



COMMUNICATION ON PROGRESS

2016



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STATEMENT OF CONTINUED SUPPORT

Message from the Chairman

AKRITAS commitment social , environmental , human responsibility begins from its foundation . Nine years ago, this commitment became known with our participation to the United Nations Global Compact the world's largest voluntary corporate responsibility initiative.

I am pleased to confirm our continuous support and active implementation of the ten universally accepted principles of the UN Global Compact focus on the four areas of human and labor rights, environment and anti-corruption. The core values that our own company has set and stays loyal to also place Society, Humans, Environment and Transparency in the centre of our business activities.

In these difficult financial conditions that affect everyone on a global level, 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

Chairman



COMPANY PROFILE

AKRITAS is a wood processing industry with headquarters in Alexandroupoli.

Its main activity is the production of particleboard and products based on it like, melamine, HPL worktops -kitchen tops, furniture semi-finished products Postforming .Since its establishment in 1977, the company operates on a continual basis offering excellent services with consistency and respect to its collaborators. AKRITAS remains constantly oriented to the goal of manufacturing high quality products and offer excellent services. It employs 237 people.

All AKRITAS products comply with high quality standards and are the result of the company's effort to satisfy the needs of the market by far exceeding the international standards. AKRITAS' commercial network extends throughout Greece with its northern Greece sales offices in Thessaloniki and its southern Greece sales office in Athens as main bases. The company has developed an important export activity to the Balkans, North Africa ,Australia , Middle East and Saudi Arabia.

AKRITAS has been trading on the Athens Stock Exchange since April 2000.

THE 10 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 2016, several donations in AKRITAS PRODUCTS value of more than 28.637,69 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

AKRITAS has developed 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 a safe 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.

Hiring : selection of employees is based on a procedure, founded on our company's values, following competency based interviews. The selection, recruitment and remuneration of our personnel are based on their qualifications, skills, work experience, and on personal interview without gender, age, family status or other discriminations.

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.

Thus, we provide "operations safety training " and offer internal sessions of seminars for fire-protection and safety conducted by the Technical Manager.

AKRITAS offers equal possibility to all people regardless their gender. There is not and there will not be any future discrimination of labour force for whatever reason, like age, race, sex, family status, religion, nationality.

To this purpose, instructions have been issued to all concerned in relation to the mutual respect of their fellow men and women and this is part of the company's philosophy.

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

AKRITAS S.A. ensures that every employee is trained and developed according to their customized needs and ambitions. Additional training is also provided according to emerging business needs.

In 2016, 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 2016.

In 2016, more than 90 training man-hours were implemented for our full-time employees.

Training for the staff in plc and first aid with a cost of over 2500 euros has been accomplished in 2016.

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 RESPONSIBILITY PROMOTION**

- Acquisitions of CARB certification to ensure that AKRITAS product meet the **California** Air Resources Board's (**CARB**) stringent emission standards for **formaldehyde** emissions.
- reducing air emissions, wastewater
- Recycling wastewater placing them in statutory bodies (ELTE.PE)
- The paperboard used in the packages of our products for their protection, are derivatives of recycling.

We deliver the paper recycling paper and cardboard packaging to a licensed recycling company.

- Use ecological bugs and paper
- Reduce energy use at the office
- Reduce lighting usage

Recycling batteries (car):

Longer due to legislation for each new car battery purchased must be delivered the old. For some batteries from old vehicles before implementation, we keep the batteries and we gave them to licensed recycling company.

Energy Management

Our company has reduced energy consumption through a number of initiatives such as high efficiency lighting bulbs

Paper management

Reduce printing, sending daily newsletters via email

Utilization of Electronic systems (for payment slips , for hotel and travel arrangements etc).

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

We are fundamentally opposed to any kind of corruption and bribery, our activities conform in total with the applicable law, and this is one of our major criteria in our selection process of a new supplier, customer or employee.

Our core operating principles and values such << Trust and Respect>> emphasize on the importance of businesses working against all forms of corruptions, understanding the line that divides the right and the wrong and not crossing it in relation to competitive behavior and employee safety.

AKRITAS has adopted standards of professional ethics that describes the behavioral aspects employees should follow. It focuses on setting standards which facilitate ethical and anti-corruptive professional conduct throughout the company.

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.

Suppliers must also take care to safeguard the integrity, prestige and dignity of the profession to which they belong, with respect for the interests of consumers.

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.