



COMMUNICATION ON PROGRESS 2019-2020



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 declare that AKRITAS reaffirms its support to United Nations Global Compact and the ten principles.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within all these years of joining the Global Compact, and thereafter according to the Global Compact COP policy.

Sincerely yours,

AKRITAS S.A.

Loukia Saranti

BoD Chairman & Managing Director

A few words for the company

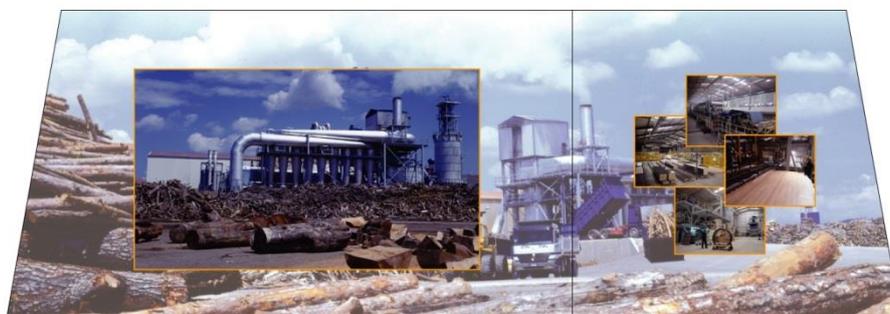
AKRITAS S.A. wood processing industry was founded in 1977 in Alexandroupolis, Greece. Our sales network currently expands throughout Greece, with offices in Athens and Thessaloniki, as client service efficiency is our basic priority. Moreover, the company has developed a powerful export activity, thus establishing its presence in numerous countries abroad.

Central to our wide range of products is the innovative AKRIPAN® particleboard and AKRIPAN®-coated products (melamines, worktops, kitchentops, semi-finished furniture Postforming, glossy and matt surfaces).

AKRITAS' aim is to produce and distribute functional, durable and perfectly designed products, with respect for the environment and the consumer. Thus, all our products comply with international quality standards, while all departments of our industry operate under ISO 9001-2008 regulations.

Since its establishment, AKRITAS has been oriented towards new technologies and low energy consumption. Following environmental policy programs, the industry is certified with the FSC standard, which ensures that all material used, from the initial stages to the final product, is lumbered from areas in compliance with Forest Responsible Management regulations.

For more than four decades AKRITAS is intent to values based on the combination of the human factor and innovative technology. These values, enforced by our commitment for consistency in sales and environmental protection, have established AKRITAS among the industry pioneers in the market.



THE 10 GLOBAL COMPACT PRINCIPLES AND OUR ACTIONS

Human rights

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.

Description of activities

AKRITAS' commitment referring to the social responsibility and its national contribution starts with the company's foundation. Human compassion and Ethos constitute an integral part of the company's core value systems and are applied faithfully since its beginning of operations up to now. Our sense of responsibility towards society and especially towards vulnerable social groups is materialized through active support of organizations dedicated to noble humanitarian causes, in support of Local Community Agencies and provision of social work. 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.

The company's operations include the contribution to the issues facing the region of Evros as it responds to the material offers (sponsorship in kind-AKRITAS products) in schools, demands, churches, and hospitals. Additionally, AKRITAS has been recognized for the continuous support to the Ahtida Autism Support group (www.ahtida.gr).

Also donations have been given to several public sectors for supporting the research and health purposes of the pediatric department in General University Hospital of Alexandroupolis Evros and Greek Chamber of Evros.

The company also maintains blood bank of Workers Association in the General Hospital of Alexandroupolis.

Health & Safety

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.

Particular attention is paid to the development of systems related to cultivating a mentality of accident prevention and safe working.

In this respect, the company offered 4 internal sessions of seminars for fire-protection and safety, conducted by the Technical Manager and the Safety Engineer, during the period 2019-2020.

3 times a year an office and warehouse inspection is conducted by the Technical-Security Coordinator, to ensure that the work place is safe for all employees. There is also a Safety booklet that comprises information about keeping all employees at their safe and fair workplace.

During this inspection, the maintenance and cleaning are being checked, and there has been control of the fire safety systems.

There has been a control to the premises ventilation and recommendations were given to the warehouse for the personal protective equipment and the media of Fire Protection.

Finally, AKRITAS has been remarkably diligent with the implementation of very cautious measures against Covid19, which lead to the smooth operation of the factory without any interruption of the productive operation during the period of the pandemic.

Internal training

Keeping development and progress always in mind, AKRITAS trains its staff through continual participation in special programs and seminars suited to its customized needs. The company's employees attend seminars related to training on modern technologies, trends and viewpoints, obtaining thereby know-how and means that are useful not only in the execution of their work, but also in their everyday lives. The company gives employees the opportunity to develop skills and prospects for professional advancement. It also collaborates with universities and higher education institutes by offering students the

chance to apply their theoretical knowledge to practical work conducted within the company's business environment. In the years 2019-2020, several training hours have been dedicated to internal training, covering mainly subjects of fire protection, work safety and internal audit.

Measurement of outcomes

According to the internal company check that was held in 2019-2020, no violation of human rights have been recorded in the company.

In 2019-2020 more than 400 donations in kind (AKRITAS PRODUCTS), with a total value of 3.010 euros, were donated to the local community (schools, churches, camps).

Moreover, sponsorships amounting to 3150 euros have been given to public institutions (hospitals) for research and health purposes.

In 2019-2020 there has been no fatal accident in the company and no employee has been involved in accidents.

Labour rights

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.

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.

It does not use any form of forced or compulsory labour and all its policies stay tuned with employment legislations

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 labour 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.

Measurement of outcomes

There is no child or underage (under the age of 18) person that was employed in the company during 2019-2020.

Environment

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).

ISO 14001:2015

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

Through 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

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.

Anti-corruption

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.

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.

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.