



COMMUNICATION ON PROGRESS 2021



This is our **Communication on Progress** in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

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**CONTINUED SUPPORT****Message from the Chairman**

We are pleased to present the annual CoP and confirm that our business remains committed in the support of the Ten Principles of the United National Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. The Ten Principles are fundamentally aligned to our human values, and our aim to operating our business in a sustainable and ethical way.

In this annual Communication on Progress we describe our efforts to implement the 10 principles and continually improve the integration of the Global Compact and its principles into our business strategy, culture, processes and procedures. We also commit to share this information with our stakeholders and employees.

Sincerely yours,

AKRITAS S.A.

Loukia Saranti

BoD Chairman & Managing Director

**A few words for the company**

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 222 people and its stocks have been trading on the Athens Stock Exchange (ASE) since 2000.



**THE 10 GLOBAL COMPACT PRINCIPLES AND OUR ACTIONS****Human rights principles**

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

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

Our core human values of Trust, Respect and Integrity articulate how we engage with our stakeholders and how we approach the relationships that we have with our people, our business partners, our suppliers and the broader community. In turn, these human values inform the expectations that we have of our business partners and suppliers, and about how they conduct and manage relationships with their stakeholders. Human compassion and Ethos constitute an integral part of the company's core value systems and are applied continuously since its beginning of operations up to now.

Our commitment to uphold human rights and take action is also embedded within our Sustainability Strategy, through our focus on corporate governance and responsible business practices, as well as our safety and wellbeing. Moreover, there is zero tolerance to racist acts throughout the organization. We are committed to improve diversity as well as resilience in every level of company structure. All forms of human rights abuse are strictly forbidden in all parts of the organization.

On the other hand, all the production facilities and distribution centers for products and raw materials are certified according to international standards for workplace hygiene and safety. The company is continually conscientious of ensuring its people's quality of life by providing entirely safe conditions that contribute to the creation of a healthy work environment, whereas particular attention is paid to the development of systems related to cultivating a mentality of accident prevention and safe working.

**Implementation**

We have the following policies in place:

- Code of Conduct
- Suppliers Code of Conduct
- Sustainability Policy

We support understanding and implementation of these policies through training for our employees. The company gives employees the opportunity to develop skills and prospects for professional advancement.

**Measurement of outcome**

No violation of human rights has been recorded in the company in the period covered by the COP.

**Labor rights principles**

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

**Principle 4: The elimination of all forms of forced and compulsory labour;**

**Principle 5: The effective abolition of child labour; and**

**Principle 6: The elimination of discrimination in respect of employment and occupation.**

In AKRITAS we strive to provide equal opportunity of employment and we do not tolerate any form of unlawful discrimination of any characteristic prohibited by applicable law. We prohibit any practices that are inconsistent with our commitment to maintaining a workplace in which our employees, clients and suppliers treat each other with consideration, dignity, and respect. We will not tolerate unfair discriminatory behavior by, between or towards our employees.

The company focuses on having, developing and retaining the appropriate people to support its strategy and ensure the best operation.

AKRITAS offers equal possibilities to all people regardless their gender. There is not and in the future there will not be any discrimination of employing labor force for whatever reason, like age, race, sex, marital status, religion, nationality, sexual orientation, or any other conditions or requirements which are irrelevant. Starting even with the employment application form, AKRITAS states that it is absolutely committed to providing equal opportunities in employment and to avoiding unlawful discrimination.

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.

AKRITAS does not tolerate hard behavior and harassment. The company definitely complies with national laws and requirements concerning minimum age of employment.

Equal opportunities standards and commitments are applied and reflected on all of the company's internal processes and systems.

**Implementation**

AKRITAS has implemented a code of conduct which describes the rules of conduct to be followed by employees in their professional activity and focuses on setting standards that facilitate ethical and incorruptible professional behavior in the company.

Apart from the Code of Conduct AKRITAS has the following policies in place:

- Diversity Policy
- Policy against discrimination and harassment in the workplace

We know that diversity of background brings broad perspectives that lead to better decision making. We work hard to ensure that our people feel able to bring their whole selves to work each day, without fear and reluctance. We have worked hard to build a workplace where women can thrive. Whilst we are proud of the progress we have made, we continue to be fully committed to nurturing our female talent.

Additionally, we have adopted the following practices:

- We promote, measure, monitor and report diversity statistics of our workforce and recruitment practices.
- We ensure employees are trained and understand what discrimination is in both direct and indirect situations and report such behavior.

#### **Measurement of outcomes**

There is no child or underage (under the age of 18) person that was employed in the company in the period covered by CoP, whereas no claim regarding breach of labor rights has been reported in the same period.



**Environment principles**

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

**Principle 8: undertake initiatives to promote greater environmental responsibility; and**

**Principle 9: encourage the development and diffusion of environmentally friendly technologies**

Respect for the environment, the ecosystem and its resources is an important part of AKRITAS corporate culture. This philosophy is practiced daily and is certified according to the Environmental Management System **ISO 14001:2015**.

AKRITAS presents the Best Practices for sustainability and environmental protection through the **AKRITAS GREEN DNA** sustainability plan, according to which the production process and the final product minimize the environmental impact.

The use of certified timber to support forest sustainability, the contribution to the circular economy by reusing all timber residues, the proper utilization of rainwater and liquid waste and the management of all non-timber waste are some of the actions carried out at AKRITAS.

The company enhances green energy with the reduced use of fossil fuels and its low energy footprint, utilizing all the residues resulting from the machining of wood at various stages of the production process, while also using electricity from Renewable Energy Sources (RES).

**Implementation**

Environmental sustainability is integrated into the way we manage our business at many levels.

**ISO 14001:2015**

ISO 14001: 2015 is an international standard that defines the requirements of an Environmental Management System.

Despite this, AKRITAS seeks to establish an operational and administrative model, which aims at reducing the risk of environmental damage, preventing pollution, continuously improving the environmental performance of the company, as well as at complying with existing national and European legislation. The company monitors indicators, such as consumption of raw materials and other resources, energy savings, waste management, conservation of the natural environment and sets environmental goals which it constantly monitors and evaluates.

**CARB Phase 2**

Certification ensures that the production of low-release formaldehyde boards is in accordance with the US Environmental Protection Agency (EPA) regulations; compliance with this certification is a prerequisite for the distribution of products within the US. AKRITAS prioritizes the sustainability of the entire production process, from the collection of raw materials to the production of the final product, as the products have to meet the chemical emission standards set. Emphasis is placed on the quality of raw materials, production technology, pressing conditions of the boards, as well as labeling.

**AKRITAS Green Certificate**

Recognizing the urgent need of industry mobilization around renewable energy, AKRITAS contributes to the reduction of fossil fuel consumption and its low carbon footprint by using alternative energy sources.

AKRITAS supports renewable energy by utilizing biomass within the unit, while using electricity produced by Renewable Energy Sources.

**Declaration on sustainability management**

Promoting sustainable forest management and conserving natural resources are part of AKRITAS industry's fundamental principles.

In line with the international goals for sustainable development, the company is committed to the protection, restoration, and sustainable management of forests, in order to combat land degradation and the loss of biodiversity.

**Measurement of outcomes**

No claim regarding environmental issues was reported in the period covered by the CoP.

Further, all finished products of AKRITAS have the following characteristics:

- They are recyclable and can be reused after their final disposal by the consumer.
- Their energy footprint is calculated according to standard life cycle analysis methods and they are certified for their improved effects on the environment throughout their life.
- They are certified by internationally recognized institutes as products with very low formaldehyde emission.

**Company highlights on environmental impact**

- 100% electricity use from renewable energy sources
- 80% reduction in water usage due to reuse of liquid waste
- Use of biomass for the production of thermal energy
- Publication of EPD's for our main products conducted in accordance with ISO 14025 and EN 15804:2012+A2:2019

**Anti-Corruption Principles**

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

Ethos has always been the fundamental value that runs through the long history and business activity of AKRITAS S.A for more than 40 years. The company is fundamentally opposed to any kind of corruption and bribery, its activities conform in total with the applicable law, and this is one of its major criteria in the selection process of a new supplier, customer or employee. AKRITAS supports full transparency within its own and partners' processes. We have zero tolerance towards corruption in all forms. We expect all our people to do the right thing and comply with applicable laws, codes and policies. We are committed to creating and maintaining a culture of corporate compliance and ethical behavior, in which employees are responsible and accountable for their actions, and are able to raise concerns regarding unethical, unlawful or undesirable conduct, without fear of reprisal and in confidence.

Evaluation of collaborators based on the following standard:

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

**Implementation**

AKRITAS has put in place actions to ensure we comply with all applicable anti-bribery, fraud and corruption laws, and company policies.

In this respect the company has Internal Audit and Compliance Departments in place, aiming at improving the company's operation, ensuring the compliance with all legal instructions and the adherence to the company's commitments to:

- Act honestly and with integrity at all times.
- Implement and maintain measures to prevent and detect bribery, fraud and corruption.
- Be alert for instances of bribery, fraud and corruption and report any suspected or actual breach of policy.

**Measurement of outcomes**

No violations of company's code of conduct for cases of corruption and bribery have been investigated.

No fines have been imposed for legislative purposes.