European Network for Corporate Social Responsibility (CSR Europe). CSR Hellas aims to promote the concept of Corporate Social Responsibility both – around the business world and social environment, with a view to achieving a balance between profitability and sustainable growth.



**Athens Chamber of Commerce & Industry (ACCI)**. One of the key objectives of ACCI is to promote the principles of Corporate Social Responsibility and support environmentally responsible business operations.



**Hellenic Federation of Enterprises (SEV)**. CORINTH PIPEWORKS has adopted the SEV Council's Code of Conduct for Sustainable Development.



**Federation of Sterea Ellada Industries (SBSE)**, since 2009. SBSE's role focuses on highlighting industrial needs and securing the conditions for achieving Sustainable Development in a responsible manner.



**American Petroleum Institute (API)**. API is the U.S. association establishing and certifying the standards regarding all the industries related to gas and oil products and services. Due to its global recognition and credibility, membership in this particular network and API certification is a prerequisite for commercial activities of every company involved in the industry. The members of the Institute are committed to making continuous efforts in order to improve the compatibility of their operations with the environment as well as economically developing energy resources and providing high quality products and services to the consumers.



**European Steel Tube Association (ESTA)**. ESTA is the European Steel Tube Association, established in order to monitor the market, issue statistical reports on production per country, and to inform its members on major strategic issues affecting the industry, with particular focus on economic, environmental and social sustainability.



**The Welding Institute**. TWI provides services related to pipe welding technology and settlement of any potential problems regarding all production stages. The Organisation provides high quality guidance to its members and technical advise on specialised topics and projects, and confirms the techniques used in the working environment.

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**European Pipeline Research Group (EPRG)**. EPRG is a certified organisation of European gas pipeline manufacturers and companies. The research team deals with the issues of technical integrity of gas pipelines, as well as pipe construction, operation and maintenance.





### **10.7 Awards and Distinctions**

### Awards "Bravo! 2012"

During the event Bravo! 2014, organised on Thursday, March 27 in Athens, there were presented the results of

the evaluation of Sustainability Reports published till the end of 2013. According to the results, CORINTH PIPEWORKS' Corporate Responsibility and Sustainable Development Report was distinguished in five (5) categories:

- Management and Governance
- Engaging Stakeholders and Materiality
- Management of the Environment
- Labour
- Society





The total score received by CORINTH PIPEWORKS in the aforementioned categories also **distinguished the Company in the category of "Best Overall Reports"**!

The above distinctions are recognition of the efforts the Company makes to operate in a socially responsible manner, to contribute to the development of communities in which it operates and to respect the needs and the expectations of the employees, investors, customers, suppliers, state bodies, as well as the rest of its other stakeholders.

The program «Bravo!» aims to involve a large number of stakeholders in an open dialogue and familiarise them with the principles of Social Responsibility, providing, through benchmarking, added value to organisations and companies that issue Reports and invest in CSR. The program records their views and conducts open dialogue, thus facilitating further development and encouragement of systematic recording of economic, social and environmental impacts of the organisations.

### Award for the Corporate Responsibility and Sustainable Development Report from the University of Aegean

Also, CORINTH PIPEWORKS' Corporate Responsibility and Sustainable Development Report 2012 earned praise from the University of Aegean in terms of the extent to which it effectively implemented the International Reference Standard for CSR GRI-G3.1 Global Reporting Initiative (GRI).

The Centre for Environmental Policy and Strategic Environmental Management of the Department of Environment at the University of the Aegean reviewed Greek Corporate Social Responsibility Reports, which were prepared and published in conformance with the guidelines of the International Organisation, Global Reporting Initiative (GRI-G3 Edition).

### 10.8 Performance against Targets for 2013

CORINTH PIPEWORKS sets targets per Axis of Corporate Responsibility on an annual basis. In particular, the Company's performance for 2013 includes the following:

1	fargets per Corporate Responsibility Axis	Performar 2013	ice Remarks-Comments
€	<b>Corporate Governance</b> Conducting analytical and structured risk assessment and to identify any potentiarisks which the Company has either not identified so far or the risks arising from it internal procedures.		See Chapter 9. Corporate Governance, § Internal Control System and Risk Management System
	Senior executives' training on transparency and corruption issues.	0	2 hour training program was conducted for CSR Team on issues of corporate governance, transparency and corruption.
	Marketplace Incorporating CSR issues in customer satisfaction survey.	0	Two more questions were added to the survey concerning CSR programs implementation in the Company, the new survey will be effective in 2014.
	Increasing the percentage of customers' responses to satisfaction survey to 50% within the next two years.	%	See Chapter 6.5 Customers and Suppliers, § Customer Satisfaction Survey. The scheduled target will be achieved within 2014.
	Incorporating additional Corporate Responsibility issues in suppliers' evaluatio form.	n 🌀	The target was not achieved since it is in essence, incorporated in the Program of Responsible Procurement Management that the Company is planning to develop in 2014.
	Human Resources CSR Team's Training on policies and procedures related to issues of human right and equal opportunities.	ts 🎯	2 hour training program was conducted on issues of Human Rights for 20 Directors and Executives, including the members of CSR Team.
***	Implementing special procedures in respect of the following issues: • Human Rights • Equal opportunities in employment.	0	Procedures were developed regarding protection of human rights and equal opportunities in employment. See Chapter 7.1 CORINTH PIPEWORKS Human Resources.
	<b>Occupational Health and Safety</b> Taking measures to improve the quality of the workplace: fitting filters and hood at plasma cutting points to reduce dust emissions by 20%.	ls 🌀	The filters and hoods were fitted; however, in 2013 the Company did not receive any orders regarding the implementation of such systems. Therefore, no comparative evidence has arisen in order to verify reduction in dust emissions by 20%.
	Increasing emergency drills (evacuation, fire, leakage, accident, etc.) by 50%.	0	See Chapter 7.2 Occupational Health and Safety at CORINTH PIPEWORKS
	Increasing internal audits on Health, Safety and Environment by 5%.	0	Internal audits on Health, Safety and Environment increased by 3%. See Chapter 7.2 Occupational Health and Safety at CORINTH PIPEWORKS
	Increasing training hours per employee by 5%.	0	Training hours per employee increased by 23.1%. See Chapter 7.2 Occupational Health and Safety at CORINTH PIPEWORKS

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# 10. Strategic Approach to CSR

Pe Targets per Corporate Responsibility Axis	erformano 2013	ce Remarks-Comments
<b>Environment</b> Designing and constructing a special area for storing welding waste.	0	CORINTH PIPEWORKS is at the stage of completing the construc- tion works.
Increasing training hours on environmental protection issues per employee by 5%.	0	Training hours on environmental protection issues per employee increased by 55.5%.
Performing noise and air quality measurements around the plant.	0	See Chapter 8. Responsibility for the Environment, § Noise Management.
<b>Society</b> Developing procedures in order to improve the healthcare system of the local com- munities, in cooperation with other organizations and companies operating in the industrial area of Thisvi.	0	The initiative cannot be performed due to legal restrictions.
Developing procedures in order to monitor systematically the implementation of initiatives to support the local communities.	0	See Chapter 7.3 Contribution to the Society.
Target fully met 💿 Target partially met 🎯	Target not	met

### 10.9 Our Targets for 2014

### **Targets per Corporate Responsibility Axis**

### **Corporate Governance**

Reviewing the Company's Policies based on the results, arising from risk evaluation conducted by an independent body.

#### Marketplace

Increasing the percentage of customers' responses to satisfaction survey to ensure that in the end of 2014 it stands at 50%.

Developing the comprehensive Program of Responsible Procurement Management.

### **Human Resources**

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Improving the terms of the additional healthcare program in respect of hospital medical treatment and including the protected family members of the employees.

Reviewing the framework of internal communication in the Company and developing relevant procedure.

### **Occupational Health and Safety**

Implementation of 5S Methodology at the Company's facilities.

Maintaining the level of training hours on Health and Safety issues at 4.37 hours per employee.

### Environment

Reducing waste disposal in relation to total waste generated by the plant by 1%.

Increasing training hours on environmental protection issues per employee by 5% as compared to 2013.

### Society

Organising educational visits for the pupils of the schools in Thisvi Municipality in the context of the program "Living Without Litter" implemented by Hellenic Recycling Center.

Organising Seminars on First Aid for the citizens of Municipal Region of Thisvi in collaboration with the Red Cross.



# 11. Group Financial Data and Corporate Responsibility Key Performance Indicators

The Key Financial Data of CORINTH PIPEWORKS Group of Companies are presented below.

Consolidated Financial Results (amounts in Euro thousand)	2011	2012	2013
Revenue	264,144	234,666	165,365
Gross Profit	41,360	44,136	22,386
Earnings before Interest, Taxes, Depreciation & Amortisation (EBITDA)	18,076	21,250	4,637
Earnings before Interest and Taxes (EBIT)	6,758	9,609	-3,588
Profits before Taxes	6,814	11,780	-3,420
Earnings after Taxes and Minority Interest	5,627	9,656	-6,138
% change (evolution of Key Figures)	2011	2012	2013
Revenue	70.4%	-11.2%	-29.5%
Gross Profit	26.3%	6.7%	-49.3%
Earnings before Interest, Taxes, Depreciation & Amortisation (EBITDA)	26.7%	17.6%	-78.2%
Earnings before Interest and Taxes (EBIT)	130.6%	42.2%	-137.3%
Profits before Taxes	135.8%	72.9%	-129%
Earnings after Taxes and minority Interest	462%	71.6%	-163.6%
Profit Margins (%)	2011	2012	2013
Gross Profit	15.66%	18.8%	13.5%
Earnings before Interest, Taxes, Depreciation & Amortisation (EBITDA)	6.84%	9.1%	2.8%
Earnings before Interest and Taxes (EBIT)	2.56%	4.1%	-2.2%
Profits before Taxes	2.58%	5.0%	-2.1%
Earnings after Taxes and Minority Interest	2.13%	4.1%	-3.7%
Consolidated Statement of Financial Position Data (amounts in Euro thousand)	2011	2012	2013
ASSETS			
Fixed Assets	133,279	127,896	140,362
Inventory	63,673	54,282	58,031
Trade and other Receivables	64,543	54,282	58,031
Other Current Assets	15,164	142	1,335
Cash and Equivalents	23,334	27,506	41,070
TOTAL ASSETS	299,993	257,269	291,199
EQUITY AND LIABILITIES			
Long-term Borrowing	9,000	12,000	52,549
Other Long-term Liabilities	13,836	13,613	16,142
Short-term Borrowing	55,245	26,250	1,450
Other short-term Liabilities	70,530	40,535	64,758
Total Liabilities	148,611	92,397	134,899
Total Shareholders' Equity	151,382	164,871	156,301
Minority Interest	-	-	-
		444.074	456 204
Total Equity	151,382	164,871	156,301

Consolidated Cash Flows (amounts in Euro	o thousand)	2011	2012	2013
Operating Cash Flows		-35,172	18,696	8,778
Investment Cash Flows		-433	-74	-18,697
Financing Cash Flows		37,526	-14,334	23,685
Total Cash Flows		1,921	4,288	13,765
Year Opening Cash and Cash Equivalents		21,516	23,334	27,506
Currency Exchange Differences		303	-102	-201
Year Closing Cash and Cash Equivalents		23,334	27,506	41,070
Financial Ratios		2011	2012	2013
LIQUIDITY				
Current Ratio	Times	1.33	1.94	2.28
Quick Ratio	Times	0.82	1.22	1.50
ACTIVITY				
Inventory Turnover	Days	104	91	129
Accounts Receivable Turnover	Days	89	84	128
Accounts Payable Turnover	Days	106	52	115
VIABILITY				
Interest Coverage Ratio	Times	2.23	3.06	-1.66
Debt/Equity Ratio	Times	0.98	0.56	0.86





11. Group Financial Data and Corporate Responsibility Key Performance Indicators

### **Corporate Responsibility Key Performance Indicators Table**

CORINTH PIPEWORKS key indicators regarding its financial, environmental and social performance are presented below:

Economic Growth	2011	2012	2013
Net Sales (in thousand Euro)	250,410	211,992	157,309
Net Profit (in thousand Euro) – before taxes	5,216	4,233	-3,079
Net Profit (in thousand Euro) — after taxes	4,316	3,447	-5,611
Total Assets (in thousand Euro)	131,265	121,423	133,475
Total Capitalization (in thousand Euro) Equity	146,893	153,822	148,151
Loans	64,245	38,250	53,999
Operating Costs (in thousand Euro)	245,910	207,320	165,237
Payments to Capital Providers (in thousand Euro)	56,730	62,620	103,570
Total Payments to Governmental Bodies (taxes paid) (in thousand Euro)	2,631	1,418	2,028
Net Profit per Share (in Euro)	0.0348	0.0279	-0.0452
Human Recourses	2011	2012	2013
Number of Employees	420	400	393
Training Man-hours (training x hours)	3,929	4,812	3,721
Training Cost (in Euro)	55,771	71,702	41,144
Minor Accidents (that did not result absence from work)	19	12	13
Injuries (that resulted absence from work)	8	2	6
Near Misses*	41	29	30
Absence - Lost Days due to Illness (maternity leave not included)**	1,096	92	268
Accident Frequency Rate (Accidents with lost work time X 106/ Total man-hour	s worked) 7.8	2.04	6.83
Accident Severity Rate (Lost work hours x 10 <sup>3</sup> /Total man-hours worked)**	7.14	0.63	2.03
Number of Fatalities	0	0	0
Number of Occupational Diseases	0	0	0
Marketplace	2011	2012	2013
Payments to Suppliers (in thousand Euro)	229,366	189,926	150,331
Customer Complaints (number)	1	0	0

Note: Figures in brackets in the table above represent negative numbers.

<sup>\*</sup> The apparent increase in near-miss accidents in 2011 simply indicates an increase in reporting of incidents.

<sup>\*\*</sup> According to Company's policy the number of lost days are recorded only in the year in which the accident occurred, even if the employee remains off work and the next year. For that reason the 2011 Accident Severity Rate is revised.

Environment	2011	2012	2013
Total thermal Energy Consumption (MWh)	6,228	5,345	4,840
Total Thermal Energy Consumption (Gj)	22,422	19,241	17,425
Specific Thermal Energy Consumption (MWh/tn of product)	0.025	0.028	0.033
Total Electric Energy Consumption (MWh)	25,393	26,979	21,431
Specific Electric Energy Consumption (MWh/tn of product)	0.103	0.139	0.146
Direct CO <sub>2</sub> Emissions (tn)	1,480	1,260	1,140
Indirect CO <sub>2</sub> Emissions (tn)	22,600	23,741	17,573
Total CO <sub>2</sub> Emissions (tn)	24,080	25,001	18,713
Society	2011	2012	2013
Employees from the Local Community (%)	88	86.8	86.5
Voluntary Employee Blood Donations (units)	86	66	63
Total Sponsorship Amount (Euro)	43,079	79,191	79,972

\* The calculated quantity of direct emissions is based on the consumption of the following: production LPG consumption, heating oil consumption and diesel consumption (forklifts and transportation trucks).

 $0.82 \text{ Kg CO}_2$  / KWh rate was used for calculating CO<sub>2</sub> emissions in 2013.

0.88 Kg  $CO_2$  / KWh rate was used for calculating  $CO_2$  emissions in 2012.

 $0.89 \text{ Kg CO}_2/\text{KWh}$  rate was used for calculating CO<sub>2</sub> emissions in 2011 (revised).

The methodology for calculating emissions is based on the principles established by GHG Protocol of the International World Resources Institute (WRI).





### API 5L / Production of Oil and Gas Steel Pipes



API 5CT / Production of Steel Pipes for Casing Applications


# Hollow Structural Sections Certification / EN 10219-1

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# Accreditation according to ELOT EN ISO/IEC 17025 by the National Accreditation System









# 12. Quality Certifications

#### **Quality Management Systems**

#### API Q1



#### ISO/TS 29001



ISO 9001



# Accreditation Systems of Quality Procedures and Welding Control



# AD 2000-Merkblatt W 0

#### AD 2000-Merkblatt HP 0

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#### **DIN EN ISO 3834-2**

Certificate	GL
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# 13. General Information about the Report

CORINTH PIPEWORKS Annual Financial and Sustainable Development Report (Annual Report 2013) describes how the Company responds to the current economic, environmental and social challenges, while, at the same time, contribute to Sustainable Development. For the first time, the report is presented in an unified edition, including financial and non-financial data.

#### **Report Boundary and Scope**

CORINTH PIPEWORKS Annual Financial and Sustainable Development Report is published per annum and covers the Company's operations as a whole. Given that the main productive activity of CORINTH PIPEWORKS is developed in Greece and, therefore, the most significant issues - as occurred following the materiality analysis – concern the Company's facilities in Greece, the chapters describing the axes of actions for Sustainable Development do not include data related to subsidiaries, potential joint ventures, partners, suppliers or other third parties. The remaining chapters record some information related to CORINTH PIPEWORKS Group of Companies in order to facilitate the reader to obtain a broader view of the Group's operations.

- The terms "the Company", "CORINTH PIPEWORKS" refer to the Societe Anonyme
- The term "the Group" refers to CORINTH PIPEWORKS and its subsidiaries in Greece and abroad.

Annual Report 2013 (for the period 1/1/2013 – 31/12/2013) constitutes the sixth consecutive annual publication of Corporate Responsibility and Sustainable Development Report at CORINTH PIPEWORKS. All the previous Corporate Responsibility and Sustainable Development Reports of the Company are available on http://www.cpw.gr (section Corporate Responsibility / Corporate Responsibility and Sustainable Development Reports of the Sustainable Development Reports). Respectively, all the previous Annual Financial Reports are available in the section Investor Relations/ Annual Reports.

#### **Restrictions and Significant Changes**

CORINTH PIPEWORKS Annual Financial and Sustainable Development Report 2013 covers a wide range of issues relating to economic, environmental and social impacts of the Company, and there are no specific restrictions on the scope or boundary of the Report. Moreover, no acquisitions, disposals, joint ventures and other activities have occurred that affect the comparability of the data on year to year basis.

No significant changes have been made to the scope, boundaries or methods of evaluation used in the current Annual Report 2013 apart from some points where additional data, referring to CORINTH PIPEWORKS Group of Companies, is presented. In cases, where revisions have occurred, specific reference has been made to individual units, tables or diagrams as well as clarification of the reasoning behind revising the respective items. Furthermore, no significant changes have been made to the size, structure or ownership of the Company, which may affect the content of the Report for the year 2013.

#### **Project Team**

Corporate Responsibility Team, a special team of executives from the relevant departments, was formed in order to compile the Report. The team's primary task was to collect the required information regarding the fields of Corporate Responsibility at CORINTH PIPEWORKS. The members of the CORINTH PIPEWORKS Corporate Responsibility Team are: Team Coordinator: Sofia Mylothridou.

Executives from relevant departments: Theofanis Alexopoulos, Nikos Voudouris, Efthimios Dourdounis, Sophia Zairi, Stefanos Katsoulas, Loukas Katsoulis, Thanassis Kotzakaris, Alexandros Kourvas, Eirini Bellou, Yiannis Papadimitriou, Nikos Sarsentis, Thanassis Tazedakis and Alexandros Fafoutis.

#### Methodology

CORINTH PIPEWORKS Annual Financial and Sustainable Development Report for the year 2013, was prepared in accordance with the guidelines on CSR/ Sustainability Reports issued by the international Global Reporting Initiative

Organisation (GRI – G3.1 Guidelines). The following principles were applied under the preparation of the current Report in order to determine its content:

- Principle of "Materiality"
- Principle of "Stakeholder Inclusiveness"
- Principle of "Sustainability Context" Principle of "Completeness"

In respect of sound determination of the Report's content, the Company's Corporate Responsibility Team, updated the significant issues involved (materiality analysis). The materiality analysis' outcomes are presented in the Chapter "Strategic Approach to CSR".

CORINTH PIPEWORKS Annual Report 2013 was compiled with the support and under expert guidance (data processing, evaluation and texts writing) of Grant Thornton Greece (www.grant-thornton.gr).



#### **External Verification**

We recognize the added value of external verification of the Annual Report 2013 since the Company's accountability to its stakeholders in terms of quality and reliability is increased through external verification. Therefore, apart from external verification of our Financial Data by Certified Public Accountants, for the second consecutive year, CORINTH PIPEWORKS has opted for external verification of the information contained in the chapters "Occupational Health and Safety at CORINTH PIPEWORKS" and "Responsibility for the Environment" by an independ-ent external certification association. The conclusions and comments that arose from the process of external verification are used by the Company in order to improve the quality of its future Reports. The unit "Report and External Verification Statement" of the Annual Report 2013 presents cited the application level of the GRI G3.1 Indicators as well as the Report of the independent certification association.

#### Sources of Information

The CSR data and information and information presented were collected based on recording procedures applied by the Company, as well as through its databases. The methodology for collecting and presenting the data is based on the Indicator Protocols GRI-G3.1 (GRI Indicator Protocols). In cases where the data was processed or is based on assumptions, reference is made regarding the way or the method of calculations, according to the guidelines of the Global Reporting Initiative (GRI – issue G3.1).

Updated or additional information regarding CORINTH PIPEWORKS is available either from the Company's Corporate Responsibility Team or on the Company's website www.cpw.gr.

#### Contact

We warmly welcome any questions, queries or proposals for further improvement, since your opinion is of great value to us. You are kindly requested to send any feedback, comments or the attached feedback form (pages B15-B16) to the following address, thus actively contributing to our improvement and further development.

#### **CORINTH PIPEWORKS Group of Companies**

Sofia Zairi Head of Investor Relations 33 Amaroussiou-Halandriou Str., 15125 Maroussi, Greece Tel.: +30 210 6787537 E-mail: ir@cpw.vionet.gr www.cpw.gr

#### **CORINTH PIPEWORKS S.A.**

Sofia Mylothridou Head of Corporate Responsibility 33 Amaroussiou-Halandriou Str., 15125 Maroussi, Greece Tel.: +30 210 6787537, +30 6974 402082 E-mail: info@cpw.vionet.gr www.cpw.gr



14. International Standards Compliance Tables

#### Global Compact and GRI-G3.1 Linkage Table

CORINTH PIPEWORS supports the Principles of Global Compact. The following table presents the linkage between the GRI-G3.1 indicators and the relative Global Compact's Principles.

Area	Global Compact Principles	<b>GRI-G3.1 Indicators</b>
Human Rights	Principle 1: Businesses should support and respect	EC5, LA4, LA6-9, LA13, LA14,
-	the protection of internationally proclaimed human rights	HR1-11, SO5, PR1, PR2, PR8
	Principle 2: Businesses should make sure that they	HR1-11, S05
	are not complicit in human rights abuses	
Labour	rinciple 3: Businesses should uphold the freedom	LA4, LA5, HR1-3, HR5, SO5
	of association and the effective recognition of the	
	right to collective bargaining	
	Principle 4: Businesses should uphold the	HR1-3, HR7, S05
	elimination of all forms of forced and compulsory labour	
	Principle 5: the effective abolition of child labour	HR1-3, HR6, SO5
	Principle 6: the elimination of discrimination in respect	EC7, LA2, LA13, LA14, LA15,
	of employment and occupation	HR1-4, S05
Environment	Principle 7: Businesses should support a precautionary	EC2, EN18, EN26, EN30, SO5
	approach to environmental challenges	
	Principle 8: Businesses should undertake initiatives	EN1-30, SO5, PR3, PR4
	to promote greater environmental responsibility	
	Principle 9: Businesses should encourage the development	EN2, EN5-7, EN10, EN18,
	and diffusion of environmentally friendly technologies	EN26, EN27, EN30, SO5
Anti-Corruption	Principle 10: Businesses should work against	S02-6
	corruption in all its forms, including extortion and bribery.	

# GRI Indicators Application Level in the Report

In the Annual Financial and Sustainable Development Report 2013, CORINTH PIPEWORKS has met the requirements for an "A+" Application Level, according to the Global Reporting Initiative's G3.1 reporting guidelines. In order to increase the quality of accountability and transparency, CORINTH PIPEWORKS assigned an external verification organisation to verify its Application Level. The external verification organisation's statement is presented below after the following table.



# GRI-G3.1 Indicators Table and Linkage with Oil and Gas Industry Guidance on Voluntary Sustainability Reporting

The table below presents the correlation between the GRI-G3.1 indicators disclosed in this Report and related indicators in the Oil and Gas industry guidance on voluntary sustainability reporting. The specific handbook is the result of collaboration by IPIECA (Global Oil and Gas Industry Association for Environmental and Social Issues), API (American Petroleum Institute) and OGP (International Association of Oil and Gas Producers).

Oil and Gas Industry Guidance on Voluntary Issue Areas Sustainability Reporting Indicators GRI G3.1 Indica				
Environment	E1	EN16, EN17, EN18		
Livionient	E2	EN3, EN4, EN5, EN7		
	E3	EN6		
	E4	EN16		
	E5	EN11, EN12, EN13, EN14		
	E6	EN8, EN9, EN10		
	E7	EN19, EN20		
	E8	EN23		
	E9	EN21		
	E10	EN22		
Health & Safety	HS1	LAG		
	HS2	LA8		
	HS3	LA7		
	HS4	PR1, PR2, PR3, PR4, PR6		
Human Resources, Society, Economy	SE1	S01		
numan nesources, society, economy	SE2	S01		
	SE3			
	SE4	EC1, EC8, SO1		
	SE5	EC6, EC7, S01		
	SE6	EC7, EC9		
	SE7	EC6		
	SE8	HR1, HR3		
	SE9	HR2		
	SE9	HR8		
	SE10	S02, S03, S04		
	SE12	S02		
	SE12	EC1		
	SE15	S05, S06		
	SE15	LA13		
	SE15	LAG, LA9		
	SE17	LA10, LA11, LA12		
	SE17	HR4		







## **Independent External Verification Report**

#### To: Management of CORINTH PIPEWORKS S.A.

#### **1. Independent Verification Report**

The company CORINTH PIPEWORKS S.A. (hereafter CPW) has commissioned TÜV HELLAS S.A. to provide external assurance on the Corporate Social Responsibility Report 2013 of CPW for the year that ended on December 31, 2013.

#### 2. Scope of the verification project of the Corporate Social Responsibility Report

Scope of the assurance project is the provision of a limited level of assurance of the accuracy of the claims mentioned in the sections "Occupational Health & Safety" and "Environmental" (corporate report section 7 "Health and Safety" and section 8 "Environment").

#### **3. Conclusions of TÜV HELLAS**

According to the project scope and under the assurance procedures, followed by TÜV HELLAS, it is concluded that:

- No misstatement of assertions and statements contained in Chapters "Occupational Health & Safety" and "Environmental" (corporate report section 7 "Health and Safety" and section 8 "Environment") have come to the attention of TÜV HELLAS.
- No errors in data collection at CPW nor in transferring data in the Corporate Social Responsibility Report, which may materially affect the claims as presented in the "Occupational Health & Safety" and "Environmental", have come to the attention of TÜV HELLAS.

## 4. The basic steps for the Verification

In order to arrive at the above conclusions, TÜV HELLAS followed the below mentioned procedures:

- The procedures followed by CPW in order to identify and define important issues to be included in the chapters "Occupational Health & Safety" and "Environmental" (corporate report section 7 "Health and Safety" and section 8 "Environment").
- Selected executive personnel of CPW who have functional responsibility in Corporate Social Responsibility matters were interviewed in order to understand the administrative structure of managing matters of Health and Safety and Environment as part of the Corporate Social Responsibility.
- The contents of the chapters "Occupational Health & Safety" and "Environmental", were reviewed in comparison to the findings of the above steps, and improvements in the Corporate Social Responsibility Report were recommended where deemed necessary.

## 5. Limitations of the Review

- The range of the review was limited to the activities of CPW in Greece.
- The review was limited to the activities of the CPW Headquarters. No visits were performed at the subsidiaries of the Group and therefore no conclusions regarding the procedures for data collection relating to the subsidiary level can be provided.
- In case of any discrepancy in the translation between Greek and English version of Corporate Social Responsibility, the Greek version shall prevail.

The review is not aimed at ensuring the adequacy of the circumscribed policies or the effectiveness of the
operation of the circumscribed measures, but is limited to the information provided in the chapter "Occupational Health & Safety" and "Environmental" (corporate report section 7 "Health and Safety" and section 8
"Environment").

#### 6. Verification Standard and Evaluation Criteria

The review for the Corporate Social Responsibility Report 2013, for the year that ended on December 31, 2013 was conducted by verifiers in accordance with TÜV HELLAS's Corporate Social Responsibility Certification Protocol, based on the GRI-G3.1 guidelines.

The assessment of the claims and data of the chapters "Occupational Health & Safety" and "Environmental" (corporate report section 7 "Health and Safety" and section 8 "Environment"), was based on the following criteria:

- Completeness: with regard to the data of the Chapters "Occupational Health & Safety" and "Environmental", as defined by the limits and the period of the Corporate Social Responsibility Report.
- Accuracy: regarding the allegations with regard to the data of the Chapters "Occupational Health & Safety" and "Environmental", for the sustainability performance of CPW in 2013 and the collection and transfer of data in the corresponding chapters.

#### 7. Responsibilities and Functions

The Team for Corporate Social Responsibility of CPW carried out the Corporate Social Responsibility and Sustainable Development Report that is addressed to the interested parties, thus, is responsible for the information and statements contained therein. Responsibility of TÜV HELLAS is to express the independent conclusions on the issues as defined in the project scope and in accordance with the relevant contract. The project was conducted in such a way so that TÜV HELLAS can present to CPW's Administration the issues mentioned in this report and for no other purpose.

#### 8. Impartiality and Independence of the verification team

TÜV HELLAS states its impartiality and independence in relation to the project of assuring the Corporate Social Responsibility Report of CPW. TÜV HELLAS had not undertaken work with CPW and did not have any cooperation with the interested parties that could compromise the independence or impartiality of the findings, conclusions or recommendations. TÜV HELLAS was not involved in the preparation of the text and data presented in the Corporate Social Responsibility Report.

N. Paparoupas CSR Product Manager

For TÜV HELLAS

Athens, 9/5/2014

S. Peltekis **General Manager** 

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#### Statement on the Level Check

The certification body TÜV HELLAS, has been assigned by the management of CORINTH PIPEWORKS S.A., to conduct the Level Check, according to the GRI G3.1 Guidelines Sustainability Reporting, referring to the Corporate Social Responsibility Report of CORINTH PIPEWORKS S.A. for 2013.



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The Level Check was conducted based on the corresponding correlation table of GRI Indicators stated by CORINTH PIPEWORKS S.A. in its Corporate Social Responsibility Report, in order to confirm the company's compliance to the requirements of the GRI G3.1 for A (+) Level\*.

The Level Check conducted, does not represent TÜV HELLAS opinion related to the quality of Corporate Social Responsibility Report and its contents.

The Level Check conducted by TÜV HELLAS, according to the Guidelines of the GRI's Sustainability Reporting, verifies the compliance of the CORINTH PIPEWORKS S.A. Corporate Social Responsibility Report for 2013 to the re-

quirements of the GRI's G3.1 for A (+) Level.

\*The (+) on the Level Check, refers to the external assurance of the Chapters "Occupational Health & Safety" and "Environment", conducted by TÜV HELLAS.



**N.** Paparoupas **CSR** Product Manager

Athens, 9/5/2014

For TÜV HELLAS

**General Director** 

S. Peltekis

Ageneny

# 16. Annual Financial Report

# Invitation to the General Ordinary Shareholders' Meeting

## NOTICE

OF ANNUAL GENERAL MEETING TO THE SHAREHOLDERS OF CORINTH PIPEWORKS, S.A. PIPES INDUSTRY AND REAL ESTATE Company's No: 1343/06/B/86/35 in the Reg. of S.A. G.E.M.I. No 264701000 (Gen. Electronic Com. Reg.)

In compliance with the provisions of the Law and the Articles of Association of the Company, the Shareholders of CORINTH PIPEWORKS, S.A., PIPES INDUSTRY AND REAL ESTATE are hereby invited, by the Board of Directors, to attend the Company's Annual General Meeting, to be held on Tuesday, May 27, 2014 at 13:00 hours at the PRESIDENT HOTEL, 43 Kifissias Avenue, Athens.

## AGENDA

- 1. To approve the annual financial statements for the Company's financial year 2013, as well as the reports of the Directors and the Certified Auditors on them.
- 2. To discharge the members of the Board of Directors and the Certified Auditors from any responsibility for damages for the financial year 2013.
- 3. To appoint Certified Auditors, as well as the substitutes of them, for the financial year 2014 and fix their remuneration.
- 4. To elect the members of a new Board of Directors.
- 5. To appoint the members of the inspection committee, according to article 37 of L.3693/2008.
- 6. To approve Directors' remuneration, following art.24 par.2 of L.2190/20.
- 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 22/05/2014 (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 24/05/2014 at the latest, namely on the third (3rd) day before the holding of the General Meeting and vote only whoever has the capacity to act as a shareholder at 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

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# 16. Annual Financial Report

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 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 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.cpw.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 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 ap-

plication reaches the Board until 12/05/2014 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 14/05/2014 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 21/05/2014 namely six (6) 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 20/05/2014 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 21/05/2014, 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 21/05/2014, namely at least five days before the General Meeting, the Board of Directors should provide to the General Meeting information regarding the Company's business and assets. The Board of Directors can deny 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.

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

Athens, May 6, 2014 THE BOARD OF DIRECTORS

# **CORINTH PIPEWORKS S.A.**

# ANNUAL FINANCIAL REPORT

FOR THE PERIOD (1 January – 31 December 2013) (according to regulations of Article 4 of L.3556/2007)

Societe Anonyme Registration Number 1343/06/B/86/35 General Commercial Reg. Number 264701000 2-4 Mesogeion Ave. Athens

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Statement by the Members of the Board of Directors	Аррб
Board of Directors Report of the Company	App7
Explanatory Report of the Board of Directors	App <b>16</b>
Statement of Corporate Governance	App <b>18</b>
Statements of Financial Positions	App26
Independent auditor's report	App <b>30</b>

CORRINCT PIPEWORKS S.A. (Pipe Industry and Real Estate) Company's No in the Registry of S.A.: 1343/06/8/86/35 and General Commercial Reg. Number 264701000, Athens Tower, Building B', 2-4 Mesogeion Av., Athens Financial data and information for the period from January 1, 2013 to December 31, 2013 (published as per 1.2190/20, article 133, on companies preparing their annual financial statements, consolidated or not according to IFRS) The figures and information instrated below, and providing summary general information about the financial position and events of COMINI PIPEWORKS A. (Hourpary) and IS of COMINI Pier Works are uploaded. Or other transaction concerning the Company, to visit the Company is where the condensed interim financial statements used the with the report on the review, are uploaded. Website: www.cowy.cp. Bue do approval by Board of Directors: 26 March, 2014, Supervising authority: Ministry of Directors: Bakouris Konstantinos - Chairman, Fikioris Meletics - Vice Chairman, Vassilakis Adamandios -- Member, Staropoulos Ioannis - Member, Staropoulos Ioannis - Member, Galetas Nikolass - Member, Certified auditor: Michalatos Konstantinos, Audit firm: PRICEWATERHOUSECOOPERS, AUDIT FIRM, S. A., Review audit type: Unqualified opinion

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
Amounts in Euro	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
ASSETS         Tangible fixed assets         Investments in associated companies         Investments in subsidiary companies         Deferred tax assets         Financial assets         Inventories         Trade receivables         Cash and cash equivalents         Other assets <b>TOTAL ASSETS EQUITY AND LABILITIES</b> Share capital         Other equity items         Total equity of the owners of the parent company (a)         Minority interest (b)         Total equity ( $C$ =(a)+(b)         Long term loans         Provisions/other long term liabilities         Financial items         Short term loans         Short term loans	116,142,694 19,058,542 185,782 13,531 50,401,905 37,278,187 41,069,951 27,048,592 291,199,184 96,852,757 59,447,874 156,300,631 52,548,959 16,1141,703 50,431 1,450,000 143,622	103,774,215 18,779,478 14,79,478 14,934 47,442,623 44,746,200 27,505,880 14,804,936 <b>257,268,654</b> 96,852,757 <u>68,018,547</u> 164,871,304 12,000,000 13,612,749 109,343 26,250,000 143,622	116,081,203 1,073,950 11,345,179 13,531 48,736,975 36,887,310 39,182,199 28,933,061 282,253,408 96,852,757 51,298,374 148,151,131 52,548,959 16,358,016 50,431 1,450,000 143,622	103,735,194 1,073,950 11,345,179 141,934 47,258,124 43,134,408 22,871,079 14,573,804 <b>244,133,672</b> 96,852,757 56,969,334 153,822,091 153,822,091 153,822,091 13,891,974 109,343 26,250,000 143,622
Other short <sup>*</sup> term liabilities Total liabilities (d)	<u>64,563,838</u> 134,898,553	40,281,636 92,397,350	63,551,249	37,916,642 90,311,581
TOTAL EQUITY AND LIABILITIES (c) + (d)	291,199,184	257,268,654	282,253,408	244,133,672

STATEMENT OF CHANGES IN EQUITY Amounts in Euro	GROUP		COMPANY	
Amounts in Euro	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
Equity at the beginning of the period (1/1/2013 & 01/01/2012 respectively) Effect due to accounting policy change (1/1/2012) Total comprehensive income after tax (from continuing operations) <b>Equity at the end of the period (31/12/2013 and 31/12/2012 respectively)</b>	164,871,304 (8,570,673) <b>156,300,631</b>	151,382,235 396,343 13,092,726 <b>164,871,304</b>	153,822,091 (5,670,960) 148,151,131	146,893,232 396,343 6,532,516 <b>153,822,091</b>

CASH FLOW STATEMENT	GROUP		COMPANY	
Amounts in Euro	1.01 - 31.12.2013	1.01 - 31.12.2012	1.01 - 31.12.2013	1.01 - 31.12.2012
<b>Operating activities</b> Profit before taxes Adjustments for: Depreciation of trangible fixed assets Amortization of intangible assets (Gains) / losses from sales of tangible fixed assets	(3,420,032) 8,224,211 (104,074)	11,779,537 11,640,345 800 4,000	(3,079,418) 8,207,239 (104,074)	4,233,373 11,626,554 800 1,848
Additional tax on fixed assets (Gains) / losses of fair value of financial items in fair value through results Amortization of operating lease rentals Interest income Interest expense Provisions	(349) 949,808 89,803 (343,417) 3,423,475 44,174	183 82,719 (311,279) 3,450,253	(349) 949,808 89,803 (259,225) 3,397,000 44,174 339,438	183 82,719 (295,023) 3,447,721 175,805
Remuneration to retiring personnel Income from dividends Non-effective portion of derivatives Impairment of inventories Profit from associate companies Foreign exchange differences Changes in working canital	339,438 (56,209) 303,123 (4,767,494) (93,584)	175,805 (71,611) 2,373,776 (5,309,816) (9,975)	(4,844,155) (56,209) 198,646 -	(1,346,998) (71,611) 2,373,776 -
Changes'in working' capital Decrease / (increase) of inventory Decrease / (increase) of receivables Increase / (decrease) of flabilities (except loans) Increase / (decrease) of provisions Increase / (decrease) of the liabilities for remuneration to retiring personnel Increase paid	(3,262,405) (3,934,298) 17,841,558 (337,013) (3,686,653) (2,432,429)	13,856,488 24,999,553 (36,818,793) (541,000) (262,109) (3,927,268) (2,415,678)	(1,677,495) (7,274,752) 19,018,279 - (337,013) (3,660,178) (2,028,142)	13,526,057 18,967,050 (26,133,413) (541,000) (262,109) (3,924,736) (1,418,227)
Total cash (used in) generated from operating activities (a)	8,777,633	18,695,930	8,923,377	20,442,769
Investing activities Purchases of tangible fixed assets Sale of tangible fixed assets Sale of financial assets at fair value through profit or loss Purchase of financial assets at fair value through profit or loss Interest received Income from dividends Total cash (used in) generated from investing activities (b)	(20,593,834) 104,134 6,550,188) (7,501,788) 343,417 2,400,537 (18,697,354)	(1,716,179) 20,872 274,490 1,346,998 (73,819)	(20,553,311) 104,134 6,550,188) (7,501,788) 259,225 4,844,155 (16,297,405)	(1,669,674) 782 258,233 1,346,998 ( <b>63,661</b> )
Financing activities Proceeds from borrowings Repayment of borrowings Other short term financial liabilities Total cash / (used in) generated from financing activities (c)	115,658,384 (99,909,425) 7,936,189 <b>23,685,148</b>	32,699,998 (58,694,789) 11,660,906 (14,333,885)	115,658,384 (99,909,425) <u>7,936,189</u> <b>23,685,148</b>	32,699,998 (58,694,789) 11,660,906 (14,333,885)
Net (decrease) / increase in cash and cash equivalents (a)+(b)+(c)	13,765,427	4,288,226	16,311,120	6,045,223
Cash and cash equivalents at the beginning of the period Translation differences in cash and cash equivalents Cash and cash equivalents at the end of the period	27,505,880 (201,356) <b>41,069,951</b>	23,334,335 (116,681) <b>27,505,880</b>	22,871,079 	16,825,856 

# CORINTH PIPEWORKS S.A. (Pipe Industry and Real Estate)

Financial data and information for the period from January 1, 2013 to December 31, 2013 (published as per L.2190/20, article 135, on companies preparing their annual financial statements, consolidated or not according to IFRS)

		UP	COMPANY	
Amounts in Euro	1.01 - 31.12.2013	1.01 - 31.12.2012	1.01 - 31.12.2013	1.01 - 31.12.2012
Turnover         Gross profit         Profit before taxes, financing & investing results         Financing and investing results         Profit before taxes         Taxation         Profit after taxes (A)         Attributable to:         Other comprehensive income after tax (B)         Total comprehensive income after tax (A)+(B)         Attributable to:         Owners of the parent company         Minority interest         Other comprehensive income after tax (A)+(B)         Attributable to:         Owners of the parent company         Minority interest         Earnings per share after taxes - basic and reduced         Profit before taxes. financing & investing results and depreciation	165,364,869 22,386,444 (5,107,468) 1,687,436 (3,420,032) (2,717,573) (6,137,605) (6,137,605) (2,433,068) (8,570,673) (8,570,673) (8,570,673) -0.0494 4,636,558	234,666,474 44,136,446 9,608,697 2,170,840 11,779,537 (2,123,059) 9,656,478 3,436,248 13,092,726 13,092,726 13,092,726 0.00778 21,249,842	157,308,652 21,257,045 (4,785,798) 1,706,380 (3,079,418) (2,531,453) (5,610,871) (5,610,871) (5,610,871) (5,670,960) (5,670,960) (5,670,960) 0.0452 4,941,257	211,991,727 39,105,178 6,039,070 (1,805,697) 4,233,373 (785,967) 3,447,406 3,447,406 3,447,406 6,532,516 6,532,516 6,532,516 0,0278 17,666,424
Additional data and information: 1. The companies of the Group with their respective countries of residence and percentage		Participation	Percentage holding	Country
holdings, included in the consolidated financial statements: <b>Full consolidation method:</b> CPW America Co HUMBEL Ltd WARSAW TUBULAR TRADING SP.ZO.O. <b>Equity consolidation method:</b> ZAO TMK-CPW DIAVIPETHIV S.A. 2. The financial statements of the company, are consolidated in the full consolidation method in the financial statements.		Indirect Direct Direct Indirect Direct	100% 100% 100% 49.00% 21.75%	USA CYPRUS POLAND RUSSIA GREECE

2. The financial statements of the company are consolidated in the full consolidation method in the financial statements of SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A. seated in Greece, which participates in the company's share capital with 78.55%. The consolidated financial statements of SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A. are consolidated in the financial statements of Viohalco S.A incorporated in Belgium.

At the balance sheet date, there were lawsuits against the Company (and the Group) amounting to Euro 526,088. Against the above mentioned cases provisions have been formed whenever deemed necessary. The Company and the Group have formed provisions for tax unaudited fiscal years amounting to Euro 50,000 and other provisions amounting to Euro 986,555 for the company and the Group.

4. The encumbrances on the Company's fixed assets amount to Euro 0 (2012: Euro 73,200,000) have been filed against the Group's and the Company's real estate At 31/12/2013 are pending mortgages amounting to Euro 56,760,000, related to debentures (see note 6 of the financial statements).

5. In 2010, the Company has made an impairment to a receivable of (\$ 24,864,102 or Euro 18,627,586) due to its overdue status. On 31/12/2013, the same amount is valuated at Euro 18,039,688. While Company's judicial actions, both in Greece and other jurisdictions, for the collection of the aforementioned debt are ongoing and while no final judgments have been issued, the Company considers that for the moment there is no reason to revise the provisions amounting to Euro 9,050,909 (2012: Euro 9,462,843) that has formed in its financial statements. Management estimates that potential loss will not exceed the impaired amount.

The application that was submitted by the Company on September 26th 2013 before. Dubai's Court of Cassation for review of the decision that ordered the set off between the Company's claim which was recognized by the court with res judicata and the customer's counterclaim which was raised by the latter under the legal action brought against him by the Company and which counterclaim is denied by the Company as fictitious, was accepted by the Court of Cassation which ordered the cancelation of the decision as regards to the customer's counterclaim and to refer the case back to the Court of appeal for review with new panel. Therefore, the Company believes that the likelihood of an outflow of resources from the outcome of the counterclaim of that customer versus the Company is remote. In order to ensure its rights, according to the decision taken by the First Instance Court of Athens during the procedures related to provisional and protective measures, the company imposed a prudent

In order to ensure its rights, according to the decision taken by the First Instance Court of Athens during the procedures related to provisional and protective measures, the company imposed a prudent attachment on the property of third party involved in the mentioned case.

For FY 2013 there were no changes regarding the collection of the due amount.

The company has been audited by the Tax Authorities until the Fin. Year 2007. The unaudited financial years concerning the Group's companies are presented in note 38 are of the financial statements.
 Number of employees at the end of the current period: Group 401, Company 394 (31/12/2012: Group 409, Company 401).

Cumulative amounts of sales and purchases, since the beginning of the year and the balances of receivables and payables of the Group and the Company at the end of the year, resulting from its transactions with associated parties, according to the IFRS 24, are as follows:

with associated parties, according to the IFRS 24, are as follows:		
(amounts in Euro)	GROUP	COMPANY
i) Sales of goods, services and fixed assets	11,084,404	55,980,335
ii) Purchases of goods, services and fixed assets	23,083,007	21,770,438
iii) Receivables from associated parties	15,062,207	16,950,013
iv) Payables to associated parties	3,758,481	3,589,521
v) Income from dividends	801,590	801,590
vi) Directors' & Managers' remuneration	2,400,537	4,844,155

9. In the Income Statement, in the account "Taxation", are included: provision for income tax, as well as deferred tax, which are illustrated below:

).	In the medine statement, in the account hazation, are included, provision for income tax, as well as defended tax, wh	ich alc mustrateu bei	0 .		
	(amounts in Euro)	GROUI	P	COMF	PANY
		31/12/13	31/12/12	31/12/13	31/12/12
	Income tax	-238,161	-2,954,474	-424	-1,635,346
	Deferred tax	-2,479,412	831,415	-2,531,029	849,379
10.	The other comprehensive income after tax are:	GROU	P	COM	PANY
		31/12/13	31/12/12	31/12/13	31/12/12
	Translation differences from investment in associates	(2,372,979)	351,137	-	-
	Loss after taxes arising from change of fair value of cash flow	(95,866)	3,319,485	(95,866)	3,319,484
	Actuarial gains/(losses)	35,777	(234,374)	35,777	(234,374)
	Other comprehensive income after tax	(2,433,068)	3,436,248	(60,089)	3,085,110
11.	The amount in the Balance Sheet, related to "Other equity items", includes reserves from the issuance of shares above	par amounting to Eur	o 27.427.850.		

The amount in the Balance Sheet, related to "Other equity items", includes reserves from the issuance of shares above par amounting to Euro 27,427,850.
 On 31/12/2013, there were pending lawsuits against third parties. It is impossible to reach a reliable estimation of future financial benefits from a positive outcome of the said cases.

12. Ot 3 1/12/2015, there were pending lawsuits against unite parties. It is impossible to reach a reliable estimation of future infancial benefits from a positive outcome of the said cases.
 Changes in the accounting policy, du to the adoption of the amended IAS 19, were made according to according to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Changes made in the comparative financial figures are presented in note 41 of the financial statements.

14. During the process of the revision of the fixed assets effective life, Management redefined the effective life of both buildings and machinery starting 01/01/2013 (analysis in notes 6).

15. According to par. 9 of Law 4110/2013, from 01/01/2013 the tax rate changed from 20% to 26%. Accordingly a reappraisal of prior year differed tax was made and an additional differed tax liability occurred affecting the results for the current period for an amount of Euro 3,592,657 for both Group and Company.

16. In December 2013 Corinth Pipeworks concluded the refinance part of the existing borrowings of the Group Corinth Pipeworks with the issuance of syndicated collateralized common bond loans totaling Euro 47.3 million (see note 18 of the financial statements).

THE CHAIRMAN OF THE BOARD OF DIRECTORS KONSTANTINOS BAKOURIS Id.C.No.: AB 649471 A MEMBER OF THE BOARD OF DIRECTORS IOANNIS STAVROPOULOS Id.C.No.: K 221209

#### Athens, March 26, 2014

THE GENERAL MANAGER **APOSTOLOS PAPAVASILIOU** Id.C.No.: AI 666035 THE FINANCIAL DIRECTOR IOANNHS DIMITRIOS PAPADIMITRIOU Id.C.No.: AA 035130 THE ACCOUNTING MANAGER PAVLOS KOYMPIS Id. C. No.: AB 589945 E.C.G. Licence No. 0018936 A Class

# Statement by the Members of the Board of Directors (in accordance with the article 4, par. 2 of Law 3556/2007)

Hereby, it is confirmed that to the best of our knowledge, the annual company and consolidated financial statements of "CORINTH PIPEWORKS S.A.", for year end 2013 (1/1/2013 – 31/12/2013), have been prepared in accordance with the International Financial Reporting Standards and provide a true and fair view of the assets, the liabilities, the own capital and the financial results of the company and the entities included in the consolidated financial statements, taken as a whole.

Furthermore, it is confirmed that to

the best of our knowledge, the full year Board of Directors' report presents in a true way the progress, the performance and the net equity position of the Company as well as the companies included in the consolidation in total, with a description of the major risks and uncertainties they confront.

Moreover, the full year Board of Directors' report contains the Statement of Corporate Governance, providing information as stipulated in the paragraph 3d article 43a of Codified Law 2190/1920.

#### Athens, March 26, 2014

The Chairman of BoD	Vice Chairman of BoD	A member of the BoD
Konstantinos Bakouris	Meletios Fikioris	Ioannis Stavropoulos
Id.C. No : AB 649471	Id.C. No : M 326615	Id C. No: K 221209

# BOARD OF DIRECTORS REPORT of the Company "CORINTH PIPEWORKS S.A." on the consolidated and the Company Financial Statements for the period 1/1/2013-31/12/2013

# Dear Shareholders,

Pursuant to the provisions of Law 3556/2007, of Law 2190/1920, the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission and the provisions of Law 3873/2010 we submit the Annual Consolidated Board of Directors Report of the company "CORINTH PIPEWORKS S.A." for the Consolidated and the Company Financial Statements of FY 2013.

# 1. Group Financial performance A) Significant events during 2013 *i*) New LSAW / JCOE pipe plant

During the 1st quarter of 2013 the Company signed a contract with with SMS Meer for the supply of a JCOE largediameter pipe mill for longitudinally welded pipes.

With this new pipe mill, Corinth Pipeworks is expanding its product range in order to meet the growing global demand for high-strength offshore and onshore energy pipes. The new mill will be able to produce LSAW (Longitudinal Submerged-arc Welded) pipes with outside diameters from 18 to 56 inches, wall thicknesses up to 40 mm and pipe lengths up to 18.3 m in high-strength steel grades up to X100. The annual capacity will be 400,000 tons of pipes. With the JCOE technology from SMS Meer, Corinth Pipeworks S.A., one of the leading pipe suppliers to the gas and oil industry, will be able to meet the stringent quality criteria for these highly stressed pipes. The LSAW pipes will be used in future in energy supply projects in the Mediterranean region, in the Gulf of Mexico, in Latin America, in West/East Africa and in the North Sea. Corinth Pipeworks already has an HFI welded pipe plant and a spiralwelded pipe plant from SMS Meer in operation. The mill is scheduled for commissioning at the beginning of 2015.

In order to finance the above investment plan, Corinth Pipeworks' has secured a 47.7 million Euro Ioan agreement with the German Bank COMMERZBANK. The Ioan is guaranteed by the German ECA, Euler Hermes Deutschland AG and will be repaid in 8.5 years starting from the completion of the investment.

# ii) Issuance of commom bond loan

During the 4th quarter of 2013, CORINTH PIPEWORKS issued new syndicated collateralized long-term bond loans amounting to 47,3 mil. Euro, with coarrangers the three major Greek Banks, NATIONAL BANK OF GREECE S.A., ALPHA BANK S.A. and EUROBANK ERGASIAS S.A. The loans, that represent approximately the 99,9% of the existing bank debt of the Company, have 5 years maturity with an option of 2 years extension.

# B) Operation analysis – financial data

Uncertainty and instability in the international markets endured throughout the FY 2013. The decrease in capital spending for infrastructure projects regarding extrac-

Table 1.1 KEY FINANCIAL RATIOS		
	G	ROUP
	31/12/2013	31/12/2012
General Liquidity		
Short term assets / Short term liabilities	2.28	1.94
Own Capital/Total Assets	54%	64%
EBITDA/Sales	2.8%	9.1%
Earnings per share	-0.0494	0.0779

\* EBITDA = Profit before taxes, financing & investing results and depreciation

tion and transmission of natural gas and oil, both in Europe and in other foreign markets, as well as the decrease in raw material prices, have been affected negatively annual results of CORINTH PIPEWORKS and resulted to decreased of sales, both volume and value wise and depressed profit margins.

*Sales*: Consolidated turnover amounted to Euro 165.4 million (2012: Euro 234.7 million), marking a 29.5% decrease. Sales of energy sector amounted to Euro 135.4 million (2012: Euro 210.6 million) or 35.7% decrease. On the other hand and despite the weakness of the European construction sector, sales of structurals amounted to Euro 30 million, that is 24.6% higher than 2012 (Euro 24.1 million).

*Gross Profit*: Consolidated gross profit decreased by 49.3% approximately versus the previous year and stood at Euro 22.4 million (2012: Euro 44.1 million). At the same time, gross margin was 13,5% versus 18.8% in FY 2012.

*Administrative Expenses*: They increased by 5,9%, (Euro 7.7 million versus Euro 7.3 million in FY 2012).

*Selling Expenses*: They amounted to Euro 16.9 million, marking a 32.6% decrease versus 2012. That is the result of lower direct selling costs (freight, fees to third parties etc.) due to correspondingly lower sales.

Financial Expenses (net): They

amounted to Euro 3.1 million marking a 1.9% decrease versus FY 2012.

Regarding the Russian energy market, we saw notable changes in the financial performance of Russian ZAO TMK-CPW, 49 % of which is held by HUMBEL Ltd.. Taking advantage of the vast Russian energy market, the said company generated earnings after tax of Euro 9.2 million (2012 Euro 10.2 million), marking a decrease of 9.6% versus FY 2012, basically due to the significant exchange rate difference.

Consolidated loss before tax amounted to Euro 3.4 million (Euro 11.8 million profit in FY 2012). The consolidated after tax loss amounted to Euro 6.1 million (Euro 9.7 million profit in FY 2012). Results after tax and minority interest has been also affected by the increase in state tax rate on corporate profits (from 20% to 26%) and the recalculation of the deferred tax balance for the Greek companies of the Group, which resulted to an ad hoc deferred tax loss of Euro 3.6 mil. recognized in the first quarter of 2013 and impacts the results of FY 2013.

During 2013, Corinth Pipeworks continued its efforts to maintain working capital in an efficient level. Specifically, net debt in 2013 amounted to Euro 32.5 million (2012: Euro 22.4 million). In addition, following the issuance of new common bond loan, long-term loans in 2013 amounted to Euro 52.5 million (2012: Euro 12.0 million). On the other hand short-term loans in 2013 stood at Euro 1.4 million (2012: Euro 26.3). Own equity is amounting to Euro 156.3 million showing a slight decrease against FY 2012 (Euro 164.7 million).

In 2010, the Company has made an impairment to a receivable of (\$ 24,864,102 or Euro 18,627,586) due to its overdue status. On 31/12/2013, the same amount is valuated at Euro 18,039,688. While Company's judicial actions, both in Greece and other jurisdictions, for the collection of the aforementioned debt are ongoing and while no final judgments have been issued, the Company considers that for the moment there is no reason to revise the provisions amounting to Euro 9,050,909 (2012: Euro 9,462,843) that has formed in its financial statements. Management estimates that potential loss will not exceed the impaired amount

The application that was submitted by the Company on September 26th 2013 before Dubai's Court of Cassation for review of the decision that ordered the set off between the Company's claim which was recognized by the court with res judicata and the customer's counterclaim which was raised by the latter under the legal action brought against him by the Company and which counterclaim is denied by the Company as fictitious, was accepted by the Court of Cassation which ordered the cancelation of the decision as regards to the customer's counterclaim and to refer the case back to the Court of appeal for review with new panel. Therefore, the Company believes that the likelihood of an outflow of resources from the outcome of the counterclaim of that customer versus the Company is remote.

In order to ensure its rights, according to the decision taken by the First Instance Court of Athens during the procedures related to provisional and protective measures, the company imposed a prudent attachment on the property of third party involved in the mentioned case.

For FY 2013 there were no changes regarding the collection of the due amount.

The **Table 1.1** (p. App8) illustrates the evolution of the key financial ratios.

## 2. Risks and uncertainties

Due to the nature of its activities, the Group is exposed to a series of risks: financial and business ones. As far as it concerns the financial risks (a detailed analysis can be found in notes section), the most important of which are the foreign exchange risk, the interest rate risk, the credit and liquidity risk, as well as the capital risk, several guidelines have been issued, based on which, the Financial Dept manages them. More specifically:

#### i) Foreign exchange risk

The Group operates internationally (92.4% of the sales are to abroad, while all raw materials are imported) and is exposed to foreign exchange risk arising from various currencies, but mainly from the US dollar. The Group follows a full hedging policy, either with natural hedging (purchase of resources priced in the sale currency) or with FX forwards or with both.

#### ii) Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2013 and 2012, the Group's borrowings at variable rate (euribor + spread), were denominated in Euro.

#### iii) Credit risk

Credit risk arises from deposits, derivative financial instruments (banks and financial institutions credit risk), as well as credit, granted to customers (customer credit risk). Taking measures to face the Greek financial crisis, the Group is banking with some of the largest and healthiest financial institutions of the Greek market as well as some major foreign financing groups, whose credit rating is at least B- (Fitch) for the domestic financial institutions and A (Fitch) for the foreign ones.

The Group has adopted strict procedures for credit control and management of political risk, reviewing data like financial statements, payments' record, possible counter guarantees they can provide etc. A considerable part of sales is against LCs or down payments. When this is not possible, the company uses credit insurance, factoring and when required political risk insurance.

#### iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the ability of funding each project that the Group undertakes through an adequate amount of committed credit facilities. Because of the different cash flow cycle of each project, the Treasury Dept. analyzes the needs and whenever it is necessary, uses the committed credit lines with banks and other financial institutions. It is noted that on 31/12/2013 the Group had Euro 41.1 million in cash.

#### v) Capital risk

The said risk is related to the possibility of operations' interruption, in such a way that the Group will not be able to yield satisfactory returns to its shareholders and other stakeholders. The Group is always trying to achieve the best mix of funds, in order to minimize its cost of capital.

#### vi) Business risks

Regarding business risks, the Group operates in the international energy markets, which makes it more vulnerable to the prevailing competition. Possible decrease on capital expenditures undertaken by major energy companies and the protectionism of local companies are likely to hinder the competitive position of CORINTH PIPEWORKS. Furthermore, the fact that many core markets, as well as the cost structure of some major competitors are dollar based, in conjunction with a potential Euro appreciation, ceteris paribus, dictates a more aggressive pricing policy, that may lead to squeezed profit margins.

Sales in the energy sector are on a project basis, where both selling prices and cost of raw materials are fixed throughout the execution period. However, the market of structurals is often subject to major fluctuations of prices and materials cost.

The Group's activities in the vast Russian energy market and its neigh-

# Table 1.2 IMPORTANT INTRA-COMPANY SALES AND OTHER TRANSACTIONS WITH RELATED PARTIES

Sale of goods to	31/12/2013	31/12/2012
ANAMET S.A.	2,385,465.90	2,958,354.36
METAL AGENCIES LTD	241,325.41	668,396.40
GENECOS S.A.	63,597.84	0.00
PROSAL TUBES S.A.	722,868.55	68,203.65
DIAVIPETHIV S.A.	254.52	0.00
SIDMA BULGARIA S.A.	167,737.04	90,387.64
SIDMA ROMANIA SRL	21,631.63	0.00
SIGMA IS S.A.	7,723.50	0.00
S.C. SIDEROM STEEL S.R.L.	15,410.75	0.00
TEPROMETAL AG	5,489,935.11	1,833,049.21
AEIFOROS S.A.	532.40	0.00
ARGOS	37,660.91	0.00
ELVAL S.A.	0.00	12,262.64
HELLENIC CABLES S.A.	213.65	0.00
ETIL S.A.	306,339.53	0.00
SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A.	50,361.43	1,455,054.89
SIDMA S.A.	174,064.90	0.00
SOVEL S.A.	214,135.36	528.44
HALKOR S.A.	712.36	1,893.85

Sale of services to	31/12/2013	31/12/2012
METAL AGENCIES LTD	0.00	1,152.50
SOVEL S.A.	403,671.17	90.10
BOZETTI LTD	135,214.47	139,420.09
FITCO S.A.	1,079.05	0.00
STEELMET (CY) LTD	7,500.00	8,000.00
TEPROMETAL AG	50,904.14	49,263.15
DIAVIPETHIV S.A.	289,888.60	359,125.02
SIGMA IS S.A.	37.64	0.00
ELVAL S.A.	10,835.92	98,448.85
HELLENIC CABLES S.A.	51,716.32	50,913.88
METALOURGIA KORINTH S.A.	9,072.12	0.00
PRAKSIS S.A.	4,797.44	5,310.18
SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A.	4,363.30	159,893.83
SIDENOR STEEL INDUSTRY S.A.	122,825.53	0.00
HALKOR S.A.	4,643.96	31,228.41
BET S.A.	0.00	13,813.33

Sales of fixed assets to	31/12/2013	31/12/2012
ANAMET S.A.	67,883.49	0.00
FULGOR S.A.	19,999.98	0.00
BET S.A.	0.00	157.40
SIDENOR SPMC S.A.	0.00	469.87
SOVEL S.A.	0.00	9.90

Purchase of goods from	31/12/2013	31/12/2012
FITCO S.A.	328,866.54	166,138.89
LESCO LTD	295,319.68	295,086.47
PROSAL TUBES S.A.	9,886.41	0.00
SOFIA MED S.A.	863,206.84	695,310.42
SOVEL S.A.	1,163,913.83	0.00
ELVAL S.A.	189,897.08	236,518.71
HELLENIC CABLES S.A.	5,132.03	4,878.76
ERLIKON	3,699.88	5,020.24
ETIL S.A.	4,168.00	3,618.00
SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A.	6,579,706.51	2,197,475.38
SIDENOR STEEL INDUSTRY S.A.	792.00	0.00
SIDMA S.A.	0.00	29,900.26

Purchase of services from	31/12/2013	31/12/2012
GENECOS S.A.	3,155.75	19,558.65
METAL AGENCIES LTD	71,736.01	45,497.14
TEKA SYSTEMS	32.00	114,100.00
FULGOR S.A.	11,758.84	0.00
S.C. SIDEROM STEEL S.R.L.	2,783.10	0.00
NOVAL S.A.	201,728.40	201,728.40
SANITAS S.A.	513.43	0.00
TEPROMETAL AG	179,340.59	172,573.07
AEIFOROS S.A.	3,181.82	3,356.07
ANTIMET S.A.	11,167.56	0.00
BET S.A.	113.00	84,355.97
VIEXAL S.A.	439,729.30	432,220.66
DIAVIPETHIV S.A.	905,355.30	710,486.96
ELKEME S.A.	50,000.00	50,000.00
HELLENIC CABLES S.A.	9,160.70	7,944.97
ERGOSTIL S.A.	600.00	0.00
ETEM S.A.	0.00	9,431.34
PANELCO S.A.	0.00	484.70
PRAKSIS S.A.	141,703.69	34,821.23
SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A.	62,392.64	323,505.90
SIDENOR STEEL INDUSTRY S.A.	475,039.32	0.00
SIDMA S.A.	344,577.34	51,797.95
SOVEL S.A.	1,296,164.50	0.00
STILMET S.A.	481,702.59	412,174.40
Purchase of fixed assets from	31/12/2013	31/12/2012
TEKA SYSTEMS	2,135.40	193,646.58
VIEXAL S.A.	12,123.14	0.00
BET S.A.	749,170.57	36,440.00
HELLENIC CABLES S.A.	16,731.59	20,144.53
ERGOSTIL S.A.	115,750.00	0.00
ETIL S.A.	4,694.00	0.00
ARGOS	240.00	0.00
PANELCO S.A.	24,271.19	4,493.10
SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A.	5,300,000.00	1,100.00
SOVEL S.A.	2,703,068.19	0.00
SIDMA S.A.	18,298.38	20,406.95
	10,270.50	
Receivables from related parties	31/12/2013	31/12/2012
ANAMET S.A.	4,264,888.76	2,964,262.70
ANTIMET S.A.	141,151.48	58,155.76
PROSAL TUBES S.A.	433,839.42	34,339.22
SIDMA BULGARIA S.A.	11,187.40	18,989.37
BOZETTI LTD	135,214.47	139,420.09
BET S.A.	0.00	16,990.39
METAL AGENCIES LTD	126,033.17	477,749.19
NOVAL S.A.	288,882.64	494,242.16
FITCO S.A.	1,079.05	0.00
FULGOR S.A.	24,600.00	0.00
STEELMET (CY) LTD	13,181.71	12,831.71
TEPROMETAL AG	3,162,517.20	683,561.86
DIAVIPETHIV S.A.	3,616,173.67	3,616,173.67
		5,010,175.07
		2 0// 06
ELVAL S.A.	0.00	2,944.96
ELVAL S.A. HELLENIC CABLES S.A.	0.00 26,990.72	28,319.50
ELVAL S.A. HELLENIC CABLES S.A. METALOURGIA KORINTH S.A.	0.00 26,990.72 198,264.27	28,319.50 107,105.56
ELVAL S.A. HELLENIC CABLES S.A. METALOURGIA KORINTH S.A. PRAKSIS S.A.	0.00 26,990.72 198,264.27 2,261.56	28,319.50 107,105.56 3,675.95
ELVAL S.A. HELLENIC CABLES S.A. METALOURGIA KORINTH S.A. PRAKSIS S.A. SIDENOR SPMC S.A.	0.00 26,990.72 198,264.27 2,261.56 10,442.52	28,319.50 107,105.56 3,675.95 3,586,964.84
ELVAL S.A. HELLENIC CABLES S.A. METALOURGIA KORINTH S.A. PRAKSIS S.A. SIDENOR SPMC S.A. SIDENOR SPMC S.A.	0.00 26,990.72 198,264.27 2,261.56 10,442.52 2,605,499.40	28,319.50 107,105.56 3,675.95 3,586,964.84 203,813.53
ELVAL S.A. HELLENIC CABLES S.A. METALOURGIA KORINTH S.A. PRAKSIS S.A. SIDENOR SPMC S.A.	0.00 26,990.72 198,264.27 2,261.56 10,442.52	28,319.50 107,105.56 3,675.95 3,586,964.84

Payables to related parties	31/12/2013	31/12/2012
ANTIMET S.A.	11,818.97	0.00
FITCO S.A.	0.00	166,138.89
FULGOR S.A.	14,463.37	0.00
GENECOS S.A.	1,346.17	2,175.54
LESCO LTD	22,285.21	58,958.58
METAL AGENCIES LTD	114,777.62	44,066.34
PANELCO S.A.	29,853.58	5,526.51
PROSAL TUBES S.A.	9,886.41	0.00
SOFIA MED S.A.	186,234.76	306,309.89
TEKA SYSTEMS	0.00	39,888.90
TEPROMETAL AG	130,804.07	49,415.11
AEIFOROS S.A.	1,982.33	1,072.15
BET S.A.	721,003.79	148,579.05
VIEXAL S.A.	15,780.04	21,840.89
DIAVIPETHIV S.A.	827,441.37	610,345.07
ELVAL S.A.	0.00	89,503.14
ELKEME	5,535.00	5,535.00
HELLENIC CABLES S.A.	32,415.78	16,551.77
ERGOSTIL S.A.	64,206.00	0.00
ERLIKON S.A.	840.40	2,118.83
ETIL S.A.	5,126.64	0.00
PRAXIS S.A.	22,716.68	3,234.26
SIDENOR STEEL PRODUCT MANUFACTURING COMPANY S.A.	659,184.85	273,651.23
SIDENOR STEEL INDUSTRY S.A.	361,850.58	0.00
SIDMA S.A.	152,329.83	35,649.73
HALKOR S.A.	246,019.83	0.00
S.C. SIDEROM STEEL S.R.L.	2,783.10	0.00
STILMET S.A.	117,794.36	98,943.14

#### Table 1.2 IMPORTANT INTRA-COMPANY SALES AND OTHER TRANSACTIONS WITH RELATED PARTIES

bouring countries, through its participation in ZAO TMK-CPW, beyond the obvious advantages, expose the Group to the economic conditions shaping these countries. Given Russia's dependency on the international commodity prices and especially on energy prices, potential return to the levels of 2009 will certainly have an impact on ZAO TMK-CPW's sales turnover and profitability.

Furthermore, freight, which is a major cost item for the Group, has been extremely volatile in the last few years. Even though the Group may conclude contracts on a project basis, for a big part of its transportation requirements, in cases when this is not possible, chartering is on the spot market, that in turn may affect projects' profitability.

#### **3. Prospects – Estimations**

Groups' Management is focused continues steadily towards its strategic planning, expanding its activities in abroad markets in which it operates but also in new developing markets. The Group currently focuses on the markets of the Mediterranean region, the Gulf of Mexico, Latin America, West/East Africa and North Sea, where new energy and infrastructure projects have been scheduled and are expected to take place in the upcoming years. Following the completion of the new investment for a production unit of LSAW-JCOE largediameter pipe mill for the production of high-strength offshore and onshore energy pipes, CORINTH PIPEWORKS Group will have one of the most complete products portfolio, which will

Table 1.3 REMUNERATION TO THE MEMBERS OF THE BOARD AND THE MANAGEMENT OF THE COMPANY			
	31/12/2013	31/12/2012	
Remuneration to the BoD and Management	801,590.03	753,296.00	

give the Group the opportunity to further expand into new markets. CORINTH PIPEWORKS Group has become one of the most credible steel pipe manufacturers worldwide, fact that is proven by undertaking new, very demanding projects. With its strong capital structure, the Group "CORINTH PIPEWORKS" is expecting a reinforcement of its activities, taking advantage of the opportunities existing the growing abroad markets and increased investments in energy projects and infrastructure.

# 4. Transactions with related parties (IFRS 24)

SIDENOR S.A. owns 78.55% of CORINTH PIPEWORKS S.A. shares, while the remaining 21.45% is free float. The ultimate shareholder of the Group is VIOHALCO S.A.

In the **Table 1.2** (p. App11), are illustrated the important intra-company sales and other transactions with related parties (according to IAS 24), during the full year 2013 and 2012. The related parties are members of VIOHALCO Group:

Finally, the remuneration to the members of the Board and the Management of the company, as well as the receivables and the payables from and to them, are illustrated in the **Table 1.3**:

# 5. Facilities and branches

The privately owned facilities of the plant are located in the industrial zone of Thisvi Viotia, on a total surface of 496,790 sq.m.

The Company has the following branches:

• Warehouse and branch in Thisvi plant.

• Headquarters in Athens.

Furthermore, the Group, besides Greece, has operations in the U.S., Cyprus and Poland, through its subsidiaries, and participates at 49% in the share capital of ZAO TMK-CPW seated in Russia.

# 6. Taxation

According to the new tax law 4110 of 2013 which is in effect since January 23rd, 2013, corporate tax rate for legal entities in Greece has been set to 26% for fiscal year of 2013 and onwards Furthermore, according to the provisions of the new tax law 4110 of 2013, the withholding tax for the distributing dividends which has been approved after January 1st of 2014 has been set to 10%. With regards to the provisional differences as of 01/01/2013, the deferred tax has been reevaluated with the new rate and the difference in deferred tax was recognized in the statement of comprehensive income.

According to par. 11, article 170 of law 4172 of 2013 the tax-exempt reserves formed under the stipulations of law 2238/1994 may be either offset with tax losses with a tax rate 26% or distributed with a taxation of 19%. Group and Company have not the intention of distributing them. By the end of 2014 they will be offset with the recognized tax losses.

# 7. Major events following 31/12/2013

There are no post balance sheet events that are likely to affect the financial statements of the Group and the parent company.

# **Explanatory Report of the Board of Directors**

(according to article 4 of L. 3556/2007)

## a) Share Capital Structure

The Company's share capital (premium value excepted) amounts to Euro 96,852,756.78 divided into 124,170,201 ordinary registered shares with a nominal value of Euro 0,78 per share. All shares are listed for trading on the Athens Exchange, in the Small and Mid Cap Categories. The company's shares are intangible, registered and with a right to vote.

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

- Riaht dividends the to from profits. The Company's annual dividend of each share is paid to shareholders following approval of the financial statements by the General Meeting in accordance with the provisions of the respective resolution of the Board of Directors. Individuals who do not receive dividends on time are not entitled to interest. The right to collect dividends is forfeited after the lapse of (5) years from the end of the year, during which it was due.
- Pre-emptive right to every Company share capital increase and the acquisition of new shares.
- Right to participate in the General Shareholder Meeting.
- The capacity of shareholder automatically entails the acceptance of the Company's Articles of Association and the decisions of its bodies, which are consistent to the provisions of the said Articles and the Law.
- The Company's shares cannot be divided and the Company acknowledges only one owner per share. All

joint shareholders, as well as those who have usufruct or bare ownership of shares, are represented in the General Meeting by only one person appointed by them upon agreement. In case of disagreement, the share of the aforementioned parties is not represented.

• The shareholders are not liable beyond the nominal capital of each share.

# b) Restrictions in the Transfer of Company Shares

The transfer of Company shares is carried out in accordance with the provisions of Law, and the Articles of Association do not stipulate any restrictions as to their transfer.

# c) Significant Direct or Indirect Participations Pursuant to Law 3556/2007

The significant participations (over 5%) as of 31-12-2013 were as follows:

• SIDENOR S.A. 78,55% of voting rights

# d) Shares that offer Special Control Rights

There are no issued shares of the Company that offer special control rights.

## e) Restrictions in voting rights

No voting right restrictions, arising from its shares, are stipulated by the Company's Articles of Association. The rules of the Company's Articles of Association regulating voting issues are given under Article 24.

# f) Agreements between Company Shareholders

To the Company's knowledge, there are no such agreements.

# g) Rules of appointment and replacement of the Members of the Board of Directors and amendment of the Company's Articles of Association

The rules provided by the Company's Articles of Association regarding, both the appointment and replacement of members of the Board of Directors, as well as the amendment of its provisions, are not differentiated from the statutory provisions of Codified Law 2190/1920.

# h) Jurisdiction of the Board of Directors for the Issuance of New or the Purchase of Own Shares

- Pursuant to the provisions of Article 13, paragraph 1, sections b and c of Codified Law 2190/1920, the Company's Articles of Association stipulate that only the General Shareholder Meeting has the authority to increase the Company's share capital by issuing new shares, following a resolution taken by a majority vote of at least 2/3 of the votes represented in the meeting.
- The Board of Directors may purchase own shares within the framework of a General Meeting resolution pursuant to Article 16, paragraphs 5 to 13 of Codified Law 2190/20.
- Pursuant to the provisions Article 13, paragraph 9, of Codified Law 2190/1920 and following a relevant resolution by the General Meeting to introduce a share offering plan for company BoD members and personnel, in the form of a Stock Option Plan, the Board of Directors may issue

shares for beneficiaries, increasing share capital accordingly and confirming the relevant increase. Such a stock option rights plan has not been approved by the Company's General Shareholder Meeting.

# i) Significant Agreements that Become Valid, Are Amended or Terminated in the Event of Change of Control

The loan issued by Commerzbank (amounting to Euro 47,666,96) and from which only Euro 270,000 has been drawn as of 31 December 2013, and the bond loans issued by the Company and undertaken in their entirety by banks, with a total balance of Euro 47,300,000 as of 31 December 2013, include a clause in their terms for the event of change of control, which, if enacted, gives bondholders the right to terminate the loan before maturity.

To the Company's knowledge, there are no other agreements that become effective, are amended or terminated in the event of change of Company control.

# j) Agreements with Members of the Board of Directors or Company Personnel

To the company's knowledge, there are no agreements between the Company and members of the Board of Directors or its personnel, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of term or employment due to a takeover bid.

# Athens, March 26, 2014

# The Chairman of the Board of Directors Konstantinos Bakouris

## **Statement of Corporate Governance**

(The present statement has been drafted in accordance with the provisions of Law 3873/2010)

In particular, in regard to the provisions of article 2 of Law 3873/2010, we note the following:

#### 1. Code of Corporate Governance

The Company implements Corporate Governance practices in the management and its operations, as they have been defined under the current legislative framework, as well as in the Code of Corporate Governance recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter the "Code"), which is available at: <u>http://www.helex.gr/en/esed</u>

Drafting the Board of Directors' Annual Report, the Company reviewed the Code. Based on this review, the Company concluded that, overall, it complies with the specific practices applicable to listed companies, which are cited and described in the Code of the HCGC, with the exception of the following practices, for which the following explanations are given:

- Section A.II .2.1. Board of Directors consists of 6 members.
- Section A.III .3.3 Role and mandatory capacities of the Chairperson of the BoD. The Deputy Chairperson of the current Board of Directors does not have the capacity of independent nonexecutive member, despite the fact that the Chairperson is an executive member. Given the present conjuncture, the status of independent member for the Deputy Chairperson was not deemed necessary since it would not provide any improvement in the company's operations.
- Section A.V.5.5. Screening prospective candidates for membership of the Board of Directors. No committee for

screening prospective candidates had been set up until the drafting of the present Statement. It is considered that given the present conjuncture this would not improve the performance of the company.

- Section A.VII. 7.1.-7.3. Evaluation of the Board of Directors and its Committees. The Company had not chosen a specific collective procedure for evaluating the effectiveness of the Board of Directors and its Committees until the drafting of the present Statement.
- Section C.I.1.6. Amount and structure of remuneration. No remuneration committee had been set up until the drafting of the present Statement. This matter will be re-considered shortly.

Management has appointed a team whose object is to study and review the necessary actions in order to establish, in a reasonable time frame, the committees required by the Code of the HCGC, and finally apply the forementioned Code in the practices of the corporate governance.

The Company does not implement corporate governance practices beyond the specific practices of the Code of the HCGC and the provisions of relevant legislation.

2. The main characteristics of the Internal Audit and Risk Management Systems in relation to the Procedure followed in Drafting the Financial Statements and financial reports.

i) Description of the main characteristics and information included in the Internal Audit and Risk Management Systems, in relation to the procedure followed in drafting financial statements The Company's Internal Audit System contains audit procedures of Company's operations, its compliance with the requirements of supervisory authorities, risk management and financial reporting.

Internal Audit Department verifies the proper implementation of every procedure and internal audit system, regardless if it is accounting related or not and assess the Company through reviews of its operations, acting as a company unit reporting to the Management.

The Internal Audit System aims at, among others, ensuring the comprehensiveness and reliability of the data and information required for the evaluation of the Company' s financial situation, in an accurate and timely manner, as well as the production of reliable financial statements.

In regard to the procedure followed in drafting the financial statements, the Company states that the financial reporting system of 'CORINTH PIPEWORKS PIPE INDUSTRY AND REAL ESTATE S.A. ' makes use of an accounting system that is adequate for the purposes of reporting, both to Management as well as to external users. Financial statements, as well as other analysis reports addressed to management on a quarterly basis, are drawn up at company and consolidated level in accordance with International Financial Reporting Standards, as they have been adopted by the European Union, for the purposes of reporting to management as well as of publication, in accordance with effective regulations and on a guarterly basis. Both administrative reporting, as well as financial reporting intended for publication, include all required information foreseen under an up-to-date internal audit system, which encompasses breakdowns of sales, costs/expenses, operating profits, as well as other data and indexes. All reports to management include the data of the current fiscal period, which are crosschecked against respective entries in the budget approved by the Board of Directors, as well as against data of the corresponding period of the financial year preceding the year of the report.

All published interim and annual financial statements include all the necessary amounts and disclosures relating to the financial statements, in accordance with International Financial Reporting Standards, as they have been adopted by the European Union. They are reviewed by the Audit Committee and approved in their entirety by the Board of Directors, respectively.

Safety procedures are in place regarding: (a) identification and evaluation of risks in relation to the reliability of financial statements; (b) administrative planning and follow-up in relation to financial data, (c) prevention and detection of fraud; (d) tasks/duties of executives; (e) the procedure followed for closing a fiscal year, including consolidation (such as recorded procedures, access authorisations, approvals, consistencies etc.) and (f) safeguarding the data in computerised systems.

The preparation of internal memos to Management and of reports, required under Codified Law 2190/1920 and supervisory authorities, is performed by the Financial Department, which is staffed with competent and experienced personnel entrusted with this task. Management ensures that these employees are properly informed of any changes in accounting and tax issues that may affect the Company and the Group.

The Company has established separate procedures for the collection of necessary audit evidence from its subsidiaries. Moreover, it ensures consistency throughout all its transactions and the application of the same accounting principles by the above companies.

# ii) Annual evaluation of corporate strategy, primary business risks and Internal Audit Systems

The Company's Board of Directors declares that it has examined the main business risks on which the Company is exposed, as well as its Internal Audit Systems. The Board of Directors re-evaluates the corporate strategy, primary business risks and Internal Audit Systems on an annual basis, including the scope of activities as well as the efficiency of Internal Audit Department.

# iii) Provision of non-auditing services to the Company by its lawful auditors and assessment of the impact this may exert on the objectivity and effectiveness of the mandatory audit, examined in conjunction with the provisions of Law 3693/2008

The Company's lawful auditors for financial year 2013, 'PricewaterhouseCoopers Audit S.A. Company', which was elected by the Ordinary General Shareholders' Meeting of the Company held on June 13, 2013, do not provide and have not provided nonaudit services to the Company and its subsidiaries, further to the stipulations of applicable legislation.

# 3. Public Acquisition Offers -Information

- There are neither binding acquisition offers and/or regulations calling for mandatory transfer and mandatory purchase of shares of the Company, nor provisions in the Articles of Association in regard to acquisitions.
- There have been no public offers by third parties for the acquisition of the share capital of the Company during the preceding and current financial year.

- In the event that the Company participates in such a procedure, it will be executed in compliance with the relevant legislation.

# 4. General Shareholders' Meeting and rights of shareholders

The General Meeting is convened and operates in accordance with the provisions of the Articles of Association and the relevant provisions of Codified Law 2190/1920, as amended and currently in force. The Company complies with its reporting obligations, abiding by the provisions of Law 3884/2010 and, in general, takes all necessary measures in view of ensuring the timely and comprehensive briefing of shareholders regarding the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and posting them on the Company's website. The text of these invitations includes a detailed description of shareholders' rights and the manner of the exercise thereof.

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

# Duties and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and business goals of the Company and, in general, has control and decisionmaking powers in the framework of the provisions of Codified Law 2190/1920 and of the Articles of Association as well as compliance with the principles of corporate governance.

The Board of Directors meets as frequently as it is required in order to perform effectively its duties. The duties and responsibilities of the Board of Directors are summarized below:

- Supervision and monitoring of the Company's operations, as well as control of company goals and longterm plans achievement
- Formulating and defining the primary principles and targets of the Company
- Ensuring streamlining of the adopted strategy with the Company goals
- The Board of Directors ensures that there are no cases of conflict of interest and examines any cases of non-compliance with the Company's confidentiality policy
- Ensuring the credibility and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting
- Ensuring the proper day-to-day operations of the Company, through a system of special authorisations, while execution of its other duties is implemented through special decisions
- The Secretary of the Board of Directors has the main responsibility of supporting the Chairman and the overall operation of the body

The current Board of Directors of the Company consists of 6 members (6member Board), of which:

- 2 are executive members (Chairperson & Member)

- 2 are non-executive members
   (Vice Chairperson and other Members)
- 2 are independent, non-executive members (Remaining members)

The current Board of Directors of 'CORINTH PIPEWORKS PIPE INDUSTRY AND REAL ESTATE S.A.,' has the following members:

- Konstantinos Bakouris, Chairman, Executive Member
- Meletis Fikioris, Vice-Chairman, Non-Executive Member
- Ioanis Stavropoulos, Executive Member
- Adamandios Vassilakis, Non-Executive Member
- Nikolaos Galetas,
   Independent, Non-Executive Member
- Andreas Kyriazis, Independent, Non-Executive Member

Board members are elected for an oneyear term by the General Shareholders' Meeting. The current Board of Directors of the Company was elected by the Ordinary General Shareholders' Meeting of June 13, 2013, and its tenure expires within first half of 2014.

The Board of Directors met 62 times within 2013, and its sessions were attended by all its members in person.

Resumes of the members of the Board of Directors are provided below:

## Costas Bakouris, Chairman of the Board of Directors

Mr. Costas Bakouris is Chairman of the Board of Corinth Pipeworks since 2005, and member of Board of Directors of ELVAL and HALCOR. He started his career at ESSO PAPPAS. Two years later, he became Financial Director at UNION CARBIDE in Athens and six years later General Manager of the company. In 1985 he became Europe Vice President of the company's consumables, while in 1986 he was elected President of RALSTON PURINA, Europe. In 1998, he came back to Greece as Managing Director of the Organization Committee for the "Athens 2004" Olympic Games. From 2001 to 2002 he was Chairman to the Board of the Hellenic Center for Investments. From 2004 until 2008 he served as chairman of the Board of Directors of NET MED NV, parent company of cable television provider NOVA.

He is chairman of the Transparency International – Greece and chairman of the board of the Greek – Russian Business Council. He holds an MBA degree from De PAUL University in Chicago, Illinois.

# Meletis Fikioris, Vice Chairman, Non Executive Member

Mr. Meletis Fikioris is Corinth Pipeworks' Vice Chairman, since January 2005. He is a member of the Athens Bar Association (1973) and legal advisor in a number of companies, participating in their board of directors.

# Adamantios Vasilakis, Non Executive Member

Mr Adamantios Vasilakis is a graduate of Political and Diplomatic Studies of the Brussels Free University, as well as of the Chios Commercial School. He speaks English and French. In his long career in the diplomatic corps he served in many countries (among which Yugoslavia, former USSR and the US, as well at high ranking positions in the Ministry of Foreign Affairs. In 2002, he assumes as Permanent Representative of Greece at United Nations, while in the same year is

appointed chief negotiator in the talks for "FYROM name issue". In 2005-2006, he represents Greece, to the UN Security Council, in New York. In the framework of the Security Council, he participated in missions to Central Africa (Congo, Burundi, Rwanda, Uganda, Tanzania), Sudan and Afghanistan. He was also President of Security Council' sanction committees to Ivory Coat and Sudan, as well as to Special Committee for sanctions implementation of the same UN Body. In 2007, he was appointed National Representative of Greece in the negotiations, under UN's auspices to find a permanent name for FYROM. He has received the Big Cross of Phoenix Decree.

# Ioannis Stavropoulos, Executive Member

Mr. Ioannis Stavropoulos is a graduate of Piraeus University and he has held various executive positions within Viohalco Group of Companies since 1972. He assumed the position of Financial Director in Vitruvit S.A. (1978) and the position of General Manager in Hellenic Cables of Messologi S.A. (1989), KEM S.A. (1998) and in SIDENOR S.A.(1999). He is an Executive Director of the Hellenic Cables S.A. and a member of the board of directors of many companies of Viohalco Group.

# Nikolaos Galetas, Non executive and Independent Member

Mr. Nikolaos Galetas is an independent member of the BoD of Corinth Pipeworks. He is a graduate of the School of Theology at the Athens University, has also studied at the Technische
Hochschule Wien and is a licensed engineer from the School of Electrical Engineering at the National Technical University of Athens (NTUA). During his lifelong career Mr. Galetas has assumed several managerial positions in ETBA (Hellenic Bank of Industrial Development) in EPA (Planning & Development Company) in ETEBA (National Bank of Industrial Development) where he also served as Managing Director. Mr. Galetas also served as member of the Board of Directors in several companies and organizations including EFG EUROBANK PROPERTIES S.A., ERT S.A. - Hellenic Broadcasting Corporation - (vice chairman) as well as several of ETEBA's subsidiaries where he served as chairman of the Board during his long career with the Group ETEBA. Moreover, during the period 1990-92, he offered consult-

#### **Audit Committee**

 Description of the composition, operation, duties, responsibilities and description of topics discussed at Committee's meetings

The Audit Committee, which is elected and operates in accordance with the Law 3693/2008 (no. 37), consists of three nonexecutive members of the Board of Directors, of which one is independent and has the primary duty, in the framework of the obligations described in the above Law, of providing support to the Company's Board of Directors in regard to the fulfilment of the latter's mandate pertaining to ensuring the effectiveness of accounting and financial systems, audit mechanisms, management systems for business risks, ensuring compliance with the legislative and regulatory framework and the effective application of the principles of Corporate Governance.

ing services to the Ministers of Internal Affairs, Agriculture and Coordination.

# Andreas Kiriazis, Non executive and Independent Member

Mr. Andreas Kyriazis has served on our Board since 2005. Mr. Kyriazis is a graduate of the Chemistry, Physics & Mathematics Faculty of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Athens Chamber of Commerce and Industry, the Hellenic Productivity Centre, the Greek Society for Business Administration, and the Wood Processing Association and; as Vice-Chairman of the Association of European Chambers of Commerce and Industry; and as General Secretary of the Association of Greek Chemists.

Specifically, the Audit Committee is entrusted with the following responsibilities:

- Assess the effectiveness of all levels of the Management hierarchy, in relation to the latter's safeguarding of the resources under their management and their compliance with the established policy and procedures of the Company
- Evaluate procedures and amounts for their adequacy, in regard to the achievement of goals, as well as appraise the policy and programme cited in the activity undergoing evaluation
- Periodically audit the various operations of the different divisions or departments, in such a manner to ensure that their diverse activities are conducted smoothly, comply with Management instructions, Company policy and procedures, and that they are aligned

with Company objectives and Management best practices

- Examine internal audit reports and, in particular
- Assess their adequacy, in regard to the extent of information therein provided
- Verify the accuracy of the reports
- Examine the adequacy of audit evidence in regard to the results of the audit

The Audit Committee receives the following reports pertaining to audit procedures

- Extraordinary
- Quarterly financial audit reports
- Annual regular audit reports
- Corporate Governance reports

The Audit Committee examines and ensures the independence of External Auditors of the Company; it is notified of their findings as well as of the findings of the Audit Reports on the annual or interim Financial Statements of the Company. At the same time, it recommends corrective actions and measures, in view of addressing any findings or flaws in the Financial Reporting or other significant operations of the Company.

In accordance with its Internal Regulation, the Audit Committee consists of two independent, non-executive members of the Board of Directors and one non-executive member, who have the necessary knowledge and experience to fulfill Committee's tasks.

The current composition of the Audit Committee is the following:

Members: Meletios Fikioris,

Vice-Chairperson, Non-Executive Board Member Nikolaos Galetas, Independent, Non-Executive Board Member Andreas Kyriazis, Independent, Non-Executive Board Member

#### ii) Number of meetings of the Committee and frequency of attendance of each member at meetings

The Audit Committee convened four (4) times within 2013, achieving full quorum, but was not attended by the regular auditors as stipulated in the Code.

#### iii) Assessment of the Committee's effectiveness and performance

Till the date of drafting the present Statement, no specific procedures had been established for assessing the effectiveness of the Audit Committee of the Board of Directors. The Management of the Company will establish such procedures in the future.

		CONSOLIDATED F	IGURES		COMPANY FIGUR	ES
		31/12/12	01/01/12		31/12/12	01/01/1
	31/12/13	Restated	Restated	31/12/13	Restated	Restate
ASSETS						
Non-Current assets						
Tangible fixed assets	116,142,694	103,774,215	113,723,782	116,081,203	103,735,194	113,694,70
Intangible assets	-	-	800	-	-	8
Investments in associated companies	19,058,542	18,779,478	14,369,590	1,073,950	1,073,950	1,073,9
Investments in subsidiary companies	-	-	-	11,345,179	11,345,179	11,345,1
Deferred Tax Asset	185,782	73,388	34,758	-	-	
Trade and other receivables	4,974,920	5,268,652	5,150,543	4,974,920	5,268,652	5,150,5
	140,361,938	127,895,733	133,279,473	133,475,252	121,422,975	131,265,12
Current Assets						
nventories	50,401,905	47,442,623	63,672,884	48,736,975	47,258,124	63,157,9
Trade and other receivables	58,030,758	54,282,484	64,542,962	59,525,451	52,439,560	56,668,7
Income tax	1,321,101		74,471	1,320,000		,,-
Derivative financial instruments	4,394	134,597	165,970	4,394	134,597	165,9
Financial assets at fair value through	.,	10 1,000	100,000	1,55		10575
profit and loss	9,137	7,337	7,337	9,137	7,337	7,3
Other short-term financing assets	-		14,915,976	-		14,915,9
Cash & Cash equivalent	41,069,951	27,505,880	23,334,335	39,182,199	22,871,079	16,825,8
Total Assets	150,837,246 291,199,184	<u>129,372,921</u> 257,268,654	166,713,935 299,993,408	148,778,156 282,253,408	122,710,697 244,133,672	151,741,8 283,007,0
Equity attributable to shareholders of the company						
Share capital	96,852,757	96,852,757	96,852,757	96,852,757	96,852,757	96,852,7
Reserve from issuance of shares above par	27,427,850	27,427,850	27,427,850	27,427,850	27,427,850	27,427,8
Foreign exchange difference from consolidation	, ,	, ,	, , , , , , , , , , , , , , , , , , , ,	, ,	, , , , , , , , , , , , , , , , , , , ,	, , ,
of subsidiaries/associates	-4,460,006	-2,087,028	-2,438,166	-	-	
Other reserves	17,877,016	16,625,882	11,067,400	17,877,016	16,625,882	11,067,4
Profits carried forward	18,603,014	26,051,843	18,868,736	5,993,508	12,915,602	11,941,5
Total equity	156,300,631	164,871,304	151,778,577	148,151,131	153,822,091	147,289,57
LIABILITIES						
Long-term liabilities						
Loans	52,548,959	12,000,000	9,000,000	52,548,959	12,000,000	9,000,0
Deferred tax liabilities	14,326,693	11,737,260	11,756,979	14,543,006	12,016,485	12,094,5
Liabilities for remuneration						
to retired personnel	828,455	888,934	682,271	828,455	888,934	682,2
Provisions	986,555	986,555	1,000,000	986,555	986,555	1,000,0
	68,690,662	25,612,749	22,439,250	68,906,975	25,891,974	22,776,8
Short-term liabilities						
Suppliers and other liabilities	44,927,028	27,348,648	64,631,229	43,954,153	25,199,050	51,796,2
Income tax	39,714	1,272,082	853,258	-	1,056,686	853,2
Loans	1,450,000	26,250,000	55,244,789	1,450,000	26,250,000	55,244,7
Derivative financial instruments	50,431	109,343	4,361,683	50,431	109,343	4,361,6
Other short-term financing liabilities	19,597,096	11,660,906		19,597,096	11,660,906	1,501,0
Provisions	143,622	143,622	684,622	143,622	143,622	684,6
T	66,207,891	66,784,601	125,775,581	65,195,302	64,419,607	112,940,60
Total liabilities	134,898,553	92,397,350	148,214,831	134,102,277	90,311,581	135,717,40
Total equity and liabilities	291,199,184	257,268,654	299,993,408	282,253,408	244,133,672	283,007,03

Stat	tement of	f compre	hensive	income

### Amounts in Euro

	CONSOLI	CONSOLIDATED FIGURES		<b>COMPANY FIGURES</b>	
	12 months until	12 months until	12 months until	12 months until	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	
Sales	165,364,869	234,666,474	157,308,652	211,991,727	
Cost of sales	-142,978,425	-190,530,028	-136,051,607	-172,886,549	
Gross profit	22,386,444	44,136,446	21,257,045	39,105,178	
Selling expenses	-16,837,619	-24,980,167	-16,820,694	-25,025,977	
Administrative expenses	-7,690,244	-7,258,793	-6,248,598	-5,745,394	
Other income	3,995,670	1,398,256	3,988,170	1,390,156	
Other (expenses)	-6,115,984	-3,683,045	-6,115,986	-3,683,045	
Other gains / (losses) net	-845,735	-4,000	-845,735	-1,848	
Operating profit	-5,107,468	9,608,697	-4,785,798	6,039,070	
Finance income	343,417	311,277	259,225	295,025	
Finance expenses	-3,423,475	-3,450,253	-3,397,000	-3,447,720	
Finance expenses - net	-3,080,058	-3,138,976	-3,137,775	-3,152,695	
Income form dividends	-	-	4,844,155	1,346,998	
Share of profit of associates	4,767,494	5,309,816			
Profit before tax	-3,420,032	11,779,537	-3,079,418	4,233,373	
Income tax	-2,717,573	-2,123,059	-2,531,453	-785,967	
Profit after tax	-6,137,605	9,656,478	-5,610,871	3,447,406	
Other comprehensive income: Items that will be reclassified subsequently to profit or loss Profit / (Loss) after tax from change of fair market value					
of cash flow hedge	-95,866	3,319,485	-95,866	3,319,484	
Foreign exchange difference from investment in associates	-2,372,979	351,137			
Total Items that will be reclassified subsequently to profit or loss	-2,468,845	3,670,622	-95,866	3,319,484	
Items that will not be reclassified subsequently to profit or loss	25 777	224 274	25 777	774 774	
Actuarial gain/(losses)	35,777	-234,374	35,777	-234,374	
Total items that will not be reclassified subsequently to profit or loss	25 777	22/ 27/	25 777	22/ 27/	
Other comprehensive income for the period, after income tax	35,777	-234,374	35,777	-234,374	
	-2,433,068	3,436,248	-60,089	3,085,110	
Total comprehensive income for the period, after tax	-8,570,673	13,092,726	-5,670,960	6,532,516	
Profit attributable to:	( 127 (05	0 (5( 470	F (10.071	2 447 400	
Owners of the parent company	-6,137,605	9,656,478	-5,610,871	3,447,406	
	-6.137.605	9.656.478	-5.610.871	3.447.406	
Total comprehensive income attributable to:		40.000 704	5 (70.070		
Owners of the parent company	-8,570,673	13,092,726	-5,670,960	6,532,516	
	-8,570,673	13,092,726	-5,670,960	6,532,516	
Earnings per share attributable to the owners of the parent company					
of the company during the period (expressed in Euro per share)	0.0101	0.0770	0.0452	0.0270	
Basic and reduced (note 16)	-0.0494	0.0778	-0.0452	0.0278	

	Attributable to the owners of the parent company					
CONSOLIDATED FIGURES	Share	Other	Profit/(loss)	Total		
	Capital	reserves	carried forward	equity		
Balance on January 1, 2012	124,280,607	8,629,234	18,472,394	151,382,235		
Restatements due to accounting policy change (1/1/2012)	-	-	396,343	396,343		
Balance on January 1, 2012	124,280,607	8,629,234	18,868,737	151,778,578		
Net profit of period	-	-	9,656,478	9,656,478		
Other comprehensive income for the period						
Foreign exchange difference	-	351,137	-	351,137		
Profit after tax from change of fair market value of cash flow hedge	-	3,319,485	-	3,319,484		
Actuarial gains/(losses)	<u>-</u>	-	-234,374	-234,374		
Total of other comprehensive income	<del>_</del>	3,670,622	-234,374	3,436,248		
Total comprehensive income for the period after tax	-	3,670,622	9,422,104	13,092,726		
Transaction with owners						
Transfer to ordinary reserve	-	173,287	-173,287	-		
Tax-exempt reserve L.2238/1994		2,065,711	-2,065,711	-		
Total transactions with owners		2,238,998	-2,238,998	-		
Balance on December 31, 2012	124,280,607	14,538,854	26,051,843	164,871,304		
Balance on January 1, 2013	124,280,607	14,538,854	26,051,843	164,871,304		
Net profit of period	-	-	-6,137,605	-6,137,605		
Other comprehensive income for the period			., . ,			
Foreign exchange difference	-	-2,372,979	-	-2,372,979		
Profit after tax from change of fair market value of cash flow hedge	-	-95,866	-	-95,866		
Actuarial gains/(losses)	-	-	35,777	35,777		
Total of other comprehensive income		-2,468,845	35,777	-2,433,068		
Total comprehensive income for the period after tax		-2,468,845	-6,101,828	-8,570,673		
Transaction with owners						
Tax-exempt reserve	-	1,347,000	-1,347,000	-		
Total transactions with owners		1,347,000	-1,347,000	-		
Balance on December 31, 2013	124,280,607	13,417,009	18,603,015	156,300,631		

	Attributable to the owners of the parent company				
COMPANY FIGURES	Share	Other	Profit/(loss)	Total	
	Capital	reserves	carried forward	equity	
Balance on January 1, 2012	124,280,607	11,067,400	11,545,225	146,893,232	
Adjustment due to accounting policy change (1/1/2012)	-	-	396,343	396,343	
Balance on January 1, 2012	124,280,607	11,067,400	11,941,568	147,289,575	
Net profit of period	-	-	3,447,406	3,447,406	
Other comprehensive income for the period					
Profit after tax from change of fair market value of cash flow hedge	-	3,319,484	-	3,319,484	
Actuarial gains/(losses)			-234,374	-234,374	
Total of other comprehensive income	-	3,319,484	-234,374	3,085,110	
Total comprehensive income for the period after tax	-	3,319,484	3,213,032	6,532,516	
Transaction with owners					
Transfer to ordinary reserve	-	173,287	-173,287	-	
Tax-exempt reserve L.2238/1994	-	2,065,711	-2,065,711	-	
Total transactions with owners	-	2,238,998	-2,238,998	-	
Balance on December 31, 2012	124,280,607	16,625,882	12,915,602	153,822,091	
Balance on January 1, 2013	124,280,607	16,625,882	12,915,602	153,822,091	
Net profit of period	-	-	-5,610,870	-5,610,870	
Other comprehensive income for the period					
Profit after tax from change of fair market value of cash flow hedge	-	-95,866	-	-95,866	
Actuarial gains/(losses)	-		35,777	35,777	
Total of other comprehensive income	-	-95,866	35,776	-60,090	
Total comprehensive income for the period after tax	-	-95,866	-5,575,094	-5,670,960	
Transaction with owners					
Tax-exempt reserve	-	1,347,000	-1,347,000	-	
Total transactions with owners	-	1,347,000	-1,347,000	-	
Balance on December 31, 2013	124,280,607	17,877,016	5,993,508	148,151,131	

# III. Owner's Equity Statements

IV. Cash Flow Statements			Amo	ounts in Euro
	CONSOLID	ATED FIGURES	COMPANY	FIGURES
	1/1 until 31/12/2013	1/1 until 31/12/2012	1/1 until 31/12/2013	1/1 until 31/12/2012
Cash flows from operating activities				
Cash flows from operating activities	14,896,715	25,038,876	14,611,697	25,785,732
Interest paid	-3,686,653	-3,927,268	-3,660,178	-3,924,736
Income tax paid	-2,432,429	-2,415,678	-2,028,142	-1,418,227
Net cash flows from operating activities	8,777,633	18,695,930	8,923,377	20,442,769
Cash flows from investment activities				
Purchase of tangible fixed assets	-20,593,834	-1,716,179	-20,553,311	-1,669,674
Sale of tangible assets	104,134	20,872	104,134	782
Dividends received	2,400,537	1,346,998	4,844,155	1,346,998
Purchase of financial assets at fair value through profit or loss	-7,501,788	-	-7,501,788	-
Sale of financial assets at fair value through profit or loss	6,550,180	-	6,550,180	-
Interest received	343,417	274,490	259,225	258,233
Net cash flows from investment activities	-18,697,354	-73,819	-16,297,405	-63,661
Cash flows from financing activities				
Proceeds from borrowings	115,658,384	32,699,998	115,658,384	32,699,998
Repayments of borrowings	-99,909,425	-58,694,789	-99,909,425	-58,694,789
Other short-term financing liabilities	7,936,189	11,660,906	7,936,189	11,660,906
Net cash flows from financing activities	23,685,148	-14,333,885	23,685,148	-14,333,885
Net (decrease)/increase in cash and cash equivalent	13,765,427	4,288,226	16,311,120	6,045,223
Cash and cash equivalent at the beginning of the period	27,505,880	23,334,335	22,871,079	16,825,856
Foreign exchange differences in cash and cash equivalent	-201,356	-116,681	-	-
Cash and cash equivalent at the end of the period	41,069,951	27,505,880	39,182,199	22,871,079

#### Independent auditor's report

#### To the Shareholders of CORINTH PIPEWORKS S.A.

#### Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of CORINTH PIPEWORKS S.A. which comprise the separate and consolidated statement of financial position as of 31 December 2013 and the separate and consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate 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 separate and consolidated 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 separate 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 about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated 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 separate 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 entity'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 the separate and consolidated 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the CORINTH PIPEWORKS S.A. and its subsidiaries as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

## Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

#### Athens, 26 March 2014

PwC S.A. 268 Kifissias Avenue 152 32 Chalandri Soel Reg No 113 The Certified Auditor Accountant Dino Michalatos SOEL Reg No 17701

#### **Address- Contacts**

### **Contact Details**

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#### **Investor Relations Contact Details**

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# 17. GRI-G3.1 Indicators Table and Linkage with ISO 26000

The linkage of the contents of the 2013 Report of CORINTH PIPEWORKS, regarding the indicators of GRI-G3.1 and in relation to the sections of the new standard ISO 26000 is presented below. Moreover, every indicator coverage has been highlighted according to the results of the self-assessment.

	ISO26000	
Description	Section	Notes / Section
1.1 Chairman's statement	6.2	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer.
1.2 Description of key impacts, risks and opportunities	6.2	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 5. Strategy, Priorities
		and Perspectives / 9. Corporate Governance / 10. Strategic Approach to CSR.
2.1 Name of the Company	-	"CORINTH PIPEWORKS S.A. Pipe Industry and Real Estate".
2.2 Primary brands, products, and/or services	-	6. Integrated Services and Products.
2.3 Operational structure of the organization, including main	6.2	2. CORINTH PIPEWORKS Group of Companies / 6.1 Plants and Production Units.
divisions, operating companies, subsidiaries, and joint ventures		
2.4 Location of organization's headquarters	-	2-4, Mesogeion Av., Tower Building B, Athens, 115 27 GREECE.
2.5 Countries were CORINTH PIPEWORKS operates	-	2013 at a glance / 2. CORINTH PIPEWORKS Group of Companies.
2.6 Nature of ownership and legal form	-	Societe (τονισμός) Anonyme / 2. CORINTH PIPEWORKS Group of Companies.
2.7 Markets served	-	2013 at a glance / 2. CORINTH PIPEWORKS Group of Companies / 6.4 Key Major Projects / 6.5 Customers and Suppliers.
2.8 Scale of CORINTH PIPEWORKS	-	2013 at a glance / 2. CORINTH PIPEWORKS Group of Companies / 5. Strategy, Priorities and Perspectives / 6.1 Plants and
		Production Units / 7.1 CORINTH PIPEWORKS Human Resources / 11. Group Financial Data and Corporate Responsibility Ke
		Performance Indicators.
		The total weight of the products provided in 2013 was 194.051 tons (consolidated). CORINTH PIPEWORKS' subsidiary, CPW
		America Co, occupies 7 persons.
2.9 Significant changes during the reporting period	-	13. General Information about the Report.
2.10 Awards received in the reporting period	-	10.7 Awards and Distinctions.
3.1 Reporting period	-	13. General Information about the Report.
3.2 Date of most recent previous report	-	13. General Information about the Report.
3.3 Reporting cycle	-	13. General Information about the Report.
3.4 Contact point	-	13. General Information about the Report / 18. Feedback Form.
3.5 Process for defining report content	-	10.1 Strategic Integration and Management of Corporate Responsibility / 10.4 Material Issues Chart / 13. General Information
		about the Report.
3.6 Boundary of the report	-	13. General Information about the Report.
3.7 Specific limitations on the scope or boundary of the report	-	13. General Information about the Report.

	ISO26000	
Description	Section	Notes / Section
3.8 Basis for reporting on joint ventures, subsidiaries,	-	13. General Information about the Report.
leased facilities, outsourced operations, and other entities		
3.9 Data measurement techniques and the bases of calculations	-	13. General Information about the Report / 7.1 CORINTH PIPEWORKS Human Resources / 7.2 Occupational Health and Safety
		at CORINTH PIPEWORKS / 8. Responsibility for the Environment /11. Group Financial Data and Corporate Responsibility Key
		Performance Indicators.
3.10 Explanation of the effect of any re-statements	-	13. General Information about the Report / 7.2 Occupational Health and Safety at CORINTH PIPEWORKS / 8. Responsibility for
of information provided in earlier reports		the Environment § Waste Management.
3.11 Significant changes from previous reporting periods in the scope,	-	13. General Information about the Report.
boundary, or measurement methods applied in the report		
3.12 Table identifying the location of the Standard Disclosures in the report	t	17. GRI-G3.1 Indicators Table and Linkage with ISO 26000.
3.13 Policy and current practice with regard to seeking external	7.5.3	13. General Information about the Report / 14. International Standards Compliance Tables / 15. Report and External Verification
assurance for the report		Statement.
4.1 Governance structure of the organization	6.2	9. Corporate Governance. All (100%) members of the Company's Board of Directors and Committees are men. All Company's
		Key Executives (100%) are men, while the Company's Legal Advisor is a woman. All members of the Board of Directors (100%)
		are over 50 years old.
4.2 Indicate whether the Chair of the highest governance body		9. Corporate Governance § Board of Directors.
is also an executive officer		
4.3 Number and gender of members of the highest governance body	6.2	There are four non-executive members of the Board of Directors, two of them are independent non-executive members. All
that are independent and/or non-executive members		non-executive members of the Board of Directors are men (including independent non-executive members).
4.4 Mechanisms for shareholders and employees to provide	6.2	9. Corporate Governance § Communicating with Shareholders / 10.3 Engagement and Dialogue with Stakeholders / 7.1 CORINTH
recommendations or direction to the highest governance body		PIPEWORKS Human Resources / 7.2 Occupational Health and Safety at CORINTH PIPEWORKS.
4.5 Linkage between compensation for members of the highest	6.2	9. Corporate Governance § Board of Directors / 7.1 CORINTH PIPEWORKS Human Resources § Human Resources Performance
governance body, senior managers, and executives		Appraisal, Compensation and Benefits.
4.6 Processes in place for the highest governance body to	6.2	9. Corporate Governance § Internal Control System and Risk Management System, § Avoiding Conflict of Interests, § Managing
ensure conflicts of interest are avoided		Transparency and Corruption Issues.
4.7 Process for determining the composition, qualifications, and expertise	6.2	9. Corporate Governance § Board of Directors. CORINTH PIPEWORKS provides equal opportunities to men and women in terms
of the members of the highest governance body and its committees,		of the nomination and election as members of the Board of Directors.
including any consideration of gender and other indicators of diversity		
4.8 Internally developed statements of mission or values, codes of	6.2	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 4. Vision, Mission
conduct, and values relevant to economic, environmental,		and Values / 6.2 Quality Management/ 7.1 CORINTH PIPEWORKS Human Resources / 7.2 Occupational Health and Safety at
and social performance		CORINTH PIPEWORKS / 7.3 CORINTH PIPEWORKS Contribution to the Society / 8. Responsibility for the Environment / 9. Corporate
		Governance / 10. Strategic Approach to CSR.

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	ISO26000	
Description	Section	Notes / Section
4.9 Procedures of the highest governance body for overseeing the	6.2	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 4. Vision, Mission
organization's identification and management of economic, environmental		and Values / 5. Strategy, Priorities and Perspectives / 9. Corporate Governance § Board of Directors, § Internal Control System
and social performance, including relevant risks and opportunities		and Risk Management System. The Board of Directors met 62 times during 2013. During these meetings financial, environmentation of the second
		and social performance was assessed.
4.10 Processes for evaluating the highest governance body's own	6.2	9. Corporate Governance § Board of Directors.
performance, particularly with respect to economic, environmental,		
and social performance		
4.11 Explanation of whether and how the precautionary approach	6.2	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 6.3 Research and
or value is addressed by the organization		New Technologies Development in Steel-pipes Production / 6.2 Quality Management / 7.2 Occupational Health and Safety a
		CORINTH PIPEWORKS / 8. Responsibility for the Environment / 9. Corporate Governance / 10. Strategic Approach to CSR.
4.12 Externally developed economic, environmental, and social charters,	6.2	9. Corporate Governance / 10.6 CORINTH PIPEWORKS Participation in Networks.
values, or other initiatives to which the organization subscribes or endorses		
4.13 Memberships in associations and/or national/international	6.2	10.6 CORINTH PIPEWORKS Participation in Networks.
advocacy organizations		
4.14 List of stakeholder groups engaged by the CORINTH PIPEWORKS	6.2	10.3 Engagement and Dialogue with Stakeholders.
4.15 Basis for identification and selection of stakeholders	6.2	10.3 Engagement and Dialogue with Stakeholders.
with whom to engage		
4.16 Approaches to stakeholder engagement, including frequency	6.2	10.3 Engagement and Dialogue with Stakeholders.
of engagement by type and by stakeholder group		
4.17 Key topics and concerns that have been raised through	6.2	10.3 Engagement and Dialogue with Stakeholders / 10.4 Material Issues Chart.
stakeholder engagement		

## Performance Indicators - Economic Indicators

		ISO26000	
	Description	Section	Notes / Section
)	Disclosure on Management Approach	6.2, 6.8	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 2013 at a glance / 5.
			Strategy, Priorities and Perspectives / 6. Integrated Services and Products / 9. Corporate Governance / 10. Strategic Approach
			to CSR / 11. Group Financial Data and Corporate Responsibility Key Performance Indicators.
	EC1 - Direct economic value generated and distributed	6.8, 6.8.3,	7.3 CORINTH PIPEWORKS Contribution to the Society / 11. Group Financial Data and Corporate Responsibility Key Performance
		6.8.7, 6.8.9	Indicators.
	EC2 - Financial implications and other risks and opportunities	6.5.5	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 5. Strategy, Priorities
	for the organization's activities due to climate change		and Perspectives / 6.3 Research and New Technologies Development in Steel-pipes Production/ 9. Corporate Governance § Board of
			Directors, § Internal Control System and Risk Management System / 16. Annual Financial Report § Report of the Board of Directors of
			the Company "CORINTH PIPEWORKS S.A." on separate and Consolidated Financial Statements for the period 1/1/2013 – 31/12/2013.

	ISO26000	
Description	Section	Notes / Section
EC3 - Coverage of the organization's defined benefit plan obligations	-	7.1 CORINTH PIPEWORKS Human Resources § Employee Benefits and Equal Opportunities.
		The Company participates in the employees retirement plan, as determined by the current institutional framework. In 2013,
		the total of the Company's employees retirement benefits (pension costs for defined benefit plans) amounted to euro 339,438.
		In addition, the Company voluntarily offers to its key executives a savings plan, comprising employees' contributions and
		additional contributions made by the Company. In 2013, the contributions made by the Company in respect of this plan stood
		at euro 34,437 and the personal contributions made by the employees stood at euro 13,570.
EC4 - Significant financial assistance received from government	-	CORINTH PIPEWORKS has not received any financial assistance (grant) from the government. Moreover, the Greek Government
		is not involved in the shareholder structure of the Company.
EC5 - Range of ratios of standard entry level wage by gender compared	-	The salary offered to CORINTH PIPEWORKS employees – even for the new hires – is higher than that determined by the current
to local minimum wage at significant locations of operation		institutional framework.
EC6 - Policy, practices, and proportion of spending on locally-based	6.3.7, 6.4.4,	6.5 Customers and Suppliers § Suppliers' Management / 7.3 CORINTH PIPEWORKS Contribution to the Society § Supporting
suppliers at significant locations of operation	6.8	Local Suppliers.
EC7 - Procedures for local hiring and proportion of senior	6.6.6, 6.8,	7.1 CORINTH PIPEWORKS Human Resources / 7.3 CORINTH PIPEWORKS Contribution to the Society § Supporting Local
management hired from the local community	6.8.5, 6.8.7	Employment and Entrepreneurship.
at locations of significant operation		While recruiting new employees, the Company places priority on hiring personnel coming from the local communities.
		Furthermore, despite the fact that the Company's head offices and the Management are located in Maroussi (Athens), the
		Company employs three directors (23%) residing in the local community. The category "Directors" includes the Heads of the
		Departments.
EC8 - Development and impact of infrastructure investments and	6.8, 6.8.5, 6.8.7	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 5. Strategy, Priorities
services provided primarily for public benefit through		and Perspectives / 6.3 Research and New Technologies Development in Steel-pipes Production / 7.3 CORINTH PIPEWORKS
commercial, in kind, or pro bono engagement		contribution to the Society / 10. Strategic Approach to CSR.
EC9 - Understanding and describing significant indirect economic	6.3.9, 6.6.6, 6.6.7,	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer $/$
impacts, including the extent of impacts	6.7.8, 6.8, 6.8.5,	5. Strategy, Priorities and Perspectives / 7.3 CORINTH PIPEWORKS contribution to the Society / 10. Strategic Approach to CSR /
	6.8.6, 6.8.7, 6.8.9	11. Group Financial Data and Corporate Responsibility Key Performance Indicators.

#### **Environmental Performance Indicators**

	ISO26000	
Description	Section	Notes / Section
Disclosure on Management Approach	6.2, 6.5	8. Responsibility for the Environment / § CORINTH PIPEWORKS' Commitment and Environmental Policy, § Investements in
		Environment, § Employees Training, § CORINTH PIPEWORKS' Practices, § Climate Change and Gas Emissions, § Environmental
		Performance Indicators / 10. Strategic Approach to CSR / 5. Strategy, Priorities and Perspectives / 6. Integrated Services and
		Products / 6.3 Research and New Technologies Development in Steel-pipes Production / 6.5 Customers and Suppliers § Suppliers
		and Use of Raw and Secondary Materials.

Description	ISO26000 Section	Notes / Section
EN1 - Materials used by weight or volume	6.5, 6.5.4	6.5 Customers and Suppliers § Suppliers and Use of Raw and Secondary Materials.
		Regarding the use of steel, the Company prefers not to publish the relevant data for confidentiality reasons. The materials used
		in the production process are 100% non-renewable.
EN2 - Percentage of materials used that are recycled input materials	6.5, 6.5.4	6.5 Customers and Suppliers § Suppliers and Use of Raw and Secondary Materials.
		The Company strives to achieve the best possible utilization of steel, which is the main raw material in the production process
		Also tries to achieve the optimum utilization of the other materials used in its production process, contributing to the lowest
		possible use of natural resources. Due to the particular features of the products and the implemented high quality standards,
		the use of recycled materials in the production process becomes prohibitive. For this reason, raw materials and other materials
		used in the production of the Company are not recycled. Furthermore, given that the Company's packaging materials are of
		specific nature and are directly related to the safe product transportation (pipes), CORINTH PIPEWORKS does not use any recycled
		packaging materials.
EN3 - Direct energy consumption by primary energy source	6.5, 6.5.4	8. Responsibility for the Environment § Environmental Performance Indicators - Gas Emissions.
		Diesel consumption 273,790 lt 11,910 GJ
		Power Generators Diesel 11,576 lt 503.5 GJ
		Natural Gas (LPG) 131,780 kg 64,572 GJ
		It is noted that biofuels, ethanol and hydro energy are not purchased by the Company. Furthermore, apart from the power
		generator (that operates only in emergencies) CORINTH PIPEWORKS does not produce or sell energy.
EN4 - Indirect energy consumption by primary source	6.5, 6.5.4	8. Responsibility for the Environment § Environmental Performance Indicators - Energy Consumption.
		The Electricity, provided to the Company by the Public Power Corporation (PPC) in 2013 included 7.2% of renewable energy. In
		particular, in 2013, the fuel throughout the country, as published by PPC, had the following composition: Lignite 15.00%, Oil
		17.65%, Natural Gas 25.43%, Hydropower 22.34%, RES 7.20%, Interconnections 12.38%.
EN5- Energy saved due to conservation and efficiency improvements	6.5, 6.5.4	8. Responsibility for the Environment § CORINTH PIPEWORKS' Practices.
		It is noted that although actions were performed, aimed at saving energy and improving efficiency, no relevant energy savings
		were recorded in 2013.
EN6 - Initiatives to provide energy-efficient or renewable energy	6.5, 6.5.4	8. Responsibility for the Environment § CORINTH PIPEWORKS' Commitment and Environmental Policy, § CORINTH PIPEWORKS
based products and services		Practices.
		It is noted that although actions were performed, aimed at saving energy and improving efficiency, no relevant energy savings
		were recorded in 2013.
EN7 - Initiatives to reduce indirect energy consumptions	6.5, 6.5.4	8. Responsibility for the Environment § CORINTH PIPEWORKS' Commitment and Environmental Policy, § CORINTH PIPEWORKS
and reductions achieved		Practices, § Environmental Performance Indicators - Gas Emissions.
		Data presented are related to indirect emissions arising from employee transportation, first recorded in 2012. Additiona
		emissions from the plant vehicles were recorded in 2013. Despite all the undertaken initiatives, there was no reduction of
		indirect consumption of energy.

Description	ISO26000 Section	Notes / Section
EN8 - Total water withdrawal by source	6.5, 6.5.4	8. Responsibility for the Environment § CORINTH PIPEWORKS' Practices, § Environmental Performance Indicators – Wate
	0.5, 0.5.4	Consumption.
EN9 - Water sources significantly affected by withdrawal of water	6.5, 6.5.4	The Company does not draw water from a rare, threatened or endangered water system. The Company does not draw water
env water sources significantly anceted by withdrawaror water	0.5, 0.5.4	from a Ramsar-listed wetland or any other relative water source.
EN10 - Percentage and total volume of water recycled and reused	6.5, 6.5.4	8. Responsibility for the Environment § CORINTH PIPEWORKS' Practices, § Environmental Performance Indicators – Wate
	0107 0101 1	Consumption.
EN11 - Location and size of land owned, leased, managed in,	6.5, 6.5.6	CORINTH PIPEWORKS' production facilities are located in Thisvi Industrial Area, which is the only institutionalised Industrial
or adjacent to, protected areas and areas of high biodiversity		Area in Viotia. The area's boundaries, size, purpose and uses of land were determined under Law 4458 / 65 and Law 742/77.
value outside protected areas		Therefore, the Company does not operate in or adjacent to protected areas or areas of high biodiversity value.
EN12 - Description of significant impacts of activities, products,	6.5, 6.5.6	8. Responsibility for the Environment § CORINTH PIPEWORKS' Commitment and Environmental Policy.
and services on biodiversity in protected areas and areas of	,	The Company continuously monitors its environmental impact as required by the certified Environmental Management Syster
high biodiversity value outside protected areas		that it applies. The Company does not operate in or adjacent to protected areas or areas of high biodiversity value.
EN13 - Habitats protected or restored	6.5, 6.5.6	Given that the Company's production facilities are located in Thisvi Industrial Area, whose boundaries, size, purpose and use
		of land were determined, no habitat restoration plan has been developed.
EN14 - Strategies, current actions, and future plans	6.5, 6.5.6, 6.8.3	8. Responsibility for the Environment § CORINTH PIPEWORKS' Commitment and Environmental Policy.
for managing impacts on biodiversity		The Company continuously monitors its environmental impact as required by the certified Environmental Management System
		that it applies. Given that the Company does not operate in or adjacent to protected areas or areas of high biodiversity value
		no need has arisen for developing strategic or/and specific actions for managing impacts on biodiversity.
EN15 - Number of IUCN Red List species and national conservation	6.5, 6.5.6	No relative impact is effective, given that that the Company does not operate in or adjacent to protected areas or areas of hig
list species with habitats in areas affected by operations,		biodiversity value.
by level of extinction risk		
EN16 - Total direct and indirect greenhouse gas emissions by weight	6.5, 6.5.5	8. Responsibility for the Environment § Environmental Performance Indicators - Gas Emissions.
		Gas emissions related to transportation of raw materials, products and waste, constitute sources of emissions that are out o
		the Company's control.
EN17 - Other relevant indirect greenhouse gas emissions by weight	6.5, 6.5.5	8. Responsibility for the Environment § Environmental Performance Indicators - Gas Emissions.
EN18 - Initiatives to reduce greenhouse gas emissions by weight	6.5, 6.5.5	8. Responsibility for the Environment § CORINTH PIPEWORKS' Practices, § Environmental Performance Indicators.
		Despite all the implemented initiatives, there wasn't recorded a reduction of indirect greenhouse gas emissions in 2013.
EN19 - Emissions of ozone-depleting substances by weight	6.5, 6.5.3	8. Responsibility for the Environment § Environmental Performance Indicators - Ozone Layer.
EN20 - NOx, SOx, and other significant air emissions by type and weight	6.5, 6.5.3	8. Responsibility for the Environment § Environmental Performance Indicators VOCs and NOx emissions.
		The Company's production units do not release persistent organic pollutants (POPs), hazardus air pollutants (HAPs), or stack o
		fugitives .
EN21 - Total water discharge by quality and destination	6.5, 6.5.3	In 2013, water discharge was zero, as it depends on the type of production.

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Description	ISO26000 Section	Notes / Section				
EN22 - Total weight of waste by type and disposal method	6.5, 6.5.3	8. Responsibility for the Enviror	iment § Waste Management.			
		The table includes separation of	f waste as non-hazardous wa	ste is marked in gr	ay.	
EN23 - Total number and volume of significant spills	6.5, 6.5.3	No significant spills, which coul	d affect human health, soil, v	egetation, water be	odies and groundwate	er, were recorded in 2013
EN24 - Weight of transported, imported, exported, or treated	6.5, 6.5.3	8. Responsibility for the Enviror	ment § CORINTH PIPEWORKS	5' Practices, § Wast	e Management.	
waste deemed hazardous under the terms of the Basel Convention		The Company does not transpo	rt, import or export any waste	e.		
Annex I, II, III, and VIII, and percentage of transported waste						
shipped internationally						
EN25 - Identity, size, protected status, and biodiversity value	6.5, 6.5.3,	There were no water discharges	that could affect the enviror	iment.		
of water bodies and related habitats significantly affected	6.5.4, 6.5.6					
by the reporting organization's discharges of water and runoff						
EN26 - Initiatives to mitigate environmental impacts of	6.5, 6.5.4,	6. Integrated Services and Prod		-		
products and services, and extent of impact mitigation	6.6.6, 6.7.5	Responsibility for the Environm	ent, § CORINTH PIPEWORKS'	Commitment and E	invironmental Policy.	
		The Company strives to achieve	•			
		Also tries to achieve the optime				
		possible use of natural resources	s. It must be noted the Compa	ny's products (used	in large pipelines cro	ssing nations and oceans
		are not reclaimed at the end of	their life cycle by the construc	tion or facility mar	agement companies	which are responsible fo
		their operation.				
EN27 - Percentage of products sold and their packaging	6.5, 6.5.3,	As already mentioned (EN 26) th				e. The products' packaging
materials that are reclaimed by category	6.5.4, 6.7.5	cannot be returned since it is su	,	•		
		Moreover, the company collects and keeps the packaging materials that are returned to its supplie items relate to wooden pallets and metal drums. The quantities recorded for the last three years a			rned to its suppliers in	n order to be reused. Such
					e last three years are	as follows:
			2011	2012	2013	
		Wooden Palletes	16,210 kg	2,990 kg	21,160 kg	
		Metal Drums	-	5,450 kg	7.,340 kg	
		* Variations and differences are due	to accumulation of the materials	in the Company's fac	ilities.	
EN28 - Monetary value of significant fines and total number of	6.5	8. Responsibility for the Environment § CORINTH PIPEWORKS' Commitment and Environmental Policy.				
non-monetary sanctions for non compliance with environmental		No fines / sanctions were impos	ed in 2013.			
laws and regulations						
EN29 - Significant environmental impacts of transporting	6.5, 6.5.4, 6.6.6	8. Responsibility for the Enviror	ment § Climate Change and	Gas Emissions § En	vironmental Perform	ance Indicators.
products and other goods and materials						
	6.5	8. Responsibility for the Enviror	Iment § CORINTH PIPEWORKS	5' Commitment and	l Environmental Polic	y, § Investments in

Work P	erformance	Indicators
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	ISO26000	
Description	Section	Notes / Section
Disclosure on Management Approach		7.1 CORINTH PIPEWORKS Human Resources / 7.2 Occupational Health and Safety at CORINTH PIPEWORKS / 10. Strategic Approace
		to CSR.
LA1 - Total workforce by employment type, employment	6.2, 6.4, 6.3.10	7.1 CORINTH PIPEWORKS Human Resources § Human Resources at a glance.
contract, and region, broken down by gender		During 2013 there wasn't an employed person of different nationality or people with disabilities.
LA2 - Total number and rate of new employee hires and	6.4, 6.4.3	7.1 CORINTH PIPEWORKS Human Resources § Human Resources at a glance.
employee turnover by age group, gender, and region		
LA3 - Benefits provided to full-time employees that are not	6.4, 6.4.3	7.1 CORINTH PIPEWORKS Human Resources § Employee Benefits and Equal Opportunities.
provided to temporary or part-time employees by significant		CORINTH PIPEWORKS is opposed to any form of discrimination and there is no discrimination, regarding wages or other kin
locations of operations		of remuneration for the same job positions (for example, gender, nationality, etc.), in respect of all the Company's operation
		Respectively, there is no discrimination in benefits based on the type of employment agreement.
LA15 - Return to work and retention rates after parental leave,	6.4, 6.4.3,	7.1 CORINTH PIPEWORKS Human Resources § Employee Benefits and Equal Opportunities.
by gender	6.4.4	
LA4 - Percentage of employees covered by collective	6.4, 6.4.4	7.1 CORINTH PIPEWORKS Human Resources § Human Resources at a glance.
bargaining agreements		
LA5 - Minimum notice period(s) regarding significant operational	6.4, 6.4.3,	«Open Doors» Policy and Internal Communication System contribute to direct provision of information to the employees in
changes, including whether it is specified in collective agreements	6.4.4, 6.4.5,	respect of any changes occurring in the Company (eg. transfer of operations to another area, organisational changes, outsourci
	6.3.10	and start-up of new activities). This policy and procedures eliminate the need to include a minimum period of significa
		corporate changes in the employment contracts.
LA6 - Percentage of total workforce represented in formal joint	6.4, 6.4.3,	7.2 Occupational Health and Safety at CORINTH PIPEWORKS.
management-worker health and safety committees that help	6.4.4, 6.4.5	
monitor and advise on occupational health and safety programs		
LA7 - Rates of injury, occupational diseases, lost days, and absenteeism,	6.4, 6.4.6	7.2 Occupational Health and Safety at CORINTH PIPEWORKS § CORINTH PIPEWORKS' performance in Health Issues § CORINT
and number of work related fatalities by region and by gender		PIPEWORKS' performance in Safety Issues.
		- The reported injuries relate only to male workers, since women were not involved in accidents. Furthermore, all the report
		accidents occurred in the production units of the Company located in Thisvi.
		- Calculation of lost working days starts from the day after the accident.
		- "Minor accidents" are defined as those in need only of First Aid and they don't lead to lost days – absence from work.
		<ul> <li>Calculation of frequency and severity rates include the subcontractors staff, whose health and safety is the Compar responsibility.</li> </ul>
		As far as subcontractors are concerned, in 2013, days absent from work due to any illness (apart from occupational diseas
		amounted to 54, while the absenteeism rate stood at 4,162 (men), 6,944 (women) and 4,371 (total).

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Description	ISO26000 Section	Notes / Section
LA8 - Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	6.4, 6.4.6	There was no special program regarding serious diseases in 2013. Regarding "treating serious diseases", the Company maintains the Blood Bank for the needs of its employees and their families. Moreover, there are no Company's employees who are involved in occupational activities and have a high incidence or/and high risk of specific diseases. This data is also examined through risk assessments, which are reviewed annually.
LA9- Health and safety topics covered in formal agreements with trade unions	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	<ul> <li>Labour Agreements, signed with CORINTH PIPEWORKS, cover all the legal issues relating to personal protective equipment (PPE) and new employees are trained on safety issues based on their working position.</li> <li>Further issues relating to health and safety are included in the Company's "Internal Regulations", provided to every new employee who is asked to read and sign it. Such issues deal with: <ul> <li>employee participation in health and safety committee,</li> <li>Participation of workers in audits,</li> <li>Health and safety inspections and accident investigations,</li> <li>Training and education,</li> <li>Complaints mechanism,</li> <li>Right to refuse unsafe work,</li> <li>Periodic inspections,</li> <li>Commitments regarding target performance standards or level of practice to apply.</li> </ul> </li> </ul>
LA10 - Average hours of training per year per employee by gender, and by employee category	6.4, 6.4.6	7.1 CORINTH PIPEWORKS Human Resources § Human Resources Development. The female employees of the "administrative and workforce" category received 25 hours, during 2013 (0.81 average hours of female employee training).
LA11 - Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	6.4, 6.4.7	7.1 CORINTH PIPEWORKS Human Resources § Human Resources Development § Employee Benefits and Equal Opportunities. The Company does not provide transition assistance programs to support employees who are retiring.
LA12 - Percentage of employees receiving regular performance and career development reviews, by gender	6.4, 6.4.7, 6.8.5	7.1 CORINTH PIPEWORKS Human Resources § Human Resources Performance Appraisal and Compensation and Benefits.
LA13 - Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	6.4, 6.4.7	<ul> <li>9. Corporate Governance § Board of Directors, § CORINTH PIPEWORKS' Corporate Executives / 7.1 CORINTH PIPEWORKS Human Resources § Human Resources at a glance.</li> <li>All (100%) of the members of the Company's Board of Directors and Committees are men. The total number of the Company's Key Executives (100%) is men, while the Company's Legal Advisor is a woman.</li> <li>All the members of the Board of Directors (100%) are over 50 years old.</li> <li>There is no individual from a national minority or a person with disabilities in CORINTH PIPEWORKS governance bodies.</li> </ul>
LA14 - Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	6.3.7, 6.3.10, 6.4, 6.4.3	7.1 CORINTH PIPEWORKS Human Resources § Employee Benefits and Equal Opportunities. CORINTH PIPEWORKS is opposed to any form of discrimination regarding wages or other kind of remuneration.

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	ISO26000	
Description	Section	Notes / Section
Disclosure on Management Approach	6.2, 6.3, 6.3.3,	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 5. Strategy, Prioritie
	6.3.4, 6.3.6, 6.6.6	and Perspectives / 7.1 CORINTH PIPEWORKS Human Resources / 10. Strategic Approach to CSR.
HR1 - Percentage and total number of significant investment	6.3, 6.3.3,	7.1 CORINTH PIPEWORKS Human Resources § Human Rights.
agreements and contracts that include clauses incorporating	6.3.5, 6.6.6	The Company selects its employees based on strict criteria, which however do not include specific provisions on human right
human rights concerns, or that have undergone human rights screenin	g	in agreements and contracts. Respect for human rights is protected by national and international law, and as a consequence
		Company's agreements and contracts come under this legislative framework.
HR2 - Percentage of significant suppliers contractors, and	6.3, 6.3.3,	6.5 Customers and Suppliers
other business partners that have undergone human rights	6.3.5, 6.4.3, 6.6.6	In 2013, the Company collaborated with 1,077 suppliers who are divided into the following basic groups:
screening, and actions taken		- Raw Materials
		- Secondary - auxiliary Materials
		- Spare parts and other materials
		- Provision of employees
		- Service providers.
		The Company cooperates with a total of four companies providing employees (cleaning and work subcontractors). All of there
		(100%) are checked on a monthly basis for issues relating to human rights. Audits' results are disclosed to the suppliers, and
		required, they receive compliance recommendations. Other major suppliers of the Company are raw materials' suppliers (
		companies) that are not subject to such audits since all of them have adopted the 10 Principles of UN Global Compact and 2 of
		them publish an Annual Sustainability Report. Consequently, the 44.4% of the Company's major suppliers have been checked
		on human rights during 2013.
HR3 - Total hours of employee training on policies and procedures	6.3, 6.3.5	7.1 CORINTH PIPEWORKS Human Resources § Human Rights.
concerning aspects of human rights that are relevant to operations,		A total of 40 hours of training were devoted on policies and procedures related to human rights.
including the percentage of employees trained		
HR4 - Total number of incidents of discrimination and	6.3, 6.3.6, 6.3.7,	No incident of any kind of discrimination has ever been recorded at CORINTH PIPEWORKS.
corrective actions taken	6.3.10, 6.4.3	
HR5 - Operations and significant suppliers identified in which	6.3, 6.3.3, 6.3.4,	Given the way the Company selects its suppliers and collaborates, it is estimated that the possibility of violating
the right to exercise freedom of association and collective	6.3.5, 6.3.8,	the right to exercise freedom of association and collective bargaining is very low. Therefore, no actions to support suppliers
bargaining may be violated or at significant risk, and actions	6.3.10, 6.4.3,	have been taken.
taken to support these rights	6.4.5	
HR6 - Child labour	6.3, 6.3.3, 6.3.4,	7.1 CORINTH PIPEWORKS Human Resources § Human Rights.
	6.3.5, 6.3.7,	The cases in which CORINTH PIPEWORKS recognizes the potential risk of incidents of child labour are related to the facilities i
	6.3.10, 6.6.6	Thisvi, where its associates' and subcontractors' workforce is employed. Therefore, the Company inspects these facilities o
		monthly basis. In addition, in 2013, CORINTH PIPEWORKS developed a new procedure that includes prevention and eliminatio
		of any incident of child labour.

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Desisten	ISO26000	
Description	Section	Notes / Section
HR7 - Forced and compulsory labour	6.3, 6.3.3, 6.3.4, 6	7.1 CORINTH PIPEWORKS Human Resources § Human Rights.
	6.3.5, 6.3.7,	The cases in which CORINTH PIPEWORKS recognizes the potential risk of incidents of forced and compulsory labour are related
	6.3.10, 6.6	to the facilities, where its associates' and subcontractors' workforce is employed. However, the Company inspects these faciliti
		on monthly basis, since it condemns incidents of forced and compulsory labour. In addition, in 2013, CORINTH PIPEWORI
		developed a new procedure related to elimination of forced and compulsory labour.
HR8 - Percentage of security personnel trained in the	6.3, 6.3.5,	The security personnel of the Company did not participate in any training concerning aspects of human rights in 2013, since
organization's policies or procedures concerning aspects	6.4.3, 6.6.6	specialized training for the particular personnel was conducted in 2012.
of human rights that are relevant to operations		
HR9 - Total number of incidents of violations involving	6.3, 6.3.6, 6.3.7,	No such incidents have been recorded at CORINTH PIPEWORKS.
rights of indigenous people	6.3.8, 6.6.7	
HR10 - Percentage and total number of operations that	6.3, 6.3.3.	The Company reviews of human rights' issues in all its business units on monthly basis, in order to eliminate any risk of hum
have been subject to human rights reviews and/or	6.3.4, 6.3.5	rights' violation in its business units.
impact assessments		
HR11 - Number of grievances related to human rights filed,	6.3, 6.3.6	7.1 CORINTH PIPEWORKS Human Resources § Human Rights
addressed and resolved through formal grievance mechanisms		No grievances related to human rights have been recorded at the Company. In addition, in 2013, CORINTH PIPEWORKS develop
		a new procedure "Respect for human rights at workplace", which constitutes the formal mechanism for human rights' complai
		management.

# **Society Performance Indicators**

	ISO26000	
Description	Section	Notes / Section
Disclosure on Management Approach	6.2, 6.6, 6.8	1a. Message from the Chairman of the Board of Directors / 1b. Message from the Chief Executive Officer / 4. Vision, Mission and Value
		/ 5. Strategy, Priorities and Perspectives / 7.3 CORINTH PIPEWORKS contribution to the Society / 10. Strategic Approach to CSR.
SO1 - Percentage of operations with implemented local	6.3.9, 6.8,	7.3 CORINTH PIPEWORKS contribution to the Society / 10.2 Sustainable Development Policy and Corporate Responsibility Axes/ 10.3
community engagement, impact assessments, and	6.8.3, 6.8.9	Engagement and dialogue with Stakeholders / 10.4 Material Issues Chart / 10.5 Global Compact and ISO 26000 / 10.8 Performance
development programs		against Targets for 2013 / 10.9 CORINTH PIPEWORKS' targets for 2014 / 7.2 Occupational Health and Safety at CORINTH PIPEWORH
		(introductory part).
S09 - Operations with significant potential or actual negative	6.3.9, 6.5.3,	7.3 CORINTH PIPEWORKS contribution to the Society § Development of local communities / 8. Responsibility for the Environment §
impacts on local communities	6.5.6, 6.8	CORINTH PIPEWORKS' Commitment and Environmental Policy.
		According to the study of environmental aspects and impacts which the Company has conducted and evaluates annually, CORINT
		PIPEWORKS' operations are assessed as "low-environmental impact industry" and the potential impacts have been eliminated throug
		preventive measures taken by the Company on an on-going basis.

	ISO26000	
Description	Section	Notes / Section
SO10 - Prevention and mitigation measures implemented in	6.3.9, 6.5.3,	8. Responsibility for the Environment § CORINTH PIPEWORKS' Commitment and Environmental Policy / 9. Corporate Governance §
operations with significant potential or actual negative	6.5.6, 6.8	Internal Control System and Risk Management System/ 10.2 Sustainable Development Policy and Corporate Responsibility Axes.
impacts on local communities		
SO2 - Percentage and total number of business units analyzed	6.6, 6.6.3	9. Corporate Governance § Internal Control System and Risk Management System/10.2 Sustainable Development Policy and Corporate
for risks related to corruption		Responsibility Axes.
		All the business units were assessed and no relative incident was recorded in 2013.
SO3 - Percentage of employees trained in organization's	6.6, 6.6.3	2 hour training program was conducted on issues of corporate governance, transparency and corruption, attended by 20 executives
anti-corruption policies and procedures		(Directors and Key Executives, i.e. 45% of all the executives). Administrative personnel and workforce did not attend the training.
SO4 - Actions taken in response to incidents of corruption	6.6, 6.6.3	No incidents of corruption were recorded.
SO5 - Public policy positions and participation in public	6.6, 6.6.4, 6.8.3	10.2 Sustainable Development Policy and Corporate Responsibility Axes. / 10.3 Engagement and dialogue with Stakeholders / 10.6
policy development and lobbying		CORINTH PIPEWORKS Participation in Networks.
		The Company through its participation in networks, agencies and organisations, aims to contribute to the development of proposal
		and policies for the benefit of the industry and of the Greek economy.
SO6 - Total value of financial and in-kind contributions to	6.6, 6.6.4, 6.8.3	The Company does not provide any financial or in-kind support to politicians, political parties and related institutions.
political parties, politicians, and related institutions by country		
S07 - Total number of legal actions for anticompetitive	6.6, 6.6.5, 6.6.7	There were no such legal actions.
behavior, anti-trust, and monopoly practices and their outcomes		
S08 - Monetary value of significant fines and total number of	6.6, 6.6.3, 6.6.7,	There were no such fines.
non-monetary sanctions for non compliance with laws and regulations	6.8.7	

# Product Responsibility Performance Indicators

	ISO26000	
Description	Section	Notes / Section
Disclosure on Management Approach	6.2, 6.6, 6.7	6. Integrated Services and Products / 6.3 Research and New Technologies Development in Steel-pipes Production / 6.2 Qua
		Management / 6.5 Customers and Suppliers / 7.2 Occupational Health and Safety at CORINTH PIPEWORKS.
PR1 - Life cycle stages in which health and safety impacts	6.3.9, 6.6.6,	6.2 Quality Management / 7.2 Occupational Health and Safety at CORINTH PIPEWORKS.
of products and services are assessed for improvement	6.7, 6.7.4, 6.7.5	Life cycle stage of CORINTH PIPEWORKS' products which can be assessed in respect of Health and Safety issues are the produce
		stage, the storage stage in the Company's facilities and the transportation stage when it is undertaken by the Comp
		Specifications and requirements regarding the other stages (Development of product concept, R & D, Certification, Marke
		and Promotion, Storage Distribution and Supply (performed by installation undertaking companies), Use and Service, Disp
		Reuse and Recycle) cannot be controlled by the Company. All products of the Company (100%) are tested for Health and Sa
		issues during the production process.

Description	ISO26000 Section	Notes / Section
PR2 - Total number of incidents of non-compliance with regulations	6.3.9, 6.6.6,	No incidents of non-compliance have been recorded.
and voluntary codes concerning health and safety impacts of	6.7, 6.7.4, 6.7.5	
products and services during their life cycle, by type of outcomes		
PR3 - Type of product and service information required by	6.7, 6.7.3,	6. Integrated Services and Products / 6.2 Quality Management /6.3 Research and New Technologies Development in procedure
and percentage of significant products and	6.7.4, 6.7.5,	Steel-pipes Production.
services subject to such information requirements	6.7.6, 6.7.9	
PR4 - Total number of incidents of non-compliance with	6.7, 6.7.3,	No fines have been imposed in respect of non-compliance with:
regulations and voluntary codes concerning product	6.7.4, 6.7.5,	• Legislation
and service information and labeling, by type of outcomes	6.7.6, 6.7.9	Regulations in general, and
		Voluntary Codes
		regarding communication and marketing, the documentation that accompanies the products and their labeling.
PR5 - Practices related to customer satisfaction, including	6.7, 6.7.4, 6.7.5,	6.5 Customers and Suppliers § Customer Satisfaction Survey.
results of surveys measuring customer satisfaction	6.7.6, 6.7.8, 6.7.9	
PR6 - Programs for adherence to laws, standards, and voluntary	6.7, 6.7.3,	6.2 Quality Management.
codes related to marketing communications, including	6.7.6, 6.7.9	The Company voluntarily provides comprehensive and clear information about its products and adopts the Greek Code of
advertising, promotion, and sponsorship		Advertising and Communication (2007). The Code is based on the content and structure of the corresponding code of ethics
		the International Chamber of Commerce (CONSOLIDATED ICC CODE OF ADVERTISING & MARKETING COMMUNICATION PRACTIC
		- ICC), which is effective at global level (www.see.gr).
PR7 - Total number of incidents of non-compliance with	6.7, 6.7.3,	No relative incidents of non-compliance have been recorded.
regulations and voluntary codes concerning marketing	6.7.6, 6.7.9	
communications, including advertising, promotion,		
and sponsorship by type of outcomes		
PR8 - Total number of substantiated complaints regarding	6.7, 6.7.7	6.5 Customers and Suppliers § Customer Satisfaction Survey.
breaches of customer privacy and losses of customer data		The Company manages complaints by means of a specifically structured procedure related to potential complaints or claim
		for monetary compensation (claim) No complaints regarding customer privacy and losses of data have been recorded.
PR9 - Monetary value of significant fines for non compliance	6.7, 6.7.6	The Company fully complies with laws and regulations and there were no legal, administrative or judicial sanctions.
with laws and regulations concerning the provision and		
use of products and services		

Fully Covered

Partially Covered

The photographs used for this Report are from shots taken by the photographer Spyros Charaktinos, as well as by Christina Kiousi, Vyronas Nikolopoulos, Alexandros Fafoutis, Christos Panagiotalis, Simon Pitsillidis, Erietta Papadogianni and HELMEPA.



The paper used for this Report has been produced from FSC Sustainable Management Forest and plantations and contains 60% pulp from recycled paper.

# 18. Feedback Form

Upon completion of the Feedback Form regarding the Report, you can disclose your impressions about 2013 CORINTH PIPEWORKS Annual Financial and Sustainable Development Report and actively contribute to our efforts to improve our performance. The data to be obtained upon completion of the Form will be used solely for internal assessment purposes, performed by CORINTH PIPEWORKS.

Which group of CORINTH PIPEWORKS stakeholders do you belong to? What is the type of your engagement/relation with CORINTH PIPEWORKS?								
Employee		Supplier						
Shareholder		Investor						
Customer		Representative of Financial Institution						
Local Community Member		NGO Member						
State / Institutional Organisation		Representative of Media						
Other:								

# What is your overall impression as well as your impression per Chapter of the 2013 CORINTH PIPEWORKS Annual Financial and Sustainable Development Report?

CHAPTERS OF THE REPORT	Excellent	Very Good	Average	Needs Improvement
CORINTH PIPEWORKS Group of Companies				
Milestones				
Vision, Mission and Values				
Strategy, Priorities and Perspectives				
Integrated Services and Products				
CORINTH PIPEWORKS Impact on People and Society				
Responsibility for the Environment				
Corporate Governance				
Strategic Approach to CSR				
Key Performance Indicators and Financial Data				
General Information about the Report				

In respect of 2012 Corporate Responsibility and Sustainable Development Report and 2012 Annual Report, what is the overall opinion you have formed on 2013 CORINTH PIPEWORKS Annual Financial and Sustainable Development Report, which, for the first time, is presented in a unified form and includes financial and non-financial data of CORINTH PIPEWORKS: Better □ Same U Worse Don't know Regarding the issues, presented in 2013 CORINTH PIPEWORKS Annual Financial and Sustainable Development Report: To what extent do you believe that this Report address the most significant-material issues regarding the Company's activities? Excellent Good □ Moderate Poor To what extent do you believe that the information included in 2013 Annual Financial and Sustainable Development Report is comparable to the information presented in prior Reports? Excellent 🗌 Good □ Moderate Poor How would you rate the balance between the Chapters in respect of their content? Excellent □ Good □ Moderate Poor How would you characterize the Report's wording? Excellent Good □ Moderate Poor

-	e graphical outline of the			
Excellent	🗌 Good		Noderate	Poor
<ul> <li>How easily were you able</li> </ul>	le to locate the informatio	n vou desired?		
<ul> <li>Very easily</li> </ul>	Quite easily	•	Relatively easily	Not at all easily
		·	clutively cushy	
In your opinion, does the 2	013 CORINTH PIPEWORK	S Annual Financia	and Sustainable [	Development Report contain suffi-
cient information in provid	ing an overall picture of	Company's activiti	es?	
Yes	🗆 No	1 🗔	Needs improvemen	t
-				
		ial and Sustainable	e Development Rep	oort, how would you rate CORINTH
PIPEWORKS as a Responsib			Norco	
Better	🔲 Same		Norse	🔲 Don't know
-	tion or other issues rega	rding the Company	y, you were lookin	g for and were not included in the
Report? Please, describe:				
-	rns or issues you may h	nave regarding you	ur cooperation wi	th the Company and you wish to
communicate.				
What actions do you think	the Company should ta	ke in order to bett	er meet vour need	ls and concerns?
what actions do you think	the company should ta	Re in order to bett	er meet your need	is and concerns.
Personal Information (op	tional).			
Name/Surname:				
Company / Organisation:	/	Address:		
company, organisation	,			E-mail:
Please return this form to:				
CORINTH PIPEWORKS S.A.				
Sofia Mylothridou,				
Head of Corporate Responsi	bility			
33 Amaroussiou-Halandriou	•	ece		
Tel: +30 210 6787537, + 30 6				
E-mail: info@cpw.vionet.gr	·			
. 9				
* All personal data is protecte	d in compliance with the p	rovisions of law on p	ersonal data protec	tion.