



# 2015 Corporate Social Responsibility Report



# contents

## about Hatzopoulos

- introduction
- commitment
- message from GM
- company
- awards

## our people

- investment in people
- training
- benefits
- labor rights & equal opportunities

## business ethics

- human rights
- corporate governance
- enterprise 2020
- social actions

## environment

- objectives & recycling
- flexible packaging benefits
- reducing food waste
- retort applications
- bio-products
- co2 footprint of packaging
- material to pack coffee

## content index



# introduction

At Hatzopoulos A. S.A. we are committed to act and to exemplify our values and visions within the framework of responsible management. Integrity, reliability, innovation and teamwork, as well as a respectful contact with employees and business partners are the basis of our daily activities and essential for sustainable success. In addition to excellent products as well as outstanding employees it is our commitment to values that makes us an extraordinary company. Both our achievements and our values form the basis for our success and for the trust and confidence our customers, partners, investors and the public place in us.



# commitment



The adoption of ethical practices constitutes an integral part of our core value system; morality, honesty, fairness and human compassion have been our guides since our humble beginnings and forged a path that we have never diverted from. Our sense of responsibility towards society and especially towards vulnerable social groups is materialized through active support of organizations dedicated to noble humanitarian causes, such as: human rights protection, social welfare and arts/culture promotion. It is our firm belief, that corporate success should be accompanied by a will to give back to the community - on a domestic and international level.

Since 2010, this commitment became public with our participation to the United Nations Global Compact, the world's largest voluntary corporate responsibility initiative.





# message from GM

*We understand work is a social activity and believe it should be rewarding, fulfilling and give people a deeper sense of meaning and wellbeing. Sustainability plays a vital role in achieving that goal.*

*We believe sustainability is about creating the economic, social and environmental conditions that allow people and communities to thrive. We also believe it is an innovation lens and a pathway to ensuring our company is positioned to serve all of our stakeholders' needs well into the future.*

*This perspective influences everything we do – from the products we deliver to the research we conduct, the investments we make to the opportunities we explore. Sustainability is a systems approach to how we do business and it continues to produce results year after year.*

*Thanks for taking a look at our 2015 Corporate Social Responsibility Report.*

**“CORPORATE  
SUSTAINABILITY  
IS OUR COMPANY’S  
DELIVERY OF  
LONG-TERM  
VALUE IN  
FINANCIAL,  
ENVIRONMENTAL,  
SOCIAL AND  
ETHICAL TERMS”**




**Zontanos Thodoros**  
General Manager

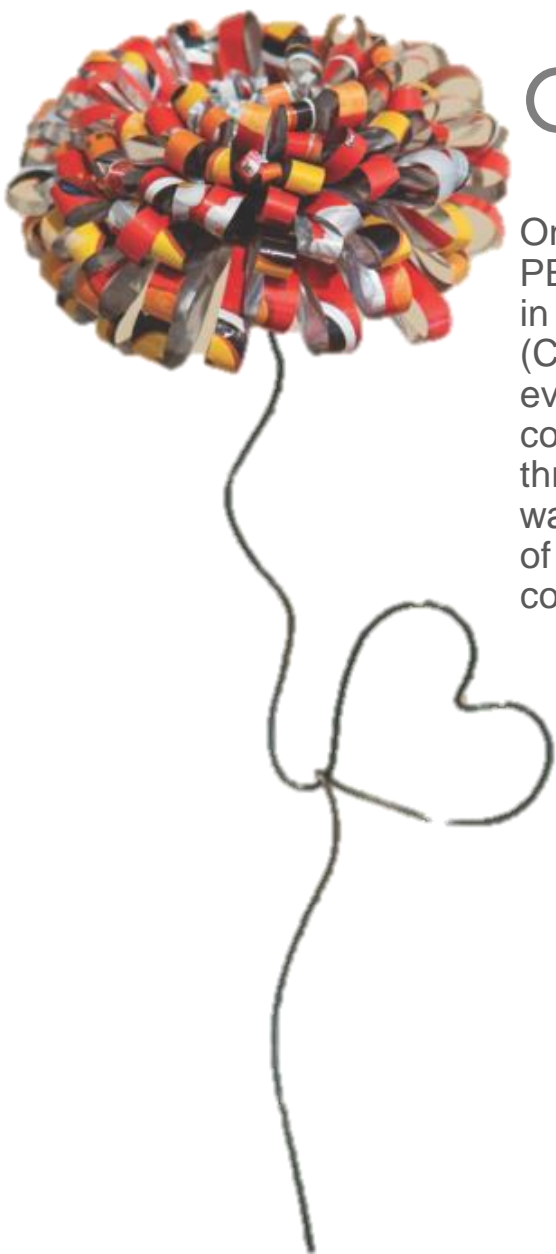
# company

Hatzopoulos A. S.A. specializes in flexible packaging converting. Founded by Athanasios Hatzopoulos in 1931, today we are one of the fastest growing packaging converters in the European market and a key international player. The company operates in two production sites in Thessaloniki, Greece with numerous sales offices across Europe. Recently, we announced the expansion of our operations to Germany with the opening of our new offices in Stuttgart.

Continuously investing in innovative technological equipment and advanced environmental and quality systems, the annual growth of Hatzopoulos S.A. is steadily higher than this of the packaging market based on the company's exports in more than 25 countries through a well-organized network, offering unparalleled customer support. Exports account for 70% of total sales. We endeavor to establish firm long-lasting bonds with our clients, to whom we offer packaging solutions that meet and exceed their specific expectations. Our modus operandi consists of adopting a consultative approach, according to which we strive to provide clients with integrated custom solutions, making use of our technological expertise and unrivaled customer service.

In 2015 A. Hatzopoulos S.A. accomplished a turnover over €60 million. The company employs 304 people and raised 13% since 2014.





# awards

On 2<sup>nd</sup> June 2015 in Paris, our company was awarded by PEPSICO France, in the competition 'Performance with Purpose' in recognition of excellence in Corporate Social Responsibility (CSR) activities. The contest takes place every two years to evaluate CSR practices, applied by PEPSICO partners, which contribute to addressing social and environmental issues. Among three award categories and nine finalists this year, our company was presented with the prestigious 'Jury's Trophy'. The recognition of our efforts makes us proud and confirms our strategy. It is our commitment to continue towards this direction.

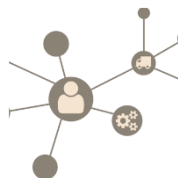
Every two years European Rotogravure Association (ERA), organizes and conducts the 'Packaging Gravure Award' providing the opportunity for all participants in the production chain to show gravure quality in packaging printing. A. Hatzopoulos S.A. participated again this year and was awarded the first prize in Flexible packaging Plastic film & Laminates category for the 'Satori Basmati – Reis' product. It worth mentioning that this award is added to the three previous awards our company won in 2009, 2011 and 2013. this special distinction is of great importance for us since we have achieved once more excellence and distinction among recognized competitors. We are all proud of our contribution to this result, which constitutes an additional incentive for our commitment to high quality.





We aim to support and respect the protection of internationally proclaimed human rights

Suppliers are actively encouraged to observe international human rights norms within their work



Equality and Diversity

We aim to eliminate discrimination on any grounds and promote equality of opportunity in the supply chain



We will ensure that our customers and Suppliers are able to work together in confidence and be treated with respect by each party

Our range of contracts will take account of the needs of a diverse customer base



# human rights

Hatzopoulos as an internationally operating corporation is fully committed to the basic ethical values respect and appreciation, integrity, responsibility and team spirit.

Humanity is one of the core values of Hatzopoulos A. S.A. Our company fully supports and respects the Universal Declaration of Human Rights and the relevant national and European legislation with reference to the fundamental rights of every individual, such as protection of privacy, freedom of opinion and expression, freedom of association, non-discrimination and the right to be heard.

Additionally, Hatzopoulos A. S.A. is since July 2009 an active member of SEDEX (Supplier Ethical Data Exchange), a non-profit organization based in London for businesses committed to continuous improvement of the ethical performance of their supply chains. The platform of SEDEX offers companies the data to measure performance regarding corporate responsibility. Hatzopoulos conducts successfully on-site SMETA audits since 2015 to assess how labor, health and safety, environmental and business ethics standards are being met. Sedex members are then allowed to store, share and report on this information in a secure, online database in an effort to improve working conditions in the global supply chain.





# corporate governance

We share and declare information on personal and corporate conflicts of interest and seek guidance from higher authority before acting

We are committed to ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards

All the laws that regulate and apply will be complied with

We endeavour to ensure that stakeholders have confidence in the decision-making and management processes of the Procurement Service, by the conduct and professionalism of all staff. We do this by continually training and developing our staff

All groups and individuals with whom we have a business relationship will be treated in a fair, open and respectful manner

Competition will be reasonable and based upon the quality, value and integrity of the products and services being supplied

Feedback on performance will be actively sought, and we will continually review all activities to ensure best practice is observed at all times

We will allow our customers and suppliers to give feedback on our performance and ensure that all customer comments are analysed, responded to and where appropriate, acted upon.

Impact on Society

We will take steps to understand how we can most effectively support the needs of the local community and implement initiatives accordingly

Our impact on the local and wider community will be understood and nurtured

Dialogue with local communities will be encouraged for mutual benefit.

# enterprise 2020

Business and governments working together for a more inclusive and sustainable society by putting their words into action.

In order to achieve a European, and global, transformation toward a more inclusive and sustainable society, we will inspire, challenge, support and engage our members to be at the forefront of change and:

1. Make employability and inclusion a priority across boards, management and value chains. How? Through increasing structural public-private partnerships on work and education, workplace innovation and entrepreneurship support in addition to enhancing employability and entrepreneurship through formal and non-formal learning of hard and soft skills. Thereby, we will contribute to making Europe the best place for work.
2. Stimulate our member companies to engage as committed partners with communities, cities and regions to develop and implement new sustainable production methods, consumption and livelihoods. How? Through innovation of products, services and business models and a systematic engagement with local governments and community stakeholders. A more circular approach limits the use of resources and environmental impacts while also creating jobs and strengthening the economy.
3. Put transparency and respect for human rights at the heart of business conduct. How? Through pushing for superior reporting, stakeholder engagement and integrated thinking in boards, improved management systems and integrated management of the value chain.

*signed*



# social actions

## Organizations

Museum of the Macedonian Struggle

The Greek Food Bank

Nursing Home "Vasiliada"

Alexander's Athletic Club Echedorou

Institute for Balkan Studies

Association of Parents and Friends of Autistic People

Costa Foundation

Social Solidarity Network & Assistance

Primary School of Evosmo

The Smile of The Child

Orphanage Piraeus Zanneio

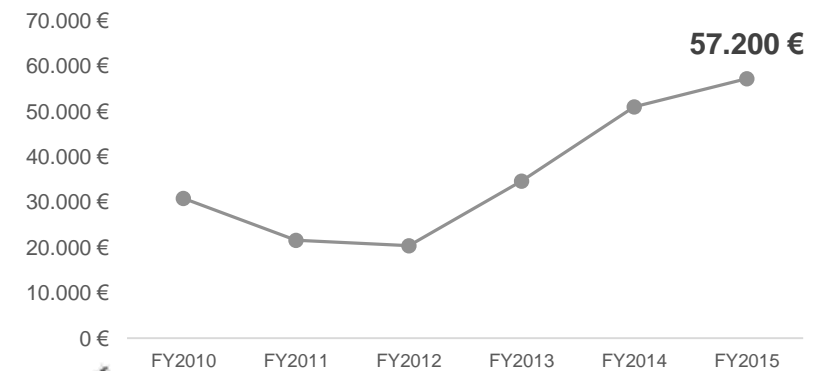
Greek Rescue Team

Foundation for the Global Compact

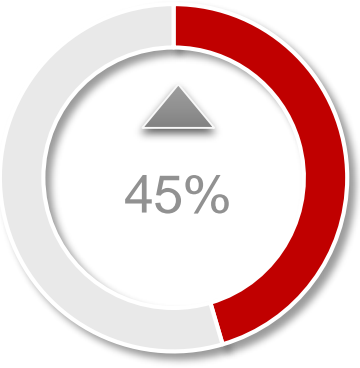
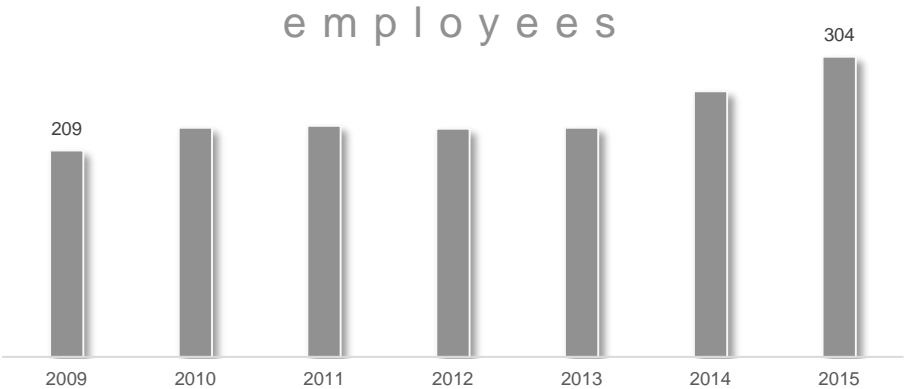
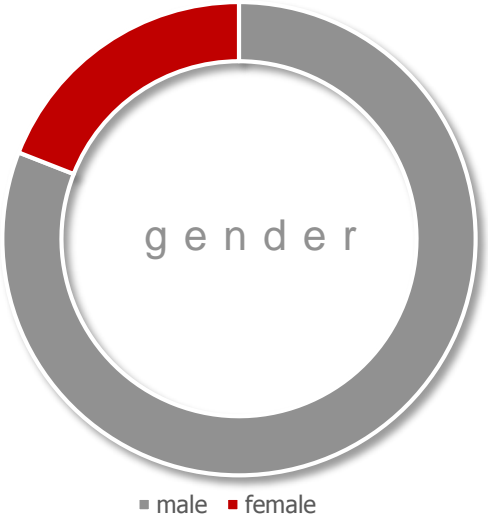
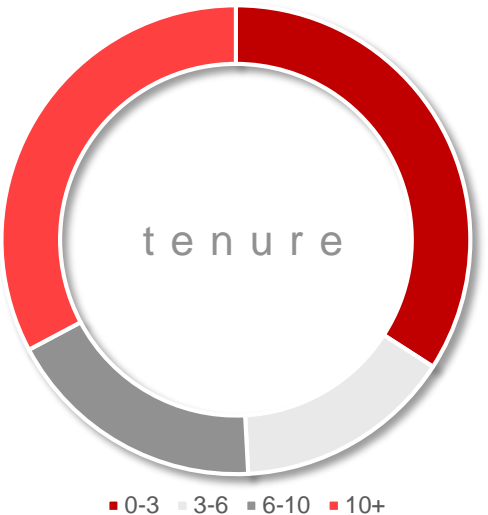
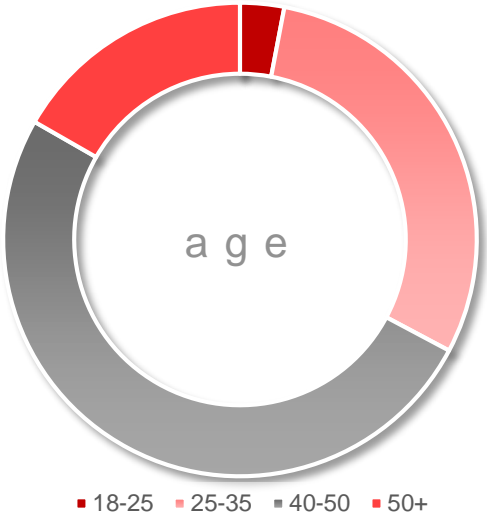
Doctors without Borders

Christian Roofing of Kalamata

## Monetary and In-kind Donations



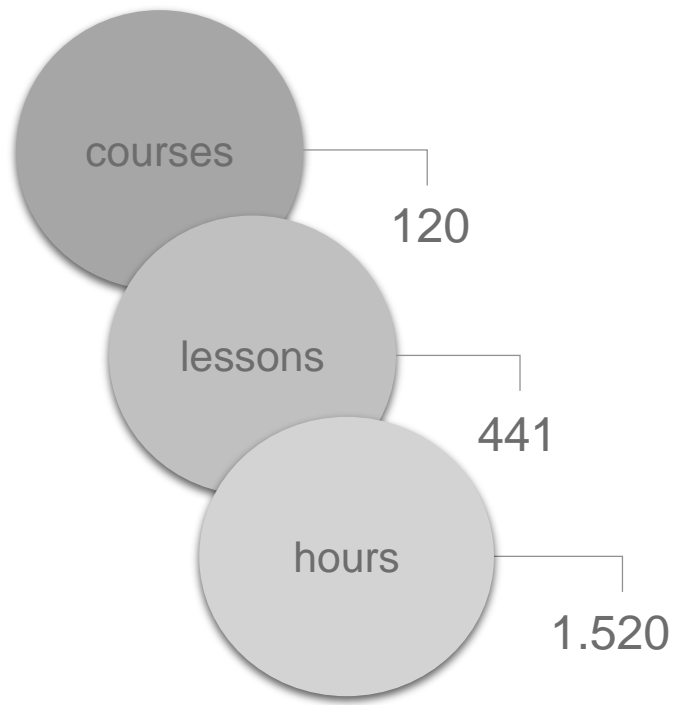
# investment in people



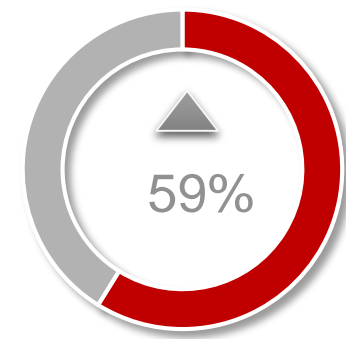
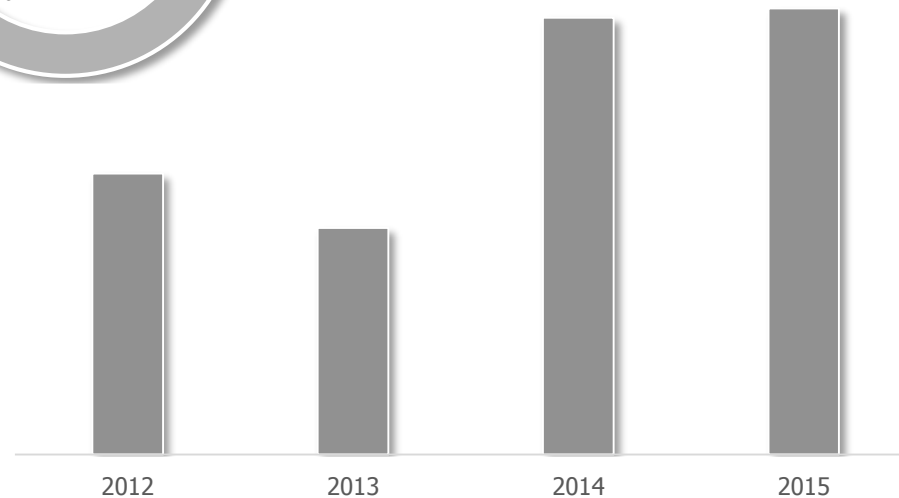
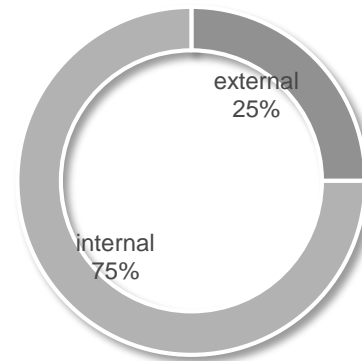


# training

Hatzopoulos A. S.A. ensures that every employee is trained and developed according to their customized needs and ambitions. Training is provided according to the Annual Training Plan as a result of Performance Management System or according to emerging business needs.

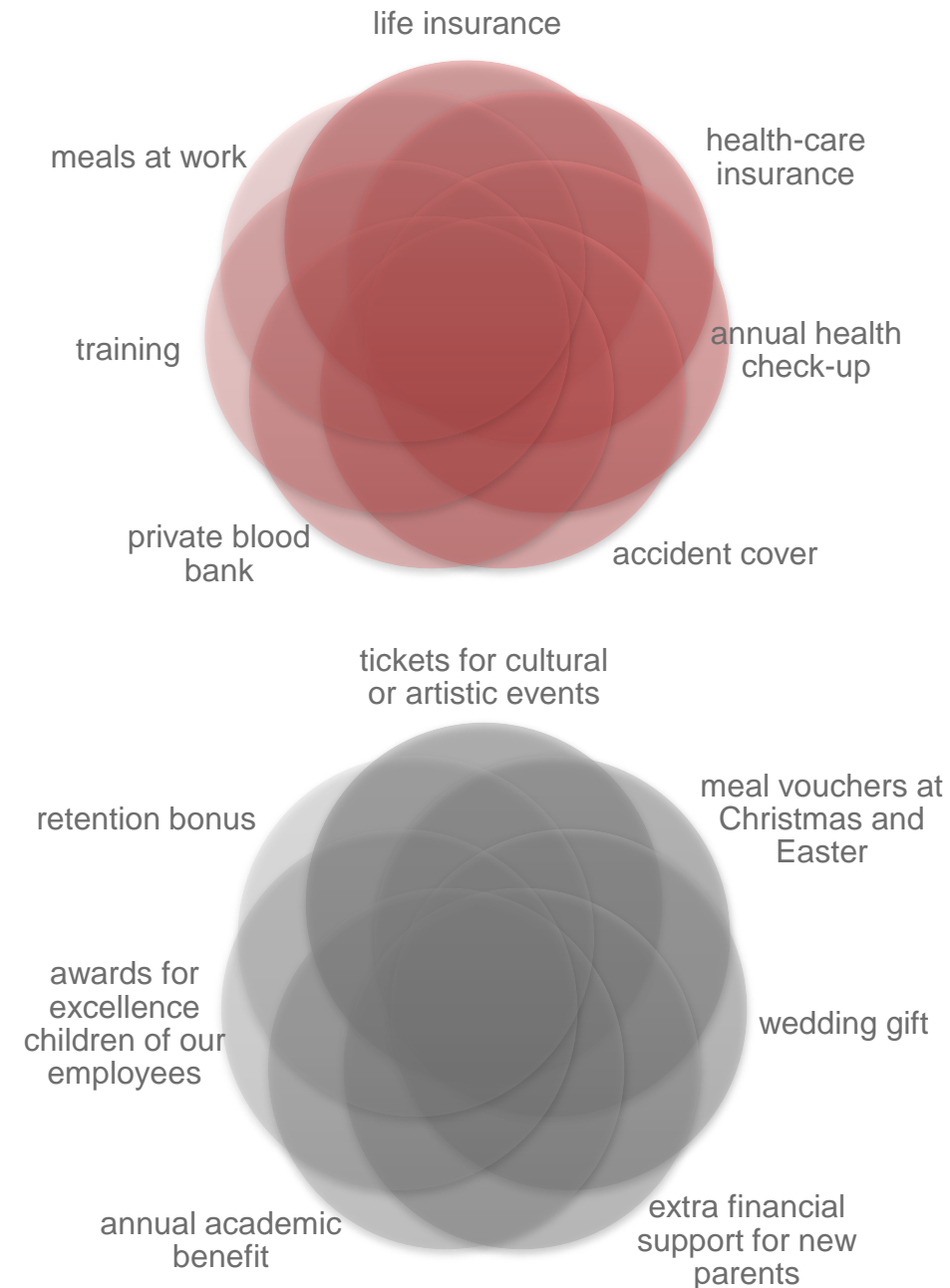
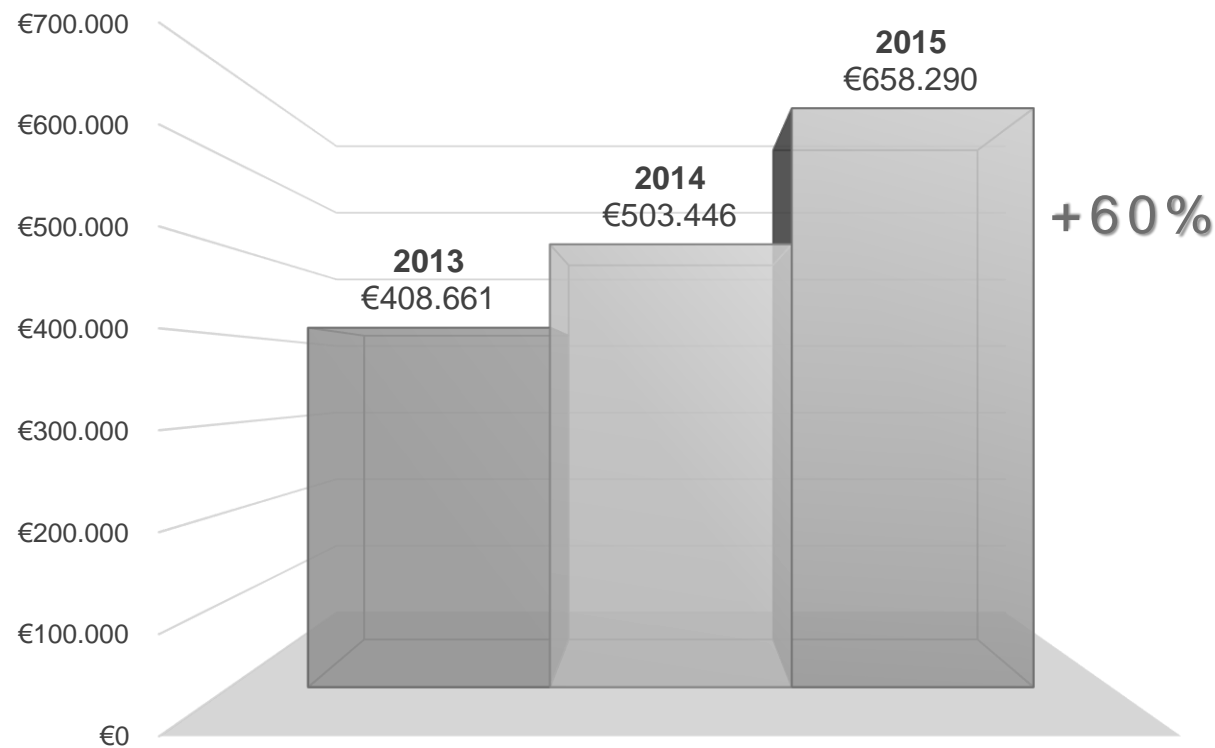


## 2015 highlights



# benefits

Hatzopoulos A. S.A. offers attractive remuneration packages, commensurate with qualifications and former experience. It is our firm belief that employee satisfaction is of paramount importance to the success of our company.



# labor rights & equal opportunities

Hatzopoulos A. S.A. respects the freedom of association and recognizes the right to collective bargaining. We respect the right of our employees as of any individual to participate in unions in accordance with the national laws, while the members of the Regional Union are welcome to visit our premises, discuss with our employees and distribute material and publications.

Meritocracy is the first core value of our company, while our equal opportunities standards and commitments are applied and reflected on all of our internal processes and systems (recruitment, training, development and promotion of employees).

We are annually audited by our customers as well as by independent institutions on our labor practices as well as our procedures regarding training, evaluation of our employees.

We are an equal opportunity employer and fully committed to a policy of treating all of our employees and job applicants equally and fairly

We seek to employ a workforce, which reflects our diverse community at large because we value the individual contribution of people irrespective of sex, age, marital status, disability, sexual orientation, gender reassignment, race, colour, religion or belief, ethnic or national origin

We commit ourselves to the continuous improvement of our people, we believe in their active participation in all aspects of corporate activity and in the development of team spirit and collaboration

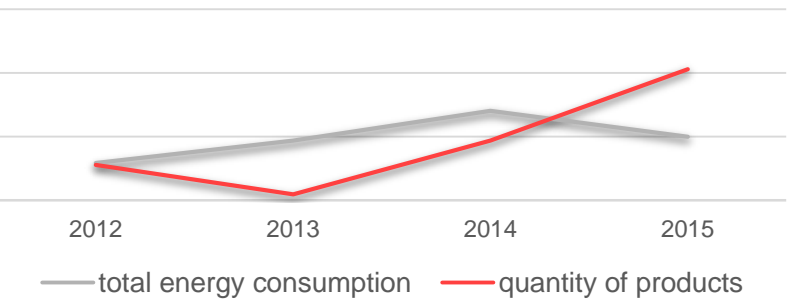
We encourage continuous training and development of professional competences

# objectives & recycling

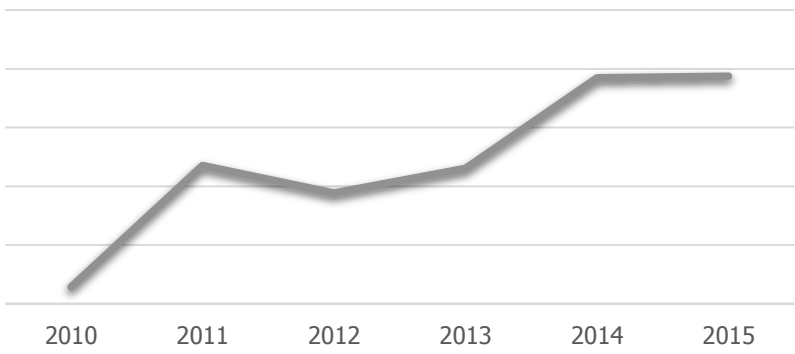
Our objective in Hatzopoulos A. S.A. is to endeavour to reduce our impact on the environment through a commitment to continual improvement.



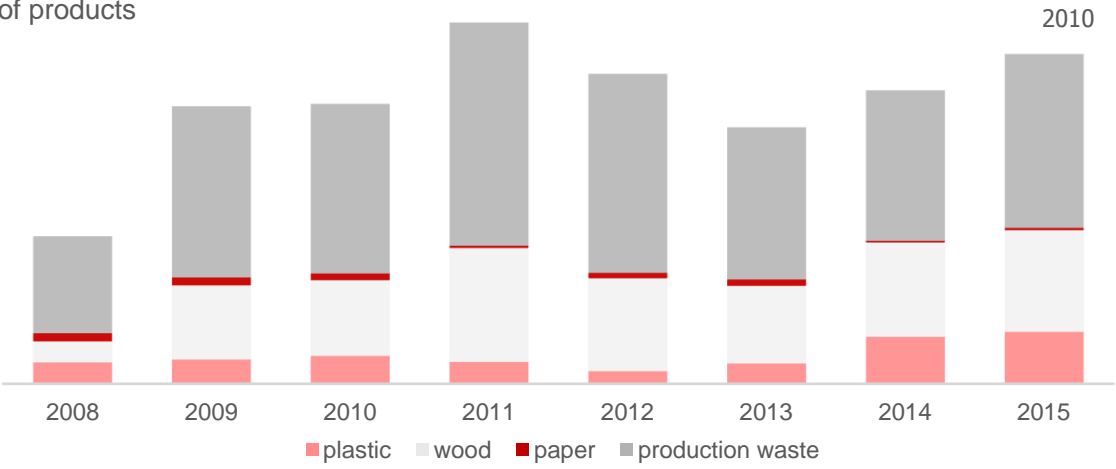
energy and gas consumption



distillation residue



recycling





# flexible packaging benefits

Over the last few years, the flexible packaging market share has expanded at an unprecedented rate, rapidly surpassing mature and traditional non-flexible (rigid materials: bottles, cans, etc.) markets. This ever-increasing popularity is attributable to a variety of factors, such as consumer convenience, favorable environmental profile and supply chain optimization; added advantages include: gauge and barrier-property adjustability, increased durability of packaging materials and shelf life of packaged goods and formatting variability. Overall, flexible packaging constitutes a formidable marketing and sales-enhancing tool; a wide array of colour/texture combinations, special pigmented inks, holographic films and opening features and contribute to increasing brand equity, propelling innovation and gaining a benchmarking advantage.

Most significantly, the eco-credentials of flexible packaging materials (cost efficient/low-carbon-footprint of production process) are a highly attractive feature: the requisite amount of energy for the production of a flexible package of specific volume is 16% of the amount of energy requisite for the production of a glass container of identical volume with a concomitant mass reduction on the order of 78%; in turn, considerable transportation cost savings and reduction in waste volumes are attainable. Despite the fact that glass and paperboard are fully recyclable, when we consider the production process as a whole, flexible packaging is more cost effective. Recent research by the IFEU (Institute for Energy and Environmental Research)<sup>1</sup> has indicated that manufacture of flexible packaging materials is accompanied by a 77% reduction in the volume of base materials utilized, a 38% reduction in gas emissions and a 44% saving in the volume of water used relative to the manufacture of non-flexible materials (100% recyclable). Thus, counter-intuitively, we arrive at the conclusion that flexible packaging is eco-friendlier than their rigid fully recyclable counterparts.

Furthermore, intensive research in sustainable flexible packaging production processes is ongoing at institutes, universities and the private industrial sector across the globe. Fully recyclable and biodegradable flexible packaging produced using naturally occurring (non-petroleum-based) raw materials, such as cellulose and starch, are highly anticipated upcoming innovations. In conclusion, a credible/rational assessment of the sustainability and economic benefits of flexible packaging should encompass observation of the overall production cycle, supply chain, consumption and disposal and not only be focused on a single factor, such as recyclability.

<sup>1</sup> Flex Affairs, FPE, January 2014, Volume 8 Issue 1



78%  
Less Weight



77%  
Less Packaging  
Materials



38%  
Less Gas  
Emission



44%  
Less Water  
During Production

# reducing food waste

According to recent studies, more than 1/3 of global production of food products is wasted throughout the overall supply chain (including the end consumer), resulting to almost 1,3 billion tons of food wastage annually. This food waste is an important source of environmental pollution.

Possible sources of food spoilage could be:

- Microbes: yeasts, moulds, rancidity, etc.
- Natural/ chemical food spoilage pathways: oxidation, browning etc.
- Misuse of food products within the supply chain.
- Increased consumerism which leads to over-consumption.



Packaging can be part of the solution to reduce food waste across the globe. Further development of innovative resins, plastics and coatings could lead to increased barriers of end packaging materials (oxygen, moisture, UV, light) and result in increased shelf life and freshness preservation of foodstuffs. High barriers also contribute to maintaining the modified atmosphere or vacuum applied in the package.

An ever-increasingly popular technology is “reclosability”. Reclosable packages allow the consumer to use only the requisite quantity of the purchased product and re-package the rest, by performing a “cold sealing” of plastic packaging material. In this way, the product remains fresh and edible for longer.

Active packaging is also an innovation that is auxiliary to the food-waste reduction cause. An active compound that indicates the point at which the food is inappropriate for consumption and has to be disposed is included in the packaging material. With this technology, the consumer does not dispose of food before it is absolutely necessary, polluting the environment.

Last but not least, correct portioning of food should not be underestimated. In this way, consumers can purchase the amount they really need, without the risk of not using and having to dispose of the product.

In conclusion, it is obvious that utilization of appropriate packaging technologies could positively contribute to food-waste reduction. According to recent research, the carbon footprint of a disposed plastic package after preserving the contained foodstuff for a couple of weeks, is lower than the amount produced by wasted food, even when the package is not recyclable.

# retort applications

In the global market, retort applications, in terms of flexible packaging, are gaining ground and are widely regarded as the future mainstream trend of note. In below figure, was presented the trend of the market for retortable pouches. Specifically, retortable flexible packages are produced via utilization of laminated materials, which are, in turn, manufactured by high-heat-resistance base materials, special inks and adhesives suitable for sterilization. Foods are initially prepared raw or cooked and then heated to 116-127°C for sufficient time periods under high pressure. This process eliminates all commonly occurring microorganisms, simultaneously increasing the food lifetime. The process is similar to canning; nevertheless, using flexible packaging materials that are resistant to sterilization and conform to all quality and safety requirements, traditional packing methods can be superseded. Some important advantages of flexible packaging for retort applications are:

- Better processing conditions of foodstuffs (excessive cooking of the content is avoided due to larger contact surface of flexible materials, which leads to taste improvement);
- Reduction in cooking time (by 30-50%);
- Reduction in mass of packaging materials;
- Lower storage costs relative to cans (<96%);
- Lower transportation costs (1 truck loaded with printed reels is equivalent to 25 trucks loaded with cans);
- Lower volume (increased utilization of warehouse/storage space);
- Higher-quality design; enhanced marketability/aesthetic appeal.

A. Hatzopoulos S.A. have the technical infrastructure and expertise to manufacture retortable packaging materials of the highest quality standards. Our diverse portfolio includes unprinted and printed materials (transparent and non-transparent), whereas profound emphasis is placed upon food safety and customer care.



# bio-products

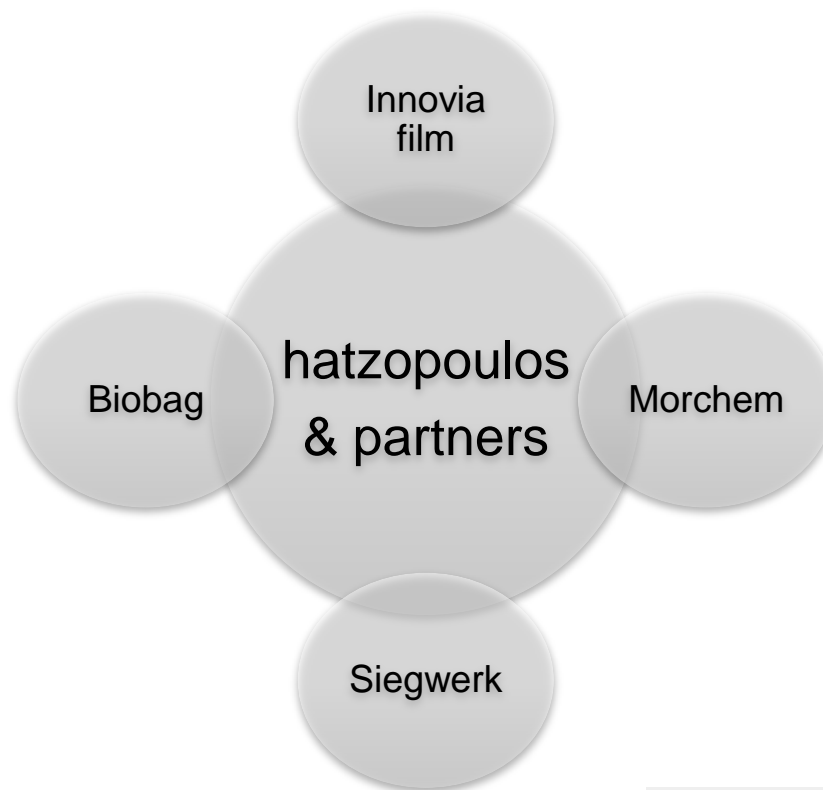
## the targets

To develop a bio-compostable packaging film for coffee and powdered foods

The material to be certified according to EN13432 and/or or to be Home Compostable (certified by Vinçotte organization)

Structure: Cello19 (NK) + Cello 20 met (NKME) + bio-sealant 50

- Specific inks (non-compostable, but certified – no toxic residue after composting).
- Bio-compostable solvent based adhesive.
- Bio-sealant 30 or 50my





# co2 footprint of packaging material to pack coffee

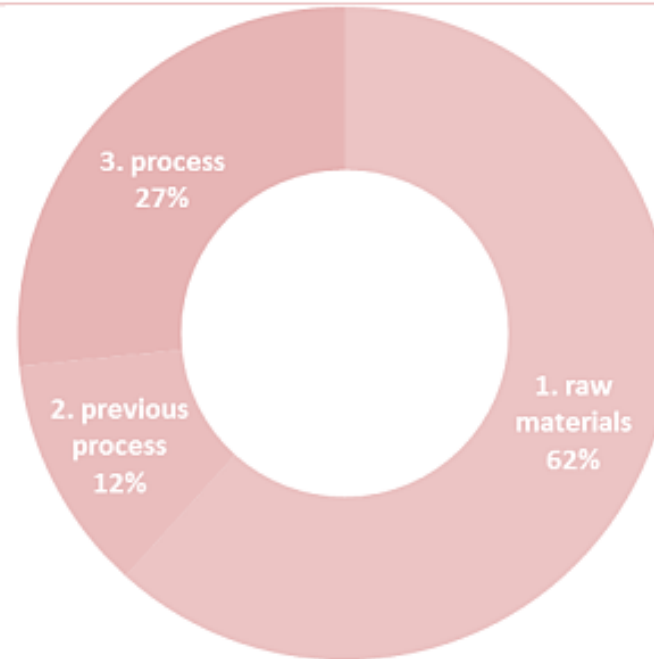
The carbon footprint of the study is detailed in this table with total value and specific steps focus.

Total emission	6 211 kg CO2 equivalent
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Steps contribution

The following graphic presents the contribution of the three main steps.

The main contributors are the raw materials and the process.





**MORE  
FLEXIBLE  
MORE  
EARTH**





# content index

## The Ten Principles UN Global Compact

	Self-Assessment	Reference
<b>Human Rights</b>		
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	✓	p.8, 9, 10, 15
<b>Principle 2:</b> Make sure that they are not complicit in human rights abuses	✓	p.8, 9, 10, 15
<b>Labour</b>		
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	✓	p.10, 15
<b>Principle 4:</b> the elimination of all forms of forced and compulsory labor	✓	p.12, 13,14, 15
<b>Principle 5:</b> the effective abolition of child labor	✓	p.15
<b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.	✓	p.12, 13, 14, 15
<b>Environment</b>		
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	✓	p.18, 19, 20
<b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility	✓	p.16, 17
<b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies	✓	p.19, 20, 21
<b>Anti-Corruption</b>		
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	✓	p.9, 10





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