

AKRITAS WOOD PROCESSING INDUSTRY Communication on Progress (COP) REPORT for 2008

Brief Company Profile

AKRITAS was established in 1977, and immediately established its presence in the area chosen for its production facilities, the akritiko being the border lands, the territory near the Greek-Turkish border.

Founder Athanasios Sarantis' vision was of a large, state-of-the-art facility for the manufacture of wood-based products that would not only become a leader in its field but also an engine for the economic and social development of the area.

From the very beginning AKRITAS has been guided in all its activities by a set of three inviolable principles:

- product excellence with rapid response to consumer demand;
- exemplary environmental protection;
- Development links with the community.

For over three decades now, AKRITAS has held firm to these founding principles while steadily achieving its aims.

Today the company is recognized for the leading role it has played in the production and establishment of internationally acclaimed products, whose high quality and technical specifications satisfy the most demanding market applications, with a versatility that is unrivalled. AKRITAS has developed through strategic planning and continuous scrutiny of the dynamics of its sector. The company is constantly striving to push back the frontiers of wood processing technology and open up new horizons. The reputation AKRITAS has earned for itself is that of a strong, healthy organization that sets the standards in its field, while developing strong ties with the local region, creating employment and, at the same time, establishing strict rules for the protection and development of the environment.

Letter of the Vice President

At AKRITAS, we believe that every business has a duty to obey the law, to operate with honesty and integrity, to be open in its dealings and to respect the human values and the environment. Considering that the above are consistent with the basic axes of the Global Compact agreement, we joined the UN Global Compact network.

As a signatory of the UN Global Compact agreement since 2005, we committed to support the ten principles within the areas of human rights, employment, the environment and community.

Within the scope of this voluntary alliance, we devote efforts to maintain environmental protection, fair labour conditions, protection of human rights and local community development.

We consider our membership in Global Compact as both an obligation and a motive.

In pursuing its business goals, AKRITAS has incorporated Corporate Social Responsibility into its strategy and philosophy based on the belief that it is a good business practice.

The business strategy and philosophy that have guided AKRITAS in its development are made up of a number of key elements like:

Continuous investment in human resources, sensitivity and sense of responsibility towards the environment, contribution to social development.

Community action has been one of the Company's key priorities. The goal is to contribute to local community evolution, retaining respect for the environment and human values among its basic principles.

There is more to be done in our effort to enhance progress through corporate social responsibility and we will strive to make as much as we can in order to lead to our common goal: An environment where corporate responsibility is an integral part of the decision-making process for the present and the future.

Loukia Saranti
BoD Vice President

A.PERSONNEL

Our continuous efforts at building and maintaining a safety environment throughout the Company is one of our objectives.

During our 31 year's operation, we didn't have any fatality accident apart from the running year 2008. Due to a complete negligence of an expert employee who was at the company since its establishment, we had for the first time this year a tragic fatality. A few of minor importance injuries needless of hospitalizing have happened. All these events make us to be alert and continue to strive for a healthy work environment free of injuries and accidents.

We have safety rules and regulations that govern the safety policy of the Company. More specifically, there is a periodical written or oral briefing for accidents prevention. There is a specialized person called safety technical adviser who is exclusively dealt with these matters and we have periodical specialized training for safety issues. **The coordination and continuous improvement of the application of occupational safety and health is among the responsibilities of the safety technical adviser.**

We have programs of prevention of health and accident's: Doctor's presence at the working environment, life insurance program for all the personnel of value 25.000 euros annually.

There is nobody that is remunerated with salary smaller than the lower one and we have workers Union that have full and free syndical action. Moreover, collective bargaining with union representatives is an integral part of the Company's human resource policy.

Remuneration packages and additional benefits are provided to our employees like **sales bonuses** or **annual achievement award programs** for employee's children gaining entry to Universities and Technical Colleges, worth **10000 € each year.**

TRAINING AND HUMAN RESOURCES DEVELOPMENT

Our human resource policy features workforce education, training and development with participation and training programs designed to develop staff skills and abilities.

To be specific, Staff executives participated in **training programs and education workshops** in-house - and out of the company 'on Administration issues - Technical Training of - Information technology - Marketing and Sales for a total of **1000 training man-hours of value 35.000 Euros annually.**

B.ENVIRONMENT

Respect for the environment and recognition that business has a responsibility for protecting the nature's balance are fundamental principles of AKRITAS.

The wood processing industry doesn't produce any kind of pollutants.

The company has invested substantially in the use of environmentally-friendly alternative forms of energy production, setting up facilities to generate power from biomass-a process which produces no pollutants and does away with the burning of hydrocarbons. The company has also installed machinery and set up certified procedures for tracing and managing polluting emissions.

Apart from active involvement in the protection of its immediate environment, AKRITAS also makes financial contributions to and encourages the wildlife and Habitat work of a number of well-respected environmental agencies.

It makes regular contributions to:

- Elaborations of Scientific research for the conservation of Evros wetlands
- Projects for the protection of the brown bear and its habitats
- The Forestry and Natural Environment Department of the Aristotle University Of Thessaloniki and the University of Orestiada, to promote environmental Protection, the improvement of its management and contribution to the economic development of the country.

C.SOCIETY

AKRITAS facilities are located in the in Evros Prefecture in the small town of Tycherio, near Greek-Turkish borders. It is worth while mentioning that it is an area with small population and not many businesses.

Therefore, one of the company's main concerns is its contribution to local development and social solidarity. The community in which a company operates and develops represents its immediate natural environment and should be the target of attention and corporate giving. The company also recognizes, in practical terms, that Businesses need the community just as much as the community needs business.

AKRITAS' financial activity creates indirect employment for 2000 people in various areas of the local community, such as woodcutting, transportation, and port and merchant services. By creating local employment and enabling people to stay in the area, the company helps improve the acute demographic problem in the area.

Indirect work in 2.000 posts in the network of suppliers for raw and assistant materials, benefit of services (Forest workers, lumberjacks, carriers, dockers, agents, customs officers, machine- works, hotels) **value 5.000.000 Euros annually**

The company maintains a blood bank for its workforce at the General State Hospital of Alexandroupoli.

To date, our concern for the community has mainly focused on:

- Provision of scholarships to various educational bodies like The AMERICAN COLLEGE OF THESSALONIKI, THE AMERICAN FARM SCHOOL.
- Contributions to charitable foundations and organizations like the SOS children villages, KETHEA therapy center for dependent individuals who are drugs addicted.
- Support for programs of environmental education and awareness-raising for schoolchildren like the **Forestry and Natural Environment Department of the Aristotle University of Thessaloniki and the University of Orestiada** for promoting environmental protection, improving environmental management and support their endeavors related to education of the school children in Green Thinking.

Total companies donations for 2008 came to approximately to 100.000€.

D.BRIBERY

Of course we renounce the bribery but we don't have any systems or control mechanisms in order to prevent it.