



COMMUNICATION ON PROGRESS

2018

 <p>THE GLOBAL COMPACT COMMUNICATION ON PROGRESS</p>	<p>This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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CONTINUED SUPPORT

Message from the Chairman

The Company continues to advance with the logic of sustainable development in all its activities and remains committed to the respective policies. We are ready to face new challenges , always keeping our respect, solidarity and fairness. With great pleasure, the management of our company declares its firm and full support to the initiative of the Global compact and also our commitment to align our business with 10 universally accepted principles in UN.

We consider as moral obligation to our society and cooperators to place even greater emphasis on the implementation of our principles. We contemplate the active implementation of the those principles an integral part of our business practice and this statement presents the multiple ways that our commitment and our support to Global Compact becomes action day by day.

AKRITAS S.A.

Loukia Saranti

BoD Chairman & Managing Director

A few words for us.

AKRITAS wood processing industry was founded in 1977 in the border city of Alexandroupolis, Greece. It is currently the only Greek particleboard production industry. The raw material used by AKRITAS is high performance natural compact wood and its products are flexible, meet the highest quality and technical standards and cover even the most demanding market needs.

AKRITAS production facilities, utilization of state-of-the-art technology, well trained personnel and expanded sales network have rendered AKRITAS a pioneer in providing full and feasible solutions adjustable to the needs of every project.

. AKRITAS is the leader in the Greek market, regarding the production and establishment of internationally renowned products, and a major export player too. The company currently employs 250 people and its stocks have been trading on the Athens Stock Exchange (ASE) since 2000.



THE GLOBAL COMPACT PRINCIPLES AND OUR ACTIONS

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Description of activities

Humanity is one of the core values of AKRITAS. 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 person.

Our commitments are not only reflected on our internal employment policies and

partnership standards, but additionally our company, as a corporate citizen, provides active support to organizations dedicated to human rights protection .

We have also been recognized for our support and donations in wood products to

Local Community (schools, churches, museums, troop camps, hospitals)

We support AHTIDA, the Society founded in Thessaloniki by parents and relatives of autistic children by financial support in order to help them reach their goals.

Promoting voluntary blood donation

Our company maintains in addition a blood bank as every year there is a voluntarily blood donation of employees in cooperation with the Alexandroupolis National Hospital.

Measurement of outcomes

In 2018, several donations in AKRITAS PRODUCTS value of more than **19.017 euros** were given to the local community (schools, churches, museums, camps, hospitals, municipal services). Employees are encouraged to report to the company's management any behavior within the company that they believe may be a violation of the laws or the Code of Business Ethics.

There hasn't been recorded any fatal accident in the company and no employee has been involved in accidents.

LABOR RIGHTS

Principal 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principal 4: The elimination of all forms of forced and compulsory labor;

Principal 5: The effective abolition of child labor; and

Principal 6: The elimination of discrimination in respect of employment and occupation

Description of activities

Continuous daily goal and objective of the company is the work to be performed in a manner that ensures the health and safety of workers and the creation of a safe working environment. The Administration is committed towards its employees to continuously improve working conditions. To achieve this goal, the company has installed Assurance Health and Safety and Prevention of Occupational Risk OHSAS 18001/2007 which aims to identify, access and address risks arising from work and which comply with the legislation and EU directives.

Akritas provides a wide range of competitive benefits. We respect our employees and invest in the care of each member.

Health care: we offer a health insurance plan that is suitable for the employee and his family members and is available since the early beginning of 2018.

Financing individual education: the company offers the opportunity each employee and his family members and is available since the early beginning of 2018. Financing individual education: the company offers the opportunity each employee to increase their knowledge and to "build" abilities.

Blood bank: The company's blood bank is available not only to donors, but also to anyone in need.

AKRITAS has a specific code of conduct which describes the behavioral aspects employees should follow in their professional conduct and focuses on setting standards that facilitate ethical, professional conduct. The employees in our company are treated fairly, with respect and humanity, are developed in an environment of motivation and no discrimination.

The company's administrative executives arrange meetings with the presence of the staff, Safety engineer in order to express their opinions on operational safety issues.

Health and Safety: AKRITAS has ensured occupational doctor presence in the workplace and under him/her supervision training seminars of first aid were held .

AKRITAS implements informative programs on health and safety issues for ensuring that working conditions follow the respective legislation and offer our employees a safe working environment.

As it is defined by the National Law, employees are associated in a Labor Union and their representatives have the right to meet the line management for issues of major importance. In particular, the company is committed to provide the capability of union activities for its personnel, to lock out any form of forced labour work, to forbid child work and not to allow any discrimination between the employees of the company, complying with International Labor Organization standards.

TRAINING PROGRAM AND STAFF

Financing individual education: the company offers the opportunity each employee to increase their knowledge and to 'build' abilities.

In 2018, training hours have been dedicated to training for the staff in the factory as far as safety and first aid issues are concerned

Measurement of outcomes

No child or underage (under the age of 18) has been employed in the company during **2018**.

In 2018 , more than 90 training man-hours were implemented for our full-time employees.

Training for the staff in HRM and first aid with a cost of **7.306** euros has been accomplished **in 2018**.

ENVIRONMENT

Principal 7: Businesses are asked to support a precautionary approach to environmental challenges;

Principal 8: undertake initiatives to promote greater environmental responsibility; and

Principal 9: encourage the development and diffusion of environmentally friendly technologies.

Description of activities

Environmental practices

Eco-Paper Usage: The cartons used in our product packaging packages are recycling by-products.

Reduce used paper:

- Reduce printouts, send daily and newsletters by email
- Reuse printed papers as drafts when they are no longer useful (either due to poor printing or due to aging) before being sent for recycling.

Packaging Recycling:

We deliver the packaging to a licensed recycling company.

Recyclable packaging 2730 kg

Battery Recycling (car).

Most legislation for each new car battery that is purchased must be delivered to the old.

Recyclable packaging **2730 kg**

Battery recycling (Car): Most legislation for each new car battery that is purchased must be delivered to the old.

Reducing energy usage in the office:

Use fluorescent lamps and the use of energy-saving profile on the computers

Reduce lighting usage (eg use of fluorescent lamps): Almost exclusive use of LED and fluorescent lamps throughout the unit.

Materials Management:

Recycling:

ALE	9070 Kg
Metals	522,2 Kg
Lamps	75,9 Kg

* Ale: Lubricant Waste

ENVIRONMENTAL RESPONSIBILITY PROMOTION

Adoption of the Environmental Management System ISO 14000:2015

In the long run of more than 40 years , AKRITAS takes all the necessary measures, minimizing the environmental impact of its operations.

In AKRITAS S.A. we implement environmental protection policies, which form the basis for a comprehensive and effective system of rules of Environmental Management. From the beginning, our goal was the gradual integration of this philosophy in business and in the manner specified by the daily operation of the company. We achieved this objective to the maximum extent without this meaning that they always strive for the best! Recognizing the responsibility that corresponds to us and given the nature of our business, constantly focusing our interest in the field Environmental Protection.

ISO 14001: 2015 is an Environmental Management System through which the company seeks to establish a functional and administrative model based on the prevention of pollution, the continuous improvement of the environmental performance of the company as well as its compliance with the existing legislation. The company monitors indicators such as material and energy consumption, waste management, conservation of the natural environment and sets environmental goals that are constantly monitored and evaluated.

From 10.1.2018, the company is certified with the system ISO 14000 Environmental Management 2015.

It is significant that in 2018 we replaced all HPS lamps within our production facilities with new, environmentally friendly LED lamps, achieving a power consumption reduction for lighting by 80%. At the same time, we continue to implement a holistic approach to recycling across the entire production for lighting by 80%. At the same time, we continue to implement a holistic approach to recycling across entire production process and try to recycle any kind of waste.

Moreover, the company has got the **TSCA title VI** (Toxic Substances Control Act) certificate which applies to the production of low formaldehyde release boards in accordance with the United States Environmental Protection Agency (EPA) regulation.. It is a basic requirement for the movement of products within the US . Priority is given to sustainability throughout the production process, from the collection of raw materials to the production of the final product as the products must meet the defined chemical emission standards. Emphasis is mainly based on the quality of raw materials, production technology, the conditions of pressing boards and labeling

Measurement of outcomes

Every renewal of electrical equipment with low power consumption has been effectuated in order to be environmentally friendly and of course the old equipment is led to recycling, as defined by legislation.

Eventually, we made a somewhat massive change screens from legacy (CRT-cathode ray tube) into a new type(LED), which consume much less energy(approximately 10% of that consumed by the old ones).

In our offices there are only led screens.

ANTI-CORRUPTION

Principal 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Description of activities

Integrity and ethos

Are two fundamental and non-negotiable values for the company, which characterize the years of operation, within and across borders processes both internally, and in the company's relations with its "social shareholders", customers and suppliers are fully transparent. AKRITAS wants its suppliers to act with responsibility, integrity, honesty and transparency. Moreover, we estimate that the total business should be guided by respect and compliance with applicable-Local and European-laws and regulations.

The company acknowledges the importance role of chain markets and wishes its collaborators to act with responsibility, integrity, honesty and transparency.

Evaluation of collaborators based on the following standard:

- The overall business activity should be guided by respect for and compliance with the applicable local and European laws and regulations.
- Fair competition and refraining from unfair trade practices.

Our purchase department follows strict procurement procedures regarding all purchases of goods.

Measurement of outcomes

No violations of our code of conduct for cases of corruption and bribery have been investigated.

No fines have been imposed for legislative purposes.