

Incorporating Sustainability at Mytilineos

Introduction

Mytilineos is a publicly traded company listed in the Athens Stock Exchange since 1995. The company is a Greek-based industrial conglomerate operating in the areas of metallurgy, power generation, and large-scale construction. Through research, it is evident that the company has invested substantially in sustainability and ESG integration over the past years. Comparing the company's first sustainability report from 2007 which totaled around 40 pages with the company's latest 100-page Sustainable Development report covering a vast array of issues illustrates the company's progress in the matter. This paper will cover the background of the company and its operations. The main body of the paper will analyze how sustainability is defined at Mytilineos, the extent to which leadership embodies a strong commitment to strengthening ESG performance, and the ways in which organizational structures, goals and metrics, and the internal perception and importance allocated to ESG facilitate or hinder the company's ESG progress. Lastly, the paper will cover Mytilineos' sustainability outlook, outline a series of successes and failures, and discuss how other companies can learn from this organization's effort. Analysis has been based on use of multiple secondary sources such as company websites, reports, newspaper articles, ratings, as well as primary sources in the form of interviews with company employees and leadership.

Background

Mytilineos' vision is as follows, "Inspired and motivated by our Greek heritage, we lead our business to global success" (Vision, Mission & Corporate Values). The company has published its mission: "We operate in demanding local and international markets with inventiveness, effectiveness and respect for the environment and the society. We rely on our workforce, creating value for our customers, our shareholders, our employees and the Greek Economy" (Vision, Mission & Corporate Values). Mytilineos is considered a large company with around 4,850 employees (The OECD classifies enterprises that employ more than 250 people as large enterprises) (Enterprises by business size). In 2020, the company had more than 2 billion USD in revenues, an EBITDA of more than 350 million USD, and around 150 million USD in net earnings, contributing 0.6% of total national GDP (Mytilineos Corporate Presentation; Mytilineos 2020 Annual Report). The company is currently valued at 2,181 billion Euro (almost 2,5 billion USD) (MYTIL:GA). While the company is based in Greece, it has "developed a strong international presence in the markets of all five continents" with 45% of revenues come from outside of Greece (What We Do; Mytilineos Company Presentation). The company's exports "account for more than 2% of total Greek exports" (Mytilineos 2020 Annual Report).

Mytilineos operates in a variety of sectors through its four Business Units (BUs): Electric Power & Gas Trading, Metallurgy, Sustainable Engineering Solutions (SES), and Renewables & Storage Development (RSD). The Power & Gas BU has a generation capacity of 2.3 GW, making it the largest private utility in Greece (Company Presentation). Apart from generation and distribution, the company also has a Gas Trading sub-unit within this BU, "which secures the Company's supply with natural gas on competitive terms" (Mytilineos 2020 Annual Report). The company is the largest private natural gas importer and supplier in the country, accounting

for 36% of total Greek market imports as of September 2021 and “approximately 47% of the total liquefied gas imports (“LNG”) for the nine months ended 30 September 2019” (Mytilineos Corporate Presentation; Mytilineos Senior Notes Offering Memorandum). The Metallurgy BU contains the only “vertically integrated alumina and aluminum producer with asset base in Europe” and is the “second largest producer of bauxite in [the] European Union” (Mytilineos Corporate Presentation). The BU has made several acquisitions to address its carbon-intense profile, including expansion into recycled aluminum and has committed to becoming a global leader for Green Metallurgy by targeting to “reduce absolute emissions of Metallurgy Business Unit by 65% and, respectively, the relative emissions by 75% (as measured per ton of aluminum produced) by 2030” (Mytilineos Corporate Presentation). The SES BU has extensive know-how in the construction of thermal natural gas power plants and traditional infrastructure projects. However, it has expanded its scope to focus on sustainability projects such as “solid and liquid waste management, hybrid and off-grid energy projects, energy upgrade projects, and the implementation of innovative first-of-kind energy projects (e.g. hydrogen projects)” (Mytilineos 2020 Annual Report). Lastly, the RSD BU is a manufacturer and contactor for solar energy projects globally. The BU adopts a Build-Own-Transfer (BOT) business model for the development of its solar projects, “having successfully completed over 1.5 GW of solar power plants and 400 MW of energy storage projects on all five continents” (Mytilineos 2020 Annual Report).

Defining Sustainability

Based on secondary research, the company approaches sustainability through the standard ESG framework, allocating importance on all three aspects including the Environment, Social, and Governance elements. The company appears to adopt a relatively standard definition by addressing sustainability concerns in each of its BUs. The company has created a Sustainable Development strategy which is aimed at “creating long-term and sustainable value for its shareholders and other Stakeholder groups” while catalyzing the company’s growth (Mytilineos Sustainability Report 2020). The strategy is implemented on three levels. The first is Climate Change which focuses more on traditional decarbonization, emissions reduction, renewable energy, and sustainable development projects. Secondly, the ESG Approach holistically tackles ESG challenges, ensures reporting standards, transparent disclosure, and constant improvement of ESG performance. Lastly, Corporate Social Responsibility (CSR) focuses on responsible operation towards people, the environment, society and communities, and the market (Mytilineos Sustainability Report 2020). The company states that in implementing this strategy, it espouses three main principles “that ensure completeness (Materiality Principle), quality (Stakeholder Inclusiveness Principle) and transparency (Accountability Principle) across all its activities” (Mytilineos Sustainability Report 2020).

Through an interview with the company’s Sustainable Development Director, Giorgos Galanis, I was able to gather further insights on the precise definition of sustainability within Mytilineos. I asked Mr. Galanis, “is sustainability at Mytilineos mainly environmentally focused or are the Social and Governance components equally important?” His response confirmed my findings from secondary research that the company has an extensive ESG approach which includes environmental and non-environmental factors. Galanis stated that the company “carries out its activities with the aim of creating sustainable value for all its Stakeholders” (Galanis). Furthermore, he elaborated by stating that “since 2012 ESG factors have been an integral part of

Mytilineos broader CSR policy and reporting strategy, consolidating it today as one of the leaders in ESG, supporting Environmental, Social and Governance as equally material aspects of its business strength” (Galanis). In the Environment category, the company focuses on meeting targets regarding “climate change, air quality, waste management, water efficient use, and on the protection of biodiversity” (Galanis).

Regarding the Social component, the company has made commitments “to enhance local employment, support [the] local economy, make a substantial contribution through the execution of its Social policy, under which social programs and initiatives are implemented responding to the diverse expectations of its local communities, and to the implementation of the open dialogue with its local communities, reinforce its bond with society” (Galanis). Mr. Galanis further emphasized the company’s actions to ensure occupational health and safety, increase employee training days per year, and the development of an inclusive culture.

Lastly, Mr. Galanis spoke about the governance component of ESG and the company’s sustainability strategy. Galanis stated that this field focuses “among others, [on] the rights of shareholders, the structure of the governing bodies, business ethics, risk management, the compliance system, and the reporting strategy.”

The company has a wholistic approach to sustainability, considering the impact of its choices within the organization, its suppliers and supply chain, as well as its customers and other stakeholders. Mr. Galanis reaffirmed this conclusion by making some brief references on the company’s approach of encouraging suppliers “to adopt the best policies and practices in terms of sustainable management.”¹ Furthermore, in its annual Sustainable Development Report, the company outlines each UN Sustainable Development Goal, and the ways it is contributing to their fulfilment. Given that the company is mostly involved in Business-to-Business (B2B) transactions (apart from its electric utility), I could not access information on whether customers such as Glencore and large commodity traders or other customers are informed of sustainability efforts and the extent to which they are involved in the strategy. However, Protergia, the company’s electric utility, is increasingly involving customers in the process, informing them of promotions and incentives to move towards greater efficiency and electrification.

Sustainability & Company Leadership

Based on insights gathered from primary research through interviews and secondary research of reports and website content, it is evident that Mytilineos’ leadership supports sustainability. The most senior leader in the company, Evangelos Mytilineos, Chairman and CEO of Mytilineos, reaffirmed this commitment during our interview. He stated that “in my eyes, no responsible and visionary CEO would tell you the green transition can or should be dismissed. If you look at the facts, it is obvious that environmental risks are serious” (Mytilineos). Mr. Mytilineos repeatedly stated the company’s commitment to achieving its Sustainability targets. I did not recognize any elements of greenwashing given that the CEO linked ESG performance directly to value creation and the financial viability and success of the company. It appears that among others, producing Green aluminum, renewable energy, investing in waste-management, and gathering know-how in the construction of waste-to-power plants is of top strategic priority for the company. Something that seems to differentiate the company is that, unlike most firms who set out targets and try to change their operations to fulfill them, the company seems to organically move towards sustainable operations which provide high growth

¹ Specific metrics and performance evaluation will be presented in the Strategy & Metrics section.

and returns for the firm, with stronger sustainability performance naturally following. This is not to diminish the effort taken by the company to actively adapt its business model and operations to achieve targets, but it reflects its deeper, organic, and therefore more sustainable commitment to achieving ESG targets, not solely for investor or PR purposes, but for the financial success of the firm as well.

In my interview with Mr. Galanis, I asked him if he believes management has demonstrated a strong commitment to improving ESG performance. He stated that company leadership is seriously committed to the cause and argued this can be illustrated through the company's establishment of an "effective governance structure of Sustainability matters which is fundamental to quality of ESG performance and reporting" (Galanis). Galanis referred to the Board of Directors Sustainability Committee, the Corporate Governance and Sustainable Development General Division, and the efforts of individual BUs to achieve ESG targets, as evidence that management has ensured sustainability is an important element in decision-making from the top executive level all the way through to individual business units.

Strong commitment to support sustainability is evident through the company's website, with a dedicated section on sustainability. "Respect for the environment and society" is embedded in the company's mission statement. PR statements and CEO interviews illustrate repeated references to the company's commitment in decreasing emissions, investing in employee development, and allocating resources to achieving its ambitious targets. Finally, I was able to interview the General Manager of the Corporate Governance and Sustainable Development Central Function, Dimitris Papadopoulos, who reiterated this commitment. Mr. Papadopoulos stated that "without a doubt ESG is here to stay. The pandemic years have taught us that sustainability is not just about tackling environmental risks but much more. It is about creating business resilience, and this is where [ESG] comes into play" (Papadopoulos). Mr. Papadopoulos' position is reflective of the importance attributed to sustainability at Mytilineos. He is a General Manager which is a position very high in rank (only below c-suite executives). Within this division, there is further specialization, with appointed sustainability-specific leader, Mr. Galanis, being an internal hire as Sustainability Director. Internally, both leaders are perceived as committed to the cause, with extensive know-how on the matter, and open to new ideas and innovation. This was confirmed through my experience as well. As I mentioned some best practices discussed in our class in one of our interviews both appeared open to discussing and possibly adopting some of these ideas.

Sustainability & Organizational Structure

As mentioned, the company is separated into the four business units. In addition, Mytilineos has several central functions such as M&A, Treasury, Legal & Regulatory and others. One of those is the Corporate Governance and Sustainable Development central function. As stated in the previous section, the Sustainable Development department lies within this central function, under the directorship of Mr. Galanis. The sustainability team is mainly comprised of individuals with business or public policy backgrounds along with sustainability experience. Their responsibilities include PR and marketing campaigns regarding sustainability performance, managing ESG ratings, cooperation with business units to coordinate activities ensuring they are moving towards outlined targets, organizing conferences and events such as Net Zero Action in February 2021, cooperation with external consultants analyzing and advising on company ESG

performance, and the creation of the annual Sustainable Development report (Net Zero Action: The 1st Virtual Summit powered by MYTILINEOS focusing on ESG).

It is encouraging to see that apart from this department, sustainability is embedded throughout the organization through multiple means. For example, the BoD Sustainability Committee “assists the BoD in integrating Sustainable Development policies and procedures in the Company's basic decision-making processes and operations” (Galanis). Furthermore, each BU has a sustainability leader and ESG category owners who lead the unit’s sustainability action (Galanis).

Sustainability Goals & Metrics

The company unveiled its ambitious updated sustainability targets in its Net Zero Action Summit in February 2021. Mytilineos pledged to reduce air pollutant emissions across all business units by 30% by 2030 and “achieve a carbon-neutral footprint by 2050” (Mytilineos Sustainability Report 2020). More specifically, this will be achieved through separate action items in each of the ESG categories over the short, medium, and longer-term. For example, some key ESG targets in the environmental section include a reduction of total direct and indirect (Scope 1 & 2) emissions by 30% over the next 10 years, with BU specific goals of Scope 1 & 2 emissions reductions by 65% for Metallurgy and 50% for Power & Gas (Mytilineos Sustainability Report 2020). Apart from CO₂ emissions which play a central role in the company’s sustainability effort, there are other specific goals and metrics for fluorine emissions (targeted at 1.2 kg/t Aluminum annually) and carbon tetrafluoride emissions (targeted at <0.6 kg CF₄/t Aluminum annually) (Mytilineos Sustainability Report 2020). Other goals and KPIs include a target to produce 65,000 tones of secondary aluminum by 2023 and reach <13,000 m³/day total water withdrawal (Mytilineos Sustainability Report 2020). Lastly, the company also aims reach 87% of “Rehabilitation of total exploitable land area used in mining operations by 2027” (Mytilineos Sustainability Report 2020).

The company also has extensive targets in the Social component of ESG. Some key targets and KPIs include a target of 0 fatalities, occupational diseases, and serious injuries per year. The company aims to achieve a >90% full-time employee retention rate per year, benefit approximately 250,000 citizens from the company’s social programs by 2027, and earn more than 30% of total company revenue from sustainable products by 2023 (Mytilineos Sustainability Report 2020). Lastly, the company aims to maintain its strong governance performance by maintaining 0 confirmed incidents of corruption and bribery, “financial sanctions imposed for violations of the Code of Business Conduct,” and noncompliance incidents with laws and regulations pertaining to economic, environmental, labor and social matters annually (Mytilineos Sustainability Report 2020).

Mr. Galanis has stated that sustainability is rapidly increasing in importance across the organization. It is intimately merged with operations and strategy, while the team in his department has grown substantially over the past 5-10 years evolving into a directorate and core component of the central function in which it belongs. The company has made several investments to achieve its goals ranging from capital and personnel allocation to sustainability strategy, reporting, PR, to acquisitions of EPALME, producer of secondary (recycled) aluminum and Zeologic, which specializes in waste-water treatment solutions (Mytilineos Sustainability Report 2020; Mytilineos Senior Notes Offering Memorandum). Following these acquisitions, the company continued to support innovation through investment. For example, Mytilineos invested

in “the purchase of a new anti-pollution technology furnace, to ensure that strict limits of its environmental license are not exceeded” (Mytilineos Sustainability Report 2020). The company has “reduced by 10% the total quantity of our NO_x/ SO_x emissions, and by 14% the quantity of particulates emissions” (Mytilineos Sustainability Report 2020). In accordance with circular economy principles the company “increased the production of secondary aluminum using aluminum scrap as raw material, which grew to >20% of total annual production” (Mytilineos Sustainability Report 2020). In 2020, there were no incidents of degradation of biodiversity as a result of company activities, while Mytilineos increased “the rehabilitation rate of total exploitable land area used in mining operations” to 83.3% (Mytilineos Sustainability Report 2020). The company spent 6.5 million euros on R&D in the Metallurgy BU to discover new processes to exploit bauxite residues, while the “amount of waste directed to landfills decreased by 39.1% compared to 2019” (Mytilineos Sustainability Report 2020). Furthermore, with RES accounting for a greater share of the company’s generation mix, 8.6% of total energy production came from RES (Mytilineos Sustainability Report 2020).

In the Social element of ESG targets and metrics the company recorded 0 occupational diseases while keeping the recoverable injury rate very low (Mytilineos Sustainability Report 2020). However, the company recorded one death by electrocution of an employee of a contractor in the P&G BU (Mytilineos Sustainability Report 2020). Mytilineos implemented programs for the development of technical and personal skills for 65% of its workforce and invested 3.21 million euros in local infrastructure projects and social programs benefiting almost 30,000 people in 2019 (Mytilineos Sustainability Report 2020). In the Governance section of ESG, the company is a high performer, investing in training programs and complying with all relevant regulations. Additionally, the company has aligned itself with “approximately 70% of the relevant requirements” of the UK Corporate Governance Code – 2018 (Mytilineos Sustainability Report 2020). Furthermore, in its sustainability report, the company provides a very detailed list of each UN SDG and the ways in which it has contributed to its achievement over the past year. Part of this success has been a result of the Sustainability function’s input, formulation of company sustainability strategy, and routine monitoring. A successful program is defined partly by the KPIs set out by the company, and the extent to which performance is aligned with targets. However, it also relates to embedding sustainability in operations and every aspect of company culture and activity. The extent to which the latter has been successful will be further analyzed in the following section.

Internal Perception & Importance of Sustainability

Internal perceptions of sustainability have changed substantially over the past decade, and this is connected to the change and increased importance allocated to the matter by top management. As an intern at the company’s Mergers & Acquisitions (M&A) department, I experienced the importance of sustainability first-hand. Transactions were approached through the lens of sustainability and the extent to which they aligned with company strategy regarding ESG targets going forward. To get the perspective of someone other than individuals directly involved in the sustainability department or from top management, I interviewed M&A Director, Iakov Errera. I asked Mr. Errera, in what ways, if any, is ESG integrated in his day-to-day operations as Director at the M&A department. Mr. Errera responded stating that DNA has now become a core discussion topic throughout the company (Errera). Especially in M&A, Mr. Errera works closely with sustainability professionals from the Sustainable Development department

and Sustainability leaders of each BU. He stated, “in the context of our MA strategy we place significant focus on sustainability both in the assessment of potential opportunities but also in the due diligence process to ensure alignment with our commitments” (Errera). When asked about whether he thinks substantial progress has been made to fulfill targets, Mr. Errera stated he believes that in line with management’s focus on ESG performance, there is an ongoing effort by all company functions to deliver on ESG targets (Errera). Mr. Errera believes the company has been allocating substantial resources to the matter, deeming that a central reason behind the company’s success (Errera).

As mentioned previously, sustainability is embedded in the company’s mission, and commitments are reiterated by management on many occasions through, among others, internal communications, strategy meetings, conferences, letters from management, annual reports. Sustainability does not manifest itself as a program or campaign at Mytilineos. It is a permanent department that constantly takes part and contributes to strategy, operations, and financial/budget activities within the company. The company has developed great expertise on program implementation, especially after implementing several cost-cutting, employee development, and diversification programs in response to the 2008 financial crisis which hit Greece particularly hard. From my research, it appears that the company has embarked on the sustainability programs and broader strategy with a strong commitment and uses its knowhow from the aforementioned experience to successfully implement actions to achieve ESG targets while increasing profitability. Furthermore, through the interviews conducted, as well as my own experience at the company, I would argue that employees perceive sustainability as an important part of the organization’s success. Mr. Mytilineos has reaffirmed the importance allocated to the issue within the organization repeatedly, stating that “there is no dilemma between climate change policies and business profitability if you use innovative technology” (Mytilineos Sets a New Benchmark for Sustainability).

Mytilineos’ Sustainability Outlook

It is clear that the company has allocated substantial resources towards integrating sustainability across the organization. It has become an integral part of strategy and the company’s business offering. While the company is making substantial progress in ESG performance, Mytilineos is a diversified industrials company with a large fleet of natural gas power plants. While performing well in comparison to peers, the company, especially through its natural gas operations and its aluminum smelter, is a big emitter. I believe this paradox will play a central role in how sustainability will develop within the organization in the future and therefore wanted to get Mr. Mytilineos’ input on the matter. The CEO stated that it is a matter of years before poor sustainability performance will become an existential threat for companies (Mytilineos). Equity investment will become scarce and funding expensive. In light of the paradox I presented, Mr. Mytilineos argued that the company is very well positioned for this transition (Mytilineos). Despite being an emitter now, the company is making substantial investment to diversify into renewables. With a rapidly increasing RES portfolio and expansion of secondary aluminum capacity, the leader is confident Mytilineos will reach its net zero emissions (the company plans to power its smelter through RES as its fleet expands) (Mytilineos). Given that the company has created a detailed plan for the next three decades, the main challenge going forward will be maintaining progress towards achieving targets, further addressed in the next section.

In a more general conversation about the challenges posed by this transition, the CEO made several remarks which seem pertinent to the sustainability outlook of the company, but also the EU and the world. When asked about his chief concern regarding sustainability going forward, Mr. Mytilineos reaffirmed that environmental risks associated with climate change, are obvious to anyone who will look at the facts. The company, Greece, the European Union (EU), and the world as a whole must move to a green economy. For Mr. Mytilineos, that is not the difficult question, but rather, how do we get there? What is the cost and who will pay it? How fast can we transition? How much can we use natural gas as a transition fuel? The CEO referred to the current energy crisis in the EU, with natural gas prices skyrocketing and electric utility bills inevitably following suit, to illustrate the repercussions of these questions. He explained that in Europe, most coal plants have been shut down due to emissions concerns. Over the past months electricity demand has increased. In conjunction with lower wind speeds, water current, and less capacity from coal plants, most of the pressure to meet demand has fallen on natural gas plants. This has caused a spike in natural gas demand which has increased its price (along with increasing commodity prices in general which have also contributed to the increase), leading to substantial increases in electric utility bills for residential customers. Therefore, Mr. Mytilineos argues, the question politicians should be posing to voters is not “are you against or in favor of the green transition?” but rather, “Are you against or in favor of the quickest possible transition, considering that your electricity and other bills will be insanely high?” (Mytilineos). Navigating these spikes in demand and supply, which Mr. Mytilineos anticipates will only get worse as electrification and electricity demand increase, will be a major challenge for the company and the world.

Successes & Failures at Mytilineos: What Can Other Organizations Learn?

Through this case study, it is evident that a series of actions and steps have enabled Mytilineos’ success in progressing towards a green and sustainable business model. Firstly, with the help of external consultants, the company conducted an extensive investigation to determine weak points and areas of improvement, and added industry best practices, to create the company’s Net Zero Action and the specific targets and KPIs to monitor progress. Having a plan for the next decade, with specific goals reaching 2050, has been integral to the company’s success. Furthermore, allocating resources in the form of capital, personnel, and time to sustainability issues has also proved important. This allocation has highlighted the level of priority given to the matter, reaffirming the commitment made in the company’s mission statement (which is also a symbolic way to signal its importance). Having a sustainability team, sustainability leaders in BUs, and a BoD Sustainability Committee allows sustainability to permeate throughout the organization, further reflecting its importance in all aspects of operation. Management’s consistent communication of how important sustainability is and will be going forward are also responsible for the company’s success. The company’s sustainability performance seems to be regarded a success by external evaluators as well. For example, Fitch Ratings revised the company’s outlook to stable citing that the company has placed its “Green Agenda in Focus” (Fitch Revises Mytilineos’ Outlook to Stable). Fitch also stated, “We positively view expansion into solar power projects in the construction business, due to strong underlying demand for renewables globally and MYTIL's solid experience in this niche” (Fitch Revises Mytilineos’ Outlook to Stable). The company’s success in sustainability can also be seen in its ESG ratings. For example, Mytilineos ranked 4/105 in the industrial conglomerates sector

by Sustainalitics and was placed in the 8% of top performers in the diversified industrials sector by FTSE Russell (Mytilineos Sustainability Report 2020).

However, in addition to successes and progress, there are a series of improvements that could strengthen the company's performance even further and can serve as lessons for other companies in their effort to integrate sustainability into their operations. The company has a very high rating and strong performance on Social and Governance aspects. However, its performance on the environmental aspect of ESG has significant room for improvement. One of those areas includes sustainability in the supply chain. While the company has extensive targets for scope 1 and 2 emissions, it does not address scope 3 emissions adequately in its sustainability strategy. Focusing on addressing emissions targets in the supply chain will strengthen the company's performance and accelerate its progress towards net zero. Furthermore, as mentioned briefly in my interview with Mr. Mytilineos, the company still remains a heavy emitter, performing below average on water, waste management and emissions in its Metallurgy BU and below average on emissions/unit of power generated by its Power & Gas BU. It could be beneficial for the company to look at peers who are performing better in these specific areas such as Alcoa, Enel, and RWE. By looking at comparable companies in terms of business offering, Mytilineos will discover best practices that could be applicable to its own operations. Furthermore, the company should examine increased penetration of RES, accelerated expansion into electric vehicles and charging stations, as well as pursuing PPAs with solar electricity providers more aggressively to offset its heavy emitting BUs and address impeding electricity price fluctuations. The company should also invest in expansion of secondary aluminum production capacity through EPALME and waste management through Zeologic.

I was not able to get information on whether sustainability is integrated in performance review processes or if meeting sustainability targets factors into management's compensation. Investing in effective performance appraisal processes, including sustainability into compensation structures, and training new hires in sustainability efforts more intensively could also positively impact the organization.

Conclusion

Through my research and experience at the company, it is obvious that Mytilineos has made substantial progress in sustainability. The company has invested heavily in incorporating sustainability into its strategy and ensuring that through organizational structures, corporate culture, leadership practices, and internal processes, the issue permeates all of its departments and operations. The company will face challenges decarbonizing its Power & Gas and Metallurgy BUs. Mytilineos is investing heavily in ESG while listed in the Athens Stock Exchange. Being based in an emerging market inevitably places a discount on the stock's price and does not allow the company to extract the maximum financial value from its commitment in ESG. However, Mytilineos is ideally positioned to decarbonize its operations due to its synergistic business model. RSD and SES BUs which are strong ESG performers, will accelerate the decarbonization of Metallurgy and P&G. Despite being based in Greece, ESG concerns in investing will only increase, and therefore the company only stands to gain in value moving forward, both in debt and equity markets. Under visionary leadership committed to safeguarding the company's future, Mytilineos is ideally positioned to address challenges and harness opportunity in sustainability.

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