



AKRITAS COMMUNICATION ON PROGRESS REPORT

2014



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STATEMENT OF CONTINUED SUPPORT

Message from the Chairman

Following several years of global economic uncertainty and social unrest in many countries , AKRITAS managed to remain stable to its strategy and enduring commitment to the 10 principles of the Global Compact.

The construction activity continues to decline in Greece despite the extremely low levels of activity and no significant improvement is expected in the short term. But we continue to build our business and strengthen our position through our commitment to offering quality products and excellent services .

Despite the significant challenges and uncertainties, we will be aiming to have a positive outlook beyond the scope of our operations. We build relationships with our collaborators, share best practices with local community and work with them to ensure that their needs are met.

The financial crisis has presented a significant challenge for our business and the whole construction sector . We have countered this by managing our business more tightly , reducing our budgets , prioritizing expenditures and managing more effectively our capital structure.

AKRITAS S.A.

Loukia Saranti

Board of Directors Chairman



COMPANY PROFILE

AKRITAS is today the Greece leading manufacturer of particleboard and has headquarters in Alexandroupolis.

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 230 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, the Middle East and Australia.

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

HUMAN RIGHTS

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

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

Description of activities

We monitor our performance against fundamental human rights standards to ensure that we provide a safe, fair and reliable working environment for our employees.

We communicate our expectations to suppliers and clients with whom we seek to develop long-term relations to make sure that they will acknowledge any potential risks and challenges for human rights issues within their sphere of influence.

AKRITAS S.A. has adopted high standards of professional ethics, as they are described in her code of conduct. The code has been developed internally and describes the rules that the staff has to follow.

We are not complicit in any kind of human rights violations and our main policy is to choose companies to cooperate with, which are not violating in any manner the internationally proclaimed human rights.

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 and supporting the non-privileged.

We have also been recognized for our support and donations in kind(products) to SOS Childrens' village, the Centre AHTIDA, the institution founded in Thessaloniki by parents and relatives of autistic children and KETHEA SCHEMA-CHROMA ,the unit graphic design which is the production unit of KETHEA therapy center for dependent individuals. Its aim is the training and specialization of former drug users that are in the process of social rehabilitation.

BLOOD BANK

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. In case of any medical emergency concerning any employee or family member, our company will arrange the transfer of the blood to the national hospital of Alexandroupolis Greece.

HEALTH AND SAFETY

Building a safety culture in society has for decades been a top priority for AKRITAS.

Security practices are also very important to the business, as we need to ensure we can safeguard employees and local community where our plant is situated.

The company respects all the staff and their rights by providing a safe, stable and healthy working environment. Thus the company provides "operations safety training" and offered two internal sessions of seminars for fire-protection and safety conducted by the Technical Manager and one external seminar for the Technical Manager for electromagnetic fields.

There is six times a year office and warehouse inspection by the security technician, to ensure that the work place is safe for all employees. There is a Safety booklet that comprises information about keeping all employees at their workplace safe, fair and honest.

During this year's inspection, the maintenance and cleaning are been checked, and there has been control of the fire safety systems, and also inspection of forklift truck by a licensed company.

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

Measurement of outcomes

According to the internal company check that were held in 2014, no violation of human rights have been recorded in the company. In 2014, more than 100 donations in kind (AKRITAS PRODUCTS) value of 1806 Euros were given to the local community (schools, churches, museums, camps, hospitals, charitable institutions like Ahtida, the institute founded in Thessaloniki by parents and relatives of autistic children for ameliorating the living conditions of them.)

SOS Children's Village has been offered donations in kind (AKRITAS PRODUCTS) of amount of 2000 euros for supporting the institution to build families for children in need and help them in the development of their communities.

In Kethea Schema Chroma unit graphic design, there have been issued invoices for providing graphic design services to our company of the amount of 3820 Euros. In the company, there has been no fatal accident in the company and no employee has been involved in accidents.

LABOR RIGHTS

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

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

5: The effective abolition of child labor; and

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

Description of activities

Code of conduct

AKRITAS has developed and 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.

We have developed and implemented Internal Operating Rules . In these rules issues are indicated like commitment to implementation of each Labor Legislation and Official procedures described as this of the enforcement of Disciplinary Sanctions.

AKRITAS does not use any form of forced or compulsory labor and all our policies are stay tuned with employment legislations

We focus on having, developing and retaining the appropriate people to support our strategy and ensure the best operation.

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

Between the Top Management and the personnel of the company, there is full and complete respect to that effect and therefore exists excellent cooperation between all

the colleagues and the Administration. To this purpose instructions have been issued to all concerned in respect 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.

The commitment to comply with the UN Universal Declaration on Human Rights (UNDHR) concerning the labor rights and working conditions is underlined by AKRITAS values.

Equal opportunities, gender and age equality

Achieving growth in a environment depends on our capacity to respect and manage diversity of culture, skills and competencies in an efficient and effective way. This makes equal opportunities not only a prerequisite for meeting our voluntary commitment to international standards as defined by UNGC principles and the Universal Declaration for Human Rights, but also a critical part of implementing our business strategy.

Internal & external training

AKRITAS S.A. ensures that every employee is trained and developed according to their customized needs and ambitions. Every new employee attends an induction training program, especially designed to cover all subjects that affect its daily job. Additional training is also provided according to emerging business needs.

In 2014, training hours have been dedicated to internal training, covering fire protection and technical (magnetic fields check) subjects .

More specifically, training has been done in the Technical field . The aim and objective of these training lectures is raising awareness on maintenance - safety sector, demonstrating our non-stop investment in our employees' development.

Prohibition of child and forced labor: prohibit the use of all forms of forced and child labor, complying with International Labor Organization standards.

Freedom of association: respect our employees' freedom of association and related rights, within the framework of laws.

Measurement of outcomes

No child or underage (under the age of 18) has been employed in the company during 2014.

In 2014 ,more than 15 training man-hours were implemented for our full-time employees.

ENVIRONMENT

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

8: undertake initiatives to promote greater environmental responsibility; and

9: encourage the development and diffusion of environmentally friendly technologies

Description of activities

Respecting the environment, the ecosystem and its resources is the fundamental priority of AKRITAS S.A. and a significant part of its philosophy and culture. We put this philosophy into practice by taking environmentally responsible and preventive actions for saving resources, minimizing the environmental impacts and by making contributions in environment protection programs.

We identify alternative fuels according to local conditions and opportunities and invest in new technologies that can use them in a safe, environmentally friendly way. Where we can, we also use carbon-neutral fuels (biomass), to minimize our CO2 footprint.

Additionally our culture of environmental responsibility is reflected on our systematic efforts to measure and minimize our emissions to the environment and reduce our products' carbon footprint.

We use integrated information systems to minimize paper consumption and our employees follow environmentally sensitive practices by using electronically available information and reducing printing.

AKRITAS supported the program of WWF Hellas.

WWF Hellas was offered donations in kind (AKRITAS PRODUCTS) so as construct information billboards with the aim to inform and sensitize the schools children about the maintenance of the population of the Aspropari, the smallest of the 3 vultures found in the forest of Dadia. For the 2nd year, WWF Hellas continued in collaboration with CCI Soufli and Maronia, actions of symbolic adoption of the couples of this vulture from schools of IP Evros and Rodopi.

Promotion of environmental responsibility.

Our company strives to enhance employee participation in environmental initiatives. We have incorporated to our everyday activities the following practices :

- The paperboard used in the packages of our products for their protection, are derivatives lower recycling paper used.
 - Drastically Reduce printing, sending daily e-mails by using the application of intranet, where every information becomes available electronically.
 - Reuse paper printed as drafts when no longer useful (either due to poor printing or due to age) before being sent for recycling.
 - Paper recycling: we deliver the paper and cardboard packaging in licensed recycling company.
- Recycling car batteries. Due to legislation, for each new battery car purchased , the old one must be delivered. For some batteries from old vehicles before implementation, we keep the batteries and we gave to licensed recycling company.
- Reduce energy use in whole company by:
 - Almost exclusive use of LED or fluorescent lamps and energy saving profile use in computers, throughout the company.
 - Scanning of different documents, without using ink or paper .
 - Use of fax servers, double-side printing(use in more than 3000 PAGES)
 - Use of electronic system(for the management of payment slips, vacations, tickets issuing for professional travel etc)
 - We use also ecological fabric bags for offering samples of our products to our customers
 - As far as on the WEEE (waste electrical and electronic equipment) . In General, we have a temporary storage space and when filled, we call an authorized company for collection and recycling.
 - wastewater recycling
 - disposal of hazardous waste in Authorized Institutions (ELTEPE)

We are committed to providing our customers with product options that have strong environmental credentials. Our company 's philosophy is to meet these requirements .

Measurement of outcomes

- More than 80% of our printers are laser printers, ensuring lower energy consumption.
- 90% of our displays utilize new technology and ensure lower energy consumption.
- Production energy by burning biomass, a procedure that avoids pollution as replaces the burning of hydrocarbons.
- Indicative results of our company within 2014 in materials management (total recycling are presented below):

PAPER CARTONS	12210 KG
METALS	23100 KG

- The majority of servers use blade technology, including lower energy consumption

ANTI-CORRUPTION

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

Description of activities

Ethos has always been the fundamental value that runs through the 37 years history and business activity of AKRITAS S.A. 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 procedures safeguard transparency in every single transaction with our internal and external stakeholders.

AKRITAS has developed a code of Conduct. The Code describes the behavioral aspects employees should follow in their professional conduct and focuses on setting standards that facilitate ethical and anti-corruptive professional conduct in the company. 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.

The Code refers to the following issues:

1. Commitment to act in compliance with professional ethics laws and regulations.
2. Report of potential violations of the code of conduct or illegal act.
3. Health and Safety
4. Environment protection

Internal Regulation of operations: The company has developed and applied a Regulation of Operations to comply with the corporate governance laws and regulations. The regulation of Operations describes the organizational structure of AKRITAS, the operating principles, the composition and responsibilities of the Audit Committee and the Department.

The Internal regulations of operations is renewed on a regular basis to ensure that it complies with the current working practices and the relevant laws and regulations.

Measurement of outcomes

- According to our Internal Audits conducted through 2014, no violations of our code of conduct for cases of corruption and bribery have been investigated.
- No fines have been imposed for legislative purposes.