

  
**PAPOUTSANIS**  
~~~~~  
SINCE 1870



Sustainability Report

2024

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# At a glance - Highlights 2024

ABOUT THE COMPANY

SUSTAINABLE DEVELOPMENT AT

ENVIRONMENTAL PROTECTION

CREATING VALUE FOR SOCIETY AND PEOPLE

RESPONSIBLE CORPORATE GOVERNANCE

ANNEX




**Certification ECOVADIS**  
SILVER | Top 15%  
Sustainability Rating  
AUG 2025

**Certification IFS HPC**

**Certification Great place to work**  
Great Place To Work  
Certified  
GRI Standards  
GRI 305-2  
GRI 308-2  
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GRI 401-2  
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GRI 450-2




**+17%**  
Growth in Net Sales of Branded Consumer Products (2024 vs 2023)



**206**  
Employees

**82%**  
of electricity from RES

**66.2** million  
In Net Sales

**36.6** million  
Exports

**4**  
Lines of Business

**154**  
Years of Continuous Operation

# Message from the Managing Director

GRI 2-22

Nowadays, it is clear that an undertaking's success and business continuity is not only related to short-term profits, but mainly depends on its ability to create long-term value for its stakeholders and on its contribution to society and the environment. In Papoutsanis' efforts to be a sustainable enterprise, we believe it is important not only to identify the issues that concern us all – from the climate crisis to increasing global inequality – but also to demonstrate in practice the action we take. In recent years, the global and regional geopolitical scene has been profoundly transformed. The energy crisis, disrupted supply chains, massive capital shifts and rising tensions between nations have made uncertainty part of the new normal. For Greece, however, this uncertainty is also an opportunity. Its position – at the crossroads of Europe, the Middle East, Africa and the Mediterranean – makes it a strategic energy and infrastructure hub.

Times like these provide excellent opportunities to further innovate and to make a meaningful contribution with new solutions that will ensure future generations continue to thrive. Through our emphasis on innovation, we seek new ways to meet consumer desires and customer challenges with products that not only contribute to a better quality of life, but also have a minimal or positive impact on the environment.

As we remain true to our vision, we continue to create products that comply with the highest standards on the domestic and international markets, with respect for the demands and needs of our customers and aimed at improving consumers' standard of living. Our operation and business conduct



**Menelaos Tassopoulos**  
Managing Director

has always been founded on our heritage, innovation, care and ethos – values that have placed us at the forefront of the Greek and European soap industry.

The respect and protection of the natural environment are the cornerstone of the Papoutsanis philosophy. In this context, we invest in green energy through the installation of photovoltaics (PVs) and the acquisition of renewable energy Guarantee of Origin certificates. In fact, 67.36% of the Company's consumed electricity came from proven renewable sources (through GOs or own generation from PVs). Including the share of RES in the energy mix of the grid, the total RES share is 81.64%. With the same goal in mind, Papoutsanis invested in the creation of innovative products,

including their packaging, which are produced from recyclable raw materials and encourage the reduction of plastic use.

Our strategy is inextricably linked to sustainable growth and aims to create and deliver added value for our customers, our consumers, our partners, our human resources and all other stakeholders through the Company's four business segments: branded products, hotel market, third-party products (industrial sales, private label) and industrial sales of soap bases.

For us, protecting our employees' rights is of the highest priority, as highlighted in our Code of Conduct. The Code describes the principles according to which Company employees must act and conduct themselves towards the Company and vice versa. These principles also apply to the Company's business partners.

To this end, Papoutsanis in 2025 continues to maintain its Great Place to Work certification and ISO 14001 certification (an international standard for the implementation of an Environmental Management System), while for the second consecutive year, it won the EcoVadis Silver Medal, placing it in the top 15% of undertakings worldwide that are evaluated by the organisation. This distinction highlights the Company's firm commitment to sustainable development practices, with particularly high performance in the Environment pillar.

**OUR COMMITMENT**

✓ To protect the natural environment in which we operate and in which our products are distributed and disposed of throughout their lifecycle. Our goal is to reduce greenhouse gas emissions by minimising energy consumption and using renewable energy sources as much as possible, minimising water consumption,

increasing the use of raw and packaging materials from recycled sources and reducing the amount of waste diverted for disposal.

- ✓ To operate, grow and develop responsibly and with transparency, with regulatory compliance as the basis for our corporate governance.
- ✓ To continue investing in innovation and ensuring the highest quality of our products while also safeguarding the health and safety of our consumers.
- ✓ To continue providing a healthy and safe working environment for our employees by consistently striving to improve communication and relations between management and workers, applying modern performance evaluation systems and promoting respect and protection of human rights.
- ✓ To continue our positive financial performance by creating added value for all stakeholders – employees and the local community, our customers, the country and our shareholders.

In conclusion, while keeping in mind a sustainable future for all, our purpose gives added meaning to our work as it relates to enhancing our environmental and social impact. Innovation is the key to our progress; training is essential to building a force for change; and corporate cooperation makes both much stronger.

In closing, I would like to stress that, as it looks to the future, Papoutsanis is committed to continuing to focus on its sustainable development, while remaining true to its vision and timeless values that placed it at the forefront of the soap manufacturing industry, and creating added value for its stakeholders.

**Menelaos Tassopoulos**  
Managing Director



# About the Company

## CHAPTER CONTENTS:

- 1.1. Profile
- 1.2. Vision and Values
- 1.3. History
- 1.4. Domestic and Global Presence
- 1.5. Supply Chain
- 1.6. Value Creation Network

# 1. About the Company

## 1.1. PROFILE

GRI 2-1

Papoutsanis S.A. (hereinafter referred to as the "Company" or "Papoutsanis") was founded in 1870 and is active in the production, import, export and general trading of consumer goods, such as soap, cosmetics and other personal care products, biocides and disinfectants, detergents and cleaning products for household and industrial use, as well as raw materials used for their manufacture.

The Company's facilities are located at the 71<sup>st</sup> km of the Athens-Lamia National Road, in the Ritsona area of the Regional Unit of Evia in Greece. Papoutsanis is organised as a Société Anonyme and its shares are listed on the Athens Exchange. The Company's registered seat is the Municipality of Halkida, Regional Unit of Evia, Region of Central Greece.

Our products are distributed in Greece and all over the world, with Europe being the main destination. For more information, see [Chapter 1.4](#).



## PRODUCTS

GRI 2-6

Papoutsanis is a leading Greek industrial company with a rich heritage and is currently the largest producer of soaps and one of the largest producers of liquid cosmetics in Europe.

It has the largest vertically integrated and most technologically advanced production facilities in Europe and continuously produces innovative, top quality products with raw materials that consistently raise the bar of quality in both the Greek and international markets. Our customers include major retail chains, multinational companies

engaged in the personal care and hygiene industry and the distribution of hotel products, hotels and other. In 2024, the total number of units and packaging materials produced was 237,250,369.

Guided by the key axes of sustainability, innovation, exportive orientation, respect for our historic past and 154 years of know-how and constant presence in the domestic and international markets, the Company plans its future on daily basis through a strategic model for action based on four main lines of business:

**Own Brands**

**3<sup>rd</sup> party & PL**

**Hotel Amenities**

**Specialty Soap Bases**

## 1. OWN BRANDS



Papoutsanis branded products are the main driver of the Company's growth, through the dynamic increase of market shares in the personal care categories, in which the Company has traditionally been active, and its entry into new, large categories, such as home care.

A key growth driver is the Company's focus on innovation, with significant new launches that promote sustainability and naturalness. Our products are designed to meet the most stringent quality specifications and are based on the broad expertise of the scientific team of the Company's Research & Development Department.

The result is our well-known and timeless lines of branded products, with a years-long presence in the Greek and foreign markets.

## 2. HOTEL AMENITIES



Papoutsanis is a leader in the production of hotel personal care amenities in Greece. The product lines featuring the Olivia Thinks, Good to Declare, Olivia, Olive Care, Sarbacane, Le Jardin Med, Skin Essentials, UpC, Skin to Soul & Papoutsanis Kids products are the favoured choice of the largest hotels in Greece, as well as luxury hotel chains abroad.

Papoutsanis is constantly expanding its exports and has built a network of partners and distributors in 35 countries for its branded hotel products.

The Company offers a wide range of customer-centred and environmentally responsible solutions to its customers, aimed at reducing plastic and promoting naturalness.

### 3. THIRD PARTY & PRIVATE LABEL PRODUCTION

With its lengthy experience and expertise in the soap and cosmetics industry, our Company has deservedly earned its place as the top choice for some of the largest fast-moving consumer goods (FMCG) companies and retail undertakings in Greece and throughout the world. Both its private label and branded products manufactured for third-party customers carry the Papoutsanis quality guarantee while its enduring partnerships reaffirm its relations of trust and credibility.



#### PRIVATE LABEL PRODUCTS

Private label products are usually manufactured on behalf of supermarket chains and carry the trademark of the particular supermarket chain or group. In Greece, the Company's share of the private-label sector in our product categories (bar soap-liquid soap-shower gel) is more than 35%.

This category is growing through the expansion of the portfolio of products offered, as well as through the expansion of partnerships with major retailers in Greece and abroad.



#### THIRD-PARTY PRODUCTS

An important area of activity and a priority for our Company is contract manufacturing of products for third parties, mainly for multinationals, which carry the brand names owned by our clients.

These products are developed in cooperation with the Company's Research & Development Department, and are made to the highest quality standards and according to the particular specifications of our clients on both a local and international level.

#### 4. SPECIALTY SOAP BASES

The Company enjoys an important position in the industrial supply sector, as 17% of its turnover in 2024 originated from the sale of special types of soap bases mainly for use abroad as a raw ingredient to make soaps, solid and liquid cosmetics and other specialty applications. The Company has acquired significant know-how in the production of specialty soap bases and offers a wide range of options. It constantly reinforces its

activity in countries such as France, Italy and the countries of Central and Northern Europe, while its presence outside Europe remains equally strong, with exports to countries such as Australia and Mexico.

Some of the specialty soap bases we offer include:



- **Soap bases using special oils**  
(e.g. olive oil, shea butter, coconut oil, sunflower oil, etc.)
- **Melt & pour soap bases**
- **Soap bases with special certifications, such as ECOCERT COSMOS NATURAL, ECOCERT/COSMOS ORGANIC, VEGAN, NORDIC SWAN, etc.**
- **Synthetic soap bases that can be used in place of liquid products for cleansing the face, body and hair (shampoos)**
- **Soap bases for special uses**  
(e.g. shaving noodles, potassium soap, solid body cleansing products)



**SUSTAINABLE PRODUCTS**

Staying true to its corporate mission, which is centred on sustainable development, with respect for people and the environment, Papoutsanis has shifted towards developing and manufacturing sustainable products. These products fall under all of the above categories, while their creation is intended to reduce the environmental impacts caused both by the manufacturing process and by their total lifecycle and use.

The Company's commitment to solutions with a lower environmental footprint is ongoing and evidenced by its entry into the home care markets, most recently with the launch of its fabric softener line.



Thus, as part of Papoutsanis' commitment to creating products with a positive environmental and social footprint, the bottles for the new Aromatics range of fabric softeners contain 30% recycled plastic.

In addition, the new line is also available in 900 ml (45 doses) refill pouches, for more economy and 75% less plastic (compared to the standard bottle).

The refill pouches are new for this category, as they first appeared on the fabric softener shelf in 2024.



Another typical example is the emphasis on informing our customers in the hotel industry about the significant environmental benefits of replacing individual cosmetics packaging with dispensers.

In 2024, the Company expanded its hotel portfolio and added refillable dispenser solutions to all its hotel product lines, while investing in promoting best practices to its customer base.

These actions have led to a gradual reduction in the use of plastic in the hotel industry as a whole, and Papoutsanis' contribution is substantial, as we estimate it enjoys a greater than 25% share of the domestic hotel market.

### REDUCING PLASTIC MATERIALS



### GOOD TO DECLARE

Modern | Sustainable | Certified

The GOOD TO DECLARE hotel product range sprang from our vision for a sustainable, ecological future.

As a result, it is also available in dispensers, in **100% recycled bottles made from recycled material**.

**100%**  
recycled and  
recyclable materials

**70%**  
less product waste

Up to **86%**  
plastic reduction\*

At the same time, Papoutsanis is constantly investing in research and development of products that require less water and the packaging of which requires less or no plastic. The Company is investing in solutions such as solid cosmetics, which are characterised by their smaller carbon footprint.

More specifically, solid shower gel or shampoo bars require less water to produce, less plastic for their packaging and are of smaller volume. They are lighter and require less space during transportation, thus reducing carbon emissions compared to liquid cosmetics.

## SUSTAINABLE PRODUCTS PROMOTIONAL STRATEGY

The Papoutsanis Marketing Department is responsible for promoting the sustainability and “green” advantages of the Company’s products to the general public. The Company’s goal for the immediate future is to increase the percentage of sales deriving from products that are classified as sustainable.

Sustainable products in the hotel amenities category are promoted through:

- > the Papoutsanis website and e-shop
- > Google ads, banners and search engine management and optimisation
- > email/newsletters, press releases and press relations
- > participation in trade shows
- > one-to-one educational presentations to Papoutsanis customers
- > information material and QR codes for the respective products and product lines

Lastly, the Company's branded products are promoted to our customers as follows:

- > sending samples and informational material
- > through letters and emails
- > presentations

and to final consumers through:

- > advertisements on television, radio and digital media
- > the Company's social media accounts
- > press releases, press kits, articles and printed communication
- > information, promotion and distribution of samples in stores
- > customer marketing tools

## Refill pouches are a **cost-saving and environmentally friendly** option



Greece is very close to the European average for municipal waste (524 kg/person/year), but lags behind in waste management\*:

- > 80% of municipal waste ends up in a landfill (10% target by 2030)
- > Circular material use was 5.4% in 2020 (European average: 12.5%)
- > 17<sup>th</sup> in eco-innovation in the EU

Using KARAVAKI refills, a family of four will significantly reduce plastic waste per year\*\*:

- > Discarding 4 kg less plastic overall
- > Discarding 90 fewer plastic bottles overall

By using KARAVAKI refills, a family of four will save €97 per year\*\*.

\* SEV, Special Report on Policies for the Environment, 14 November 2022

\*\* Calculation based on average annual use and average packaging and market price

It should be noted that most of these actions take place in waves during the first product placement/launch, and are repeated through the year depending on the Company’s strategic plan and budget.

## 1.2. VISION AND VALUES

### OUR VISION

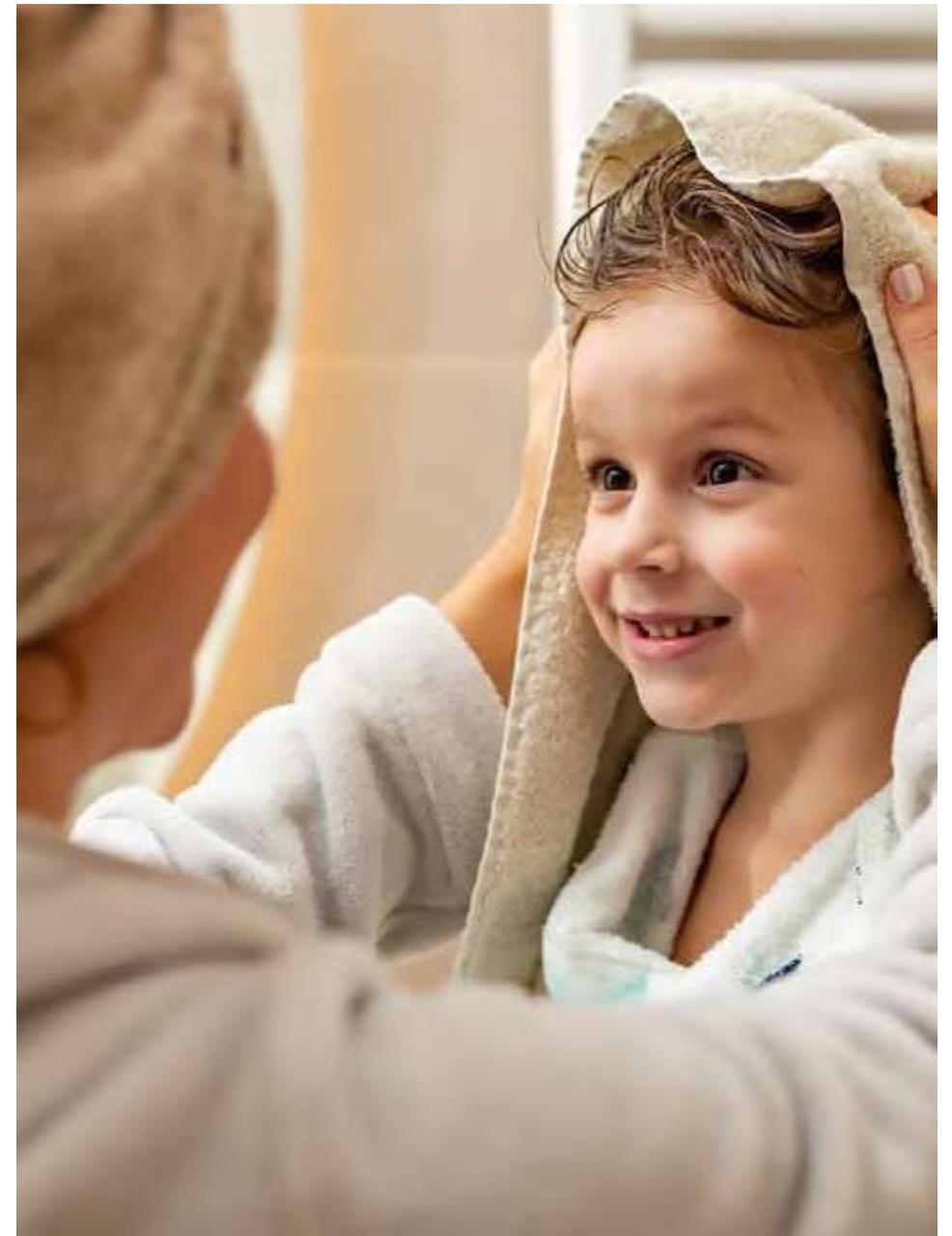
ATHEX A-G1

We are a Greek company with an international outlook. We believe in a future based on new ideas and we plan for it step by step, with faith in tradition and our heritage and a commitment to innovative products that are a point of reference on the domestic and global markets.

The Papoutsanis signature is synonymous with authentic soap, pure raw materials and the unique ingredients of the Mediterranean region.

Our products awaken childhood memories, bringing loved ones to mind and instilling trust as they are handed down from generation to generation. The experience and know-how that was cultivated throughout our lengthy history spark the creation of pure personal care products at competitive prices that can meet every special need of the modern-day consumer. Our vision is to be an exemplary and emblematic Greek company driven by sustainable innovation that grows on healthy, strong foundations and serves as a benchmark for flexibility, consistency and resilience.

Our mission is to ensure the well-being of consumers with quality personal and home care products that stand out in the market and respect people and the environment, while at the same time meeting the demands of the consumers who have consistently trusted us for the last 150+ years.



**OUR VALUES**

These are values we have adhered to for the last century-and-a-half. Values that have marked our course to the present-day and have helped place us at the forefront of the Greek soap-making industry.



**LEGACY**

We fully respect the legacy of the Papoutsanis signature and the Company's historic course since 1870. We strive to reflect that in each and every product created on our production line.



**INNOVATION**

We invest in modern technologies that make use of the treasures of nature and combine them with advanced cosmetology to create innovative products. We believe in the value of perpetual growth through ongoing research and the search for new formulas that will lead to the next innovation bearing our signature. Our products meet the needs of consumers and our partners and open new horizons on the market.



**CARE**

We reaffirm our commitment daily to our people, our consumers, our partners, to society and to the environment with a deeply felt sense of responsibility, fulfilling their needs and earning their trust with forwarding-thinking ideas and cutting-edge production systems that ensure the exemplary quality of our products.



**ETHOS**

We strive to remain worthy of the trust placed in us by our employees, our partners and our consumers. We invest in our human resources, providing suitable working conditions, opportunities for advancement and reward to build a reciprocal relationship of loyalty and dedication day by day.



## 1.3. HISTORY

### 154 YEARS OF CONSTANT PRESENCE

#### 1870

The Company is founded in Plomari, Lesvos, by visionary entrepreneur Dimitrios Papoutsanis.

#### 1913

The Company's activities are transferred to Piraeus. A new chapter begins with the construction of one of the first soap manufacturing plants in Greece. The first Papoutsanis green laundry soap in cubes is released.

#### 1950

With the rise in the standard of living of Greek society, Papoutsanis presents the iconic "Karavaki", a fragrant soap that can still be found on supermarket shelves to this day. Glycerine soap was introduced in the 1970s.

#### 1967

The factory is transferred to Kifissia. The Company expands into new categories and, in 1972, it is listed on the Athens Stock Exchange. In 2001, its activities are transferred to its new factory in Ritsona.

#### 2010

The Company comes under new management and proceeds with reorganisation. In 2015, Papoutsanis develops its 4<sup>th</sup> business pillar, as it begins to sell specialty soap bases (raw material for soap).

#### 2020

During the Covid-19 crisis, the Company prioritises the production of biocides and antiseptics to meet the needs of the country. A dynamic period of innovation and sustainable growth begins.

#### 2022-23

Acquisition of Malikoutis S.A. With its new Arkadi brand, Papoutsanis enters new, large categories for home care products.

#### 2024

Expansion of the Company's product portfolio for home care and entry into the fabric softener category.



## 1.4. DOMESTIC AND GLOBAL PRESENCE

GRI 2-6, ATHEX A-G1

Based in Vathi-Avlida in Halkida, our Company maintains a strong presence throughout Greece, in Europe and in more than 35 countries all over the world.

Our customers are sorted based on product categories in various channels, such as retail, wholesale, hotels, private-label products and industrial sales. Our products are sold in most European countries, as well as in the USA, Asia, Africa, New Zealand and Australia.

In addition to the growing demand for sustainable practices and products in third-party production, Papoutsanis is actively focusing on solutions with a positive environmental footprint, and is implementing more and more projects to that end.

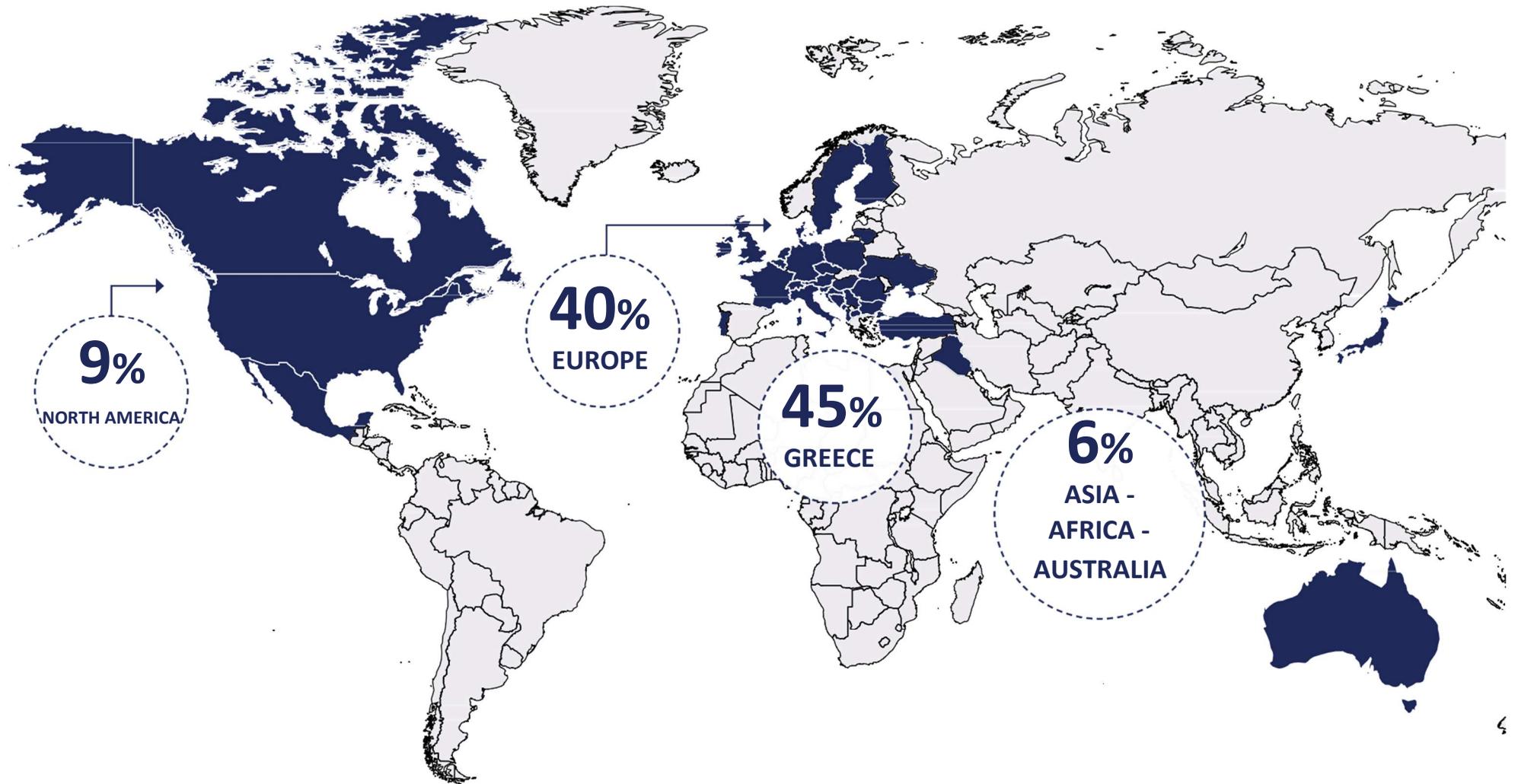
In this context, the Company's strategic priority is the development and production of natural and sustainable products for both its customers and the direct consumers of its branded products. Our goal is to protect the planet and respect people and the environment through products that contribute to the everyday well-being of our consumers, who have trusted us and bought our products for the last 150+ years.



SALES OF PRODUCTS BY REGION

|                                  | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|------|------|------|------|------|
| <b>GREECE</b>                    | 51%  | 38%  | 34%  | 45%  | 45%  |
| <b>EUROPE</b>                    | 45%  | 56%  | 52%  | 45%  | 40%  |
| <b>NORTH AMERICA</b>             | 3%   | 4%   | 8%   | 6%   | 9%   |
| <b>ASIA - AFRICA - AUSTRALIA</b> | 1%   | 2%   | 6%   | 4%   | 6%   |

## EXPORTS MAKE UP **55%** OF TURNOVER



## 1.5. SUPPLY CHAIN

GRI 2-6, ATHEX A-G1

In Greece, the Company maintains an extensive distribution network with more than 3,500 points of sale of its branded products through the retail channel, at pharmacies and hotels.

The overall supervision of supply chain procedures has been entrusted to the Company's Supply Chain Department. Subcontractors are selected on the basis of criteria such as the quality of infrastructure and services they provide. The establishment of long-term business relationships is directly associated with the fulfilment of those criteria.

The suppliers we work with fall into one of these categories:

- > Primary raw materials
- > Secondary raw materials
- > Fragrances/extracts
- > Packaging materials
- > Fixed assets/mechanical equipment
- > Consumable production/office supplies
- > Logistics
- > Service providers
- > Energy providers

In 2024, we engaged 898 suppliers in Greece, Europe and the USA, paying suppliers an estimated total of €49 million.



## 1.6. VALUE CREATION NETWORK

As the Company constantly grows and expands, always in line with responsible management, we take steps to ensure sustainability practices are integrated and implemented throughout our value chain.





## 2. Sustainable development at PAPOUTSANIS

GRI 3-1, 3-2, 3-3, ATHEX C-G3

Our Company is committed to the responsible management of the socio-economic and environmental impacts that occur throughout the supply chain. Our goal is to minimise the negative impacts and enhance the positive ones for our employees, consumers, customers, suppliers and partners and to contribute to the Greek economy, society and the natural environment, in line with the UN Sustainable Development Goals.

We ensure that our activities comply with and observe relevant laws on sustainable development, as well as implementing established standards, policies, internal guidelines and related procedures. We also embrace voluntary agreements that Papoutsanis supports and accepts.

By incorporating sustainable development as a key goal within our operation, our Company seeks to achieve the following:

- Sound practices in managing packaging & waste generated by the Company's production activities.
- Adjusting the Company's activities to combat the phenomenon of climate change on a global scale.
- Sustainable sourcing of raw materials.
- Sound management practices for available water resources and elimination of the water depletion phenomenon.
- Reduction in energy requirements and replacement of energy sources with renewable and green forms of energy.
- Safeguarding product safety and quality.

- Investing in human resources and developing them appropriately through training and specialisation.
- Universal respect for human rights and strengthening of existing corporate ethics.
- Ensuring appropriate conditions for safeguarding the occupational health and safety of stakeholders.
- Taking measures and decisions from the perspective of a transparent, impeccable, responsible and ethical business model.
- Securing high financial returns for the Company.
- Managing the Company's business affairs and decision-making procedures.

Papoutsanis retained the EcoVadis Silver Medal for 2025, placing it in the top 15% in terms of its sustainability performance worldwide. Our outward orientation and commitment to the principles of sustainability support our positive performance, consistently creating new prospects for growth at both a domestic and international level. These opportunities arise through the marketing of quality products and our partnerships with external bodies.



The badge is circular with a silver border. Inside, it says 'SILVER | Top 15%' at the top, 'ecovadis' in the center, 'Sustainability Rating' below that, and 'AUG 2025' at the bottom. A small Papoutsanis logo is in the bottom right corner of the badge.

## 2.1. STAKEHOLDERS

DISCLOSURE 2-29, ATHEX C-S1

Papoutsanis places great emphasis on meaningful engagement with stakeholders, as this allows us to operate more effectively, to acquire knowledge on market conditions and to identify and mitigate potential risks. We consider Company stakeholders to be all those who affect and are affected by our economic, environmental and social activities.

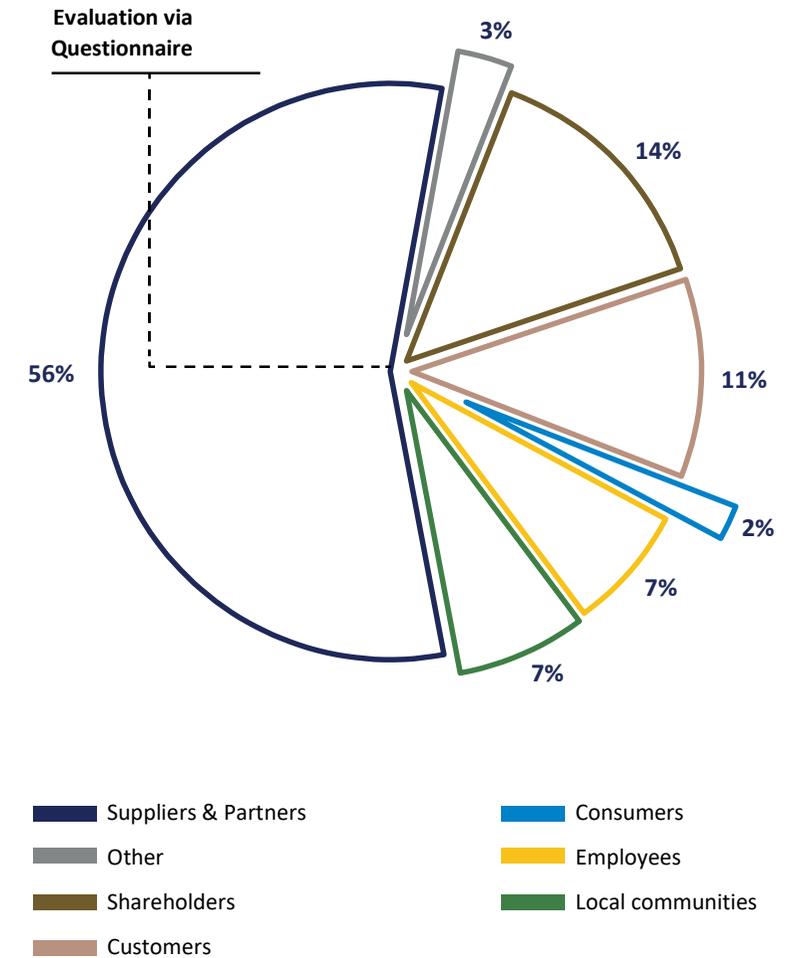
To effectively implement our strategy and achieve our goals:

**We identify and categorise stakeholder groups.**

**We regularly assess and rank these groups, while continually improving our methods for engagement and consultation with them.**

**We actively collate and respond to the primary needs and expectations of our stakeholders, as these emerge through our daily operating activities and existing channels of communications, such as the telephone or email.**

MAIN STAKEHOLDER GROUPS



## 2.2. MATERIALITY ASSESSMENT

DISCLOSURE 3-1, 3-2, 3-3, ATHEX C-G3

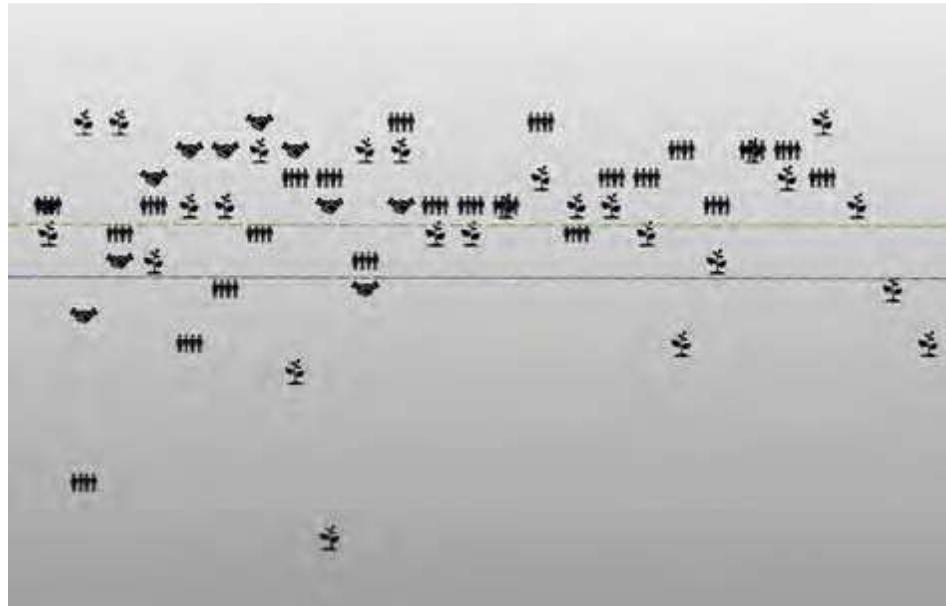
At Papoutsanis, we prioritise topics related to our economic progress and to the creation of lasting value for our stakeholder groups. With this objective in mind, we have identified the environmental, social and economic aspects of our activities, as they align with the needs and expectations of our stakeholders.

In addition, we recognise the broader impacts we have on the three key pillars of sustainability: Environment, People and Society, and Governance. The Company conducted a thorough assessment of material topics in 2023 for financial year 2022, using

the reporting guidelines outlined in the GRI International Standards. The Company did not undertake a new study of material issues in the previous year, as it relied on the previous assessment that had already been prepared and was considered sufficient for that period. However, a new materiality assessment was carried out for 2024, whereby existing issues were updated and some new issues that were considered important for the sustainable development of the Company were highlighted. This process allowed for a better mapping of stakeholder needs and the adaptation of the Company's strategy to current sustainability challenges and opportunities.



MATERIALITY ANALYSIS INDEX



The materiality assessment was conducted within a framework of discrete steps:

> **Understanding the organisational framework:** extensive research and analysis was carried out to identify the material topics in the sector. This analysis was carried out in conjunction with the Company's strategic priorities.

> **Identifying actual and potential impacts:** Assessing and ranking of topics based on their impact on the economy, society and the environment.

> **Conducting an electronic survey in the form of a questionnaire to include the views of all stakeholders and recording the results.**

> **Counting scale 4 & 5 responses and setting a threshold:**

1] 53> responses on a 4-5 scale on Environmental topics

2] 51> responses on a 4-5 scale People & Society and Governance topics

> **Ranking of material topics**

> **Validation of Papoutsanis material topics by the highest governance body (Board of Directors)**

## 2.2.1 STAKEHOLDER INCLUSIVENESS

DISCLOSURE 2-29, ATHEX C-S1

The importance of effective communication with stakeholders should not be underestimated when it comes to decision-making and achieving organisational objectives, as it plays a vital role in building trust and the timely management and mitigation of potential risks. Depending on the circumstances, the Company strives to engage with each stakeholder group individually, always giving priority to the mutual benefits to be gained through such interactions.

Papoutsanis conducted a survey through questionnaires which were distributed to various stakeholders in the value chain to ensure that the topics examined in this Report are aligned with the positive or negative impacts that affect those stakeholders. In this way, the importance of the different aspects was assessed and the findings were used to implement and set targets for focused and appropriately tailored measures.



### SHAREHOLDERS

- > Sustainable sourcing of raw materials
- > Safeguarding the safety and high quality of products
- > Managing the Company's business affairs and decision-making process.



### CUSTOMERS

- > Sound management practices for water resources and elimination of the water depletion phenomenon
- > Universal respect for human rights and strengthening of existing corporate ethics
- > Managing the Company's business affairs and decision-making process.



### CONSUMERS

- > Adjusting the Company's activities to combat the phenomenon of climate change on a global scale
- > Safeguarding the safety and high quality of products
- > Taking measures and decisions from the perspective of a transparent, impeccable, responsible and ethical business model



**LOCAL SOCIETIES – COMMUNITIES**

(e.g. mass media, NGOs, local authorities, etc.)

- > Sound practices in managing packaging & waste generated by the Company's production activities.
- > Universal respect for human rights and strengthening of existing corporate ethics
- > Taking measures and decisions from the perspective of a transparent, impeccable, responsible and ethical business model

\* No significant variation in influence was noted in the materiality assessment.



**EMPLOYEES**

- > Reducing energy demands and replacing conventional energy resources with renewable and green energy sources
- > Investing in human resources and appropriate development through training and specialisation
- > Taking measures and decisions from the perspective of a transparent, impeccable, responsible and ethical business model



**SUPPLIERS AND PARTNERS**

- > Sound practices in managing packaging & waste generated by the Company's production activities.
- > Ensuring proper conditions to safeguard the occupational health and safety of stakeholders
- > Securing high financial returns for the Company



**OTHER**

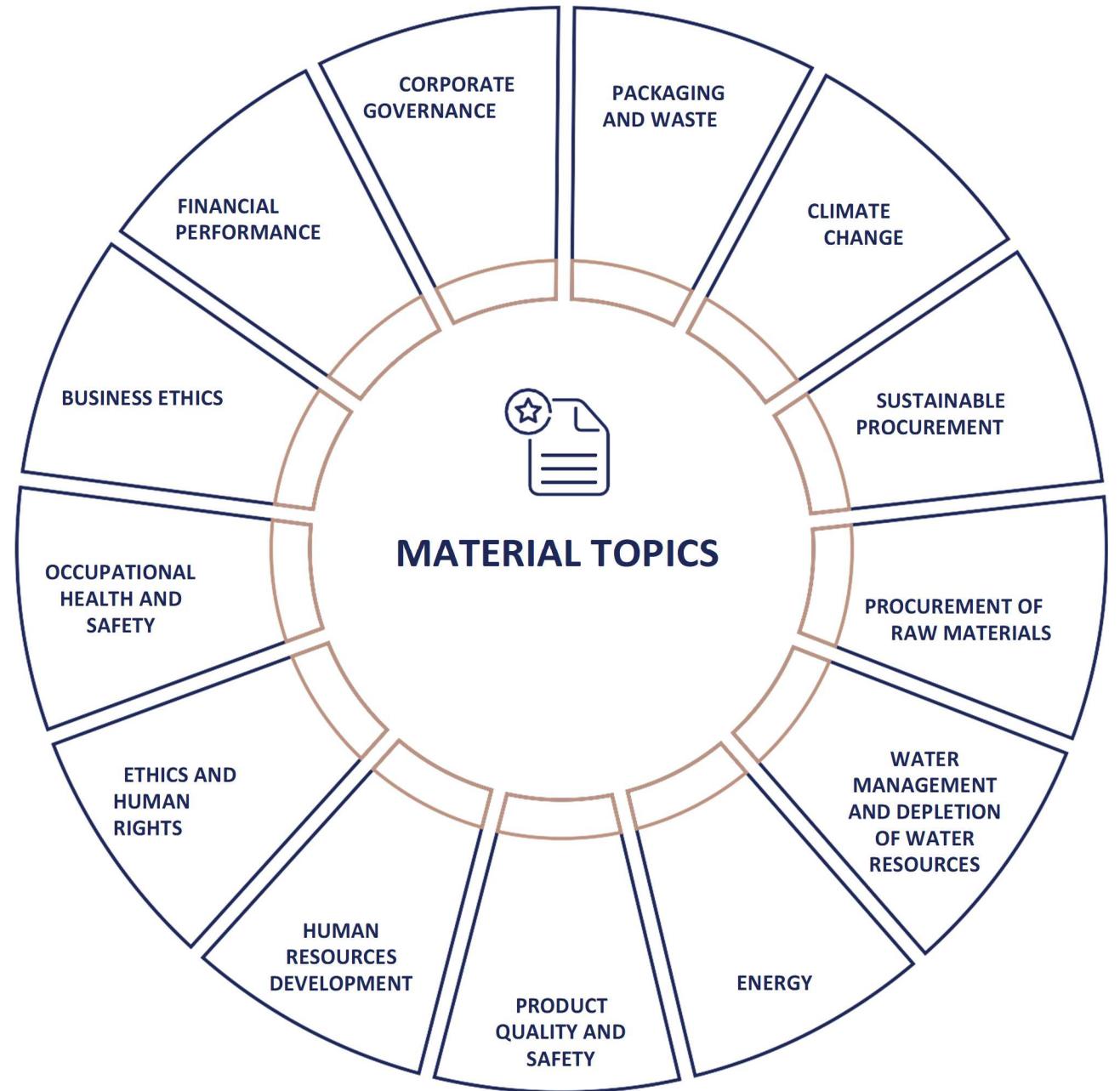
- > Reducing energy requirements and replacing energy sources with renewable and green forms of energy.
- > Taking measures and decisions from the perspective of a transparent, impeccable, responsible and ethical business model
- > Universal respect for human rights and strengthening of existing corporate ethics

## 2.2.2 RANKING MATERIAL TOPICS

After collecting the results from the questionnaires, we proceeded to rank the topics that include economic, social and environmental impacts of our activities throughout our value chain, based on the principles of comparability, accuracy, timeliness, clarity, reliability and conclusions described in the GRI standards.

We gathered the number of responses on a scale greater than or equal to 3.9 as a materiality rating.

This process highlighted 13 corporate topics that are related to our activities and have environmental, economic and social impacts throughout our value chain.



### 2.2.3 FINALISING MATERIAL TOPICS

During the final stage of the analysis, the results of the ranking phase were verified by the Company's senior management. This verification process complied with the principle of completeness and the principle of stakeholder inclusiveness, as described in the GRI Standards.

The contents of the materiality analysis were determined through the process described in subsections 2.2.1-2.2.3 and capture the materiality topics that emerged for the year 2024.



## 2.3 VALUE CHAIN AND IMPACTS

GRI 2-6

The following table depicts important information about our contribution to sustainable development. At its core, it represents our value chain, which includes activities carried out by the Company itself and by third parties, such as suppliers, partners and customers. These activities take place both before and after our own activities, but are linked to us either directly or indirectly, and include both positive and negative impacts on the environment,

society and governance. For Papoutsanis, its contribution to the achievement of the UN Sustainable Development Goals (SDGs) is of paramount importance and the Company is committed to supporting the SDGs by identifying those that are aligned with and related to its activities. To that end, the Company links the 13 material topics, as they emerged following analysis, with the SDGs.

| Area of Sustainability                                                                                   | Material Topics            | Opportunities and Risks associated with Material Topics                                                                                                                                                                                                                                                                                                      | Linked Sustainable Development Goals                                                                                                                                        | Stakeholder Groups                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Environment</b> | <b>Packaging and Waste</b> | <ul style="list-style-type: none"> <li>&gt; Compliance with relevant laws and regulations</li> <li>&gt; Collective response to challenges related to waste management</li> <li>&gt; Sustainable packaging alternatives or implementation of circular economy approaches</li> </ul>                                                                           |       | <ul style="list-style-type: none"> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul>                                                    |
|                                                                                                          | <b>Climate Change</b>      | <ul style="list-style-type: none"> <li>&gt; Greenhouse gas emissions from product manufacturing</li> <li>&gt; More stringent regulations related to the climate (e.g. emissions standards) and anticipated cost of compliance, sanctions or limitations on production activities.</li> <li>&gt; Building climate resilience into the supply chain</li> </ul> |   | <ul style="list-style-type: none"> <li>&gt; Shareholders</li> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Employees</li> <li>&gt; Local Societies - Communities</li> <li>&gt; Suppliers and Partners</li> </ul> |

| Area of Sustainability                                                                                  | Material Topics                                      | Opportunities and Risks associated with Material Topics                                                                                                                                                                                                                                                                                                                                                                            | Linked Sustainable Development Goals                                                                                                                                                                                                                                                                                                                       | Stakeholder Groups                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Environment</b> | <b>Procurement of raw materials</b>                  | <ul style="list-style-type: none"> <li>&gt; Environmental degradation, deforestation, habitat loss or pollution.</li> <li>&gt; Procurement of raw materials from areas with poor labour practices and challenges to transparency in the supply chain.</li> <li>&gt; Reducing vulnerability to future disruptions by investing in long-term relationships with suppliers and adopting sustainable procurement practices.</li> </ul> |                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul> |
|                                                                                                         | <b>Water Management and Water Resource Depletion</b> | <ul style="list-style-type: none"> <li>&gt; Availability of water and water resources</li> <li>&gt; Water shortage and water resource depletion</li> <li>&gt; Responsible management and proper allocation of water resources</li> </ul>                                                                                                                                                                                           |                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul> |
|                                                                                                         | <b>Energy</b>                                        | <ul style="list-style-type: none"> <li>&gt; Dependence on fossil fuels for energy and volatility in energy prices</li> <li>&gt; Disruptions in energy supply</li> <li>&gt; Adoption of renewable energy sources and energy autonomy-efficiency</li> <li>&gt; Access to financial loans and government subsidies</li> </ul>                                                                                                         |  <br>  | <ul style="list-style-type: none"> <li>&gt; Shareholders</li> <li>&gt; Customers</li> <li>&gt; Suppliers and Partners</li> </ul>                                          |

| Area of Sustainability                                                                                | Material Topics                       | Opportunities and Risks associated with Material Topics                                                                                                                                                                                                                                                                                                      | Linked Sustainable Development Goals                                                                                                                                                                                                                              | Stakeholder Groups                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>People & Society | <b>Product Safety and Quality</b>     | <ul style="list-style-type: none"> <li>&gt; Inadequate quality control practices throughout the supply chain</li> <li>&gt; Competitive advantage and superior product quality and safety standards</li> <li>&gt; Risk reduction and compliance with regulatory standards</li> <li>&gt; Strict regulations and controls when testing on animals</li> </ul>    |                                                                                             | <ul style="list-style-type: none"> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul>                                                    |
|                                                                                                       | <b>Human Resources Development</b>    | <ul style="list-style-type: none"> <li>&gt; Senior management and employees with extensive knowledge and expertise</li> <li>&gt; Employee recruitment and retention</li> <li>&gt; Efficient use of human resources and increased turnover</li> </ul>                                                                                                         |                                                                                             | <ul style="list-style-type: none"> <li>&gt; Employees</li> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul>                            |
|                                                                                                       | <b>Ethics and Human Rights</b>        | <ul style="list-style-type: none"> <li>&gt; Equal rights and opportunities at work</li> <li>&gt; Eliminating all shape and form of discrimination</li> <li>&gt; Human rights throughout the supply chain</li> </ul>                                                                                                                                          |                                                                                             | <ul style="list-style-type: none"> <li>&gt; Employees</li> <li>&gt; Shareholders</li> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul> |
|                                                                                                       | <b>Occupational Health and Safety</b> | <ul style="list-style-type: none"> <li>&gt; Compliance with available regulatory frameworks</li> <li>&gt; Ensuring a safe work environment</li> <li>&gt; Promoting the Company's good reputation</li> </ul>                                                                                                                                                  |                                                                                           | <ul style="list-style-type: none"> <li>&gt; Employees</li> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers and Partners</li> <li>&gt; Local Societies - Communities</li> </ul>                            |
|                                                                                                       | <b>Occupational Health and Safety</b> | <ul style="list-style-type: none"> <li>&gt; Evaluating suppliers based on their compliance with environmental, social and corporate governance standards (ESG)</li> <li>&gt; Monitoring compliance with the Code of Ethics</li> <li>&gt; Identifying and managing potential environmental, social and intergovernmental risks in the supply chain</li> </ul> |    | <ul style="list-style-type: none"> <li>&gt; Employees</li> <li>&gt; Customers</li> <li>&gt; Consumers</li> <li>&gt; Suppliers</li> <li>&gt; Partners</li> </ul>                                                              |

| Area of Sustainability                                                                                 | Material Topics              | Opportunities and Risks associated with Material Topics                                                                                                                                                                                                                                                                                                                                  | Linked Sustainable Development Goals                                                                                                                                                                                                                                                                                                                    | Stakeholder Groups                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Governance</b> | <b>Business Ethics</b>       | <ul style="list-style-type: none"> <li>&gt; Business Integrity and Transparency</li> <li>&gt; Unethical business practices, fraud, corruption, bribery or environmental violations and defamation</li> <li>&gt; Employee misconduct, conflict of interest, dishonesty and harassment</li> <li>&gt; Identifying and addressing potential risks related to fraud and corruption</li> </ul> |                                                                                                | <ul style="list-style-type: none"> <li>&gt; Shareholders</li> <li>&gt; Customers</li> <li>&gt; Employees</li> <li>&gt; Local Societies - Communities</li> <li>&gt; Suppliers and Partners</li> </ul> |
|                                                                                                        | <b>Financial Performance</b> | <ul style="list-style-type: none"> <li>&gt; Economic recession or downturn</li> <li>&gt; Economic prosperity for the Company and the local community</li> <li>&gt; Timely payment of salaries and allowances to employees and partners</li> </ul>                                                                                                                                        |                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>&gt; Customers</li> <li>&gt; Employees</li> <li>&gt; Local Societies - Communities</li> <li>&gt; Suppliers and Partners</li> </ul>                            |
|                                                                                                        | <b>Corporate Governance</b>  | <ul style="list-style-type: none"> <li>&gt; Violation of shareholder rights and moral improprieties</li> <li>&gt; Diversity and expertise of the Board of Directors</li> <li>&gt; Transparency, responsibility and long-term support and establishment of strong sustainable frameworks</li> </ul>                                                                                       |     | <ul style="list-style-type: none"> <li>&gt; Shareholders</li> <li>&gt; Customers</li> <li>&gt; Employees</li> <li>&gt; Suppliers and Partners</li> </ul>                                             |

## 2.4. PARTNERSHIPS AND PARTICIPATIONS

GRI 2-28

Papoutsanis recognises that active participation in professional bodies and associations contributes to developing our network of partnerships and the Company's progress. It allows us to exchange valuable knowledge and to continually improve our products. In this regard, we actively support and participate in the following professional bodies and associations:



### Economic bodies

**We are members of the following:**

- > Association of Greek Tourism Enterprises (SETE)
- > Federation of Greek Industries (SEV)
- > Association of Hellenic Plastics Industries (AHPI)
- > Association of Industries of Central Greece (SVSE)
- > Private Label Manufacturers Association (PLMAs World)
- > Hellenic Association of Entrepreneurs (EENE)
- > Greek-Italian Chamber of Commerce
- > German-Greek Chamber of Commerce
- > Hellenic Purchasing Institute
- > Association of the Greek Industry of Detergents and Soaps
- > Sales Institute of Greece



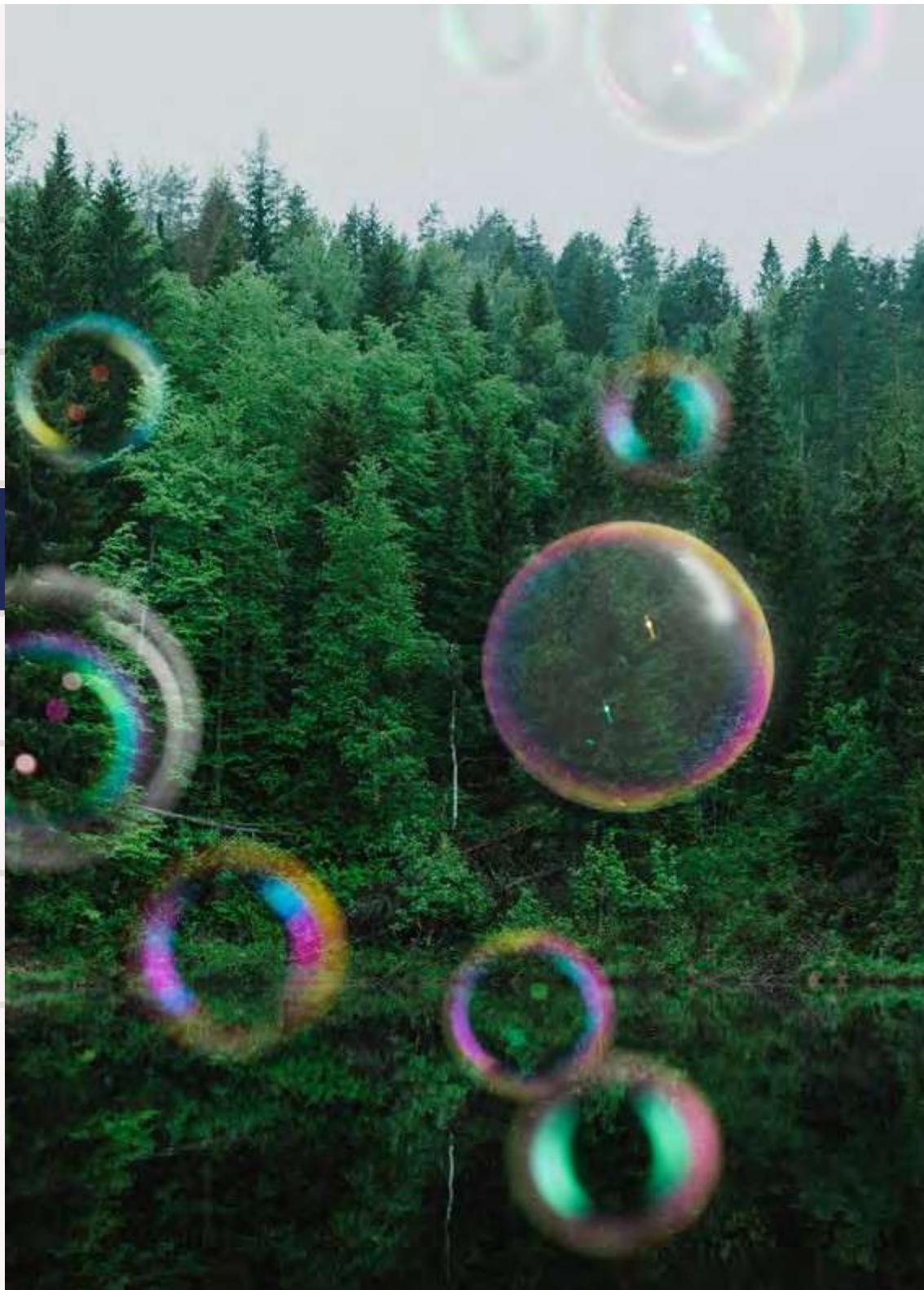
### Environmental bodies

- > We are members of the Hellenic Recovery Recycling Corp. (HERRCO).
- > We are members of the international Green Palm programme, which supports palm oil sustainability.
- > We are members of the international RSPO programme on palm oil sustainability. Certified to the RSPO standard.



### Social bodies

- > We support Race for the Cure.
- > We have adopted the Smile of the Child Daycare Home in Agios Nikolaos in Halkida.
- > We participate in the Inclusive Children's Festival of the Municipality of Halkida as a volunteer team.
- > We have secured the operating expenses of 2 children of the Kydon Basketball Special Team and the cost of 4 children at the Basketball Academy of the ERMIS Athletic Club in Schimatari.
- > For the 3<sup>rd</sup> consecutive year, in cooperation with the charity "Friends of the Child", we contributed to covering the costs of the Summer Holiday Programme for the families supported by the organisation.



**3**

# Environmental Protection

**CHAPTER CONTENTS:**

- 3.1. Our Approach to Environmental Protection
- 3.2. Energy
- 3.3. Climate Change
- 3.4. Procurement of Raw Materials
- 3.5. Water Quality Management and Assurance
- 3.6. Packaging Materials and Waste

# Environmental Protection

## 3.1. OUR APPROACH TO ENVIRONMENTAL PROTECTION

GRI 3-3

The respect and protection of the natural environment are the cornerstone of the Papoutsanis philosophy. As part of this philosophy, our Company implements an environmental policy related to the optimised operation of the plant and to efficient energy consumption. In particular, our Company's environmental policy is firmly based on the following principles:

✓ **Legislative compliance**  
The Company's activities fully comply with the applicable European and national environmental legislation, and are within the emission limits specified in its environmental permit conditions.

✓ **Responsible operation**  
The Company is fully aware of the environmental impacts of the production process and takes all necessary measures to minimise them, as well as appropriate measures to prevent environmental risks.

✓ **Collaboration with accredited contractors**  
The Company's partners in waste management (collection, transport, recovery, disposal) hold all the necessary licences and follow sound management practices, as stipulated by the relevant legislation.

✓ **Transparency**  
The Company engages in an open dialogue on environmental issues with all its shareholders, governmental and non-governmental organisations, academic institutions, local communities and society in general.

✓ **Training**  
Company personnel is kept up to date and is actively engaged in environmental management issues, as the Company's objectives can only be attained through the involvement of all its employees.

✓ **Continuous improvement**  
The Company continuously strives to improve its environmental performance and reduce the environmental footprint of its operations by sourcing environmentally friendly raw materials, investing in renewable energy and developing innovative products for this purpose.

**Papoutsanis is committed through its Code of Ethics and Sustainable Development Policy to continue to reduce the environmental impacts of its operating and business activities.**



Through initiatives and the continuous improvement of its environmental management systems, the Company contributes to the protection of the environment and the quality of life in its neighbouring areas. It is also committed to fully complying with all applicable environmental legislation, including obtaining and maintaining all permits and approvals required for its business activity, correct handling, storage and disposal of materials in accordance with pertinent legislation, as well as submitting timely and accurate reports to the competent state agencies that require them.

As part of this commitment, the Company adopts integrated environmental management policies that ensure compliance, pollution prevention and continuous improvement of its environmental performance. It implements appropriate measures to responsibly manage all materials and waste related to its activities, paying particular attention to the management of hazardous substances.

At the same time, it takes steps to inform and train its human resources, provide appropriate technical and organisational means, while implementing procedures that promote safety, sustainability and compliance with applicable standards. Environmental responsibility is integrated into daily operations, enhancing the Company's positive impact on its natural and social environment.



As in previous years, for the 2024 reporting year, monitoring the environmental impacts of the Company's operation is achieved with the cooperation of most Company departments. The head of the Production Line Department is responsible for following procedures related to limiting the Company's environmental and climate footprint.

## 3.2. ENERGY

GRI 3-3, GRI 103-1

The Company recognises energy management as a critical environmental and operational issue and has adopted a formal policy for its optimal management. As part of its Environmental Policy, the Company is committed to continuously improving energy efficiency, as well as to promoting cleaner and more efficient forms of energy, where technically and economically feasible. To achieve these goals, it applies targeted energy-saving practices throughout its production activities. In 2024 specifically, investments totalling **€1,706,061** were implemented in production line upgrade projects, aiming to enhance energy efficiency.

Some of the steps that have been implemented to date along these lines are:

- > **Use of electric vehicles by senior Company executives, which are charged using the chargers installed on the Company's premises. The aim is to gradually replace all conventional vehicles with electric ones.**
- > **Obtaining a Guarantees of Origin (GOs) certificate for energy derived from RES.**
- > **Installation and operation of a photovoltaic net metering system for the production of energy from renewable sources.**
- > **Addition of a new 500 m<sup>2</sup> warehouse for soap bases.**
- > **Purchase of new equipment and highly energy-efficient machines for soap base production and soap moulding.**
- > **Heat recovery from air compressors and use of hot water to heat offices.**



- > **Reducing natural gas consumption by optimising the soap base production process.**
- > **External thermal insulation of the masonry and installation of glazing in the office building.**
- > **New 2,000 m<sup>2</sup> warehouse with pallet racks for automatic storage of packaging materials and finished products.**
- > **Change of panels in the existing warehouse to improve insulation.**
- > **Installation of production line for synthetic soap bases to ensure sustainable development by reducing plastic packaging.**
- > **Regular maintenance of equipment and machinery such as mixers, extruders and presses in the production line, pumps, valves, filters, air compressors and automation panels, drying and packaging units, steam boiler.**

Furthermore, in 2024, having received the approval of the competent authorities, the Company proceeded to install a photovoltaic net metering system, aiming at the production of energy from renewable sources. This initiative is part of the Company's strategy to transition towards a more sustainable and climate-neutral energy model, aiming to reduce greenhouse gas emissions, reduce energy costs and enhance energy independence.

The action is in line with the priorities of the European Green Deal, which calls for accelerating the penetration of renewable energy sources, improving energy efficiency and achieving climate neutrality in the European Union by 2050.

In December 2024, the photovoltaic system installed at the Company's production plant in Thiva became operational and began to supply the facilities with clean energy. The plant consists of two stations with a total installed capacity of 1,798.96 kW.

For the coming years, a significant increase is anticipated in the percentage of energy consumption covered by the photovoltaic system, which will operate throughout the year, actively supporting the implementation of the strategic sustainability objectives and the reduction of the Company's energy footprint.

The use of renewable energy sources is a pillar of the energy strategy, reducing dependence on the grid and enhancing energy autonomy. By integrating clean energy into the operation of the production plant, the Company promotes a more sustainable, efficient and environmentally responsible production, improving energy efficiency and reducing greenhouse gas emissions. In this way, the production process makes a substantial contribution to the green transition and to building a more sustainable future.

The energy consumed comes directly from the operation of the building infrastructure, including offices and the production plant, as well as from the use of company cars, and indirectly from its value chain.

The production plant accounts for the majority of the Company's energy consumption. Specifically, natural gas is the main source of energy in the soap-making process. Other processes are powered by electricity and, in the event of power cuts, by auxiliary diesel generators.

As part of the continuous monitoring of our energy performance, the Company systematically monitors energy consumption through the natural gas and electricity bills, while the energy produced by the photovoltaic system is now also integrated into the monitoring, improving the accuracy of energy data and enhancing the ability for more targeted and efficient energy management.



**PAPOUTSANIS' PERFORMANCE**

GRI 103-2, ATHEX C-E3

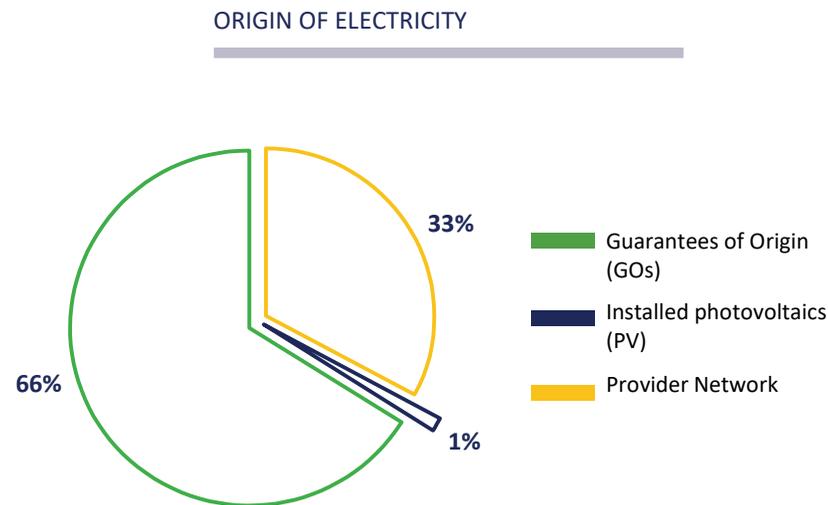
Papoutsanis recognises that greenhouse gas (GHG) emissions are released by the operation of its production plant and by its activities throughout its entire supply chain. As part of its efforts to decrease GHG emissions, the Company increased the storage capacity at its facilities, resulting in a reduced need to transport stock to and from third-party warehouses and therefore limiting greenhouse gas emissions related to these specific activities.

In 2024, the Company secured Guarantees of Origin from its provider through the Operator of RES and Guarantees of Origin (DAPEEP) system for the majority of its electricity consumption. More specifically, the Company secured GOs for 66.27% of the total electricity consumption, ensuring its exclusive coverage by renewable energy sources. In addition, based on the production of

installed photovoltaic systems for the year 2024, 1% of total electricity consumption was covered by self-generated solar energy. Therefore, 67.36% of the Company's total energy consumption was covered by proven renewable sources, either through GOs or through its own power generation.

The rest of the electricity required was covered by the residual energy mix of the energy provider. More specifically, 32.64% of the total electricity consumed by the Company comes from the grid and corresponds to the residual energy mix of the provider. This mix describes the sources of energy distributed through the grid, based on the officially published data of each provider. For this consumption rate and according to Table 5 of the DAPEEP's Energy Mix 2024 report, 14.26% of energy comes from RES, 17.63% from fossil fuels and 0.73% from high-efficiency cogeneration. Taking into account this distribution, as well as the fact that 66.27% of total consumption is covered through GOs from RES and an additional 1% from owned photovoltaic systems, the total contribution of renewable energy sources to the Company's electricity consumption is 81.64%. The remaining 18.36% comes from conventional sources, mainly fossil fuels.

The Company's objective is to gradually reduce the use of non-renewable energy sources, giving priority to increasing the share of renewable energy sources in both electricity consumption and total final energy consumption. At the same time, the Company seeks to reduce energy consumption per kilogram of product produced, in order to make production more efficient and sustainable.



**PAPOUTSANIS' PERFORMANCE**

GRI 103-2, ATHEX C-E3

**CONSUMPTION OF ELECTRICITY FROM ENERGY PROVIDER**

|                    | 2020                    | 2021                    | 2022                    | 2023                    | 2024                    |
|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Total (GJ)</b>  | 21,064.0 <sup>(1)</sup> | 24,670.8 <sup>(1)</sup> | 29,622.7 <sup>(1)</sup> | 25,857.1 <sup>(1)</sup> | 26,119.7 <sup>(1)</sup> |
| <b>Total (MWh)</b> | 5,851.1 <sup>(1)</sup>  | 6,852.9 <sup>(1)</sup>  | 8,228.5 <sup>(1)</sup>  | 7,182.5 <sup>(1)</sup>  | 7,255.4 <sup>(1)</sup>  |

**CONSUMPTION OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES**

|                    | 2020 | 2021                      | 2022                      | 2023                      | 2024                      |
|--------------------|------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Total (GJ)</b>  | 0    | 24,429.6 <sup>(1,2)</sup> | 28,400.4 <sup>(1,2)</sup> | 21,236.1 <sup>(1,2)</sup> | 21,558.9 <sup>(1,2)</sup> |
| <b>Total (MWh)</b> | 0    | 6,786.0 <sup>(1,2)</sup>  | 7,889.0 <sup>(1,2)</sup>  | 5,898.9 <sup>(1,2)</sup>  | 5,988.6 <sup>(1,2)</sup>  |

**CONSUMPTION OF ELECTRICITY FROM THE INSTALLED PV\***

|                    | 2020 | 2021 | 2022 | 2023 | 2024                 |
|--------------------|------|------|------|------|----------------------|
| <b>Total (GJ)</b>  | 0    | 0    | 0    | 0    | 287.1 <sup>(1)</sup> |
| <b>Total (MWh)</b> | 0    | 0    | 0    | 0    | 79.76 <sup>(1)</sup> |

\* PHOTOVOLTAIC SYSTEM

**CONSUMPTION OF ELECTRICITY FROM NON-RENEWABLE SOURCES**

|                    | 2020                    | 2021                 | 2022                   | 2023                   | 2024                   |
|--------------------|-------------------------|----------------------|------------------------|------------------------|------------------------|
| <b>Total (GJ)</b>  | 21,064.0 <sup>(1)</sup> | 241.2 <sup>(1)</sup> | 1,222.3 <sup>(1)</sup> | 4,620.9 <sup>(1)</sup> | 4,848.0 <sup>(1)</sup> |
| <b>Total (MWh)</b> | 5,851.1 <sup>(1)</sup>  | 67.0 <sup>(1)</sup>  | 339.5 <sup>(1)</sup>   | 1,283.6 <sup>(1)</sup> | 1,346.7 <sup>(1)</sup> |

(1) To convert from MWh to GJ, multiply the energy in MWh by the factor 3.6, as 1 MWh equals 3.6 GJ.

(2) The renewable electricity was derived through the acquisition of Guarantees of Origin (GOs) from the Company's energy supplier, the installed photovoltaic systems, and a portion of the supplier's residual mix as per Table 5 of DAPEEP's 2024 Energy Mix Report. The renewable electricity consumed exclusively through Guarantees of Origin (GOs) and installed photovoltaics amounted to 5,295.3 MWh or 19,063.0 GJ.



GRI 302-4, 103-5, CORPORATE PERFORMANCE INDICATOR

CHANGE IN CONSUMPTION AND INTENSITY (ENERGY CONSUMPTION CORRELATED TO PRODUCTS PRODUCED) OF ELECTRICITY

|                                                                      | 2020        | 2021        | 2022        | 2023        | 2024                    | Change from base year <sup>(3)</sup> |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------------------|--------------------------------------|
| <b>Consumption of Electricity (GJ)</b>                               | 21,064.0    | 24,670.8    | 29,622.7    | 25,857.1    | 26,406.9 <sup>(4)</sup> | 25.36%                               |
| <b>Total units of products and packaging produced</b>                | 194,763,179 | 230,812,020 | 323,460,563 | 251,381,302 | 237,250,369             | 21.81%                               |
| <b>Consumption of Energy per unit of product/packaging (GJ/unit)</b> | 0.00011     | 0.00011     | 0.00009     | 0.00010     | 0.00011                 | 0.00%                                |

(3) The year 2020 has been used as the base year for calculations due to its being the first year during which the Company collected reliable data.

(4) Energy consumption for 2024 includes both the energy produced by the installed photovoltaic systems and the energy supplied to the Company from the grid.

GRI 302-1, 302-4

ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES (GJ)

|                                          | 2020            | 2021            | 2022            | 2023            | 2024                   |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------------|
| Electricity <sup>(3), (4)</sup>          | 21,064.0        | 241.2           | 1,222.3         | 4,620.9         | 4,848.0 <sup>(8)</sup> |
| Thermal energy                           | 42,287.3        | 50,259.3        | 47,220.7        | 41,589.9        | 32,011.2               |
| • Natural gas                            | 42,253.0        | 50,202.0        | 47,170.8        | 41,582.7        | 31,637.8               |
| • Diesel for generators <sup>(5)</sup>   | 34.3            | 57.3            | 49.9            | 7.3             | 373.4                  |
| Diesel for road transport <sup>(6)</sup> | -               | -               | -               | 1,723.5         | 1,166.3                |
| Petrol for road transport <sup>(6)</sup> | -               | -               | -               | 853.9           | 27.01                  |
| <b>Total</b>                             | <b>63,351.3</b> | <b>50,500.5</b> | <b>48,443.0</b> | <b>48,788.2</b> | <b>38,052.5</b>        |

(4) It results from the difference between the total amount of electricity consumed, as given by the energy supplier through the bills, and the renewable energy corresponding to the Guarantees of Origin and the renewable energy share of the supplier's residual mix.

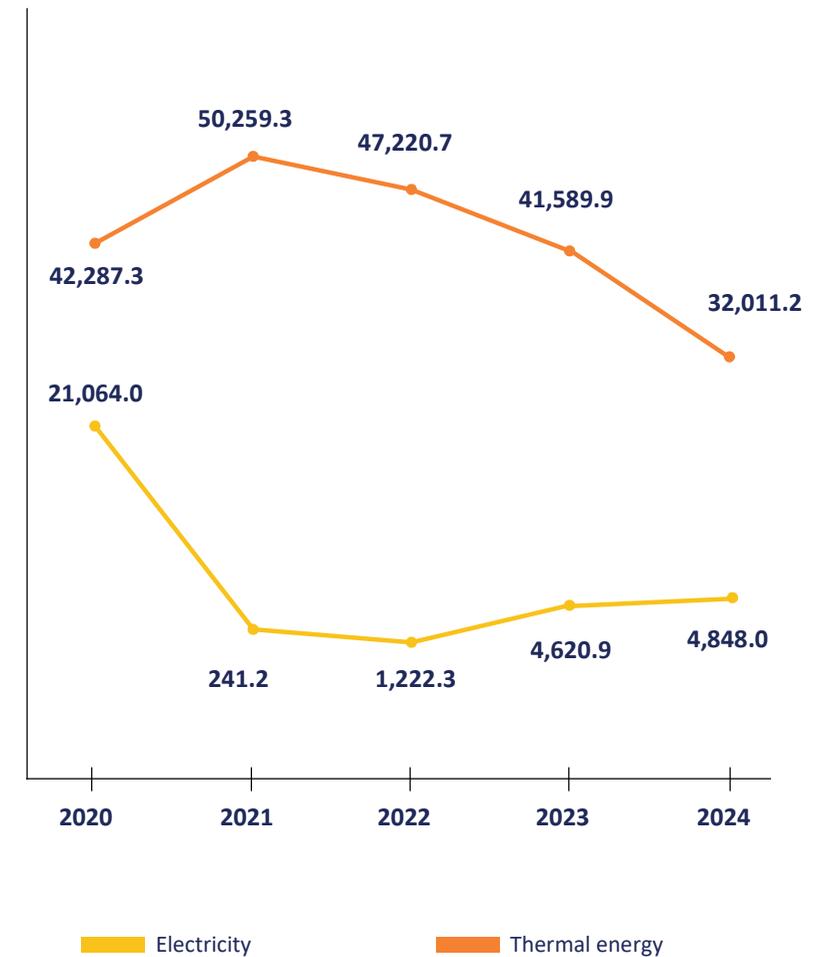
(5) Consumption data sent by the respective suppliers were used to determine electricity and natural gas. Conversion factors from the most recent National Inventory Report ([https://ypen.gov.gr/wp-content/uploads/2024/04/2024\\_NIR\\_Greece.pdf](https://ypen.gov.gr/wp-content/uploads/2024/04/2024_NIR_Greece.pdf)) were used to convert quantities to MJ.

(6) Note that the total amount of diesel purchased by the Company in 2024 was 10,480.14 litres, which was used to operate the two generators in emergency situations (power outage, transformer maintenance, etc.) and to operate a forklift.

(7) The Company tracked and recorded information on fuel consumption by company cars for the first time in 2023.

(8) The Company covered 67.4% of total electricity consumption through Guarantees of Origin (GOs) and production from the installed photovoltaic systems. The remainder of the required electricity was covered by the residual energy mix of the provider, in which the individual percentages of renewable energy sources, fossil sources, nuclear energy and high-efficiency cogeneration were recorded. To determine the consumption of electricity from non-renewable sources, the following were subtracted from the total consumption: the energy covered by Guarantees of Origin (GOs), the production from photovoltaic systems and the percentage of electricity from RES in the residual energy mix of the provider, as indicated in the official data.

NON-RENEWABLE ENERGY (GJ)





TOTAL ENERGY CONSUMPTION (GJ)

|                            | 2020     | 2021     | 2022     | 2023     | 2024     |
|----------------------------|----------|----------|----------|----------|----------|
| <b>Total<sup>(9)</sup></b> | 63,351.3 | 74,930.1 | 76,843.4 | 70,024.3 | 59,611.4 |

(9) This is derived from the sum of the total energy consumption from renewable and non-renewable sources.

GRI 302-3, 103-4

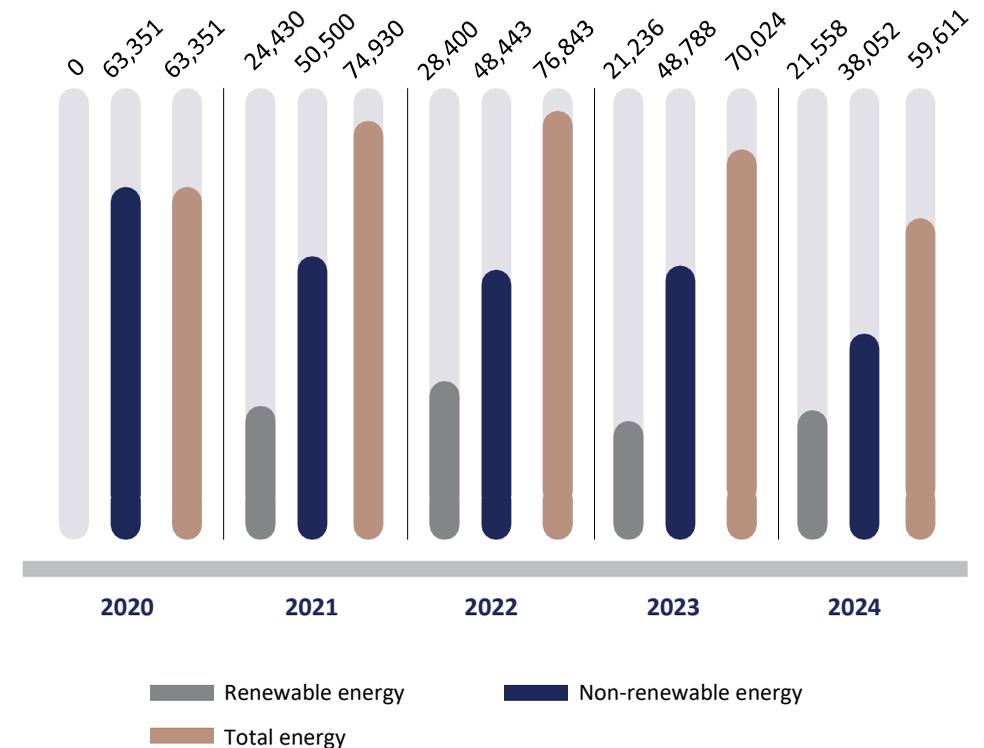
COMPANY'S ENERGY INTENSITY <sup>(10)</sup>

|                                                                                                | 2020                  | 2021                  | 2022                  | 2023                  | 2024                   |
|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Intensity of thermal energy consumed to produce soap and cosmetic bases</b>                 | 1,684 (MJ/tn product) | 1,746 (MJ/tn product) | 1,529 (MJ/tn product) | 1,523 (MJ/tn product) | 899.5 (MJ/tn product)  |
| <b>Intensity of electricity consumed to produce plastics, cosmetics packaging and moulding</b> | 108 (MJ/'000 units)   | 107 (MJ/'000 units)   | 92 (MJ/'000 units)    | 103 (MJ/'000 units/)  | 46.57 (MJ/'000 units/) |

(10) Energy intensity has been calculated separately for the production of soap and cosmetic bases and for producing plastics, cosmetic packaging and moulding, as the Company does not measure plastic production, cosmetic packaging and moulding in base units (tonnes). Energy intensity includes electricity (in the case of packaging products) and the energy derived from burning natural gas (in the case of soap and cosmetic base products).



TOTAL ENERGY CONSUMPTION (GJ)





ENERGY CONSUMPTION WITHIN THE COMPANY <sup>(11), (12)</sup>

|                                                            | 2020               | 2021            | 2022            | 2023            | 2024            | CHANGE        |
|------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Electricity (non-renewable sources) <sup>(13)</sup></b> | 5,851.1            | 67.0            | 339.5           | 1,283.6         | 1,346.7         | -76.98%       |
| <b>Thermal Energy &amp; Road Transport <sup>(13)</sup></b> | 11,746.5           | 13,960.9        | 13,116.9        | 12,268.7        | 9,223.5         | -21.47%       |
| <b>Total energy consumption from non-renewable sources</b> | 17,597.6           | 14,027.9        | 13,456.4        | 13,552.3        | 10,570.2        | -39.93%       |
| <b>Total energy consumption from renewable sources</b>     | 0.0                | 6,786.0         | 7,889.0         | 5,898.9         | 5,988.6         | 100%          |
| <b>% consumption of energy from renewable sources</b>      | 0% <sup>(12)</sup> | 33%             | 37%             | 30%             | 36.16%          | -             |
| <b>Total energy consumption within the Company</b>         | <b>17,597.6</b>    | <b>20,813.9</b> | <b>21,345.4</b> | <b>19,451.2</b> | <b>16,558.8</b> | <b>-5.90%</b> |
| <b>% electricity consumption within the Company</b>        | 33.2%              | 32.9%           | 38.5%           | 36.9%           | 44.03%          | -             |

*(11) The total energy consumed within the Company has been calculated as follows: (consumption of non-renewable fuels) + (consumption of renewable fuels) + (electricity, energy for heating purchased for consumption) + (electricity, energy for heating generated by the Company and not consumed) - (electricity, energy for heating/cooling that was sold). The base year for the change in energy consumption was set at 2020.*

*(12) The Company did not produce energy from renewable energy sources (RES) to meet its energy needs in the year 2020. Therefore, the percentage of the total energy consumption derived from self-produced RES for that year is zero. The first year in which the Company produced and consumed energy from RES, through the installed photovoltaic systems, is 2024. In the years 2021-2024, the Company purchased Guarantees of Origin (GOs).*

*(13) To calculate the quantities of electricity and natural gas, consumption data sent via invoices and bills by the electricity and natural gas supplier, respectively, were used.*

**GRI 103-3**

In the year 2024, the Company for the first time made a targeted and documented effort to capture and estimate the energy consumption resulting from activities outside its organisational boundaries, i.e. from energy-intensive sources in the upstream and downstream value chain (upstream & downstream energy consumption), in accordance with the international standard ISO 14064-1:2018.

The mapping was based on the assessment of significant energy consumption in specific categories of value chain activities.

**Upstream energy consumption from the transport of raw materials and packaging to the plant (Upstream transportation and distribution):**

- With regard to upstream energy consumption, energy consumption related to the transportation of raw and packaging materials from suppliers to the Company's facilities was calculated. Due to the large number of suppliers, as well as the absence of primary data on actual fuel consumption, the calculations were based on a location-based methodology, in accordance with the requirements of ISO 14064-1:2018. First, the quantities of materials to be transported and the relevant transport distances were determined. The means of transport was then specified on a case-by-case basis, and the fuel type was considered, and thus the fuel consumption and the corresponding energy consumption, expressed in electrical equivalence, was estimated

**Downstream energy consumption from transportation of finished products from the Company to customers or points of sale (Downstream transportation and distribution):**

- For downstream energy consumption, the Company calculated the energy consumption resulting from the transportation of finished products from its facilities to customers or points of sale. The calculation was carried out using the location-based methodology for the same reasons as for the upstream consumption, taking into account the total traffic volume as well as the type of transport mode. Then, based on

fuel consumption estimates, the final energy consumption in electrical equivalence was determined.

**Energy consumption from employee commuting:**

- In the context of upstream energy consumption, the consumption resulting from employee commuting was also assessed. An accurate record was made of the distances travelled by workers for the reporting year, while at the same time specifying the means of transport used and the type of fuel or electricity consumed. Excluded from the assessment were those journeys for which the Company maintains operational control (such as company vehicles or cases where fuel costs for daily travel are covered). Based on the available data, the estimated fuel consumption per employee was calculated and thus the total energy consumption, expressed in electricity, was determined.

**Upstream Energy Consumption**

Electricity consumption from the transportation of raw materials and packaging materials from suppliers to the Company's facilities.

Electricity consumption from employee commuting to and from work.

**Downstream Energy Consumption**

Electricity consumption from the transportation of finished products from the Company's facilities to customers/points of sale.

**GRI 103-3**

CONSUMPTION OF ELECTRICITY OUTSIDE THE COMPANY'S ORGANISATIONAL BOUNDARIES

2024

**UPSTREAM**

**UPSTREAM TRANSPORTATION AND DISTRIBUTION OF RAW MATERIALS AND PACKAGING TO THE FACILITY**

Total (GJ) 254,069.5

Total (MWh) 70,574.8

**EMPLOYEE COMMUTING**

Total (GJ) 3,624.7

Total (MWh) 1,006.8

**DOWNSTREAM**

**DOWNSTREAM TRANSPORTATION AND DISTRIBUTION OF FINISHED PRODUCTS FROM THE COMPANY TO CUSTOMERS OR POINTS OF SALE**

Total (GJ) 421,213.9

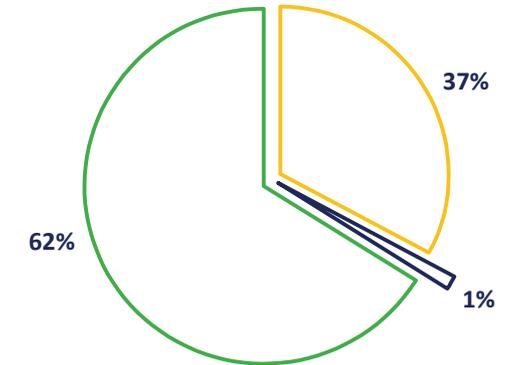
Total (MWh) 117,003.8

**TOTAL ELECTRICITY CONSUMPTION (MWh) 188,585.60**

(14) It is assumed that diesel is used for transport in upstream consumption (transport of raw materials and packaging materials) and downstream consumption (transport of finished products).

(15) The location-based methodology was applied for the calculation of greenhouse gas emissions, due to the nature of the available data, as detailed in Chapter 3.3 "Climate Change". Given this approach and the same data, the location-based methodology was also used to calculate energy consumption as discussed in this chapter. To convert emissions from tonnes of CO<sub>2</sub> to electricity equivalent (kWh), data from the IPCC 2006 Guidelines were used. The diesel emission factor is 2.68 kg CO<sub>2</sub>/litre, with an energy content of 36 MJ/litre, equivalent to 10 kWh/litre. Thus, the conversion factor is 0.000268 tonnes of CO<sub>2</sub> per kWh, on the basis of which the electricity consumption was calculated.

**DISTRIBUTION OF ELECTRICITY CONSUMPTION BY SCOPE 3 ACTIVITY**



- Downstream Transportation and Distribution
- Employee Commuting
- Upstream Transportation and Distribution

### 3.3. CLIMATE CHANGE

GRI 3-3, 102-1

For Papoutsanis, measuring its climate impact on the environment and actively mitigating it is an integral part of its culture. The first step to mitigate GHG emissions is calculating the Corporate Carbon Footprint caused by the operation of its production facilities and supply chain. Therefore, the Company has systems in place to identify emission sources, quantify them, and analyse and evaluate actions to reduce GHG emissions.

This effort is in line with the goals of the Paris Agreement, which seeks to limit global temperature increase to below 2°C, and ideally to 1.5°C above pre-industrial levels, with the aim of achieving net zero emissions by 2050. At the same time, the Company follows the European Green Deal framework, which sets the goal of climate neutrality and sustainable development in Europe by 2050.

In 2024, following the practices implemented in recent years, the Company obtained Guarantees of Origin (GOs) certificates for 66.27% of total electricity consumption from the electricity provider and 1% from self-generated power from photovoltaics, and therefore 67.36% of the electricity consumed came exclusively from renewable energy sources (RES). The gradual increase in the amount of own-energy produced from RES is a central pillar of the Company's strategy to reduce its dependence on the purchase of Guarantees

of Origin, contain energy costs and, above all, reduce greenhouse gas emissions.

This strategy aims to achieve greater energy self-sufficiency, enhance the sustainability of operations and contribute to the green transition. This action has resulted in maintaining Scope 2 GHG emissions at low levels, in line with the market-based approach.

With regard to greenhouse gas emissions, the Company is subject to the obligations of Article 19 of the National Climate Law, according to which it must calculate its emissions with a base year of 2019. In this context, the Company intends to immediately complete the calculation of its carbon footprint and publish the relevant data.

At the same time, it has already set clear emission reduction targets from base year 2019. In particular, by 2025 it aims to reduce annual emissions by 20% compared to the base year. This ambition is based on coordinated actions already implemented in recent years, which have contributed to a gradual and measurable reduction in emissions, expressed on an annual basis.

Regarding the Company's Scope 1 emissions, there was a 28.05% reduction from 2022 (from 2,634 tn CO<sub>2</sub>-eq to 1,895 tn CO<sub>2</sub>-eq) and 25.74% compared to 2023 (from 2,552 tn CO<sub>2</sub>-eq to 1,895 tn CO<sub>2</sub>-eq).



### 3.3. CLIMATE CHANGE

GRI 102-5, 102-6, ATHEX C-E1, C-E2, A-G5

#### SCOPE 1 & 2 GHG EMISSIONS <sup>(17)</sup>

|                                                                                                  | 2020  | 2021                 | 2022                  | 2023                  | 2024                  |
|--------------------------------------------------------------------------------------------------|-------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Direct greenhouse gas emissions</b><br>(Scope 1) [tn CO <sub>2</sub> -eq ]                    | 2,450 | 2,912                | 2,634                 | 2,552                 | 1,895                 |
| <b>Indirect greenhouse gas emissions</b><br>(Scope 2 – location-based) [tn CO <sub>2</sub> -eq]  | 2,467 | 2,890                | 4,522                 | 3,588                 | 2,672.8               |
| <b>Indirect greenhouse gas emissions</b><br>(Category 2 – market-based) [tn CO <sub>2</sub> -eq] | 2,283 | 23.6 <sup>(17)</sup> | 258.5 <sup>(17)</sup> | 743.6 <sup>(17)</sup> | 655.5 <sup>(17)</sup> |
| <b>Total greenhouse gas emissions</b><br>(Scope 1 & 2 – location-based) [tn CO <sub>2</sub> -eq] | 4,917 | 5,802                | 7,156                 | 6,140                 | 4,568                 |
| <b>Total greenhouse gas emissions</b><br>(Scope 1 & 2 – market-based) [tn CO <sub>2</sub> -eq]   | 4,733 | 2,935                | 2,892                 | 3,295                 | 2,551                 |

The Scope 1 & 2 market-based greenhouse gas emissions have been externally verified according to the emissions classification of the EN ISO 14064-3:2019 standard

*(16) The terminology "Category 1" and "Category 2" is derived from ISO 14064, while the terms "Scope 1" and "Scope 2" are used in the context of the GHG Protocol; despite the differences, both refer to the same emission categories, with "Scope 1" and "Scope 2" used here because of its wider and more commercially recognised application.*

*(17) The GHGs considered were carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs), while the quantification methodology followed was the operational control approach. The sources of the emission factors used are listed below:*



**CO<sub>2</sub>:**

- Oil, gas, electricity (based on location: Ministry of Environment and Natural Resources – National Inventory Report 2025)
- Electricity (market-based: DAPEEP - Residual Energy Mix 2024)
- GWP CO<sub>2</sub> (tn CO<sub>2</sub>-eq/tn GHG): 1

[https://ypen.gov.gr/wp-content/uploads/2025/04/2025\\_NIR\\_Greece.pdf](https://ypen.gov.gr/wp-content/uploads/2025/04/2025_NIR_Greece.pdf)

<https://www.dapeep.gr/wp-content/uploads/2024/07/%CE%95%CE%9D%CE%95%CE%A1%CE%93%CE%95%CE%99%CE%91%CE%9A%CE%9F-%CE%9C%CE%95%CE%99%CE%93%CE%9C%CE%91-2023.pdf>

**CH<sub>4</sub> / N<sub>2</sub>O:**

- Oil, natural gas (Subsection 2 "Stationary Combustion" of Chapter 2 "Energy" and Subsection 3 "Off-road Transportation" of Chapter 3 "Mobile Combustion" of the IPCC Guidelines for National Greenhouse Gas Inventories)
- Electricity (location-based: Ministry of Environment and Natural Resources – National Inventory Report 2024 & DAPEEP – Residual Energy Mix 2024)
- Liquid Waste Treatment Plant (YPEN – National Inventory Report 2024)
- GWP CO<sub>4</sub> (tn CO<sub>2</sub>-eq/tn GHG): 28
- GWP N<sub>2</sub>O (tn CO<sub>2</sub>-eq/tn GHG): 265

[https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_3\\_Ch3\\_Mobile\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf)

[https://ypen.gov.gr/wp-content/uploads/2025/04/2025\\_NIR\\_Greece.pdf](https://ypen.gov.gr/wp-content/uploads/2025/04/2025_NIR_Greece.pdf)

<https://www.dapeep.gr/wp-content/uploads/2024/07/%CE%95%CE%9D%CE%95%CE%A1%CE%93%CE%95%CE%99%CE%91%CE%9A%CE%9F-%CE%9C%CE%95%CE%99%CE%93%CE%9C%CE%91-2023.pdf>

**HFCs:**

- GWP HFCs (tn CO<sub>2</sub>-eq/tn GHG): 1300
- Regulation (EU) 2020/1044

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R1044>

*The year 2020 has been used as the base year for the calculations due to the fact that it was the first year in which the Company collected reliable data for calculating emissions.*

*(18) The significant reduction in Scope 2 market-based GHG emissions is attributed to the fact that in 2021, 2022 and 2023, the Company purchased Guarantees of Origin (GOs) certificates from the electricity provider and as a result a high percentage of the electricity consumed came from renewable energy sources.*

*(19) The Company first developed a full GHG Inventory in 2022, and then for 2023 and 2024. The method used to calculate Scope 1 & 2 location-based and market-based GHG emissions was in accordance with the requirements and specifications of ISO 14064-1. In addition, the activity data and GHG emission results were externally verified by an accredited body as part of the GHG Inventory review for compliance with the National Climate Law.*

**GRI 102-5, 102-6**

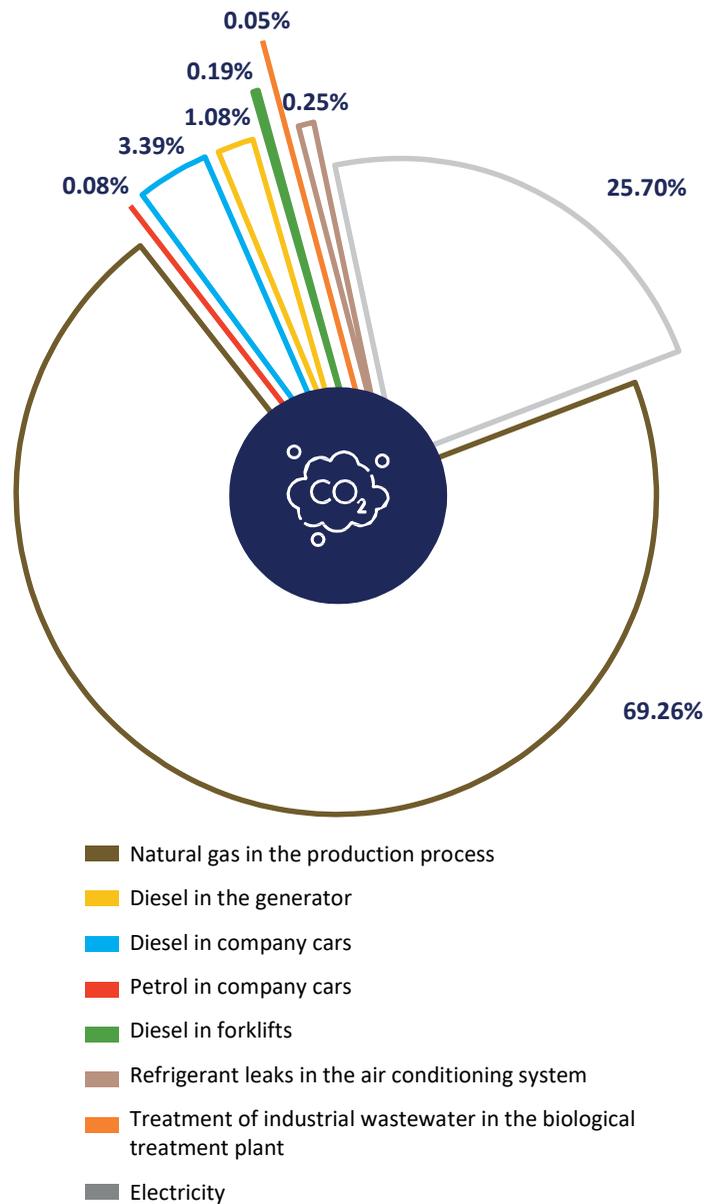
**GREENHOUSE GAS EMISSIONS – ANALYSIS BY GAS (MARKET-BASED)**

|                                                                       | 2022         | 2023         | 2024         |
|-----------------------------------------------------------------------|--------------|--------------|--------------|
| <b>Scope 1: Direct emissions and removals</b>                         |              |              |              |
| <b>CO<sub>2</sub> (tn CO<sub>2</sub>-eq)</b>                          | 2,630.4      | 2,514.9      | 1,884.7      |
| <b>CH<sub>4</sub> (tn CO<sub>2</sub>-eq)</b>                          | 1.3245       | 1.795        | 0.935        |
| <b>N<sub>2</sub>O (tn CO<sub>2</sub>-eq)</b>                          | 1.258        | 3.724        | 3.283        |
| <b>HFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 31.2         | 6.5          |
| <b>PFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 0.0          | 0.0          |
| <b>SF<sub>6</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>NF<sub>3</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>Scope 2: Indirect emissions from imported energy</b>               |              |              |              |
| <b>CO<sub>2</sub> (tn CO<sub>2</sub>-eq)</b>                          | 181.04       | 741.8        | 653.41       |
| <b>CH<sub>4</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.06         | 0.360        | 0.424        |
| <b>N<sub>2</sub>O (tn CO<sub>2</sub>-eq)</b>                          | 0.23         | 1.404        | 1.669        |
| <b>HFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 0.0          | 0.0          |
| <b>PFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 0.0          | 0.0          |
| <b>SF<sub>6</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>NF<sub>3</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>Total Scope 1 &amp; 2 CO<sub>2</sub>-eq (tn CO<sub>2</sub>-eq)</b> | <b>2,892</b> | <b>3,295</b> | <b>2,551</b> |

**GREENHOUSE GAS EMISSIONS – ANALYSIS BY GAS (LOCATION-BASED)**

|                                                                       | 2022         | 2023         | 2024         |
|-----------------------------------------------------------------------|--------------|--------------|--------------|
| <b>Scope 1: Direct emissions and removals</b>                         |              |              |              |
| <b>CO<sub>2</sub> (tn CO<sub>2</sub>-eq)</b>                          | 2,630.4      | 2,514.9      | 1,884.7      |
| <b>CH<sub>4</sub> (tn CO<sub>2</sub>-eq)</b>                          | 1.3245       | 1.795        | 0.935        |
| <b>N<sub>2</sub>O (tn CO<sub>2</sub>-eq)</b>                          | 1.258        | 3.724        | 3.283        |
| <b>HFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 31.2         | 6.5          |
| <b>PFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 0.0          | 0.0          |
| <b>SF<sub>6</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>NF<sub>3</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>Scope 2: Indirect emissions from imported energy</b>               |              |              |              |
| <b>CO<sub>2</sub> (tn CO<sub>2</sub>-eq)</b>                          | 4,387.69     | 3,582.1      | 2,666.46     |
| <b>CH<sub>4</sub> (tn CO<sub>2</sub>-eq)</b>                          | 1.46         | 1.271        | 1.284        |
| <b>N<sub>2</sub>O (tn CO<sub>2</sub>-eq)</b>                          | 5.68         | 4.955        | 5.059        |
| <b>HFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 0.0          | 0.0          |
| <b>PFCs (tn CO<sub>2</sub>-eq)</b>                                    | 0.0          | 0.0          | 0.0          |
| <b>SF<sub>6</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>NF<sub>3</sub> (tn CO<sub>2</sub>-eq)</b>                          | 0.0          | 0.0          | 0.0          |
| <b>Total Scope 1 &amp; 2 CO<sub>2</sub>-eq (tn CO<sub>2</sub>-eq)</b> | <b>7,156</b> | <b>6,140</b> | <b>4,568</b> |

**ALLOCATION OF GHG EMISSIONS BY SOURCE (MARKET-BASED)**



**ATHEX A-G3, A-E7, A-E8, A-G1, A-G6, GRI 2-24, 102-1**

Papoutsanis recognises the importance of identifying, quantifying and mitigating GHG emissions to ensure that carbon neutrality can be achieved at organisational level, and to contribute to decarbonisation at the national and community level. In addition, the Company complies with National Climate Law 4936/2022 by submitting an annual report of emissions related to its activity, starting in 2023 with the emissions of the previous fiscal year (FY 2022), and repeating the same process for each subsequent financial year.

For the current financial year (FY 2024), the Company developed a GHG Inventory for the GHG emissions of Scope 1 & 2, in accordance with ISO 14064-1. The GHG Inventory was externally verified by an independent body to ensure the reliability and integrity of the calculations and compliance with the specifications of the standard.

Lastly, in full compliance with the specifications and requirements of the National Climate Law, Papoutsanis is committed to decreasing all Scope 1 & 2 greenhouse gas emissions, reduced to the appropriate product unit (tonnes CO<sub>2</sub>-eq/tonne of product) by at least 30% by 2030, compared to the respective levels of 2019.

Note that the Company does not participate in a greenhouse gas removal or crediting scheme, is not active in the fossil fuel sector (coal, oil and gas), chemical production, weapons, cultivation and tobacco production, and has not issued ESG bonds.

ATHEX C-E1 & C-E2, CORPORATE PERFORMANCE

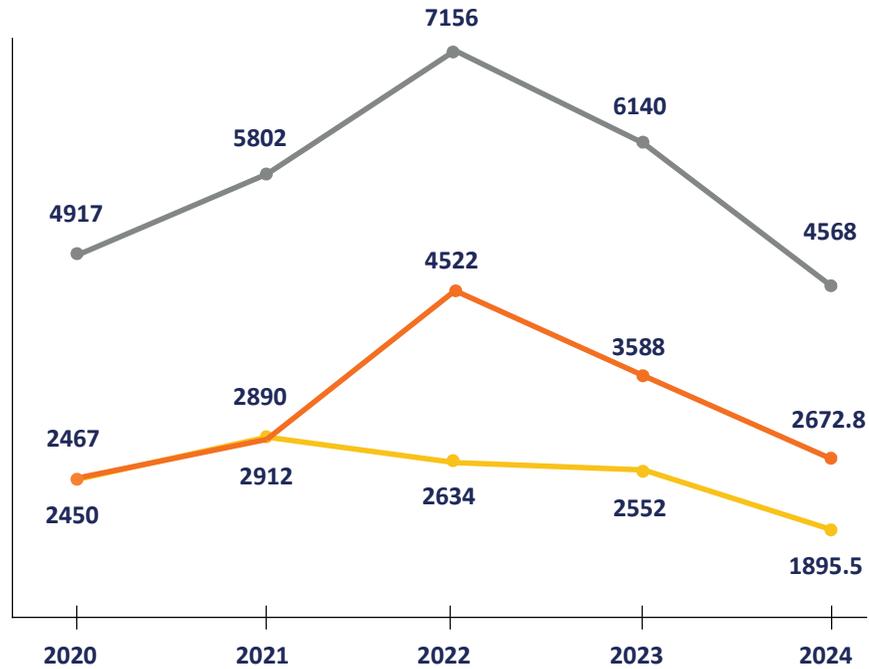
**CHANGE IN SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS IN RELATION TO UNITS OF FINISHED PRODUCTS AND PACKAGING MATERIALS**

|                                                                                                                                              | 2020        | 2021        | 2022        | 2023        | 2024        | CHANGE FROM<br>BASE YEAR <sup>(20)</sup> |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|------------------------------------------|
| <b>Total greenhouse gas emissions</b><br>(Scope 1 and Scope 2 – location-based) [tn CO <sub>2</sub> -eq]                                     | 4,917       | 5,802       | 7,156       | 6,140       | 4,568       | -7.09%                                   |
| <b>Total greenhouse gas emissions</b><br>(Scope 1 and Scope 2 – market-based) [tn CO <sub>2</sub> -eq]                                       | 4,733       | 2,935       | 2,893       | 3,295       | 2,551       | -46.10%                                  |
| <b>Total number of units of finished products and packaging materials</b>                                                                    | 194,763,179 | 230,812,020 | 323,460,563 | 251,381,302 | 237,250,369 | 21.81%                                   |
| <b>Greenhouse gas emissions</b><br>(Scope 1 & 2 – location-based) per unit of products and packaging materials [tn CO <sub>2</sub> -eq/unit] | 0.000025    | 0.000025    | 0.000022    | 0.000024    | 0.000019    | -24.00%                                  |
| <b>Greenhouse gas emissions</b><br>(Scope 1 & 2 – market-based) per unit of products and packaging materials [tn CO <sub>2</sub> -eq/unit]   | 0.000024    | 0.000013    | 0.000009    | 0.000013    | 0.000010    | -55.19%                                  |

(20) The year 2020 has been used as the base year for the calculations due to the fact that it was the first year in which the Company collected reliable data for calculating emissions.

**LOCATION-BASED**

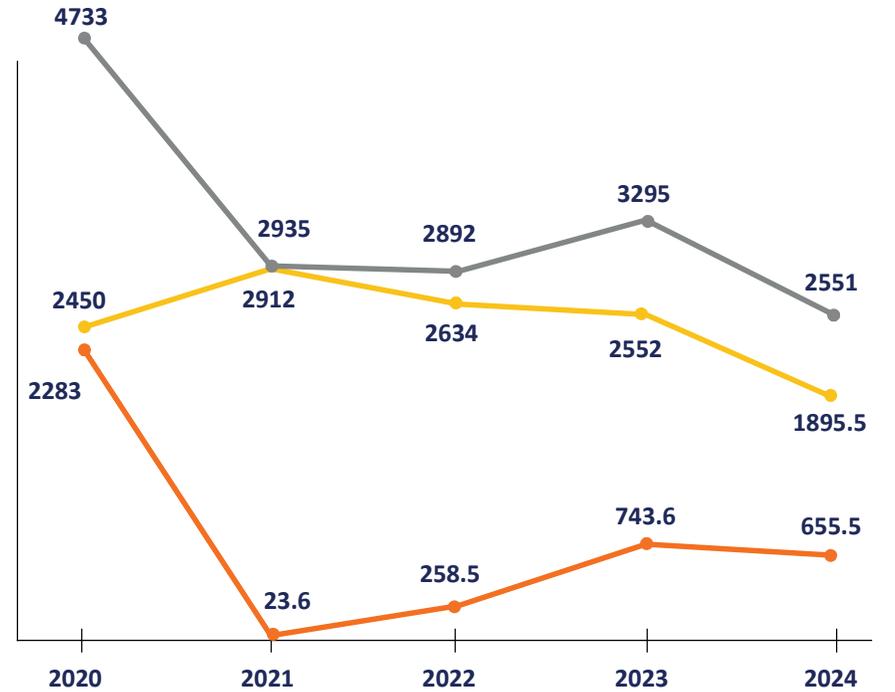
GHG EMISSIONS AS A FUNCTION OF TIME



■ Scope 1 (tn CO2-eq)  
■ Scope 2 (tn CO2-eq)  
■ Total GHG emissions (tn CO2-eq)

**MARKET-BASED**

GHG EMISSIONS AS A FUNCTION OF TIME



■ Scope 1 (tn CO2-eq)  
■ Scope 2 (tn CO2-eq)  
■ Total GHG emissions (tn CO2-eq)

GREENHOUSE GAS EMISSION INTENSITY

|                                                                                                                                                    | 2020    | 2021    | 2022    | 2023    | 2024     |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|----------|
| <b>Direct Greenhouse Gas Emission Intensity (Scope 1) [tn CO<sub>2</sub>-eq/tn soap and cosmetic base products]</b>                                | 0.098   | 0.101   | 0.085   | 0.093   | 0.093    |
| <b>Direct Greenhouse Gas Emission Intensity (Scope 1) [tn CO<sub>2</sub>-eq/ '000 packaging product units]</b>                                     | 0.013   | 0.013   | 0.008   | 0.010   | 0.010    |
| <b>Indirect Greenhouse Gas Emission Intensity (Scope 2 – location-based) [tn CO<sub>2</sub>-eq/tn soap and cosmetic base products]</b>             | 0.098   | 0.100   | 0.146   | 0.131   | 0.131    |
| <b>Indirect Greenhouse Gas Emission Intensity (Scope 2 – location-based) [tn CO<sub>2</sub>-eq/ '000 packaging product units]</b>                  | 0.013   | 0.013   | 0.014   | 0.014   | 0.014    |
| <b>Indirect Greenhouse Gas Emission Intensity (Scope 2 – market-based) [tn CO<sub>2</sub>-eq/tn soap and cosmetic base products]</b>               | 0.091   | 0.001   | 0.008   | 0.027   | 0.027    |
| <b>Indirect Greenhouse Gas Emission Intensity (Scope 2 – market-based) [tn CO<sub>2</sub>-eq/ '000 packaging product units]</b>                    | 0.012   | 0.0001  | 0.001   | 0.003   | 0.003    |
| <b>Direct Greenhouse Gas Emission Intensity (Category 1 or Scope 1) [tn CO<sub>2</sub>-eq/full-time equivalent (Employees)]</b>                    | 15.80   | 16.45   | 13.17   | 13.02   | 9.33     |
| <b>Direct Greenhouse Gas Emission Intensity (Category 1 or Scope 1) [tn CO<sub>2</sub>-eq/turnover €]</b>                                          | 0.00006 | 0.00005 | 0.00003 | 0.00004 | 0.000028 |
| <b>Indirect Greenhouse Gas Emission Intensity (Category 2 or Scope 2 – location-based) [tn CO<sub>2</sub>-eq/full-time equivalent (Employees)]</b> | 15.91   | 16.32   | 22.61   | 18.4    | 11.58    |
| <b>Indirect Greenhouse Gas Emission Intensity (Category 2 or Scope 2 – location-based) [tn CO<sub>2</sub>-eq/turnover €]</b>                       | 0.00006 | 0.00005 | 0.00006 | 0.00006 | 0.000035 |
| <b>Indirect Greenhouse Gas Emission Intensity (Category 2 or Scope 2 – market-based) [tn CO<sub>2</sub>-eq/full-time equivalent (Employees)]</b>   | 14.72   | 0.33    | 1.29    | 3.81    | 2.64     |

GRI 102-8, ATHEX C-E1, ATHEX C-E2

GREENHOUSE GAS EMISSION INTENSITY

|                                                                                                                                                        | 2020    | 2021      | 2022     | 2023    | 2024     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|----------|---------|----------|
| <b>Indirect Greenhouse Gas Emission Intensity (Category 2 or Scope 2 – market-based) [tn CO<sub>2</sub>-eq/turnover €]</b>                             | 0.00005 | 0.0000004 | 0.000003 | 0.00001 | 0.000008 |
| <b>Total Greenhouse Gas Emissions (Category 1 &amp; 2 or Scope 1 &amp; 2 – location-based) [tn CO<sub>2</sub>-eq/full-time equivalent (Employees)]</b> | 31.72   | 32.77     | 35.78    | 31.48   | 20.92    |
| <b>Total Greenhouse Gas Emissions (Category 1 &amp; 2 or Scope 1 &amp; 2 – market-based) [tn CO<sub>2</sub>-eq/full-time equivalent (Employees)]</b>   | 30.53   | 16.58     | 14.46    | 16.89   | 11.92    |
| <b>Total Greenhouse Gas Emissions (Category 1 &amp; 2 or Scope 1 &amp; 2 – location-based) [tn CO<sub>2</sub>-eq/turnover €]</b>                       | 0.0001  | 0.0001    | 0.0001   | 0.00009 | 0.00006  |
| <b>Total Greenhouse Gas Emissions (Categories 1 &amp; 2 or Scope 1 &amp; 2 – market-based) [tn CO<sub>2</sub>-eq/turnover €]</b>                       | 0.0001  | 0.00005   | 0.00004  | 0.00005 | 0.000036 |



## INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 3)

GRI 102-7

As part of the Company's commitment to manage its environmental impacts responsibly and enhance transparency, in 2024 it began for the first time to systematically record and calculate the most significant indirect greenhouse gas emissions, in addition to the direct and indirect emissions it had so far monitored (Category 1 and 2 or Scope 1 and 2). This initiative aims to create a comprehensive and reliable emissions profile which will allow for accurate mapping of the measurement boundaries and documentation of the current situation.

In particular, emissions related to energy consumption at all stages of the value chain, both at the upstream and downstream levels (Category 3 or Scope 3) have been identified and quantified. Specifically, this includes the transportation of raw materials from the Company's suppliers, the movement of personnel where the Company does not exercise operational control, and the distribution of finished products to customers and points of sale. As mentioned in Chapter 3.2, the Company's objective was to quantify emissions and at the same time electricity consumption in these three categories of indirect emissions.

The selection of the specific upstream and downstream emission categories was based on the assessment that they are significant sources of emissions, which can also be effectively addressed through measures and strategic planning in the future. The Company is seeking to obtain a comprehensive emissions profile in order to identify critical areas for improvement. The aim is to gradually monitor existing emissions and make informed strategic decisions to reduce them. At the same time, the Company plans to expand

its accounting to other categories of indirect emissions that are identified as significant in terms of its overall emissions footprint.

Specifically, for Scope 3 emissions, in upstream transport of raw materials, emissions were estimated based on the distances travelled (in kilometres) and the appropriate emission factors, taking into account the type of transport means. A similar methodology was applied for downstream Scope 3, where emissions resulting from the transport of finished products to customers and points of sale were estimated. For personnel travel, emissions were estimated through a questionnaire which recorded detailed data on fuel consumption, vehicle type and mileage. The corresponding emissions for this category were calculated using the appropriate emission factors.



GRI 102-7

Regarding employees' travel to work, the Company provides organised transport as part of facilitating accessibility and reducing the environmental footprint of daily commuting. Specifically, two vehicles – a large bus and a smaller bus – are provided and make six round trips per day between Athens and the production facility in Thiva. In addition, a small

van operates two daily routes from Athens to the northern suburbs, serving employees bound for main offices. The rest of the employees travel mainly by private car to the Company's two main facilities.

The emissions associated with the movement of employees are presented below, broken down by vehicle category.

GREENHOUSE GAS EMISSIONS (SCOPE 3) FROM EMPLOYEES TRAVELLING TO AND FROM WORK (EMPLOYEE COMMUTING)<sup>(21)</sup>

|                                                                                                         | 2024          |
|---------------------------------------------------------------------------------------------------------|---------------|
| Scope 3 Greenhouse Gas Emissions (Passenger Cars - Diesel) [tn CO <sub>2</sub> -eq]                     | 28.99         |
| Scope 3 Greenhouse Gas Emissions (Passenger cars - Petrol) [tn CO <sub>2</sub> -eq]                     | 69.22         |
| Scope 3 Greenhouse Gas Emissions (Passenger cars - Hybrid technology) [tn CO <sub>2</sub> -eq]          | 1.321         |
| Scope 3 Greenhouse Gas Emissions (Passenger cars - LPG) [tn CO <sub>2</sub> -eq]                        | 1.622         |
| Scope 3 Greenhouse Gas Emissions (Passenger cars - Electric) [tn CO <sub>2</sub> -eq]                   | 0.0           |
| <b>Total Scope 3 Greenhouse Gas Emissions (Passenger Cars)</b>                                          | <b>101.16</b> |
| Scope 3 Greenhouse Gas Emissions (Large Bus - Diesel) [tn CO <sub>2</sub> -eq]                          | 138.92        |
| Scope 3 Greenhouse Gas Emissions (Medium Bus - Diesel) [tn CO <sub>2</sub> -eq]                         | 27.98         |
| Scope 3 Greenhouse Gas Emissions (Van - Diesel) [tn CO <sub>2</sub> -eq]                                | 1.776         |
| <b>Total Scope 3 Greenhouse Gas Emissions (Buses and Van) [tn CO<sub>2</sub>-eq]</b>                    | <b>168.67</b> |
| <b>Total Scope 3 Greenhouse Gas Emissions (Employee travel to and from work) [tn CO<sub>2</sub>-eq]</b> | <b>269.84</b> |

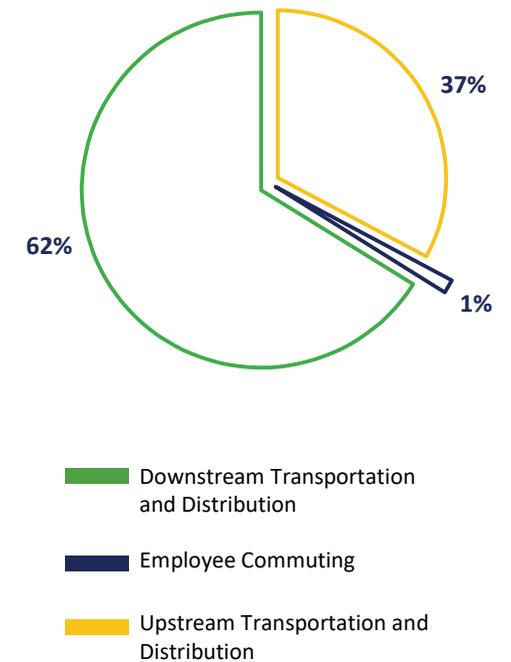
(21) Scope 3 emissions were calculated using the emission factors per fuel and vehicle type as published in the "Conversion Factors 2024: Full Set (for Advanced Users)" by DEFRA (UK Government). (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>).

**GRI 102-7, A-E1**

| SCOPE 3 GHG EMISSIONS <sup>(21)</sup>                                                                                  |                  |
|------------------------------------------------------------------------------------------------------------------------|------------------|
| 2024                                                                                                                   |                  |
| <b>UPSTREAM</b>                                                                                                        |                  |
| <b>UPSTREAM TRANSPORTATION AND DISTRIBUTION OF RAW MATERIALS AND PACKAGING TO THE FACILITY</b>                         |                  |
| Greenhouse Gas Emissions [tn CO <sub>2</sub> -eq]                                                                      | 18,914           |
| <b>EMPLOYEE COMMUTING</b>                                                                                              |                  |
| Greenhouse Gas Emissions [tn CO <sub>2</sub> -eq]                                                                      | 269.84           |
| <b>DOWNSTREAM</b>                                                                                                      |                  |
| <b>DOWNSTREAM TRANSPORTATION AND DISTRIBUTION OF FINISHED PRODUCTS FROM THE COMPANY TO CUSTOMERS OR POINTS OF SALE</b> |                  |
| Greenhouse Gas Emissions [tn CO <sub>2</sub> -eq]                                                                      | 31,357           |
| <b>Total Greenhouse Gas Emissions (Scope 3) [tn CO<sub>2</sub>-eq]</b>                                                 | <b>50,540.94</b> |

(21) Scope 3 emissions were calculated using the emission factors per fuel and vehicle type as published in the "Conversion Factors 2024: Full Set (for Advanced Users)" by DEFRA (UK Government). (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>).

SCOPE 3 EMISSIONS DISTRIBUTION



**GRI 102-7, A-E1**

| SCOPE 1, 2 & 3 GHG EMISSIONS <sup>(22)</sup>                                                             |           |
|----------------------------------------------------------------------------------------------------------|-----------|
|                                                                                                          | 2024      |
| Total Greenhouse Gas Emissions (Category 1 & 2 or Scope 1 & 2 – location-based) [tn CO <sub>2</sub> -eq] | 4,568     |
| Total Greenhouse Gas Emissions (Category 1 & 2 or Scope 1 & 2 – market-based) [tn CO <sub>2</sub> -eq]   | 2,551     |
| Total Greenhouse Gas Emissions (Scope 3) [tn CO <sub>2</sub> -eq]                                        | 50,540.94 |
| Total Greenhouse Gas Emissions (Scope 1, 2 & 3 – location-based) [tn CO <sub>2</sub> -eq]                | 55,108.75 |
| Total Greenhouse Gas Emissions (Scope 1, 2 & 3 – market-based) [tn CO <sub>2</sub> -eq]                  | 53,091.45 |

*(22) Scope 3 includes both upstream and downstream emissions, and in this case specifically covers emissions from the transport of raw and secondary materials to the Company's premises, the movement of employees to and from work, and emissions resulting from the transport of finished products to customers or points of sale.*



## 3.4. PROCUREMENT OF RAW MATERIALS

ATHEX SS-E8

### RAW MATERIALS

Raw materials used for the production and packaging of products are a decisive factor in their quality and safety, and their environmental and social footprint. As a result, many industries, including soap and cosmetics manufacturers, have switched to more sustainable solutions using raw materials certified to international environmental and social standards, as well as recycled and recyclable packaging materials that reduce the negative impact of products on the environment. The shift to more sustainable solutions can be achieved either by using recycled materials in the manufacture of new products, while reducing the demand for non-renewable raw materials (virgin plastic), or by creating packaging with a higher recyclability rate.

To that end, and as part of the Quality Assurance Policy, Papoutsanis invests in developing innovative products, including their packaging, using recycled raw materials. The key raw materials used in the Company's production process include various types of oils (e.g. palm oil), chemicals, fragrances, and paper and plastic used to produce packaging.

### RAW MATERIAL CERTIFICATES

More specifically, given the large quantity of various oils used for the production of cosmetics and soaps, the Company is a member and certified by the Roundtable on Sustainable Palm Oil (RSPO). This is a global initiative undertaken by stakeholders in the palm oil supply chain to further enhance environmental and social sustainability. The Company is also a member of the GreenPalm programme, which is part of the same initiative.

Additionally, the Company markets lines of organic and natural cosmetics approved by ECOCERT (COSMOS ORGANIC and COSMOS CERTIFIED), which are made with natural and organic raw materials. At the same time, Papoutsanis avoids sourcing raw materials with substances harmful to human health and the environment (e.g. micro-plastics & silicones, parabens, mineral oil, petrolatum, chloromethylisothiazolinone (CMIT), phthalates, triclosan and triclocarban, ethanalamine), whereas most of the raw materials used do not contain ingredients of animal origin, thus ensuring vegan product certification.



## RAW MATERIALS

GRI 308-1, 414-1, A-E5

As part of its overall strategy for sustainable development and the reduction of the environmental and social impact of its products, the Company implements a Palm Oil Management Policy, focusing on responsible sourcing, traceability and compliance with international standards.

The Company selects, where technically feasible and environmentally critical, raw materials characterised by higher biodegradability and reduced risk to the environment and human health. At the same time, it prioritises partnerships with suppliers who meet documented environmental criteria, such as ISO 14001, EMAS or equivalent environmental management standards, the provision of eco-labelled products or participation in environmentally oriented organisations such as the Roundtable on Sustainable Palm Oil (RSPO).

Regarding palm oil, the Company, as a certified member of the RSPO, is committed to sourcing palm oil that is produced in a responsible and sustainable manner, without contributing to deforestation, human rights abuses or the exploitation of child or forced labour. As part of this commitment, it seeks from its suppliers full traceability of the palm oil it uses, down to the level of the planted field. All RSPO certified palm oils are accompanied by 100% traceability back to their point of origin, ensuring full control of the supply chain and compliance with sustainable production standards. The relevant information is verified through the official RSPO platform, ensuring that the cultivation and production

take place in areas where deforestation is not allowed, while respecting the principles of land and labour rights. This approach is part of the Company's overall sustainability strategy and is directly linked to its commitment to employ responsible procurement practices, based on strict environmental and social criteria. Furthermore, the Company is committed to the use of raw materials that are aligned with the principles of the circular economy and environmental responsibility, with the ultimate goal of sourcing palm oil that is cultivated, processed, distributed and sold with respect to biodiversity, human rights and the conservation of natural resources.

In this context, 94% of our suppliers maintain commercial or professional relationships with the Company and have incorporated clauses on environmental, labour and human rights issues in their contracts, thus promoting sustainability in the supply chain. At the same time, 68% of suppliers are assessed through recognised sustainability schemes (e.g. EcoVadis, MSCI, CDP, SBTi), enhancing transparency and accountability. Finally, 94% of strategic suppliers are reviewed through on-site audits, ensuring direct monitoring of their compliance with the sustainability criteria set by the Company. The percentages were derived from the analysis and processing of data collected through internal recording systems, supplier databases and evaluation reports, based on the total number of cooperating suppliers and the recording of their compliance with the relevant sustainability criteria.

**OUR PERFORMANCE**

The ECOCERT and/or RSPO-certified raw materials used to make the Company's products constitute 29% of the total supply of oils. Regarding raw materials for soaps and cosmetics, 16.5% is certified as renewable according to the ECOCERT and/or RSPO scheme/standard. Lastly, regarding the raw materials used for packaging of products, for the year 2023, 4.2% of the materials used were made of recycled PET (polyethylene terephthalate) and the remaining 95.8% of recycled PET, HDPE and PP (polypropylene), while PVC (polyvinyl chloride) is not used. This allows us to reduce the production of new plastic while recycling old plastic in a circular economy system.

GRI 301-1

| TOTAL MASS OF RAW MATERIALS <sup>(23)</sup> |                      |        |        |        |       |
|---------------------------------------------|----------------------|--------|--------|--------|-------|
|                                             | 2020 <sup>(24)</sup> | 2021   | 2022   | 2023   | 2024  |
| <b>Renewable (tn)</b>                       | 2,900                | 5,500  | 6,600  | 4,500  | 1,125 |
| <b>Non-renewable (tn)</b>                   | 14,900               | 14,500 | 13,600 | 10,900 | 5,676 |
| <b>Total (tn)</b>                           | 17,800               | 20,000 | 20,200 | 15,400 | 6,800 |

*(23) The scope of raw materials includes all materials (chemicals, preservatives, etc.) and oils for the production of soaps and cosmetics.*

*(24) Raw materials for soaps and cosmetics were classified as renewable in the Sustainable Development Report 2020.*

| TOTAL MASS OF RAW MATERIALS EXCL. OILS (CHEMICALS, PRESERVATIVES, ETC.) |      |      |
|-------------------------------------------------------------------------|------|------|
|                                                                         | 2023 | 2024 |
| <b>Renewable (tn)</b>                                                   | 0.8  | 1.13 |
| <b>Non-renewable (tn)</b>                                               | 6.2  | 5.68 |

| TOTAL MASS OF PACKAGING MATERIALS (PLASTIC, CARTONS, BOXES, ETC.) |          |          |
|-------------------------------------------------------------------|----------|----------|
|                                                                   | 2023     | 2024     |
| <b>Renewable (tn)</b>                                             | 5,379.72 | 4,465.62 |
| <b>Non-renewable (tn)</b>                                         | 783.62   | 774.23   |
| <b>Total (tn)</b>                                                 | 6,163.34 | 5,239.85 |

**COMPANY PERFORMANCE INDICATOR**

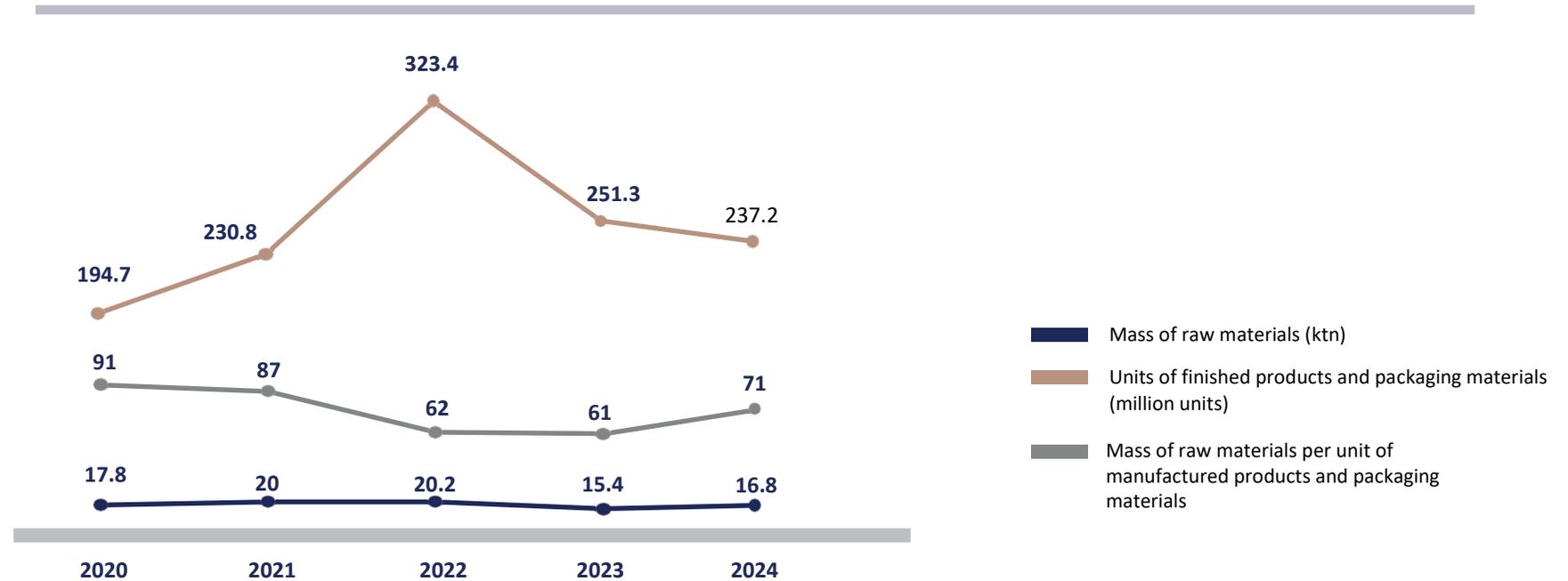
For financial year 2024, none of the product units were recalled.

| PRODUCT RECALL                                                 |             |             |
|----------------------------------------------------------------|-------------|-------------|
|                                                                | 2023        | 2024        |
| <b>Sales of finished product units and packaging materials</b> | 251,381,302 | 237,250,369 |
| <b>Recalled manufactured product units</b>                     | 0           | 0           |
| <b>% of products recalled</b>                                  | 0%          | 0%          |

COMPARISON OF THE MASS OF RAW MATERIALS IN RELATION TO THE UNITS OF PRODUCTS AND PACKAGING MATERIALS PRODUCED

|                                                                                             | 2020 <sup>(24)</sup> | 2021        | 2022        | 2023        | 2024        | CHANGE FROM BASE YEAR |
|---------------------------------------------------------------------------------------------|----------------------|-------------|-------------|-------------|-------------|-----------------------|
| <b>Total mass of raw materials (tn)</b>                                                     | 17,800               | 20,000      | 20,200      | 15,400      | 16,800      | -5.6%                 |
| <b>Total number of units of products and packaging materials produced</b>                   | 194,763,179          | 230,812,020 | 323,460,563 | 251,381,302 | 237,250,369 | 21.81%                |
| <b>Mass of raw materials per unit of finished product and packaging materials (tn/unit)</b> | 0.000091             | 0.000087    | 0.000062    | 0.000061    | 0.000071    | -21.97%               |

COMPARISON OF THE MASS OF RAW MATERIALS IN RELATION TO THE UNITS OF FINISHED PRODUCTS AND PACKAGING MATERIALS



## 3.5. WATER QUALITY MANAGEMENT AND ASSURANCE

### OUR APPROACH

GRI 3-3, 303-1, 303-2, ATHEX A-E4

Water is an integral part of the Company's production process and is used not only in manufacturing but also for cleaning, washing and disinfecting machinery.

The water used at all facilities comes from a well and is temporarily stored in tanks, ensuring continuous water supply and water independence. The Company recognises that the operation of our factory and our entire production process impacts water, and is mainly related to water consumption.

To overcome this, the plant has installed a reverse osmosis unit (3 m<sup>3</sup>/h) to treat the water used for production. For conservation purposes, a second reverse osmosis unit (1.5 m<sup>3</sup>/h) was added which uses wastewater from the first unit to produce water for the boiler room. This helps to save about 65 m<sup>3</sup> of water daily.

In addition, fully aware of the importance of effective water management and reduced consumption, we have automated the production of cosmetic bases for better productivity and for water and material management. Along the same lines, we have installed an automated clean-in-place (CIP) system on the production line to reduce water consumption, given that a significant amount of water can be reused in the cleaning process. Furthermore, the manufacture of sustainable products, such as solid shampoo, requires the use of less water during the production process. To safeguard water quality, checks are conducted monthly on the amounts of water that supply the facilities. More specifically, water samples

are sent to external laboratories for the analysis of the required parameters and special tests are carried out on a daily basis by the Company's specialised team to monitor the physicochemical parameters.

In terms of stormwater runoff through our facility, there is a stormwater pipe installed around the perimeter of the plant that directs it to the municipal sewer that runs past our premises.

As part of the responsible management and reduction of water consumption at our facilities, the Company also recognises the importance of the disposal and impacts of wastewater resulting from the plant's operation. Specifically, in 2024, the Company treated 12,290 tonnes of wastewater from aqueous washing liquids and mother liquors at its treatment plan, which, having met the legally required quality standard, were then released as surface water.

After undergoing biological treatment, industrial and minimal municipal wastewater is released as surface water, in accordance with the environmental conditions in the current environmental permit. Additionally, the quality of treated wastewater is controlled as specified in the environmental permit.

Tests are conducted regularly at the biological treatment plant to ensure the good quality of wastewater<sup>(25)</sup> and, to date, all required physiochemical parameters are within allowable limits.



Bottled water is used to meet our drinking water needs and water treated through reverse osmosis treatment is used for other needs. It is noted that the Company is examining the possibility of using treated water from its biological treatment plant in cooling towers and – after additional treatment – in the soap-making process.



**OUR PERFORMANCE**

DISCLOSURE 303-5

In 2024, our Company used 54.01 ML (1 ML=1,000 m<sup>3</sup>) of water from a borehole. It is worth noting that the status of the underground water systems in the area of Papoutsanis’ operation has been assessed as good, in terms of both quality and quantity. The good chemical state of the water implies low or zero pollutant content, while the quantitative analysis indicates that the water table continues to be viable<sup>(26)</sup>.

| WATER USE <sup>(27)</sup>              |      |      |      |      |       |
|----------------------------------------|------|------|------|------|-------|
|                                        | 2020 | 2021 | 2022 | 2023 | 2024  |
| <b>Total consumption of water (ML)</b> | 57.7 | 63.5 | 90.7 | 54.8 | 54.01 |

*(25) The status of these data for the time being does not allow for more detailed information on treated waste generated by biological treatment in this Report. We intend to improve the reporting of information in the interim.*

*(26) First Revision of the River Basin Management Plan or the East Central Greece Water District (EL 07).*

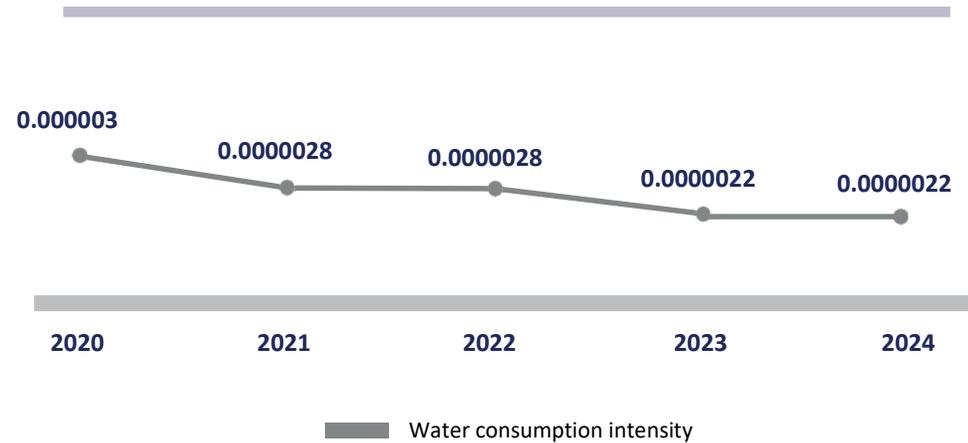
*(27) Requirements b and c of Disclosure GRI 303-5 have not been completed because no water-stressed areas have been identified, based on the water systems assessment analysed in the First Revision of the River Basin Management Plan or the East Central Greece Water District (EL07).*

**PERFORMANCE INDICATOR GRI 303-5**

WATER CONSUMPTION INTENSITY CORRELATED TO UNITS OF FINISHED PRODUCT AND PACKAGING MATERIALS

|                                                                                         | 2020 <sup>(24)</sup> | 2021        | 2022        | 2023        | 2024        | CHANGE FROM BASE YEAR |
|-----------------------------------------------------------------------------------------|----------------------|-------------|-------------|-------------|-------------|-----------------------|
| <b>Total consumption of water (ML)</b>                                                  | 57.7                 | 63.5        | 90.7        | 54.8        | 54.01       | -6.3%                 |
| <b>Total number of units of products and packaging materials produced</b>               | 194,763,179          | 230,812,020 | 323,460,563 | 251,381,302 | 237,250,369 | 21.81%                |
| <b>Water consumption per unit of finished product and packaging materials (ML/unit)</b> | 0.0000030            | 0.0000028   | 0.0000028   | 0.0000022   | 0.0000022   | -26.66%               |

WATER CONSUMPTION PER UNIT OF FINISHED PRODUCT AND PACKAGING MATERIALS (ML/UNIT)





## 3.6. PACKAGING MATERIALS AND WASTE PACKAGING MATERIALS

### OUR PERFORMANCE

GRI 3-3, ATHEX SS-E5

The Company monitors developments in the field of packaging materials using recycled components and is a pioneer in the testing and adoption of such environmentally friendly packaging materials. For example, part of the boxes procured by the Company to store the products it sends to its customers is made from recycled packaging materials.

In addition, the Company's decision to replace the plastic bundling film for Arkadi and Karavaki soaps with a paper one resulted in a savings of 4.5 tn of plastic.

Regarding raw materials used for product packaging, in 2024, 4.2% of materials used were made from recycled PET and the remaining 95.8% from recycled polyethylene terephthalate (PET), high-density polyethylene (HDPE) and polypropylene (PP); no polyvinyl chloride (PVC) was used. This allows us to reduce the production of new plastic while recycling old plastic in a circular economy system. Note that in 2024, the Company purchased 12.7 million boxes of soaps certified to the FSC standards.

Moreover, product packaging is a key component of the Company's marketing strategy, as it provides the necessary information about the products and their quality. The packaging also provides essential protection for products during transport and storage.



## STRATEGIES TO REDUCE THE ENVIRONMENTAL FOOTPRINT OF PRODUCTS DURING USE AND AT THEIR END OF LIFE

GRI 301-2, 306-4, 417-1

Papoutsanis systematically invests in solutions that reduce the environmental footprint of its products. All new product lines are designed with 100% recyclable packaging, which contains a significant percentage of recycled plastic. At the same time, emphasis is placed on the use of biodegradable materials and the development of refill systems, in order to reduce the consumption of virgin plastic and support the circular economy.

At the formulation level, the Company develops products based on natural and plant-based ingredients, avoiding toxic substances and ensuring high efficacy while respecting people and the environment. A typical example is the Arkadi washing up liquid, which combines traditional green soap with the advanced Plant Active formula, which utilises enzymes of natural origin. The unique composition with extracts of Greek bergamot, fresh grapefruit or organic grape offers cleansing without toxic residues, while respecting the health and skin. The product is available in a 100% recyclable bottle, which contains at least 30% recycled plastic, with a practical pump dispenser. It is also refillable with pouches, actively contributing to waste reduction and environmental protection.

At the end of the product life cycle, particular attention is paid to the recycling of packaging. Consumers can either choose to use the refill systems offered by our products,

reducing waste generation, or recycle packaging, which is designed to be fully recyclable and contain a significant proportion of recycled material. The Company informs and encourages responsible management of packaging, contributing to the reduction of waste and the protection of natural resources.



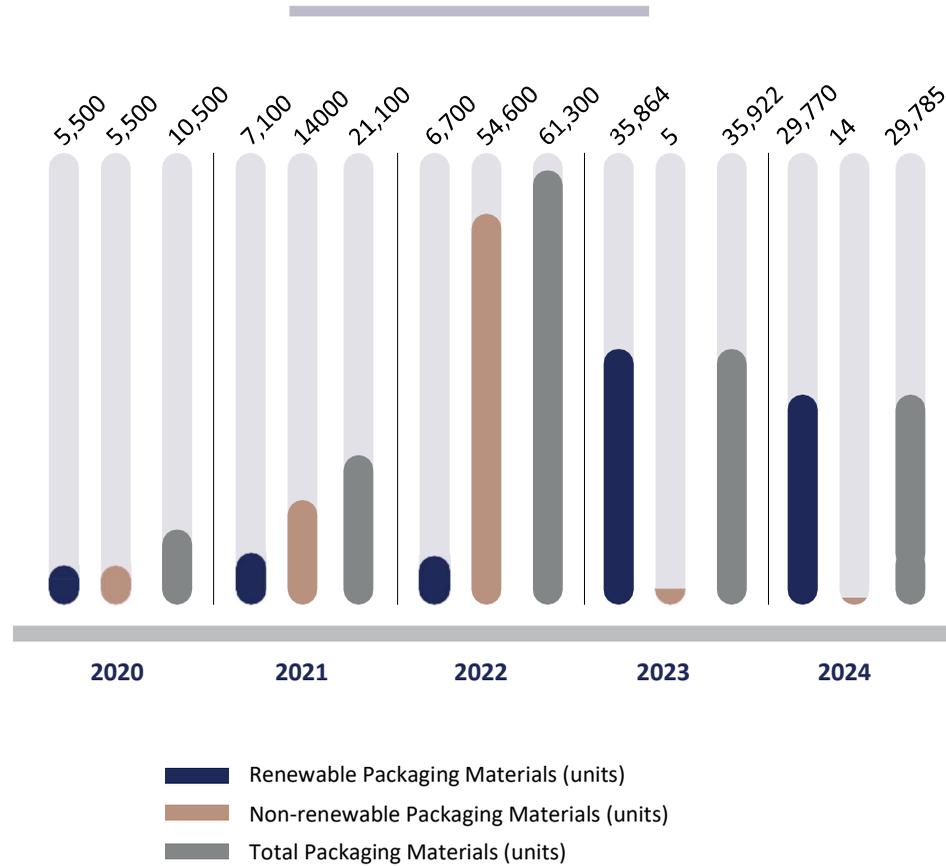
**OUR PERFORMANCE**

| TOTAL PACKAGING MATERIAL UNITS <sup>(28)</sup> |                   |                   |                   |                   |                   |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                | 2020              | 2021              | 2022              | 2023              | 2024              |
| <b>Renewable (units)</b>                       | 5,500,000         | 7,100,000         | 6,700,000         | 35,864,855        | 29,770,839        |
| - Boxes of soap                                | 4,700,000         | 3,600,000         | 5,400,000         | 32,089,375        | 25,103,089        |
| - Cartons                                      | 800,000           | 3,500,000         | 1,300,000         | 3,775,480         | 4,667,750         |
| <b>Non-renewable (units)</b>                   | 5,000,000         | 14,000,000        | 54,600,000        | 57,519            | 14,920            |
| - Boxes of soap                                | 1,800,000         | 10,000,000        | 51,700,000        | 0                 | 0                 |
| - Cartons                                      | 3,200,000         | 4,000,000         | 2,900,000         | 57,519            | 14,920            |
| <b>Total (units)</b>                           | <b>10,500,000</b> | <b>21,100,000</b> | <b>61,300,000</b> | <b>35,922,374</b> | <b>29,785,759</b> |

*(28) The Company uses cartons and soap boxes as packaging materials, which are counted as units and could not be converted to units of mass up to 2023. However, the Company is in the process of implementing a system to calculate total weight of raw and packaging materials.*

**The decrease in the total number of units for 2024 is due to the Company's decision to replace the packaging boxes with paper wrappers for soap.**

Units of Packaging Materials <sup>(28)</sup>



(28) The Company uses cartons and soap boxes as packaging materials, which are counted as units and could not be converted to units of mass up to 2023. However, the Company is in the process of implementing a system to calculate total weight of raw and packaging materials.

**99.95%**

Procurement of renewable packaging materials out of the total

**17.08%**

Reduction of renewable and non-renewable units in 2024 compared to 2023, correlating to less packaging waste generated

**344%**

Increase in the quantity of renewable packaging materials in 2024 compared to 2022



As far as recycled packaging materials are concerned, soap boxes made of recycled materials make up 12.30% of the total number of boxes. Similarly, recycled cartons make up 92% of the total number of cartons, which is indicative of our commitment to limiting the impact of our operation on the environment.

**PERFORMANCE INDICATOR GRI 301-2**

| % RECYCLED CONTENT OF PACKAGING MATERIALS                                     |           |                            |                            |                            |                            |
|-------------------------------------------------------------------------------|-----------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                               | 2020      | 2021                       | 2022                       | 2023                       | 2024                       |
| <b>Total units of soap boxes</b>                                              | 6,500,000 | 13,600,000 <sup>(30)</sup> | 57,100,000 <sup>(30)</sup> | 32,089,375 <sup>(30)</sup> | 25,103,089 <sup>(30)</sup> |
| <b>Total units of recycled soap boxes</b>                                     | 4,700,000 | 3,600,000                  | 5,400,000                  | 3,948,693                  | 5,049,028                  |
| <b>Ratio of units of recycled soap boxes to total units of soap boxes (%)</b> | 72.31%    | 26.47%                     | 9.46%                      | 12.30%                     | 20.11%                     |
| <b>Total carton units</b>                                                     | 4,000,000 | 7,500,000                  | 4,200,000                  | 3,832,999                  | 4,682,673                  |
| <b>Total recycled cardboard box units</b>                                     | 800,000   | 3,500,000                  | 1,300,000                  | 3,545,303                  | 4,480,391                  |
| <b>Ratio of recycled carton units to total carton units (%)</b>               | 20%       | 47%                        | 31% <sup>(31)</sup>        | 92%                        | 95.68%                     |

<sup>(30)</sup> The dramatic increase is due to the significant growth in the hotel amenities sector in 2021, 2022 and 2023, after the drop in 2020.

<sup>(31)</sup> The decrease is due to a shortage of recycled paperboard feedstock, which occurred in 2022.

The Company does not use recycled raw material for the products produced. Consequently, the above table takes into account the total amount of recycled plastic raw materials related to packaging materials. In addition, it should be noted that the waste from Papoutsanis' production process is reused so that it does not have to undergo other disposal methods.

GRI 301-2, CORPORATE PERFORMANCE INDICATOR

| % RECYCLED PLASTIC IN RAW MATERIALS                                                                               |      |      |      |      |      |
|-------------------------------------------------------------------------------------------------------------------|------|------|------|------|------|
|                                                                                                                   | 2020 | 2021 | 2022 | 2023 | 2024 |
| <b>Total mass of plastic packaging materials (tn)</b>                                                             | 685  | 643  | 895  | 775  | 772  |
| <b>Mass of recycled content of raw materials used for packaging (tn)</b>                                          | 35   | 48.3 | 63   | 46   | 32   |
| <b>Total recycled content in relation to the total mass of raw materials used for plastic packaging materials</b> | 6%   | 7.5% | 7.1% | 5.9% | 4.1% |



## SOLID WASTE

GRI 3-3, 306-1, 306-2

Papoutsanis is firmly committed to limiting and reducing its environmental footprint, as well as fully complying with applicable legislation on waste management, storage, transportation, recycling and disposal.

Acknowledging that the environment and human health could be harmed by the irresponsible management of solid waste generated by our activity, Papoutsanis sorts the waste generated by our offices and the production process and contracts with licensed companies to collect and process it. Our Company's partners in waste management (collection, transport, recovery, disposal) hold the necessary licenses and follow sound management practices, as stipulated by the relevant laws.

The dewatered sludge generated by the screw press is collected in an open metal container in a covered area. When the contents reach a predetermined level, the licensed management Company is notified and, using our own equipment (tractor and trailer), it replaces the full container with an empty one. Once this process is complete, the material is weighed and the required papers are signed, along with the non-hazardous waste tracking form which lists the information identifying the waste,

the waste owner, the collector-carrier and the receiving facility. The majority of generated waste is the sludge derived from secondary treatment of wastewater at the biological treatment exit and which is produced and later recovered within the plant. This type of waste is appropriately treated and then shipped for disposal.

## PACKAGING WASTE

ATHEX SS-E5

Our product packaging is properly designed to preserve product quality and reduce our environmental footprint. Packaging is designed to reduce the plastic used, without compromising the safety and quality of our products.

In terms of packaging waste, the plastics production department reuses and recycles unused raw material coming out of the soap crusher machine, thus reducing waste generation and helping to conserve natural resources.

TOTAL WASTE (tn)

|                                                                                                                           | 2020             |              | 2021             |             | 2022             |              | 2023             |              | 2024             |              |
|---------------------------------------------------------------------------------------------------------------------------|------------------|--------------|------------------|-------------|------------------|--------------|------------------|--------------|------------------|--------------|
|                                                                                                                           | Non-hazardous    | Hazardous    | Non-hazardous    | Hazardous   | Non-hazardous    | Hazardous    | Non-hazardous    | Hazardous    | Non-hazardous    | Hazardous    |
| Wastewater from aqueous washing liquids and mother liquors after secondary treatment at the biological treatment facility | 10,200           | -            | 10,440           | -           | 10,820           | -            | 11,610           | -            | 12,290           | -            |
| Plastic packaging                                                                                                         | 29.58            | -            | 49.23            | -           | 81.95            | -            | 103.72           | -            | 103.04           | -            |
| Wooden packaging                                                                                                          | 20.27            | -            | 81.08            | -           | 7.92             | -            | -                | -            | -                | -            |
| Mixed packaging                                                                                                           | 209.97           | -            | 316.69           | -           | 331.37           | -            | 228.31           | -            | 170.17           | -            |
| Metal packaging                                                                                                           | -                | -            | -                | -           | 13.71            | -            | 18.31            | -            | 16.55            | -            |
| Paints and varnishes                                                                                                      | -                | 1.47         | -                | 0.31        | -                | -            | -                | -            | -                | -            |
| Organic waste of hazardous substances                                                                                     | -                | 65.41        | -                | 6.09        | -                | -            | -                | 3.52         | -                | 16.965       |
| Organic chemicals of hazardous substances                                                                                 | -                | 2.82         | -                | 0.89        | -                | 10.26        | -                | 12.64        | -                | 11.03        |
| Sludge from biological treatment                                                                                          | 274.60           | -            | 356.59           | -           | 218.99           | -            | 192.47           | -            | 463.82           | -            |
| Non-chlorinated machine oils                                                                                              | -                | 2.56         | -                | 0.03        | -                | 0.09         | -                | 0.05         | -                | 0.052        |
| Paper and carton packaging                                                                                                | 132.31           | -            | 129.03           | -           | 217.09           | -            | 198.21           | -            | 176.69           | -            |
| Discarded electronic equipment                                                                                            | -                | -            | -                | -           | 20.95            | -            | 33.47            | -            | 32.44            | -            |
| Metals                                                                                                                    | 7.55             | -            | -                | -           | 3.29             | -            | 32.64            | -            | 8.07             | -            |
| Iron and steel                                                                                                            | 6.35             | -            | 91.60            | -           | -                | -            | -                | -            | -                | -            |
| Absorbent materials, filter materials, wiping cloths, protective clothing contaminated with hazardous substances          | -                | 0.01         | -                | 0.01        | -                | 0.01         | -                | 10.00        | -                | 0.008        |
| Other waste (hazardous and non-hazardous)                                                                                 | -                | -            | -                | -           | 4.27             | 18.73        | 10.35            | 0.03         | -                | -            |
| <b>Total</b>                                                                                                              | <b>10,880.63</b> | <b>72.27</b> | <b>11,464.22</b> | <b>7.36</b> | <b>11,719.54</b> | <b>29.09</b> | <b>12,427.48</b> | <b>26.24</b> | <b>13,260.78</b> | <b>28.05</b> |



# 4

## Creating value for Society and People

### CHAPTER CONTENTS:

- 4.1. Product Quality and Safety
- 4.2. Human Resources Development
- 4.3. Safeguarding Ethics and Human Rights
- 4.4. Occupational Health & Safety
- 4.5. Sustainable Procurement

## 4.1. PRODUCT QUALITY AND SAFETY

GRI 416-1, 416-2, ATHEX SS-S1

Papoutsanis associates its brand name with its high-quality products and applies strict control and quality assurance procedures, complying with the ISO 9001:2015, ISO 22716:2007 and IFS HPC standards,

### POLICY ON PRODUCT QUALITY

Papoutsanis' mission is the care of our customers, the emphasis on quality products and consumer safety. Our goal is to be the most qualitative, productive and low-cost manufacturer of safe, quality products, working in a safe and healthy setting that can ensure gains for both our customers and ourselves.

Management is committed to ensuring that quality objectives are met through the implementation and continuous improvement of an integrated quality management system that complies with the requirements of ISO 9001:2015, ISO 22716:2007 and IFS HPC.

- > Identifying modern trends and customer needs
- > Providing resources for the development of new products and services.
- > Investing in know-how, facilities, infrastructure and equipment.
- > Faithfully following the rules of good manufacturing practices (GMPs), which are assured by the implementation of the ISO 22716:2007 standard.
- > Manufacturing products of the highest quality to satisfy the demands of our customers and consumers.



European and national legislation on cosmetics (Regulation (EC) No 1223/2009) and the guidelines set by the National Organisation for Medicines (EOF) as the national regulatory authority.

- > Promoting certified services and products.
- > Ensuring a safe working environment.
- > Setting safe standards for products.
- > Identifying safety issues and taking the necessary measures.
- > Monitoring and maintaining the level of service.
- > Applying legislation
- > Protecting the environment and nature in every possible way.
- > Supporting sustainability.
- > Shaping and communicating the product safety culture to employees.

The quality strategy must be cascaded to all levels of the organisation. Our management, personnel and partners must work as a team to support and improve the undertaking's performance. Responsibility for the implementation and continuous improvement of quality and safety standards is the responsibility and commitment of the PAPOUTSANIS S.A. Management.

The health and safety of consumers and the high quality of products are a universal practice for Papoutsanis, and is ensured by continuously applying quality controls established by national and international legislation. In this way, the finished products received by consumers are completely safe to use and meet the highest quality standards.

Quality control takes place at all stages of production, storage and transport of finished products, as well as during the process of selecting raw materials from the Company's distinguished partners-suppliers. Papoutsanis Management is responsible for implementing quality standards throughout the Company's scope of activity. The strategy for quality applies to all of the Company's human resources, including Management, employees and partners, who work together to continually improve corporate performance and to consolidate Papoutsanis' position on the Greek and European markets.

As part of the quality policy, our Company ensures safety in quality through internationally recognised standards. Our certificates are listed below:

> We are members of the Sedex Members Ethical Trade Audit (SMETA), the most widely used certification in the world on issues of corporate ethics and social responsibility. SMETA is a corporate management system to assess issues of corporate responsibility and working conditions.

- > We are members of the Roundtable on Sustainable Palm Oil (RSPO), working to support palm oil sustainability. RSPO advances development through the production, procurement, finance and use of sustainable palm oil in products used all over the world.
- > Sustainability certification based on the life-cycle assessment (LCA)\*.
- > Certified organic cosmetics (COSMOS ORGANIC-ECOCERT).
- > Certified natural cosmetics (COSMOS NATURAL-ECOCERT).
- > Certified vegan products which contain no ingredients derived from animals.
- > None of Papoutsanis' ready-for-use products are tested on animals.

\* Refers to an SKU manufactured for a multinational company



## TRAINING AND EDUCATION ON PRODUCT QUALITY ISSUES

Achieving and safeguarding products of the highest quality specifications requires the appropriate expertise and ongoing monitoring of the latest trends.

Papoutsanis invests in its human resources and provides continuing personnel education to ensure proper training, familiarity and compliance with strict specifications set by quality standards, as guided by a responsible corporate strategy that aims to protect the health and safety of end consumers.

Once trainings are completed, participants are assessed on their level of understanding and training with a grading system and receive certificates of attendance from external bodies. In the event a passing grade is not achieved, the training and assessment must be repeated.

## HEALTH AND SAFETY POLICY

Papoutsanis' Health and Safety Policy aims to enhance safety in the workplace and protect our employees, partners and consumers from any endogenous or exogenous risk or unexpected event.

In 2024, as part of the quality assurance based on the Company's certifications, inspections were performed in relation to the ISO 9001, ISO 22716, IFS HPC and RSPO certificates.



## QUALITY CONTROLS

The production and packaging processes of Papoutsanis products are thoroughly controlled through the Unified Quality Management System, which combines the requirements of ISO 9001, ISO 22716 and IFS HPC standards. In particular:



**Ongoing quality controls are applied to all raw materials the Company procures from trustworthy and reputable suppliers.**



**Frequent “in-process” controls are also applied during the production process to adequately meet the required specifications.**



**Laboratory checks are also made on liquid and solid soap-making methods before they are approved for distribution to end consumers.**

**APPROPRIATE INFORMATION FOR CONSUMERS**

GRI 417-1

Papoutsanis places particular emphasis on providing clear and transparent information to consumers, covering aspects such as the origin of raw materials, the composition and content of products, as well as safe use and recycling instructions. All product labels include detailed composition, necessary warnings and contraindications, recycling instructions and other critical information to ensure that consumers are fully and responsibly informed. This approach empowers the public to make informed decisions and adopt responsible consumer practices.

At the same time, the Company systematically invests in environmentally friendly solutions, adopting 100% recyclable packaging with a significant percentage of recycled plastic, biodegradable materials and refill systems, which reduce the consumption of virgin plastic and contribute to the circular economy. In terms of formulations, Papoutsanis develops products based on natural and plant-based ingredients,



avoiding toxic substances and ensuring high efficiency with respect for people and the environment. This commitment is systematically communicated to consumers through product labels, the Company's website and digital channels, as well as through specific information campaigns to enhance understanding of and confidence in its sustainability practices.





| INDICATOR                    | DESCRIPTION                                                                                                                                                                    | 2022 TARGET | 2022 PERFORMANCE | 2023 TARGET | 2023 PERFORMANCE | 2024 TARGET | 2024 PERFORMANCE |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------|-------------|------------------|-------------|------------------|
| <b>Customer satisfaction</b> | % Company performance related to pre-agreed customer needs and product specification                                                                                           | 80%         | 77.4%            | 80%         | 79.8%            | 82          | 82.3%            |
| <b>Product safety</b>        | % of products that deviate from legislation and have an impact on consumer health and safety or require a product recall, in relation to the total number of products produced | 0%          | 0%               | 0%          | 0%               | 0%          | 0%               |

| INDICATOR                                                                | DESCRIPTION                                                                                                         | 2023 TARGET | 2023 PERFORMANCE | 2024 TARGET | 2024 PERFORMANCE |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------|------------------|-------------|------------------|
| <b>Customer and Consumer Complaints about Soap Base Sales</b>            | % number of complaints over the total quantity of soap bases sold                                                   | 5%          | 5.73%            | 2.78%       | 2.73%            |
| <b>Customer and Consumer Complaints about Cosmetics Sold</b>             | % number of complaints over the total quantity of cosmetics sold                                                    | 2%          | 1.14%            | 0.79%       | 0.68%            |
| <b>Customer and Consumer Complaints about Soaps Sold</b>                 | % number of complaints over the total quantity of soap units sold                                                   | 2%          | 1.69%            | 1.17%       | 1.2%             |
| <b>Internal Quality Failures in Cosmetic Base Production</b>             | % non-conformities over all cosmetic bases produced. "Non-conformities" are deviations from specifications          | 1%          | 0.53%            | 0.37%       | 0.4%             |
| <b>Internal Quality Failures in Soap Base Production</b>                 | % non-conformities over the total soap bases produced. "Non-conformities" are deviations from specifications        | 1%          | 0.55%            | 0.38%       | 0.32%            |
| <b>Internal Quality Failures in the Production of Packaged Cosmetics</b> | % of non-conforming cosmetics over the total units produced. "Non-conformities" are deviations from specifications  | 1.5%        | 1.11%            | 0.77%       | 0.38%            |
| <b>Internal Quality Failures in the Production of Packaged Soaps</b>     | % of non-conforming soap units over the total units produced. "Non-conformities" are deviations from specifications | 1%          | 0.82%            | 0.57%       | 0.59%            |

### QUALITY POLICY FOR THE SELECTION OF PACKAGING MATERIALS AND RAW

The departments of Quality Assurance and R&D draw up the specifications that procured raw materials and packaging materials must meet. Thereafter, in collaboration with the Company's Procurement Department, suitably approved raw materials and their suppliers are identified. Management is committed to ensuring that quality objectives are met through implementation and continuous improvement of a system that complies with the requirements of ISO 9001:2015 and IFS HPC.

The quality requirements for packaging materials are documented in specifications tailored to the specific type of material. If the quality control officer deems it necessary, separate specifications are recorded for each packaging material individually. In addition, for certain product categories, packaging materials made from recycled and environmentally friendly (organic) materials are selected.

The detailed requirements for incoming raw materials are documented in various sources, including the monographs of the Hellenic Pharmacopoeia (HP), manufacturers' documents (specifications, MSDS) and customer requirements.



### SELECTION OF ENVIRONMENTALLY SUSTAINABLE RAW MATERIALS FOR REDUCING THE ENVIRONMENTAL FOOTPRINT OF PRODUCTS

On condition that market access is not obstructed, and by offering providers the opportunity to submit alternative offers, the Company – for the purpose of limiting the environmental impacts of the product, where it is deemed necessary – selects raw materials:

- ▶ which allow for rapid biodegradation of hazardous substances (less harmful).
- ▶ from suppliers who meet the environmental criteria (e.g. ISO 14001, EMAS or other equivalent certification), provide eco-friendly solutions and/or products with ecolabel certification or, lastly, are members of a reliable organisation that is environmentally oriented (e.g. RSPO).

**OUR PERFORMANCE**

GRI 416-1

PERCENTAGE OF SIGNIFICANT CATEGORIES OF PRODUCTS AND SERVICES EVALUATED FOR THEIR IMPACT ON HEALTH AND SAFETY

| PRODUCT CATEGORY                      | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------|------|------|------|------|
| <b>Branded products</b>               | 100% | 100% | 100% | 100% |
| <b>Hotel amenities</b>                | 100% | 100% | 100% | 100% |
| <b>Third-party products</b>           | 100% | 100% | 100% | 100% |
| <b>Industrial sales of soap bases</b> | 100% | 100% | 100% | 100% |

GRI 416-2

In 2024, no incidents of non-compliance with regulations and/or voluntary codes relating to the health and safety of our products were identified or recorded.



## 4.2. HUMAN RESOURCES DEVELOPMENT

### OUR APPROACH

GRI 404-1, 404-2, 404-3

With absolute respect for the human resources that staff the Company's departments, Papoutsanis fully complies with labour law and, guided by the corporate Code of Ethics which can be found on its website, develops a series of actions aimed at staff development and the general management of human resources.

Papoutsanis provides a good work environment that fosters employee success, growth and safety, while also offering incentives for its people and encouraging cooperation to promote deep commitment, with respect and dignity as its foremost principles. These principles govern both our Company's relationship with employees, and relations between senior managers and their subordinates.

In particular, Papoutsanis applies the principles for the protection of human rights in its procedures for recruiting and hiring new people, and invests in its people to reward their commitment, resourcefulness and contribution to the Company.



**PROCEDURES AND PROGRAMMES FOR EMPLOYEE HIRING, TRAINING AND DEVELOPMENT**



**Recruitment and interviewing of new employees, hiring and dismissal procedures**



**Induction of new employees into the appropriately designed work environment at Papoutsanis, through the induction training programme for new employees**



**Continuing education and training for employees through educational programmes and seminars**



**Annual employee performance evaluation**



**Provision of products to Company employees to provide first-hand knowledge and experience of the finished product**

## RECRUITING AND HIRING EMPLOYEES

Candidates can apply for available positions through our website, which is directly linked to the electronic HR recruitment tool. At the same time, we post jobs on various job posting sites, social media and recruitment networks.

CVs are screened and classified into candidate groups so they can be on hand in the event a suitable position becomes available. Whenever recruiting takes place to fill a position, the pool of candidates is screened. The first screening is followed by an interview process in three stages. Depending on the position level, the first phase includes an arithmetic test and an assessment of English language proficiency. Detailed notes are taken during the interviews and then assessments are carried out by the department head and the HR team.

In the second stage, two-three candidates are selected for further interviews or case studies depending on the level of the position, while the third stage involves the selection of the most suitable candidate and negotiation over salary and starting date. Throughout the selection process, all candidates are treated fairly and with full transparency, based on predefined objective criteria and merit-based evaluation standards.

During the interviews, the assessor aims to identify candidate skills that may not be immediately apparent from their CV. This ensures a better assessment of their suitability for the job. In addition, the interviewer explores the candidate's values and their compatibility with our Company's corporate culture.

Similarly, candidates have the opportunity to present themselves and gather more information about the job.



First stage

Second stage

Third stage

Overall, our interviewing and hiring process has been designed to assess candidates fairly and thoroughly, ensuring a mutually beneficial match between the selected individual and the specific position. At the same time, we ensure that the process is non-discriminatory, respecting diversity and offering equal opportunities for all candidates, regardless of gender, age, nationality, religion, disability or other characteristics. Our commitment to equality and inclusion fosters an environment that recognises and values different perspectives, helping to create a dynamic and innovative team.

Furthermore, it is important to note that our Company actively participates in various internship and trainee programmes, such as those managed by the Public Employment Service (DYPA), which links all universities. These initiatives have provided employment opportunities for young professionals. In addition, our Company has established partnerships with university networks, where jointly funded programmes have been used to create jobs for young scientists. The total number of employees through partnerships is 79, while 1 person works on a fixed retainer basis. In 2024, 4 employees were engaged in internships, 2 of which were hired in new job roles after their internships ended.

## NEW EMPLOYEE INDUCTION PROCESS

Our Company attaches great importance to the integration of new employees, as evidenced by the thorough induction process. The induction process for new employees is carried out as follows:

**1** Upon completion of the hiring process, the automated digital onboarding process is activated. The platform provides the HR Booklet, which includes the following key documents: The Company's Code of Conduct, Labour Regulation, Personal Data Protection Policy (GDPR), Health & Safety Policy, Company Presentation, Good Manufacturing & Hygiene Practices (GMP & GHP).

**2** A detailed explanation of safety regulations, guidelines for moving around the factory premises and instructions for the correct use of protective equipment.

**3** One-on-one discussion with the employee's manager or supervisor to review training progress, introduce the employee to their new role and clarify roles and responsibilities.

**4** Specialised training on GDPR regulations and comprehensive professional training provided by the most experienced mentor in the department.

**5** Filling out a medical record by the occupational health physician to ensure the employee's health and well-being is taken into account.

By implementing these steps in the induction process, we aim to ensure the smooth and well-informed integration of new hires into our Company's workforce.



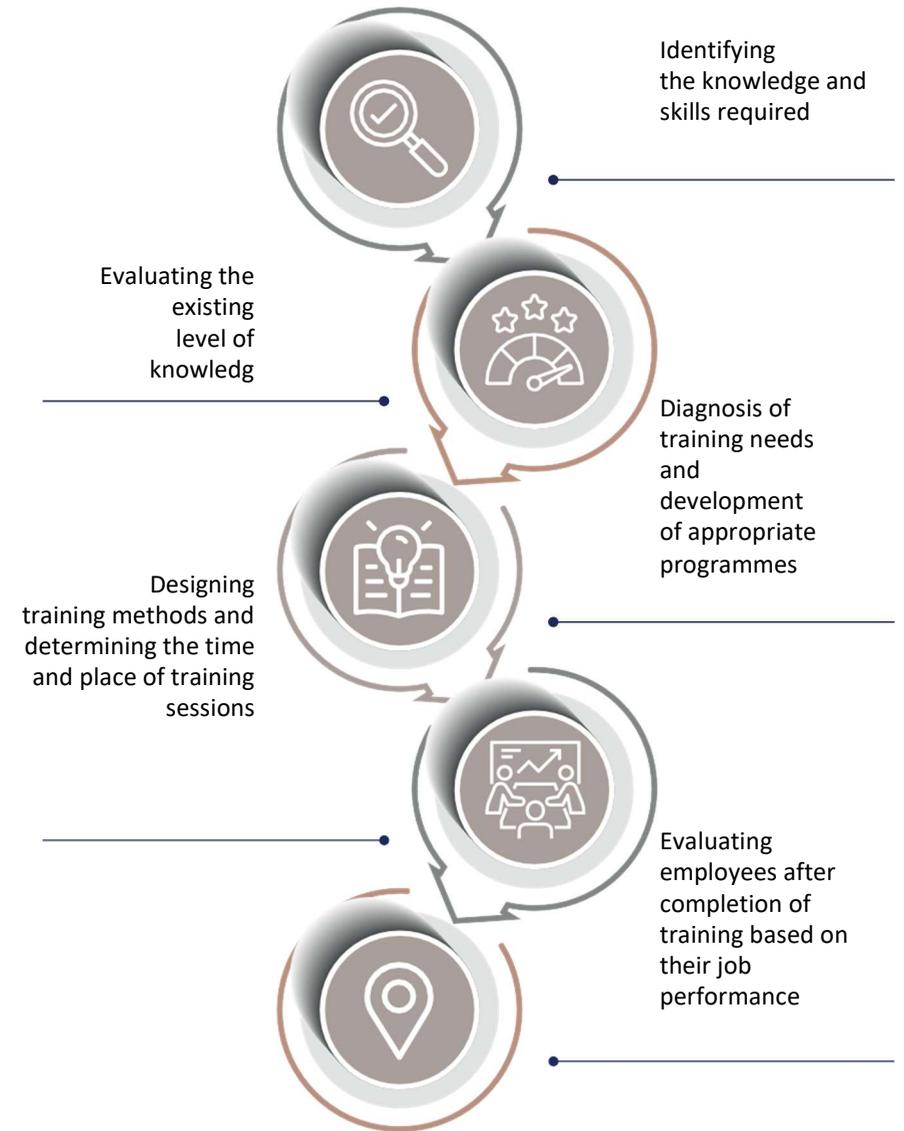
### EMPLOYEE CONTINUING EDUCATION - TRAINING

Through our training initiatives, we equip our employees with the specific skills and support they need to excel in their roles. Training programmes are tailored to meet both the immediate requirements of their current tasks and the long-term development of our workforce.

The transfer of knowledge and cultivation of the skills and abilities of our employees is of great importance to our Company, as it is the foundation for the achievement of our goals. Therefore, these training activities are taken with the utmost seriousness as they shape the future of our organisation.

Our training strategy focuses on promoting personal development opportunities, enabling individuals to adapt to the demands of their jobs and cultivating their leadership skills. By focusing on these aspects, we aim to facilitate not only the professional development of our employees but also their overall development as individuals.

The stages of employee training include:



**OUR PERFORMANCE**

GRI 401-1

| HIRING NEW STAFF AND EMPLOYEE TURNOVER             |        |      |       |       |       |       |
|----------------------------------------------------|--------|------|-------|-------|-------|-------|
| STUDY PERIOD                                       | 2023   |      |       | 2024  |       |       |
| AGE GROUP                                          | GENDER |      |       |       |       |       |
|                                                    | WOMEN  | MEN  | TOTAL | WOMEN | MEN   | TOTAL |
| People under 30 years old (<30 years old)          | 3      | 9    | 12    | 7     | 15    | 22    |
| People aged 30 to 50 years (≥30 years & ≤50 years) | 12     | 16   | 28    | 4     | 15    | 19    |
| People over 50 years old (>50 years old)           | 1      | 1    | 2     | 1     | 2     | 3     |
| % Total New Hires                                  | WOMEN  | MEN  | TOTAL | WOMEN | MEN   | TOTAL |
| < 30 years                                         | 7%     | 20%  | 27%   | 15.9% | 34.1% | 50%   |
| ≥30 years & ≤50 years                              | 29%    | 39%  | 68%   | 9.1%  | 34.1% | 43.2% |
| > 50 years                                         | 2.5%   | 2.5% | 5%    | 2.2%  | 4.5%  | 6.8%  |
| % Total Employee Turnover                          | WOMEN  | MEN  | TOTAL | WOMEN | MEN   | TOTAL |
| < 30 years                                         | 6%     | 17%  | 23%   | 10.8% | 17.8% | 28.5% |
| ≥30 years & ≤50 years                              | 9%     | 57%  | 66%   | 14.2% | 50%   | 64.2% |
| > 50 years                                         | 5.5%   | 5.5% | 11%   | 0%    | 7.1%  | 7.1%  |

## OUR PERFORMANCE

GRI 401-2

Papoutsanis ensures equal access to benefits that enhance the health and well-being of its employees. Specifically, all full-time employees are covered by a group health insurance policy, as an extension of the additional medical care provided by the Company, which ensures a safe and supportive work environment.

### BENEFITS FOR FULL-TIME EMPLOYEES

| CATEGORY                                                                 | 2023  |     | 2024  |     |
|--------------------------------------------------------------------------|-------|-----|-------|-----|
|                                                                          | WOMEN | MEN | WOMEN | MEN |
| Number of full-time employees covered by a group health insurance policy | 69    | 126 | 72    | 134 |

GRI 401-3

### PARENTAL LEAVE

| CATEGORY                                                                    | 2023  |     | 2024  |     |
|-----------------------------------------------------------------------------|-------|-----|-------|-----|
|                                                                             | WOMEN | MEN | WOMEN | MEN |
| Number of employees entitled to parental leave                              | 10    | 27  | 14    | 122 |
| Number of employees taking parental leave                                   | 5     | 0   | 12    | 12  |
| Number of employees still employed by the Company as of 31.12.2023 and 2024 | 10    | 27  | 14    | 22  |
| Number of workers still employed after 12 months                            | 0     | 0   | 14    | 21  |

\* parental leave based on the definitions of the Labour Inspectorate have been calculated as the total of: 1. 14 days of paternity leave, which must be taken at the birth of the child; 2. 9 months of special maternity protection benefit; 3. childcare leave; and 4. parental leave of up to 4 months, which any employee with a child up to 8 years of age and continuous employment with the Company for 1 year or more, is entitled to take.

## EMPLOYEE CONTINUING EDUCATION - TRAINING

GRI 402-1, GRI 404-2, ATHEX C-S5

Papoutsanis ensures a transparent and fair approach to operational changes within the organisation by imposing a minimum four (4) weeks' notice for any significant adjustment that may affect employees. This policy underscores the Company's commitment to maintaining open communication and promoting a supportive work environment, allowing employees sufficient time to prepare and adapt to change. By following this practice, Papoutsanis not only complies with regulatory requirements but also demonstrates its commitment to employee well-being and organisational integrity.

The Mentoring & Coaching programme was completed within 2024 for those employees who had joined the Company in the previous year.

At our Company, we prioritise the continuous training of our employees, starting with their initial hiring and continuing throughout their tenure. This integrated training approach includes topics directly related to their specific roles and are aligned with the Company's legal obligations. For example, our employees are trained in critical topics such as making antiseptics, compliance with GDPR and the safe handling and storage of hazardous materials.



In addition, we provide additional opportunities for skills development, including cultivating positive leadership qualities, refining verbal and non-verbal communication skills and improving knowledge of business English. These supplementary skills are specified and addressed based on the results of annual employee performance reviews. To facilitate this training, we offer a variety of formats, including in-house sessions led by trained Company personnel and outsourced programmes conducted by reputable training centres, such as seminars and long-term courses.

**ATHEX A-S2**

In 2024, the cost of outsourced training, facilitated by external partners, amounted to €39,101.26. This amount does not include the costs related to training conducted by Company personnel and the cost of salaries for people attending these trainings.

We use a range of effective training methods, such as introductory sessions, on-the-job training, off-site training, mentoring, university programmes, post-graduate studies and job rotation. These approaches ensure our employees receive the necessary knowledge and develop skills so they can excel in their roles and contribute to the growth and success of our Company.



## EMPLOYEE CONTINUING EDUCATION - TRAINING

GRI 404-2

During the reporting period of the study, the Company offered its employees a variety of technical training opportunities, along with skills and competence development programmes, which are listed below:





### Technical Trainings

- > Cosmetology: Method of Preparation of Cosmetics from Natural Materials and Medicinal Plants
- > Market Abuse Regulation
- > Check Point Certified Security Administrator
- > Change Management System Raw
- > Cybersecurity Training
- > Advanced Microsoft Excel



### Trainings for Skills Development

- > Employee Performance Evaluation
- > Apply Insights from Behavioural Science to Marketing
- > From Likes to Leads: Creating Content that Converts
- > Conduct and Conflict Management
- > Communication and Cooperation in the Working Group
- > Time Management and Work-Life Balance



### Other Trainings

- > Fire Safety Training
- > Training in Policy to Prevent and Combat Violence and Harassment at Work
- > Combating Violence and Harassment at Work
- > Labour Law after the new Labour Law 5023/2023
- > Whistleblowing
- > Diversity, Managing People with Intellectual Disabilities
- > Health and Safety in the Workplace
- > Waste and Materials Management
- > Environmental Awareness and Education
- > Stress Management in the Workplace
- > Healthy Diet and Exercise
- > Relieving the Physical Fatigue
- > Training in Crisis Management
- > Training in the Emergency Response Plan
- > Training in First Aid
- > Machinery and Equipment Safety
- > Understanding Risks and Hazardous Substances
- > Health and Safety Training in Materials Handling
- > Good Manufacturing Practices (GMPs) / Technical Guidance WL-PRD-SOAP-2
- > Training in Business Ethics

## OUR PERFORMANCE

GRI 404-1, ATHEX C-S5

### AVERAGE NUMBER OF HOURS OF TRAINING BY GENDER AND POSITION IN THE ORGANISATION

STUDY PERIOD: 2024

| GENDER                                        | 2023 | 2024  |
|-----------------------------------------------|------|-------|
| Women                                         | 8.3  | 11.94 |
| Men                                           | 5.9  | 6.24  |
| POSITION IN THE ORGANISATION                  |      |       |
| Members of the Board of Directors             | 12   | 7.64  |
| Members of Senior Management                  | 66.5 | 17.91 |
| Management                                    | 9.4  | 5.2   |
| Directors                                     | 3.6  | 9.5   |
| Technical Staff                               | 3.8  | 5.59  |
| top 10% of employees by total compensation**  | 3.5  | 52.5  |
| bottom 90% of employees by total compensation | 3.9  | 6.87  |

ATHEX A-G4

The variable remuneration of the CEO amounted to 26% of total remuneration. Variable remuneration has been audited in the context of the Remuneration Report 2024 by an auditing firm in accordance with the International Standard on Assurance Engagements 3000 (Revised).

The following formula was used to calculate the variable pay rate of the Company's CEO:

$$\% \text{ Variable Pay} = \frac{\text{CEO Variable Pay}}{\text{Total CEO Remuneration}} \times 100$$

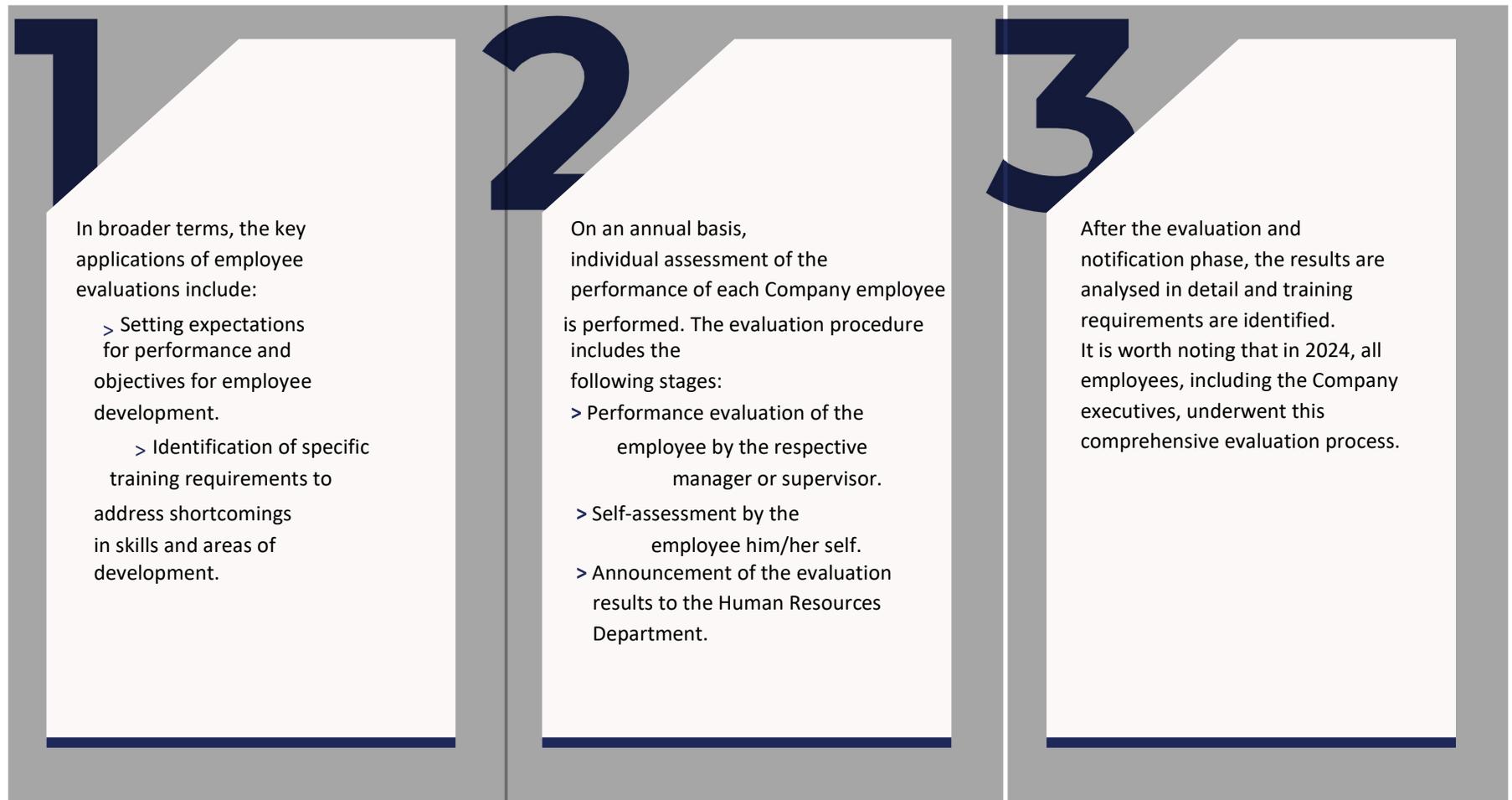


\*\* The average training hours for the top 10% (or the bottom 90%) of employees by total compensation was calculated by dividing the total number of training hours provided to each employee in the top 10% (or the bottom 90%) of employees by total compensation by the total number of employees included in the top 10% (or the bottom 90%) of employees by total compensation.

## EMPLOYEE PERFORMANCE

Performance evaluation as a tool is a key function of the Human Resources Department. In an intensely competitive global environment, businesses need high performance levels and strong advantages to respond appropriately. Employees must have a clear idea of their performance evaluation results so they can adjust their future course. The evaluation of our employees is a process

which determines the performance of different individuals, compared to specific targets, and compares the performance of employees against one another. Evaluation can be used in several ways to encourage the growth of the employees themselves within the Company and plays an important role in improving our Company's operation and employees' potential for advancement.



## OUR PERFORMANCE

GRI 404-3

### NUMBER OF EMPLOYEES EVALUATED ON THEIR PERFORMANCE AND CAREER DEVELOPMENT

STUDY PERIOD

| GENDE         | 2023  |     | 2024 |  |
|---------------|-------|-----|------|--|
|               | Women | 69  | 72   |  |
| Men           | 126   | 134 |      |  |
| Other*        | -     | -   |      |  |
| Not disclosed | -     | -   |      |  |

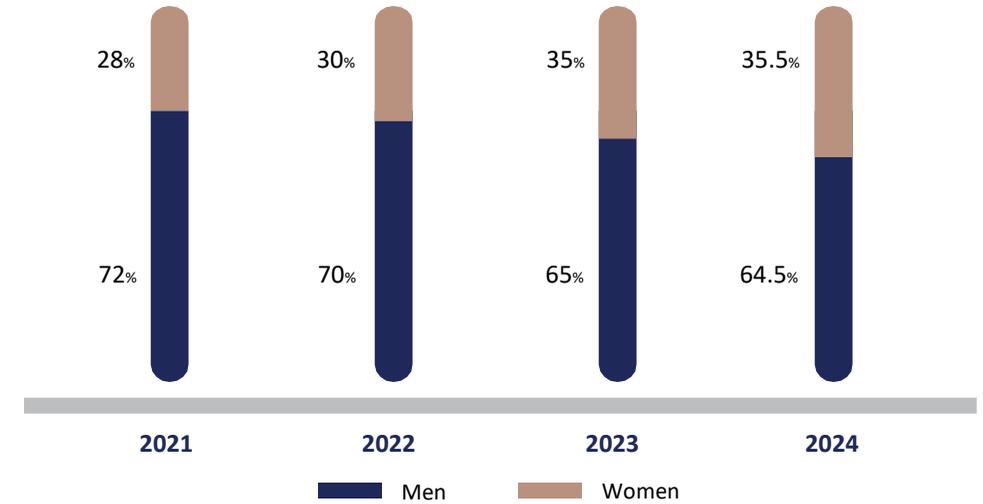
  

| POSITION IN THE ORGANISATION      | GEND |       | GEND |       |
|-----------------------------------|------|-------|------|-------|
|                                   | Men  | Women | Men  | Women |
| Members of the Board of Directors | 5    | 1     | 5    | 2     |
| Members of Senior                 | 5    | 5     | 4    | 5     |
| Manage                            | 16   | 6     | 18   | 6     |
| Directors                         | 27   | 41    | 29   | 45    |
| Technical Staff                   | 73   | 16    | 78   | 14    |

\* Gender as defined by the employees themselves. Not necessarily the same as biological sex.

GRI 2-7

### TOTAL NUMBER OF EMPLOYEES



The percentage of female employees in the Company is 35.5%, which increased by 5.5%, 7.5% and 0.12% compared to the respective percentages in 2022, 2021 and 2023, respectively.

(The rate is derived by dividing the total number of women at the Company by the average total employees [men and women] at the Company and multiplying by 100 to arrive at the rate.)

**OUR PERFORMANCE**

GRI 2-7

| STUDY PERIOD: 2023                                                  |     |       |               |         |
|---------------------------------------------------------------------|-----|-------|---------------|---------|
| Women                                                               | Men | Other | Not disclosed | Total** |
| <b>TOTAL NUMBER OF EMPLOYEES</b>                                    |     |       |               |         |
| 69                                                                  | 127 | -     | -             | 196     |
| <b>TOTAL NUMBER OF EMPLOYEES WITH INDEFINITE DURATION CONTRACTS</b> |     |       |               |         |
| 60                                                                  | 120 | -     | -             | 180     |
| <b>TOTAL NUMBER OF EMPLOYEES WITH A FIXED-TERM CONTRACT</b>         |     |       |               |         |
| 9                                                                   | 7   | -     | -             | 16      |
| <b>TOTAL NUMBER OF FULL-TIME EMPLOYEES (FTE)</b>                    |     |       |               |         |
| 69                                                                  | 127 | -     | -             | 196     |
| <b>TOTAL NUMBER OF PART-TIME EMPLOYEES (PTE)</b>                    |     |       |               |         |
| 0                                                                   | 0   | -     | -             | 0       |

\* Gender as defined by the employees themselves. Not necessarily the same as biological sex.  
 \*\* Data have been extracted from the personnel database maintained by Papoutsanis and the relevant employee numbers are expressed as head count, as suggested by GRI standards

| STUDY PERIOD: 2024                                                  |     |       |               |         |
|---------------------------------------------------------------------|-----|-------|---------------|---------|
| Women                                                               | Men | Other | Not disclosed | Total** |
| <b>TOTAL NUMBER OF EMPLOYEES</b>                                    |     |       |               |         |
| 72                                                                  | 134 | -     | -             | 206     |
| <b>TOTAL NUMBER OF EMPLOYEES WITH INDEFINITE DURATION CONTRACTS</b> |     |       |               |         |
| 70                                                                  | 125 | -     | -             | 195     |
| <b>TOTAL NUMBER OF EMPLOYEES WITH A FIXED-TERM CONTRACT</b>         |     |       |               |         |
| 2                                                                   | 9   | -     | -             | 11      |
| <b>TOTAL NUMBER OF FULL-TIME EMPLOYEES (FTE)</b>                    |     |       |               |         |
| 72                                                                  | 132 | -     | -             | 204     |
| <b>TOTAL NUMBER OF PART-TIME EMPLOYEES (PTE)</b>                    |     |       |               |         |
| 0                                                                   | 2   | -     | -             | 2       |

\* Gender as defined by the employees themselves. Not necessarily the same as biological sex.  
 \*\* Data have been extracted from the personnel database maintained by Papoutsanis and the relevant employee numbers are expressed as head count, as suggested by GRI standards

GRI 2-8

Regarding the total number of employees who are not salaried and whose work is controlled by the organisation, out of 206 people, Papoutsanis employs:  
 > 4 persons on internship.  
 >1 person on a fixed retainer who performs the duties of a lawyer and legal advisor for the Company.

Also in 2024, 79 workers were employed through partner contractors.

ATHEX C-S4

EMPLOYEE TURNOVER INDEX

|                                       | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------|------|------|------|------|
| <b>Number of voluntary departures</b> | 29   | 39   | 24   | 20   |
| <b>Voluntary turnover index*</b>      | 16%  | 20%  | 12%  | 10%  |
| <b>Number of mandatory departures</b> | 11   | 6    | 11   | 8    |
| <b>Involuntary turnover index**</b>   | 6%   | 3%   | 6%   | 4%   |

\* The voluntary turnover rate was calculated by dividing the total number of employees who voluntarily left the Company in 2024 by the average number of employees during the same year. The result was then multiplied by 100 to determine the percentage.

\*\* The involuntary turnover rate was calculated by dividing the total number of employees who were asked to leave the Company in 2024 by the average number of employees during the same year. This number was also multiplied by 100 to get the percentage.

**LIVING WAGE**

GRI 202-1

Papoutsanis is committed to providing all its employees with decent wages. During the period under review, of a total of 203 employees, there were 2 trainees working at minimum wage. For all remaining personnel, including both full-time and part-time employees, salaries were at levels above the minimum wage.

The Company's goal is to ensure fair and competitive salaries to cover basic living needs and to promote the quality of life and professional development of employees.

The salary policy is combined with regular performance-based increases, additional benefits (healthcare, travel) and an equal opportunities strategy that reinforces work commitment and sustainable development.

COVERAGE OF DECENT WAGES

STUDY PERIOD: 2024

|                                                                       |      |
|-----------------------------------------------------------------------|------|
| <b>Directly employed full-time workers paid a decent wage*</b>        | 100% |
| <b>Percentage of employees with a salary above the minimum wage**</b> | 100% |

\* Only full-time employees were counted for the calculation of the indicators.

\*\* The index was calculated from Number of employees with a salary above the minimum wage / Total employees) × 100

The above table shows the percentage of employees receiving a salary above the minimum wage. 100% of the Company's employees are paid above the minimum wage, which underscores the Company's commitment to providing fair and competitive remuneration.

**OUR PERFORMANCE**

| GENDER PAY GAP (%)                     | 2023 | 2024  |
|----------------------------------------|------|-------|
| Governance Bodies - Board of Directors | 2%   | 32%   |
| Senior Management                      | -12% | -22%  |
| Middle Management                      | 9%   | 10%   |
| Employees                              | -2%  | -5.6% |
| Total employees                        | 6%   | 10%   |

The following equations were used to calculate the percentage wage gap:

$$y_1 = \frac{s_m}{m} \quad (i) \qquad y_2 = \frac{s_w}{w} \quad (ii) \qquad GPG = \frac{y_1 - y_2}{y_1} \quad (iii)$$

$y_1$ : Average pay for men working full-time on an annual basis (in €)

$y_2$ : Average pay for women working full-time on an annual basis (in €)

$m$ : Total number of men working full-time (Head Count)

$w$ : Total number of women working full-time (Head Count)

$s_m$ : Total of all annual basic salaries for all men working full-time (including bonuses)

$s_w$ : Total of all annual basic salaries for all women working full-time (including bonuses)

$GPG$ : Gender pay gap (%)

**OUR PERFORMANCE**

| REPORTING PERIOD                               | 2021  | 2022 | 2023  | 2024  |
|------------------------------------------------|-------|------|-------|-------|
| <b>CEO-to-Employee Pay Ratio</b>               | 9.9   | 8.6  | 11.06 | 11.45 |
| <b>Change in the CEO-to-Employee Pay Ratio</b> | -0.12 | 6.35 | -4.29 | 1.06  |

To calculate the CEO-to-employee pay ratio and its change, the following equations were used:

$$c_{total} = \frac{c_{HPI}}{c_{ME}} \quad (iv) \qquad dt_{c_{total}} = \frac{dt_{CHPI}}{dt_{CME}} \quad (v)$$

$c_{total}$ : CEO-to-Employee Pay Ratio

$c_{HPI}$ : Annual total remuneration for the highest-paid person in the Company - the CEO (in €)

$c_{ME}$ : Median annual amount of the total remuneration of all employees of the Company, excluding the CEO (in €)

$dt_{c_{total}}$ : Change in the CEO-to-Employee pay ratio

$dt_{CHPI}$ : Percentage increase in the annual total compensation of the highest-paid person in the Company

$dt_{CME}$ : Average percentage increase in the annual total compensation for all employees in the organisation, excluding the highest-paid person

## OUR PERFORMANCE

The Company's commitment to trade union freedom goes beyond mere law; it is about creating an environment where employee participation and freedom of expression are treated as fundamental pillars of our organisational philosophy. It ensures not only the legal right of Papoutsanis employees to organise but also encourages active participation in trade union activities. At Papoutsanis, we respect the views and rights of trade union

organisations, and constantly cooperate with them to improve working conditions and employer-employee relations. We value the role of trade unions as representatives of workers and promote reasoned discussion to resolve issues and promote workers' welfare. In this way, we form an organic relationship with our workforce, enhancing overall efficiency and creating fair and balanced working conditions.

### EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS (%)

STUDY PERIOD: 2024

| Gender                                                                           | Women |      | Men  |      | Other* |      | Not disclosed |      |
|----------------------------------------------------------------------------------|-------|------|------|------|--------|------|---------------|------|
|                                                                                  | 2023  | 2024 | 2023 | 2024 | 2023   | 2024 | 2023          | 2024 |
| <b>Number of employees covered by collective bargaining agreements</b>           | 69    | 72   | 127  | 134  | -      | -    | -             | -    |
| <b>Total number of employees</b>                                                 | 69    | 72   | 127  | 134  | -      | -    | -             | -    |
| <b>Percentage of employees covered by collective bargaining agreements** (%)</b> | 100%  | 100% | 100% | 100% | -      | -    | -             | -    |

\* Gender as defined by the employees themselves. Not necessarily the same as biological sex.

\*\* The percentage of employees covered by collective bargaining agreements was calculated by dividing the total number of employees working at the Company in 2023 by the number of employees covered by collective bargaining agreements during the same year. The result was then multiplied by 100 to determine the percentage.

## 4.3. SAFEGUARDING ETHICS AND HUMAN RIGHTS

GRI 2-23, ATHEX C-S6, ATHEX C-G5

With absolute respect for human rights and operating ethically, Papoutsanis recognises diversity as a fundamental right and takes decisions regarding hires and partnerships that are free of any discrimination, and are based on the ability and suitability of potential employees and partners. The Company condemns discrimination of any kind on the grounds of gender, religion, colour, sexual preference, physical traits, family status or other characteristics that deviate from the criteria for selecting employees or partners for the position or partnership to be undertaken. In addition, as it is based in a Member State of the European Union, Papoutsanis prohibits Child and Forced Labour all across its activities.

Following an established policy, the Company selects its suppliers based on objective criteria relating to the quality and price of their products, their creditworthiness and reliability, as well as their prompt service and short delivery times. Of paramount importance for Papoutsanis is also ensuring good employee treatment practices throughout the supply chain. Consequently, the Company does not cooperate with suppliers or partners that engage in unacceptable practices of employee treatment, such as child exploitation, forced labour or other forms of abuse. The Human Rights Policy extends this commitment by requiring all partners and suppliers to fully comply with the prohibition on child and forced labour, while it also implements control and monitoring mechanisms along the supply chain.

The Company maintains strict policies against any form of harassment, including sexual harassment, towards its employees within the workplace. Each employee's contract explicitly describes his or her rights and responsibilities. Papoutsanis is committed to promoting a working environment that supports and safeguards human rights.



In particular, the Company condemns forced labour and is committed to complying with labour legislation governing minimum wage, working hours, overtime and employee benefits. In addition, Papoutsanis fully supports the rights of its employees to participate in labour unions to protect their interests, ensuring they are free from any retaliation or intimidation. The Company diligently monitors developments in labour legislation, carefully examining reports on child labour and human rights, and fully complies with all relevant regulations. In accordance with the Policy to Prevent and Combat Violence and Harassment, Papoutsanis has established detailed whistleblowing procedures and whistleblower protection to ensure confidentiality and non-retaliation. In addition, it implements victim support mechanisms (such as flexible working hours, counselling and reintegration), and collaborates with the occupational health physician to monitor employees' psychosocial health.

GRI 2-23, 2-24, ATHEX C-S6

The Code of Ethics is the cornerstone for ensuring the responsible operation of the Company and safeguarding human rights. In view of the current legislation and based on the Code, the minimum age for working at Papoutsanis has been set at 16 years.

In addition, through the implementation of the **Whistleblowing Policy**, the Company promotes the anonymous or non-anonymous reporting and documenting of incidents involving human rights violations through a complaint box, both by employees and by suppliers or partners. The Company then evaluates and takes the necessary measures to mitigate and eliminate such occurrences, where deemed necessary.

Lastly, Papoutsanis maintains an open and transparent channel of communication between Management and employees, stressing the importance of equal opportunities. As part of this effort, regular communication events are organised, such as the New Year's cake cutting event, so that employees can raise questions and concerns directly with Management, which in turn supports and stands firmly by every employee in every workplace incident, ensuring their right to equal opportunities.

The Diversity Policy further strengthens this channel with concrete actions: participation in thematic events (e.g. Pride, diversity forums), partnerships with NGOs to support socially vulnerable groups and the integration of employees from special education workshops, such as the recruitment of an employee from the "Margarita" workshop in 2024.



| CATEGORIES OF DIVERSITY                                  | 2022                                                                                 |      |       |     |       |      | 2023                     |      |       |     |       |     |
|----------------------------------------------------------|--------------------------------------------------------------------------------------|------|-------|-----|-------|------|--------------------------|------|-------|-----|-------|-----|
|                                                          | <30                                                                                  |      | 30-50 |     | >50   |      | <30                      |      | 30-50 |     | >50   |     |
|                                                          | Women                                                                                | Men  | Women | Men | Women | Men  | Women                    | Men  | Women | Men | Women | Men |
|                                                          | <b>Governance Bodies - Board of Directors Governance Bodies - Board of Directors</b> |      |       |     |       |      |                          |      |       |     |       |     |
| <b>Percentage representation of persons per category</b> | 0%                                                                                   | 0%   | 0%    | 0%  | 17%   | 83%  | 0%                       | 0%   | 0%    | 0%  | 17%   | 83% |
|                                                          | <b>Employee Level</b>                                                                |      |       |     |       |      | <b>Employee Level</b>    |      |       |     |       |     |
| <b>Senior Management</b>                                 | 0%                                                                                   | 0%   | 46%   | 54% | 0%    | 100% | 0%                       | 0%   | 50%   | 50% | 50%   | 50% |
| <b>Middle Management</b>                                 | 25%                                                                                  | 75%  | 29%   | 71% | 0%    | 0%   | 33%                      | 67%  | 39%   | 61% | 30%   | 70% |
| <b>Employees</b>                                         | 27%                                                                                  | 73%  | 33%   | 67% | 25%   | 75%  | 25%                      | 75%  | 29%   | 71% | 25%   | 75% |
|                                                          | <b>Employee Category</b>                                                             |      |       |     |       |      | <b>Employee Category</b> |      |       |     |       |     |
| <b>Administrative Personnel</b>                          | 56%                                                                                  | 44%  | 56%   | 44% | 50%   | 50%  | 48%                      | 52%  | 56%   | 44% | 32%   | 68% |
| <b>Workers/Technicians</b>                               | 0%                                                                                   | 100% | 15%   | 85% | 21%   | 79%  | 0%                       | 100% | 19%   | 81% | 25%   | 75% |



The percentage of women employed at the Company in 2024 came to 35.5%. In 2024, the percentage of women employees in management positions\* was 33.3%.

\* The percentage of women in management positions was calculated by dividing the total number of women in the top 10% of employees with the highest compensation for 2023 by the total number of employees in the top 10% of employees with the highest compensation for 2023. The result was then multiplied by 100 to determine the percentage.



| CATEGORIES OF DIVERSITY                                  | 2024                                          |      |       |     |       |     |
|----------------------------------------------------------|-----------------------------------------------|------|-------|-----|-------|-----|
|                                                          | <30                                           |      | 30-50 |     | >50   |     |
|                                                          | Women                                         | Men  | Women | Men | Women | Men |
|                                                          | <b>Governance Bodies - Board of Directors</b> |      |       |     |       |     |
| <b>Percentage representation of persons per category</b> | 0%                                            | 0%   | 0%    | 0%  | 29%   | 71% |
|                                                          | <b>Employee Level</b>                         |      |       |     |       |     |
| <b>Senior Management</b>                                 | 0%                                            | 0%   | 40%   | 60% | 75%   | 25% |
| <b>Middle Management</b>                                 | 50%                                           | 50%  | 18%   | 82% | 40%   | 60% |
| <b>Employees</b>                                         | 37%                                           | 63%  | 36%   | 64% | 31%   | 69% |
|                                                          | <b>Employee Category</b>                      |      |       |     |       |     |
| <b>Administrative Personnel</b>                          | 58%                                           | 42%  | 51%   | 49% | 46%   | 54% |
| <b>Workers/Technicians</b>                               | 0%                                            | 100% | 14%   | 86% | 25%   | 75% |



\* The percentage of women in management positions was calculated by dividing the total number of women in the top 10% of employees with the highest compensation for 2024 by the total number of employees in the top 10% of employees with the highest compensation for 2023. The result was then multiplied by 100 to determine the percentage.

**OUR  
PERFORMANCE**

RATIO OF BASIC SALARY AND BENEFITS BETWEEN GENDERS, BY EMPLOYEE CATEGORY

| Position in the organisation           | 2023  | 2024 |
|----------------------------------------|-------|------|
|                                        | Ratio |      |
| Governance Bodies - Board of Directors | 1.02  | 0.27 |
| Senior Management                      | 0.89  | 0.79 |
| Middle Management                      | 1.09  | 0.23 |
| Employees                              | 0.98  | 0.19 |

GRI 406-1

INCIDENTS OF DISCRIMINATION

| Year | Recording and Status of Incidents of Discrimination & Corrective Actions Number                                                              |   |
|------|----------------------------------------------------------------------------------------------------------------------------------------------|---|
| 2023 | Number of Recorded Incidents of Discrimination for the period of study                                                                       | 0 |
| 2024 | Number of Recorded Incidents of Discrimination for the period of study                                                                       | 0 |
| 2023 | Incidents of Discrimination assessed by the Company                                                                                          | 0 |
| 2024 | Incidents of Discrimination assessed by the Company                                                                                          | 0 |
| 2023 | Plans for remediation have been implemented                                                                                                  | 0 |
| 2024 | Plans for remediation have been implemented                                                                                                  | 0 |
| 2023 | Plans for remediation have been implemented, and the results are being reviewed through the usual procedures of internal management controls | 0 |
| 2024 | Plans for remediation have been implemented, and the results are being reviewed through the usual procedures of internal management controls | 0 |
| 2023 | Incident that no longer requires action.                                                                                                     | 0 |
| 2024 | Incident that no longer requires action.                                                                                                     | 0 |

## 4.4. OCCUPATIONAL HEALTH AND SAFETY

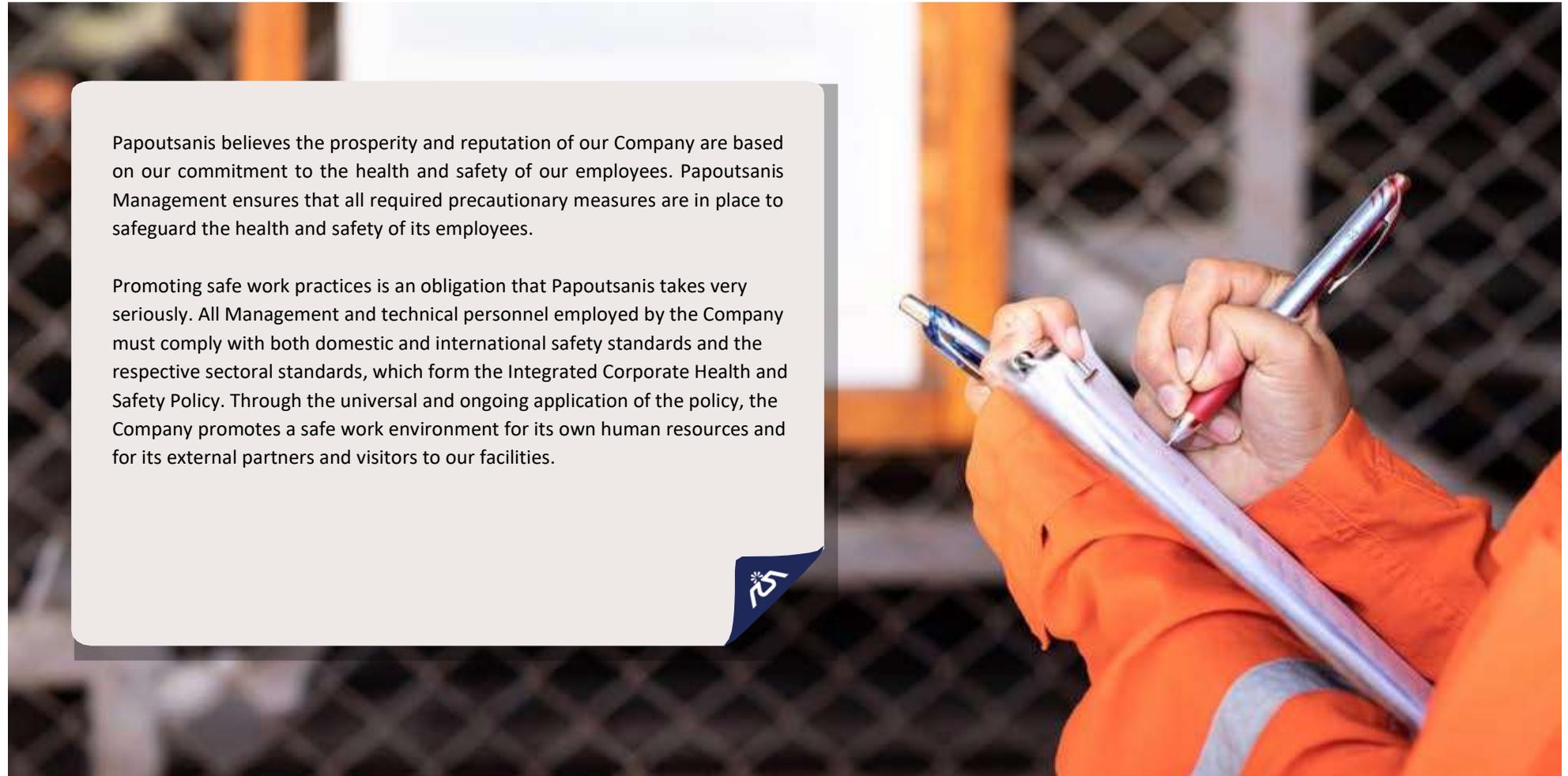
### CORPORATE HEALTH AND SAFETY POLICY

GRI 2-24, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7



Papoutsanis believes the prosperity and reputation of our Company are based on our commitment to the health and safety of our employees. Papoutsanis Management ensures that all required precautionary measures are in place to safeguard the health and safety of its employees.

Promoting safe work practices is an obligation that Papoutsanis takes very seriously. All Management and technical personnel employed by the Company must comply with both domestic and international safety standards and the respective sectoral standards, which form the Integrated Corporate Health and Safety Policy. Through the universal and ongoing application of the policy, the Company promotes a safe work environment for its own human resources and for its external partners and visitors to our facilities.



**CORPORATE HEALTH AND SAFETY POLICY**

**Personnel Information & Training**

- > Enhancing employee productivity & efficiency
- > Commitment to comply with conditions and standards, and raising awareness of contractors
- > Optimal induction of new employees
- > Prevention and reduction of the negative effects of various psychosomatic disorders through specific seminars



**Health, Safety and Environmental Management Systems**

- > Setting targets for optimising management systems
- > Ongoing assessment and appropriate modification of targets to align with current conditions



**Inclusion and Health & Safety and Environmental Issues**

- > In corporate decision-making
- > In the facility operating plan
- > In the context of the integrated management system



**Providing First Aid**

- > Through boxes located at numerous locations (e.g. offices, production unit, etc.)
- > Through a team of specially trained staff in case of accidents
- > Ongoing equipment checks to ensure safe conditions for task completion





### CORPORATE HEALTH AND SAFETY POLICY

The Health and Safety Policy is in line with existing conditions and adapted as needed in periods of crisis (e.g. Covid-19 pandemic). Therefore, the policy is evaluated and revised as necessary at regular intervals. For the purpose of managing the health and safety of our employees, we contract with a carefully selected external partner who is responsible for providing a Safety Technician and Occupational Physician to deal with preventive issues related to personnel hygiene, health and safety.



The Company is certified to Sedex Members Ethical Trade Audit (SMETA).



**OUR PERFORMANCE**

GRI 403-8

NUMBER OF EMPLOYEES COVERED BY AN OCCUPATIONAL SAFETY MANAGEMENT SYSTEM

| Type of employee                                                                                                                                                                                                 | 2023   |     | 2024   |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----|--------|-----|
|                                                                                                                                                                                                                  | Number | %   | Number | %   |
| Salaried employees and workers who are not salaried, but whose work and/or workplace is controlled by the Company                                                                                                | 94     | 100 | 79     | 100 |
| Salaried employees and workers who are not salaried, but whose work and/or workplace is controlled by the Company, who are covered by such a system which has been audited internally                            | 94     | 100 | 79     | 100 |
| Salaried employees and workers who are not salaried, but whose work and/or workplace is controlled by the Company, who are covered by such a system which has been audited and certified by an external verifier | -      | -   | 0      | 0   |

## OUR PERFORMANCE

GRI 403-9, 403-10

### WORK-RELATED INJURIES

| Indicators                                                                     | 2022                                                          | 2023                                                          | 2024         |
|--------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|--------------|
| <b>Total number of hours worked during reporting period*</b>                   | 352,017.60                                                    | 343,217.16                                                    | 357,297.86   |
| <b>Number of fatalities resulting from work-related injury</b>                 | 0                                                             | 0                                                             | 0            |
| <b>Index of deaths resulting from work-related injury</b>                      | 0                                                             | 0                                                             | 0            |
| <b>Number of high-consequence work-related injuries (excluding fatalities)</b> | 0                                                             | 0                                                             | 0            |
| <b>Rate of high-consequence work-related injuries (excluding fatalities)</b>   | 0                                                             | 0                                                             | 0            |
| <b>Number of recordable work-related injuries</b>                              | 3                                                             | 3                                                             | 1            |
| <b>Rate of recordable work-related injuries **</b>                             | 0.00000852                                                    | 0.00000874                                                    | 0.00000279   |
| <b>Type of injury</b>                                                          | 2 (x) Blunt-force trauma                                      | 2 (x) Blunt-force trauma                                      | 1 (x) injury |
|                                                                                | Car accident (when leaving work outside the factory premises) | Car accident (when leaving work outside the factory premises) | Blunt trauma |
| <b>Number of fatalities as a result of work-related ill health</b>             | 0                                                             | 0                                                             | 0            |
| <b>Number of injuries resulting from work-related ill health</b>               | 0                                                             | 0                                                             | 0            |
| <b>Type of work-related ill health</b>                                         | -                                                             | -                                                             | -            |

\*The total number of hours worked has been calculated based on the estimated number of hours worked by 203 full-time employees (at 31/12/2024) multiplied by daily hours worked (6.667 hours worked daily based on contract) multiplied by 22 days of work multiplied by 12 months of work. Note that the total number of employees does not include those who are not Papoutsanis employees (e.g. trainees, self-employed and external partners).

\*\* The indicator has been calculated based on the estimated hours worked.



ABOUT THE COMPANY

SUSTAINABLE DEVELOPMENT AT

ENVIRONMENTAL PROTECTION

CREATING VALUE FOR SOCIETY AND PEOPLE

RESPONSIBLE CORPORATE GOVERNANCE

ANNEX

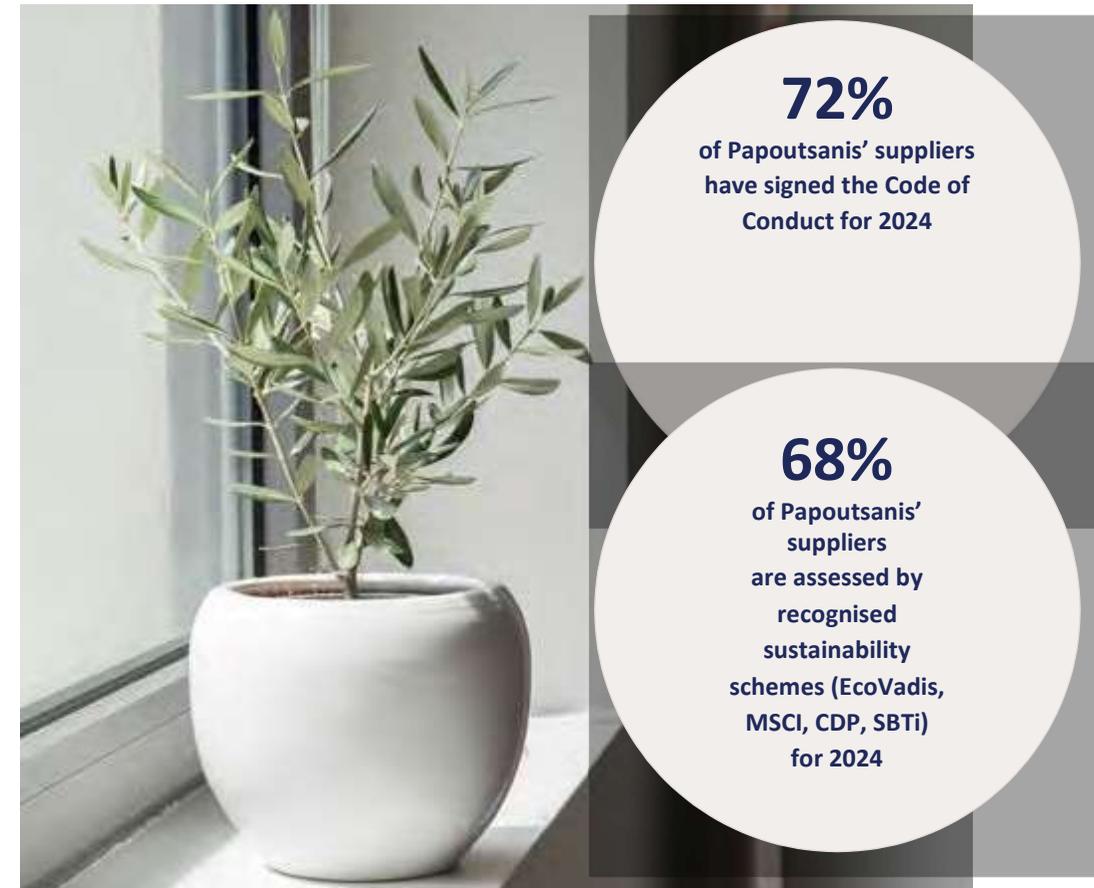
## 4.5. SUSTAINABLE PROCUREMENT

The Company recognises that the supply chain is a critical element in achieving sustainable development goals. To that end, it implements policies and procedures that ensure that Papoutsanis' partners and suppliers comply with responsible entrepreneurship standards on environmental, social and corporate governance (ESG) issues. One of these policies is the **Supplier Code of Conduct**, which sets out expectations for suppliers to adhere to responsible practices in the areas of business ethics, human rights, working conditions and environmental standards, in full compliance with the applicable legislation and regulatory framework. By way of example, the limits and requirements set out in the Code relate to, inter alia:

- > **Combating corruption and bribery**
- > **Avoiding conflicts of interest**
- > **Respect for human rights**
- > **Ban on child labour**
- > **Fair pay and working hours**
- > **Occupational health and safety**
- > **Waste reduction**
- > **Responsible use of natural resources**
- > **Compliance with environmental legislation and product quality standards**
- > **Information security**



These principles are included in the cooperation contracts and are a key criterion for both selecting and maintaining partnerships with suppliers. In order to ensure added value in its partnerships with each supplier, the Company applies a system of evaluation based on specific and essential criteria, which include:



## SUPPLIER SCREENING

GRI 2-24, 414-1, ATHEX C-S8

Recognising the importance of our partnership with suppliers who meet our strict requirements as a company, we screen our suppliers based on a supplier screening system we have in place with specific, objective criteria related to:

### RULES OF GOOD MANUFACTURING PRACTICE (GMPs)

- > Reducing environmental risks.
- > Avoiding sourcing raw materials from regions where unsafe or unfair labour practices are prevalent, as well as from regions where transparency issues and difficulties in full traceability of the supply chain arise.
- > Working with suppliers who have policies and practices in place that ensure the minimisation of environmental impacts at all stages of the supply chain.
- > Strengthening and continuous improvement of our suppliers through application of the evaluation programme.

Traceability is possible for **100%** of RSPO oils, back to the origin of palm oil.



## SUPPLIER EVALUATION SYSTEM

The evaluation system that Papoutsanis applies for its suppliers establishes a uniform governance framework so that, prior to each contract award, the ability of suppliers to meet the Company's requirements regarding quality, safety and hygiene of products can be certified. This process explicitly incorporates ISO 14001:2015 requirements, enhancing the environmental aspect of the supply chain and aligning it with sustainable development goals. The results are obtained either by completing a questionnaire sent to the suppliers or through on-the-spot checks at the suppliers' premises.

The scope covers suppliers of raw materials, packaging materials, auxiliary/mechanical equipment, logistics, subcontracting and general services that affect quality, safety or the Environmental Management System.

The Quality Management Division compiles and systematically updates the List of Approved Suppliers, in cooperation with the competent divisions (Research & Development, Purchasing, Finance, Production, etc.).

Prior to the start of cooperation, Quality Agreements are signed covering, where applicable, requirements of ISO 9001, ISO 14001, ISO 45001, ISO 22716 and IFS HPC standards, while the supplier is informed about the Company's Code of Ethics.

## EVALUATION OF SUPPLIER PREMISES

The regular evaluation of the premises of our suppliers who have repair shops, production facilities and workshops for production, processing and construction is essential. Following each on-site visit to the premises in question, observations that were made are

Regarding the fields of the questionnaire, the evaluation is divided according to the following areas of interest:

- > Quality and health and safety of workers
- > Information on packaging materials and their compliance with legislation (e.g. REACH)
- > Good Manufacturing Practices (GMP)
- > Business Ethics and Human Resources



recorded in the form of a report and are taken into account during the evaluation process. Suppliers are then informed of findings so that, in the event of exclusion, they can take steps to remedy instances of non-compliance.

## SUPPLIER SCREENING

The final score that each supplier receives based on the above criteria is equal to its overall performance. The evaluation of each supplier is made by obtaining a score on a scale of 1 to 5 for each of the above criteria. After the evaluation process has been completed, each supplier is placed in one of the following categories:

> Unacceptable (Score: <3)

> Acceptable on probationary basis (Score: 3-3.5)

> Approved (Score: >3.5)

Papoutsanis considers a possible collaboration with approved suppliers. It is possible to cooperate with suppliers that fall under the category "Acceptable on probationary basis", provided that the cooperation is thoroughly and continuously monitored until the next evaluation.

For reasons related to the environmental management system, in addition to the points mentioned above:

**1** Transport companies undergo evaluation by filling out a questionnaire they are given. The purpose of this questionnaire is to help Papoutsanis understand the impact of its suppliers on its environmental activities and to determine how environmental performance can be assessed and, if necessary, improved.

**2** Waste operators, professionals responsible for air conditioning and security system maintenance and control-certification organisations are evaluated based on whether they hold the permits required by law. For example, these include permits to handle specific types of waste and which are on the European List of Waste (LoW), holding the necessary certificate and permit to perform maintenance tasks for air conditioning units and accreditation by a state body.

**SUPPLIER SCREENING**

3

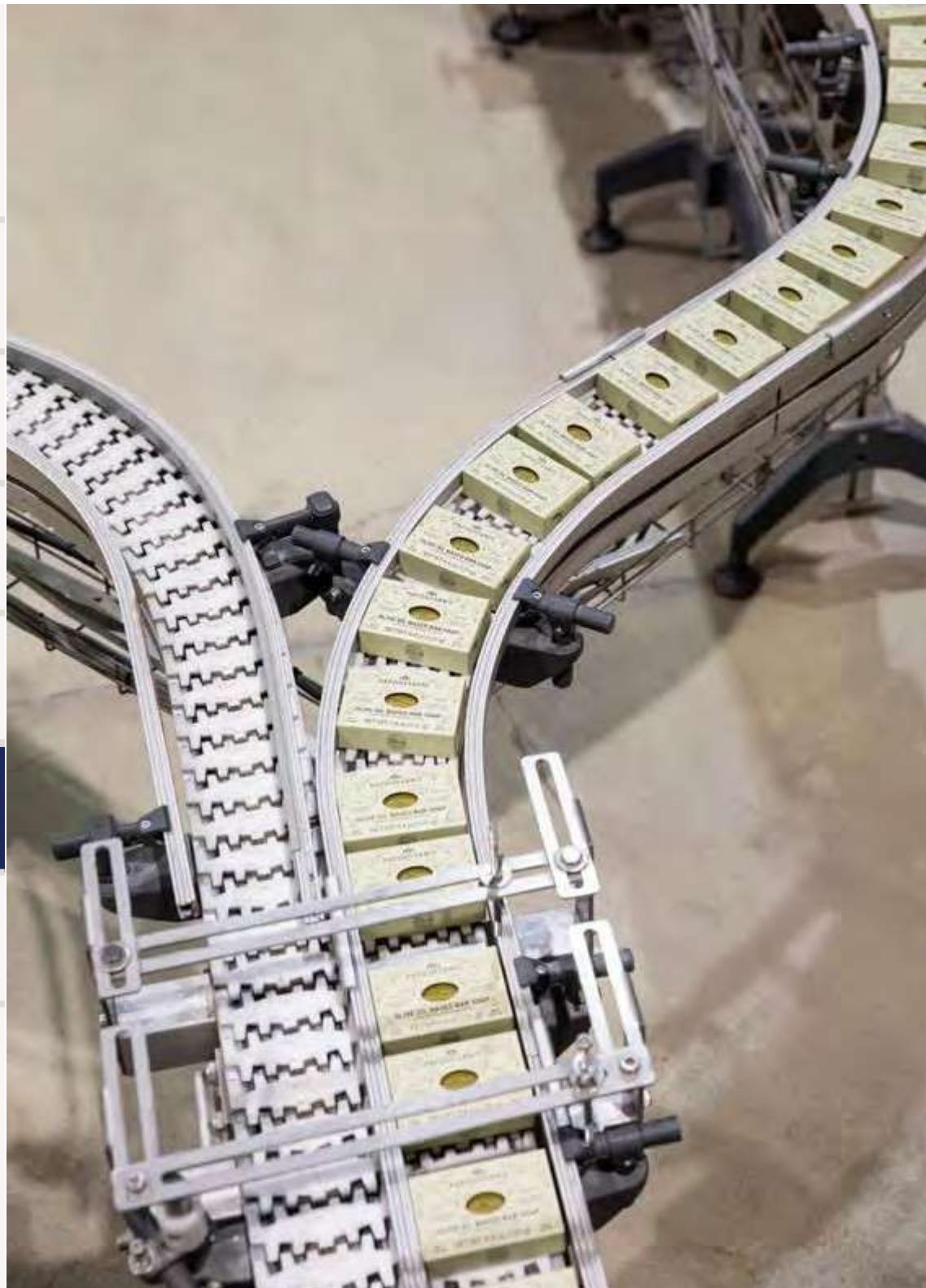
Suppliers are assessed based on social and ethical criteria that include performance on occupational health and safety, compliance with human rights regulations, prohibition of forced or child labour, and gender equality. In addition, the Company places particular emphasis on zero tolerance towards discrimination, harassment and human trafficking, while it considers the adoption of a code of conduct, relevant social accountability certifications (such as SA8000), and compliance with international guidelines (ILO, OECD, ECHR), ensuring responsible and transparent partnerships.

4

Suppliers are also assessed in terms of corporate governance issues. In particular, Papoutsanis examines their compliance with anti-corruption and anti-bribery policies, prevention of conflicts of interest, and the existence of mechanisms to ensure the confidentiality and protection of information. In this way, it ensures that partnerships are characterised by transparency, integrity and accountability at all levels.



**94%**  
of the strategic suppliers undergo on-site checks for compliance with environmental, labour human rights criteria for 2024



# 5

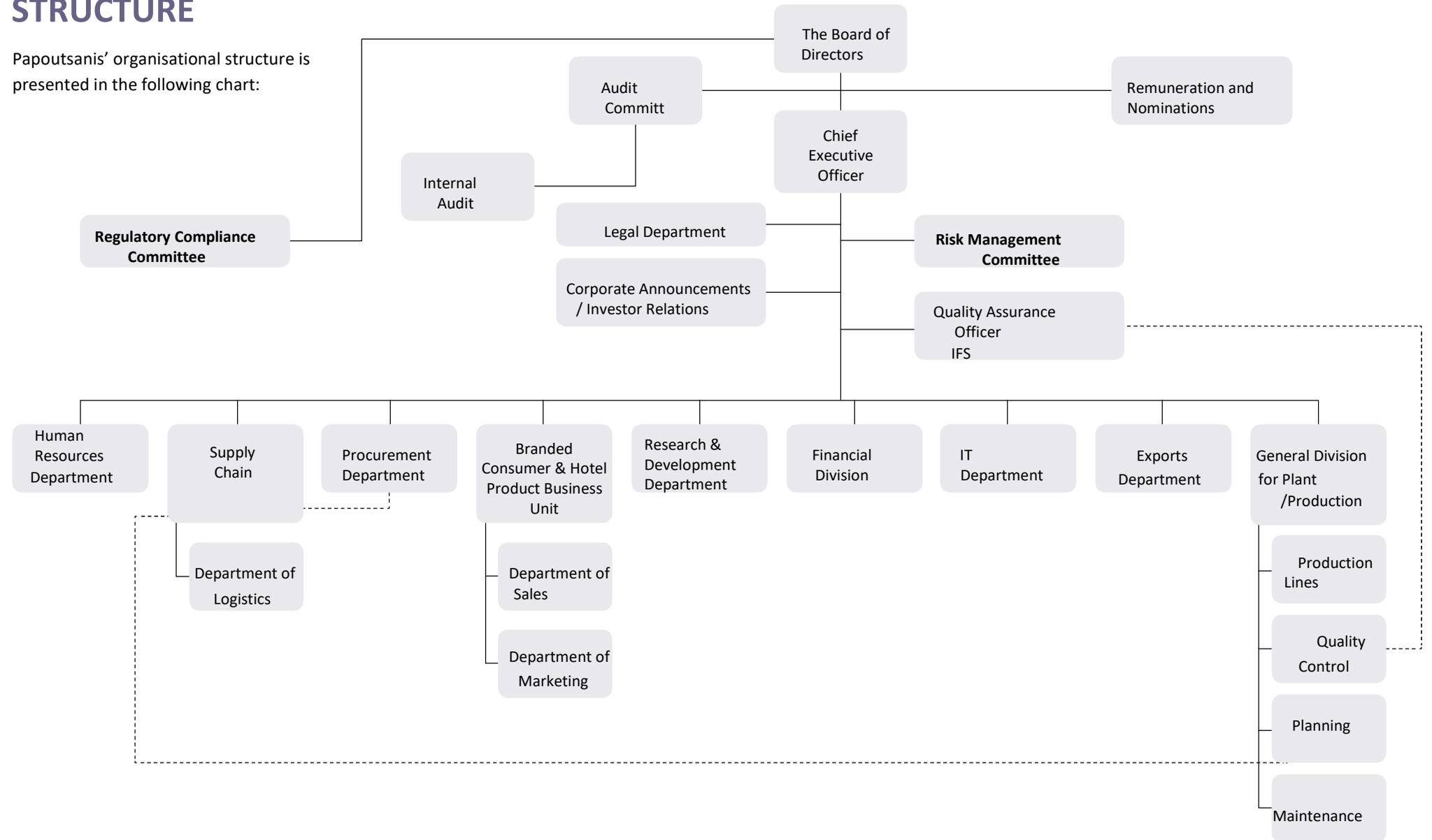
## Responsible Corporate Governance

### CHAPTER CONTENTS:

- 5.1. Company's Organisational Structure
- 5.2. Financial Performance
- 5.3. Business Ethics
- 5.4. Corporate Governance

## 5.1. COMPANY'S ORGANISATIONAL STRUCTURE

Papoutsanis' organisational structure is presented in the following chart:



GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, ATHEX C-G1

The Papoutsanis **Board of Directors (BoD)** acts collectively in matters of general administration and management of corporate affairs. BoD members are elected by the General Meeting to serve three-year terms. The number of Board members is determined by the General Meeting, as stipulated by the Company's Articles of Association. The Board of Directors has the powers, competencies and duties conferred by law, the General Meeting of Shareholders, the Company's Articles of Association and its rules and procedures. Within this framework, the BoD is the body that manages the Company, while its duties include decision-making and the responsibility to exercise full and effective control over all the Company's activities.

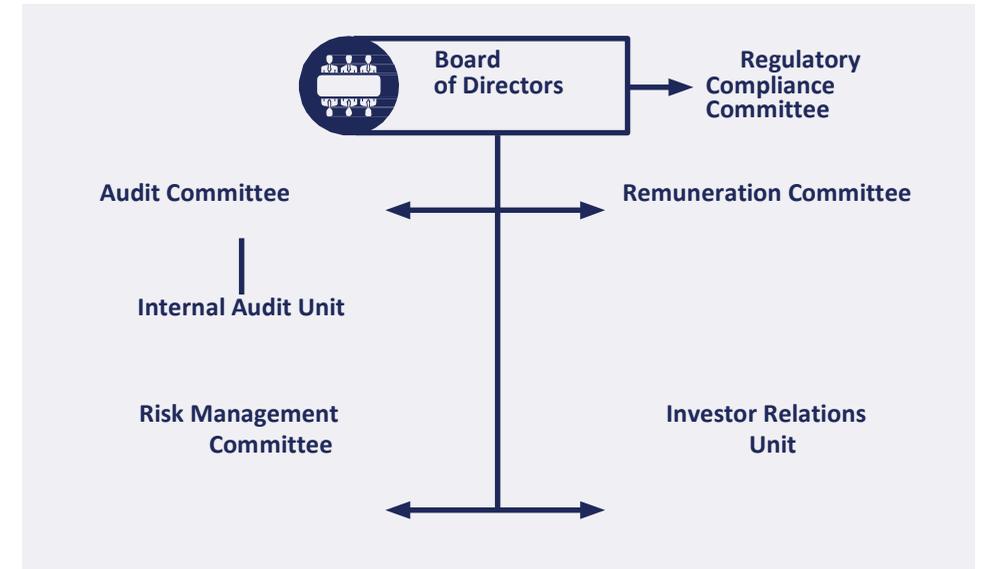
**In addition to the BoD, the Company is composed of four additional committees:**

- > The **Audit Committee**, elected by the General Meeting of Shareholders and evaluated by the Board.
- > The **Remuneration and Nomination Committee**, whose members are selected and appointed by the Board.
- > The **Risk Management Committee**, whose members are selected and appointed by the Board.
- > The **Regulatory Compliance Committee**, whose members are appointed by the Board following an evaluation and recommendation by the Audit Committee.

**The main responsibilities of the BoD and the Committees are summarised as follows:**

The Board of Directors (highest governance body) is responsible for overseeing the direction of the Company's Sustainable Development Strategy, including the integration of environmental, social and governance-related (ESG) risks and opportunities into the Company's strategy. Certain responsibilities for oversight of ESG issues and information are suitably assessed and delegated to the most appropriate committee or department and to the CEO, who are then assigned responsibility for managing the matter.

The CEO, who has been given responsibility for overseeing sustainable development issues more directly, is responsible for reviewing and approving the reported sustainability information, including the organisation's material topics. He is also responsible for overseeing the management and performance of impacts (climate, environmental, social, etc.) through pre-defined key performance indicators (KPIs), and, in collaboration with the BoD, they provide feed back and reformulate sustainable development strategy and policies and implement actions and activities to achieve the Company's objectives.



The Chairman of the BoD (Executive Member) coordinates and directs the meetings and the general function of the Board. He/she chairs the BoD, has the authority to convene a Board meeting, to set the agenda, to ensure the good organisation of the proceedings and the efficient conduct of its meetings.

## OUR APPROACH

The process for screening and recruiting executive officers and the CEO is transparent and meritocratic through which the dynamic of the corporate objectives, established on the basis of international standards with the ultimate goal of achieving them, is determined.

The Company recognises the important contribution of its employees to its long-term prosperity, and evaluates in-house personnel before seeking external candidates. In this way, it provides its employees an opportunity for advancement and promotion.

The Board is composed of three (3) to fifteen (15) members who may be shareholders or non-shareholders; they can be re-elected and freely recalled. The Chief Executive Officer and his/her deputy(-ies) are elected by the members of the Board once it is convened.

## ATHEX C-G1

The Papoutsanis BoD up to 10/07/2024 consisted of six members: three non-executive and three executive. From 10/07/2024 to the present, it is composed of seven members: three executive and four non-executive. All Board members have many years of experience in the areas of sustainability and ESG, which are of utmost importance and a priority for the Company and which are taken into account in Papoutsanis' Sustainable Development Policy.

Given that the Chair of the BoD is an executive member, in accordance with the Hellenic Corporate Government Code, the Vice-Chair of the BoD has been appointed by the Board as a non-executive member. Specifically, the members of the BoD up to 10/7/2024 are:

### MEMBERS OF THE BOARD OF DIRECTORS (UP TO 10/07/2024)

|                                                   |                              |
|---------------------------------------------------|------------------------------|
| <b>Chairman</b> (Executive member)                | <b>Georgios Gatzaros</b>     |
| <b>Vice Chair</b> (Non-executive member)          | <b>Dimitrios Papoutsanis</b> |
| <b>Managing Director/CEO</b> (Executive member)   | <b>Menelaos Tassopoulos</b>  |
| <b>Chief Financial Officer</b> (Executive member) | <b>Mary Iskalatian</b>       |
| <b>Independent member</b> (Non-executive)         | <b>Christos Georgalis</b>    |
| <b>Independent member</b> (Non-executive)         | <b>Antonios Barounas</b>     |

### MEMBERS OF THE BOARD OF DIRECTORS (FROM 10/07/2024 ONWARDS)

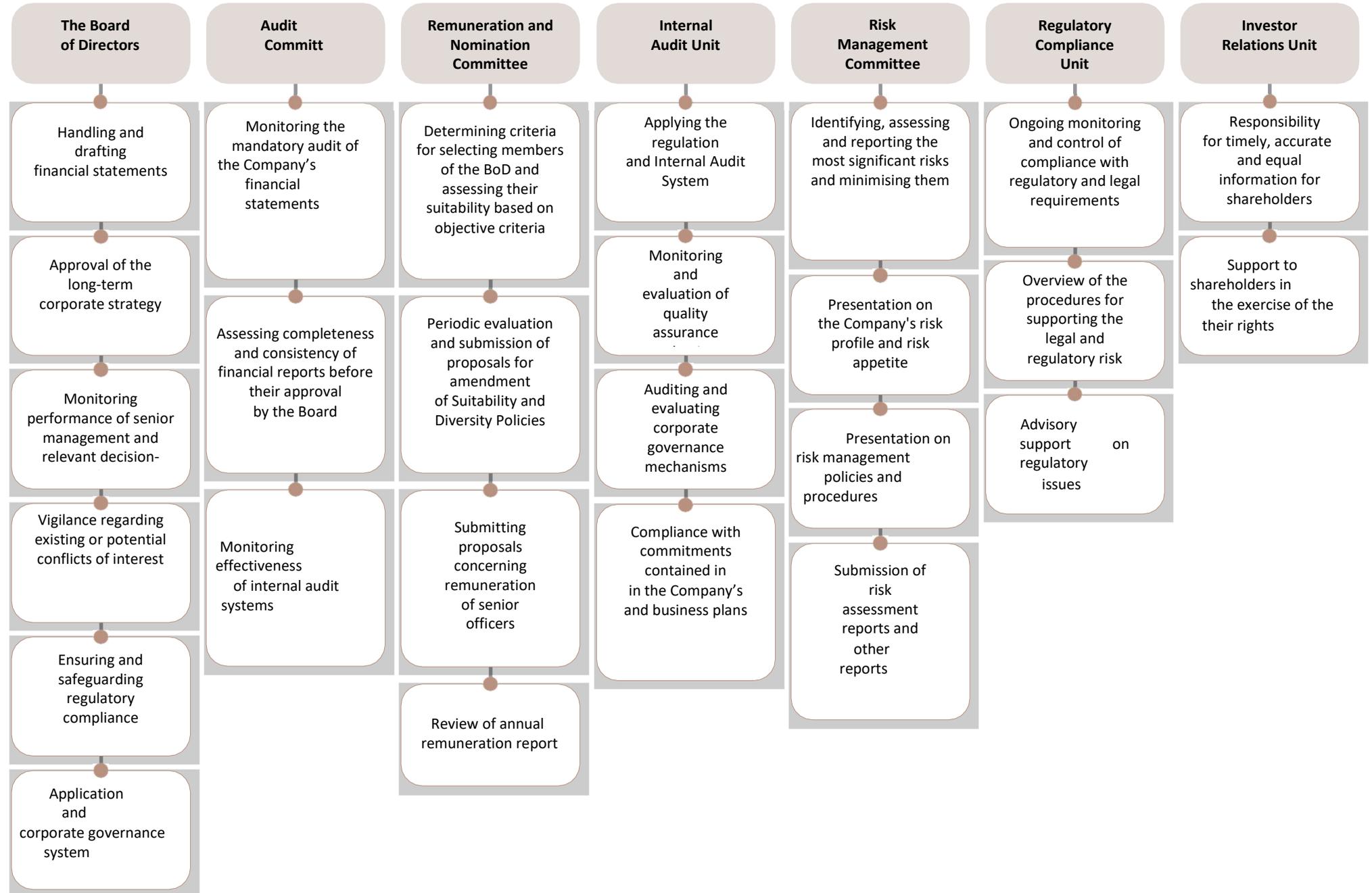
|                                                      |                              |
|------------------------------------------------------|------------------------------|
| <b>Chairman</b> (Executive member)                   | <b>Georgios Gatzaros</b>     |
| <b>Vice Chair</b> (Non-executive member)             | <b>Dimitrios Papoutsanis</b> |
| <b>Managing Director/CEO</b> (Executive member)      | <b>Menelaos Tassopoulos</b>  |
| <b>Chief Financial Officer</b> (Executive member)    | <b>Mary Iskalatian</b>       |
| <b>Non-independent member</b> (non-executive member) | <b>Christos Georgalis</b>    |
| <b>Independent member</b> (Non-executive)            | <b>Antonios Barounas</b>     |
| <b>Independent member</b> (Non-executive)            | <b>Eleni Koritsa</b>         |

ATHEX C-G1

| COMPOSITION OF THE BOARD OF                         | 2021        | 2022        | 2023        | 2024        |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|
| Percentage of men on the BoD (%)                    | 83%         | 83%         | 83%         | 71%         |
| Percentage of women on the BoD (%)                  | 17%         | 17%         | 17%         | 29%         |
| <b>Total members of the BoD (%)</b>                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| Non-executive Board members (%)                     | 50%         | 50%         | 50%         | 57%         |
| Executive Board members (%)                         | 50%         | 50%         | 50%         | 43%         |
| <b>Total members of the BoD (%)</b>                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| Non-executive and independent Board members (%)     | 33%         | 33%         | 33%         | 29%         |
| Non-executive and non-independent Board members (%) | 17%         | 17%         | 17%         | 29%         |
| Executive and non-independent Board members (%)     | 50%         | 50%         | 50%         | 42%         |
| <b>Total members of the BoD (%)</b>                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

GRI 2-17, ATHEX C-G2

The Board of Directors (highest governance body) is responsible for overseeing the direction of the Sustainable Development Strategy and is competent for managing the Company's sustainable development issues. Board members have sufficient knowledge and skills relative to sustainable development issues and keep abreast of the rapidly changing regulatory framework associated with these issues. Indicatively, energy efficiency, climate change and investments in areas of sustainability are included in the annual investment plan, which is discussed and approved during Papoutsanis BoD meetings.





GRI 2-15

The members of the Board of Directors, as well as any third party to whom its powers have been delegated, have a duty of loyalty to the Company, in accordance with the requirements of the Internal Work Regulation. More specifically, the pursuit of self-interest that is contrary to the interests of the Company is prohibited. In addition, members of the Board and any third party entrusted with oversight responsibility must disclose in a timely and adequate manner both their own interests that may arise from transactions of the Company and which fall within their duties, and any conflict of interest with those of the Company or its related parties - both their own interests and those of persons who, by virtue of their status in the Company, fall within the scope of IAS 24 and 27.

Notification is sent to the Board or, in case of urgency, to its Chair. A person with a conflict of interest, if a member of the Board, abstains from discussing and voting on the matters in question. As regards the person exercising powers delegated by the Board, he or she shall also refrain from dealing with a case in which there is a conflict of interest. The Board of Directors, or the Chief Executive Officer, upon notification of the former, assigns this case to another person who does not have a conflict of interest.

GRI 2-17, 2-18

The Company applies a policy for evaluating Board members, the purpose of which is to ensure the Board's effective function and the fulfilment of its role as the Company's highest governance body, responsible for setting down sustainable development strategy, overseeing Management and adequately controlling both financial and sustainability-related information. A Suitability Policy is applied to ensure the Board of Directors members have sufficient knowledge and experience in sustainable development issues. The Suitability Policy aims to ensure the Board's qualified membership, efficient operation and fulfilment of the BoD role based on the Company's overall strategy and the medium/long-term business pursuits aimed at furthering its interests. The BoD constantly monitors the suitability of its members and, where applicable legislation and the Suitability Policy necessitate, it re-evaluates their suitability.

The evaluation procedures and the frequency with which they are applied aim at the timely identification of any areas that may need improvement, to provide appropriate information and to initiate actions to ensure the effective functioning of the BoD. Board members are evaluated on a collective basis, which takes into account its overall functioning.

## 5.2. FINANCIAL PERFORMANCE

### OUR APPROACH

GRI 201-1, C-G8

Aiming at technological upgrades and innovation, our Company promotes sustainable, seamless and inclusive economic development of both the Company and the Greek society, providing decent working conditions and opportunities for full and productive employment for all stakeholders of the working population.

Papoutsanis' strategic and business policies recognise that sustainable economic growth requires securing employment opportunities and decent working conditions, without undermining natural ecosystems and disturbing the balance of Earth's life-supporting systems, such as the climate, atmosphere and soil.

Papoutsanis' profile, shaped by the Company's vision, values and business ethics, enjoys a strong position in both the domestic and the global market, while the Company aims to continuously invest in its human and business potential, focusing its attention on areas of high added value for the Company itself as well as for society and the environment.

In financial year 2024, the Company continued to operate in an environment with more normalised material and energy prices, which helped stabilise production costs. The gross margin remained at strong levels (29%), confirming the Company's resilience and ability to respond effectively to market challenges, while laying a solid foundation for further growth.

The completion of our robust investment plan over the last three years, which has brought with it a significant reduction in the cost of industrialisation, contributed to improving all profitability indicators. This also boosted prospects for a growth in turnover through new contracts, because we can now offer superior quality products at more competitive prices.

GRI 201-2

For Papoutsanis, the concept of sustainable development is integral to responsible action and actions over time as a way of ensuring the Company's future prosperity. As such, we aim to achieve a balance between environmental, social and economic aspects in all emerging issues during the decision-making process. The Company is highly environmentally aware and is committed to promoting environmentally friendly production and resource conservation (water, materials and energy), as well as to the development of innovative, high-quality products with a greener packaging design. Papoutsanis' ultimate goal is to actively contribute to mitigating climate change and therefore identifies risks and opportunities arising from climate change that could impact the Company's operations, profit and expenses.



**OUR PERFORMANCE**

GRI 201-1

| YEAR                                              | 2020         | 2021         | 2022         | 2023         | 2024         |
|---------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Direct Economic Value Generated (€ '000)</b>   |              |              |              |              |              |
| <b>Revenues</b>                                   | 40,842       | 54,769       | 70,750       | 62,275       | 66,199       |
| <b>Operating costs</b>                            | 27,374       | 40,230       | 57,134       | 46,446       | 48,016       |
| <b>Employee wages and benefits</b>                | 5,683        | 6,402        | 7,384        | 7,675        | 8,328        |
| <b>Payments to providers of capital</b>           | 556          | 2,459        | 3,773        | 3,163        | 4,137        |
| <b>Payments-Contributions to Government</b>       | 1,528        | 1,630        | 1,920        | 1,996        | 2,165        |
| <b>Investing in Society</b>                       | 201          | 162          | 175          | 429          | 324          |
| <b>Direct Economic Value Distributed (€ '000)</b> | 35,342       | 50,883       | 69,057       | 59,708       | 62,970       |
| <b>Economic value retained (€ '000)</b>           |              |              |              |              |              |
| <b>Total</b>                                      | <b>5,500</b> | <b>3,886</b> | <b>1,693</b> | <b>2,567</b> | <b>3,229</b> |

**ATHEX A-S1**

| <b>TURNOVER</b>                                                          | <b>2020</b>       | <b>2021</b>       | <b>2022</b>       | <b>2023</b>       | <b>2024</b>       |
|--------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Turnover from sustainable assets, products and services (€)              | 2,849,168         | 5,463,204         | 17,004,116        | 13,466,190        | 18,902,523        |
| <b>Total turnover (€) *</b>                                              | <b>40,841,939</b> | <b>54,768,621</b> | <b>70,749,375</b> | <b>62,274,595</b> | <b>66,199,508</b> |
| <b>Sustainable turnover (%) **</b>                                       | <b>7%</b>         | <b>10%</b>        | <b>24%</b>        | <b>22%</b>        | <b>29%</b>        |
| <b>CapEx</b>                                                             | <b>2020</b>       | <b>2021</b>       | <b>2022</b>       | <b>2023</b>       | <b>2024</b>       |
| Capital expenditure from sustainable assets, products and services (€)   | 2,650,000         | 3,942,274         | 2,910,749         | 778,980           | 1,706,061         |
| <b>Total capital expenditure (€)</b>                                     | <b>4,996,597</b>  | <b>10,228,246</b> | <b>10,583,770</b> | <b>4,508,774</b>  | <b>6,705,570</b>  |
| <b>Sustainable capital expenditure (%) **</b>                            | <b>53%</b>        | <b>39%</b>        | <b>28%</b>        | <b>17%</b>        | <b>25%</b>        |
| <b>OpEx</b>                                                              | <b>2020</b>       | <b>2021</b>       | <b>2022</b>       | <b>2023</b>       | <b>2024</b>       |
| Operating expenditure from sustainable assets, products and services (€) | 7,573,847         | 18,770,632        | 12,921,883        | 9,279,442         | 11,717,003        |
| <b>Total operating expenditure (€)</b>                                   | <b>27,374,000</b> | <b>40,230,000</b> | <b>57,134,000</b> | <b>46,446,000</b> | <b>48,016,220</b> |
| <b>Sustainable operating expenditure (%) **</b>                          | <b>28%</b>        | <b>47%</b>        | <b>23%</b>        | <b>20%</b>        | <b>24%</b>        |

*The ATHEX AS-1 indicator has been calculated as follows:*

*Sustainable turnover (%) = Turnover from sustainable assets, products and services / Total turnover x 100*

*Sustainable capital expenditure (%) = Capital expenditure from sustainable assets, products and services / Total capital expenditure x 100*

*Sustainable operating expenditure (%) = Operating expenditure from sustainable assets, products and services / Total capital expenditure x 100*

\* The total revenues include the Company's sustainable branded consumer products, as well as sustainable third-party products.

\*\* Assets, products and services are classified as environmentally sustainable based on Articles 3 and 9 of the EU Taxonomy (6 environmental targets).

GRI 201-2, ATHEX A-E2

RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

| TYPE                  | PHENOMENON -                                                                                                      | EFFECT ON PAPOUTSANIS (RISKS & OPPORTUNITIES)                                                                                                                                                                                                                          | MEASURES - ACTIONS                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Natural               | Extreme weather events (floods, landslides, storms, etc.)                                                         | <b>Risk</b><br>Extreme weather events can disrupt the supply chain and create problems in domestic production, threatening business continuity                                                                                                                         | <b>Minimising risks</b> <ul style="list-style-type: none"> <li>• Selection of suppliers operating in the domestic market to keep supply chains short</li> <li>• Strengthening the Company's infrastructure to ensure the safety of products and production systems and the health of employees</li> </ul>                                                                                                                                       |
| Natural               | Water and water resource depletion and periods of drought                                                         | <b>Risk</b><br>Available water resources are constantly being depleted, particularly with periods of drought and high temperatures (e.g. summer months). The reduction of available water may affect the Company's production activity and disrupt business continuity | <b>Minimising risks</b> <ul style="list-style-type: none"> <li>• Continuous investment in water saving infrastructure, such as the installation of 2 reverse osmosis plants that led to the saving of 30 m<sup>3</sup> of water per day</li> <li>• Identification and replacement of old equipment or supply of new equipment in order to use water more efficiently for cleaning (vacuum cleaner, pressurised unit with spray ball)</li> </ul> |
| Legal - Institutional | Increasing European requirements for the use of renewable energy and sustainable fuels (Directive (EU) 2018/2001) | <b>Opportunity</b><br>Increased requirements for use of renewable energy sources could serve as a competitive advantage for Papoutsanis over other companies using conventional types of energy and fossil fuels and could increase its profitability                  | <b>Grasping the opportunity</b> <ul style="list-style-type: none"> <li>• Burning of natural gas instead of fossil fuels (e.g. fuel oil, petroleum)</li> <li>• Installation of PV panels</li> <li>• Guarantees of Origin (GOs) Certificates and coverage of 82% of energy requirements for 2024 (on all electricity only).</li> </ul>                                                                                                            |

GRI 201-2, ATHEX A-E2

RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

| TYPE                  | PHENOMENON -                                                                                 | EFFECT ON PΑPOUTSANIS (RISKS & OPPORTUNITIES)                                                                                                                                                                                                                               | MEASURES - ACTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal - Institutional | Increasing European requirements for packaging and packaging waste (Directive (EU) 2018/852) | <b>Opportunity</b><br>Due to its proven willingness to invest in innovative packaging materials, Papoutsanis benefits from increased requirements for recycled and recyclable packaging as outlined in the targets of Directive (EU) 2018/852, compared to the competition. | <b>Grasping the opportunity</b> <ul style="list-style-type: none"> <li>• 4.2% of the materials used for raw material packaging are made from recycled PET (polyethylene terephthalate) and HDPE (high-density polyethylene-PCR)</li> <li>• 95.8% of materials used for packaging raw materials from recyclable PET, HDPE and PP (polypropylene)</li> <li>• No PVC (polyvinyl chloride) is used for raw material packaging</li> <li>• The Plastics Department reuses and recycles the unused raw material from the soap crusher machine, thus generating less waste and helping to conserve natural resources</li> </ul>         |
| Other                 | Change in consumer behaviour, habits and preferences                                         | <b>Opportunity</b><br>Sustainability and innovation in Company products while reducing the environmental footprint and increasing profits                                                                                                                                   | <b>Grasping the opportunity</b> <ul style="list-style-type: none"> <li>• Expansion of the hotel cosmetics portfolio offered in dispensers and spare parts to further reduce plastic use</li> <li>• Expansion of the "Aromatics" line, the Company's range of vegan consumer products, to include fabric softeners, and launch of refill packaging</li> <li>• Focus on new, innovative products that require significantly less water for their production and use</li> <li>• Removal of plastic film for multiple packaging of "Aromatics" soap in groups of four, resulting in the reduction of 2 tonnes of plastic</li> </ul> |

## 5.3. BUSINESS ETHICS

### CODE OF CONDUCT

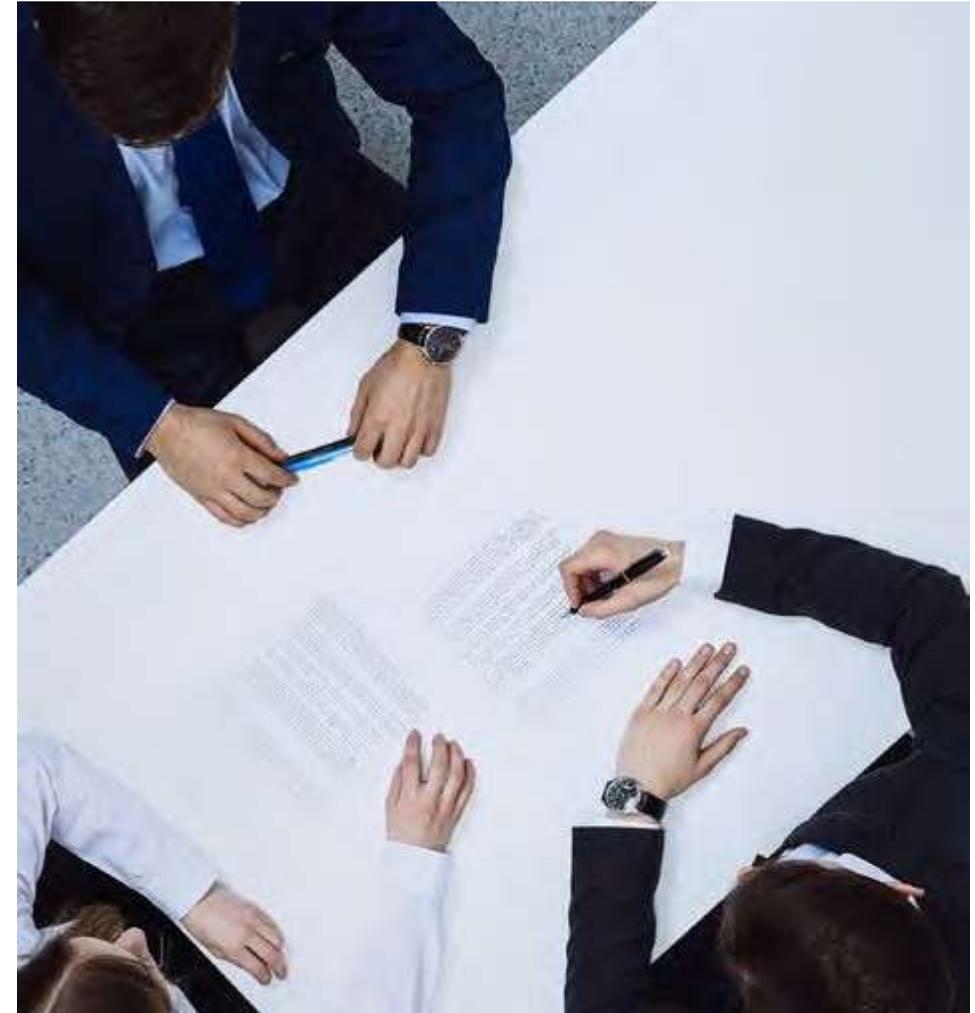
ATHEX C-G6

The Papoutsanis Code of Conduct sets out the principles according to which the Company's employees must act and behave. It also applies to the Company's business partners, including suppliers in all their connections and relations with the Company. In addition, it sets out how the Company should conduct itself in relation to its employees and partners. These principles include mutual respect and trust, dignity, compliance with applicable laws in Greece and in the countries in which the Company operates and the protection of corporate interests.

[\(https://www.papoutsanis.gr/el/poioi-eimaste-2/kodikas\\_deontologias\\_132102/\)](https://www.papoutsanis.gr/el/poioi-eimaste-2/kodikas_deontologias_132102/)

The Code of Conduct includes the Company's policies on topics of corporate ethics, combating corruption and conflict of interest, and requires that each employee perform their tasks with integrity in compliance with applicable laws and in a manner that excludes scrutiny of their own personal interests.

The highest governance body is informed of issues that fall under the Code of Conduct and takes actions to resolve them and avoid adverse effects.



The Papoutsanis **Code of Conduct** covers the following topics:

|                                                                   |                                                  |                                    |                                              |                                                                  |                                          |
|-------------------------------------------------------------------|--------------------------------------------------|------------------------------------|----------------------------------------------|------------------------------------------------------------------|------------------------------------------|
| Employment issues<br>1                                            | Conflict of interest<br>2                        | Requests by news media<br>3        | Financial and non-financial information<br>4 | Bribery and corruption<br>5                                      | Gifts and donations<br>6                 |
| Unfair stock exchange exploitation of privileged information<br>7 | Health & Safety<br>8                             | Environmental Protection<br>9      | Assets<br>10                                 | IT resources<br>11                                               | Suppliers and customers<br>12            |
| External partners<br>13                                           | Trade secrets and confidential information<br>14 | Consumer personal data<br>15       | Compliance with competition law<br>16        | Transactions with the public sector<br>17                        | Retention of personal data records<br>18 |
| Exploitative labour practices<br>19                               | Shareholder information<br>20                    | Employee grievance mechanism<br>21 | Whistleblowing<br>22                         | Consequences of failure to comply with the Code of Conduct<br>23 |                                          |

**MANAGING REPORTS AND CRITICAL CONCERNS**

GRI 2-16, 2-26

As part of identifying and communicating critical concerns, the Company, through the Code of Conduct, urges its employees that if they know, or have reasonable grounds to suspect, that a violation of the Code or other Company regulations has occurred, they must immediately report such incidents to the Chairman of the Board or the CEO.

The Company will not retaliate against any person who reports in good faith information about potential violations, or who participates in any investigation or proceeding initiated by the Company or governmental authorities, unless it is determined that the information provided was knowingly false.

The Company also takes all necessary measures to keep confidential the identity of an individual and the information submitted by that individual and will only disclose it when such disclosure:

- > is necessary to conduct an effective investigation and take appropriate action
- > required by legislation in force

Moreover, the Company has drawn up a Whistleblowing Policy which determines the principles and framework of operation based on which the Company receives, processes and investigates named and/or anonymous reports and complaints on irregularities, omissions or other criminal offences that have come to the attention of personnel, customers, suppliers or other third parties.

The purpose of this policy is to define the procedures through which incidents of misconduct, whether grounded in acts or omissions, which constitute or potentially constitute a violation or incitement to violate laws and regulations, values and principles set forth in the Company's Code of Conduct are reported.



**Ensuring that all evidence and information related to each report/complaint submitted is collected and investigated.**



**Ensuring an environment of trust and security for its employees, customers and suppliers.**



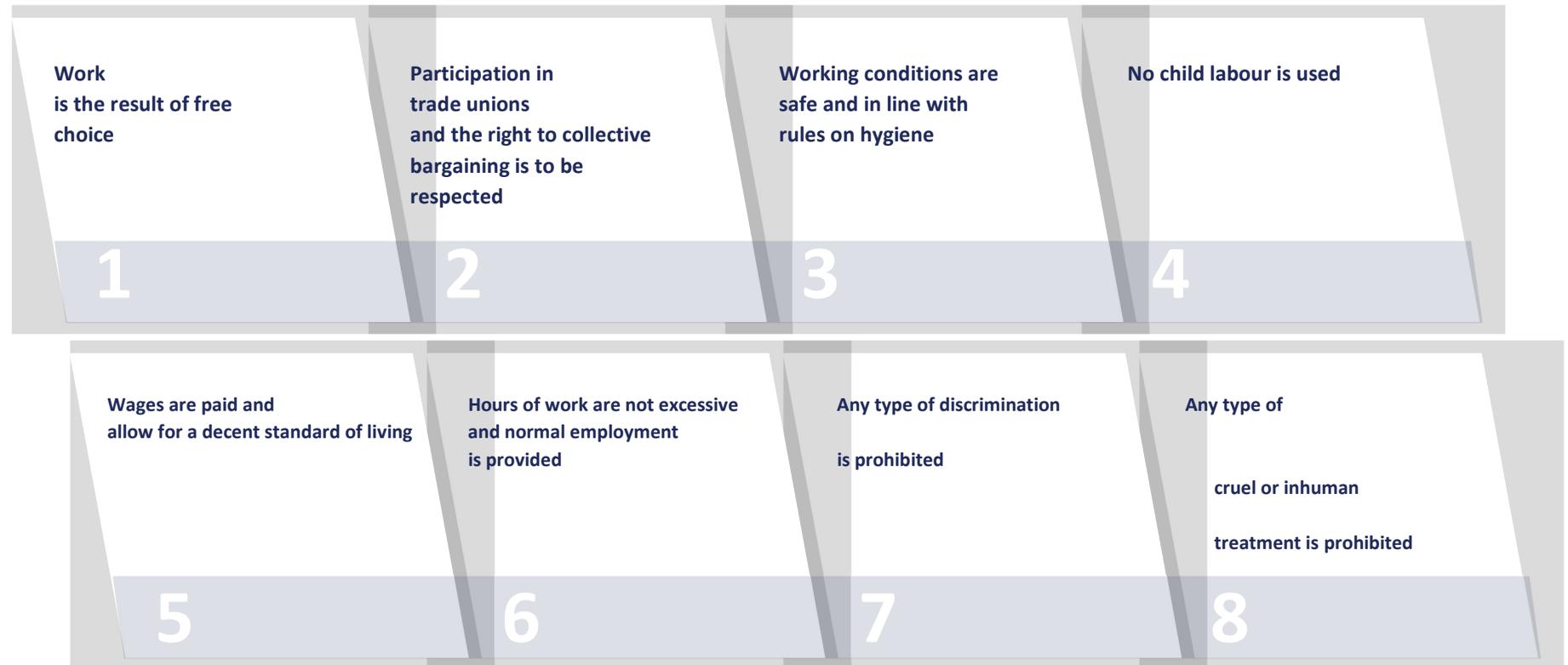
**Ensuring the anonymity and protection of persons making reports/complaints.**

**CODE OF ETHICS**

ATHEX C-G6

Business ethics refers to the way in which ethical principles are integrated into the operations of the business. Common issues that fall under the umbrella of business ethics include employer-employee relations, discrimination, environmental issues, bribery, insider trading and social responsibility.

The Papoutsanis Code of Ethics is a set of principles by which the Company's stakeholders are guided and informed in implementing business behaviours to maintain honesty, integrity and professionalism. The elements that make up the Code are the following:



**POLICY AGAINST FRAUD AND CORRUPTION**

GRI 2-23, 205-1, 205-2

The Company recognises the vital importance of transparency, ethics and responsibility in its operations. It adopts and implements strict policies and procedures aimed at preventing and combating fraud, corruption and money laundering, in accordance with the applicable legal framework and international standards. It categorically condemns all forms of corruption, bribery, fraud and other unethical practices and is committed to continuously reviewing and improving its procedures to ensure an environment of integrity, transparency and accountability. This policy is consistently applied at all levels of the organisation and applies to all members, senior officers, employees, as well as partners, suppliers and third parties involved in business activities, ensuring the proper and responsible operation of the Company. The commitment to the highest standards of ethics is accompanied by zero tolerance for any form of corruption, direct or indirect.

To this end, regular internal controls and systematic risk assessments are carried out in all business units in order to identify and

deal promptly with any incidents of corruption. Ongoing staff training and awareness is the foundation of the policy, ensuring knowledge of and compliance with the relevant procedures.

Confirmed cases of corruption and fraud are recorded and reported immediately through the Whistleblowing procedure and forwarded to the Internal Audit Unit, with the assurance of full confidentiality. The Company ensures the full protection of complainants from any form of retaliation. At the same time, the necessary corrective and disciplinary measures are implemented without delay, ensuring compliance and protection of the Company. Establishing a culture of zero tolerance for corruption, fraud and bribery is a strategic priority for the Company, with an emphasis on promoting transparency, accountability and ethical business practices at all levels. In this context, a target has been set to maintain zero incidents of corruption, fraud and bribery for the three-year period 2025-2027, building on the zero reports of the previous years (2023 and 2024).

**FRAUD RISK PREVENTION**

| Enhancing Internal Audit Procedures                                                                                                    | Separation of Duties & Management Review                                                                                            | IT Systems and Data Security                                                                                                                                                | Strengthened Supply Chain                                                                                                                                                                                    | Employee Education and Awareness Raising                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>&gt; Strict monitoring and control of transactions</li> <li>&gt; Regular inspections</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Definition of responsibilities</li> <li>&gt; Management review of evaluation</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Tools for detecting security breaches in warehouse monitoring</li> <li>&gt; Log tracking for suspicious transactions</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Evaluation of suppliers based on environmental issues and human rights, requiring them to sign the corresponding compliance and ethics questionnaire.</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Seminars on identifying and reporting fraud.</li> </ul> |

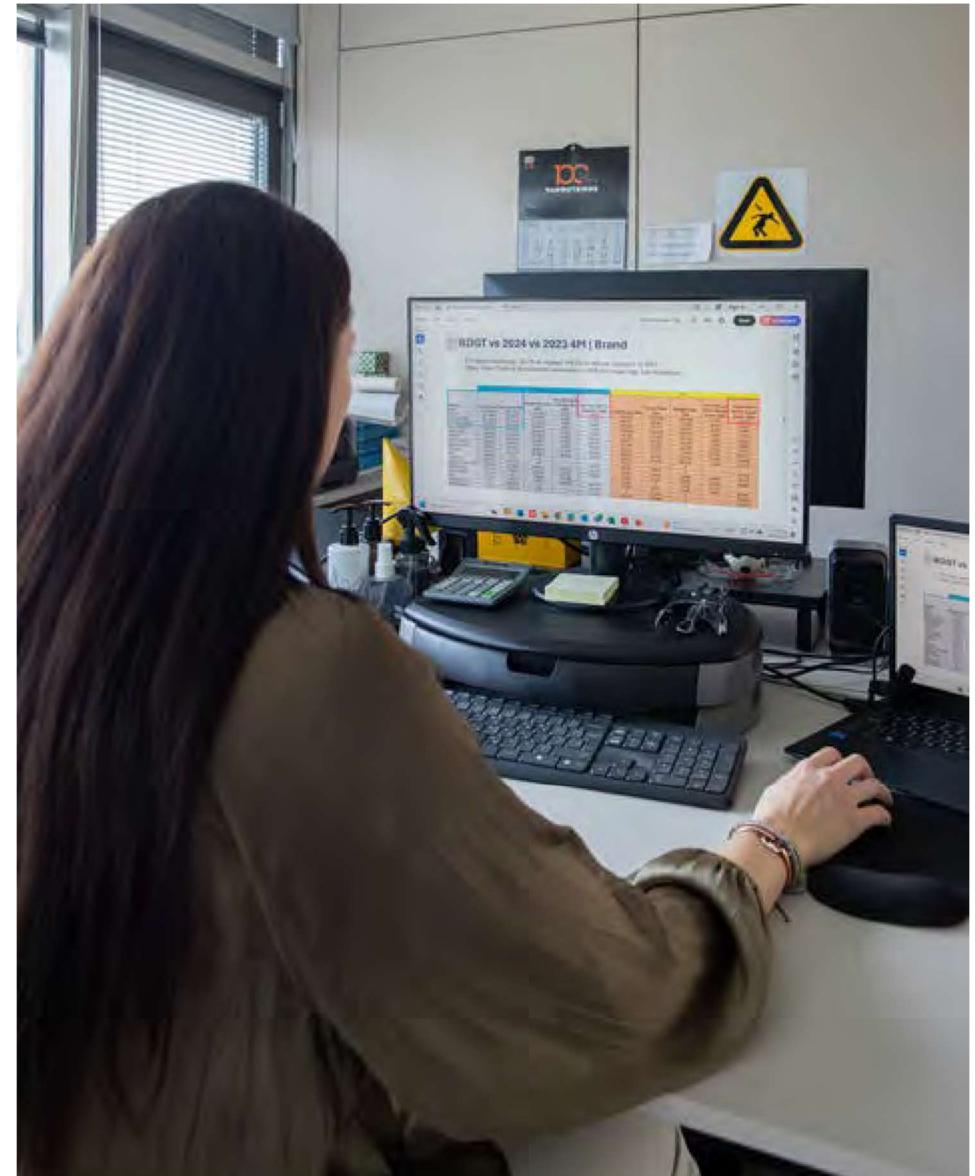
### **CORRUPTION RISK ASSESSMENT (GRI 205-1)**

As part of the GRI 205-1 index, a corruption risk assessment was carried out of all the Company's key functions, including Procurement, Supply Chain, Sales & Marketing, Finance, Human Resources, Legal and Management.

The process aims at the early identification, assessment and monitoring of potential risks that could affect the integrity of operations and compliance with business ethics principles.

The main risks identified concern overcharging, bribery, conflicts of interest and leaks of confidential information. For each identified risk, appropriate prevention and control measures have been defined and implemented.

During the reporting period, all key functions (100%) were assessed for corruption-related risks and no significant incidents of non-compliance were identified. Papoutsanis has zero tolerance for any form of corruption, ensuring that its business activities are conducted with transparency, integrity and accountability.



**OUR**

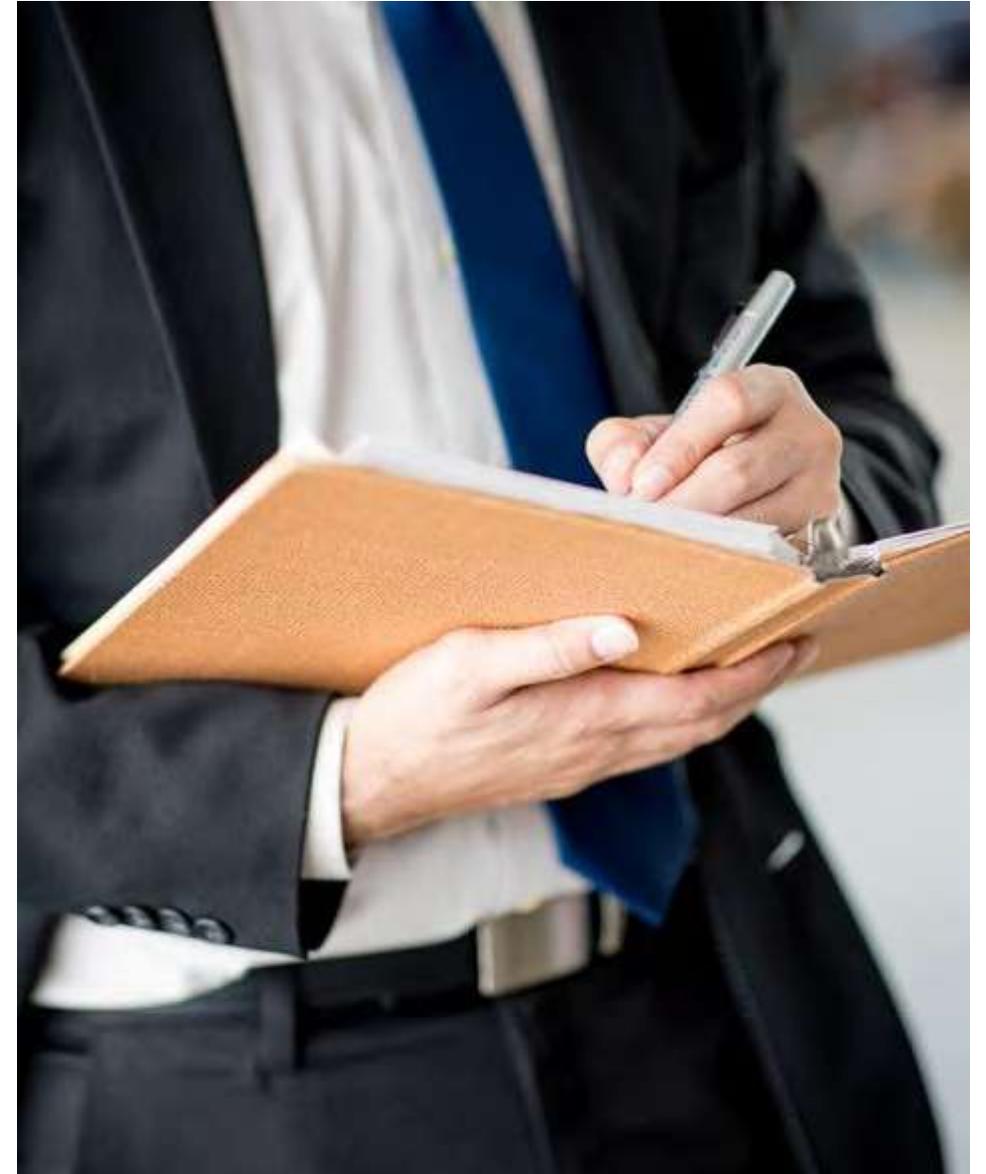
GRI 205-2

**CORRUPTION-RELATED INDICATORS**

**DISCLOSURE OF THE ORGANISATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES**

As part of the Organisation's ongoing commitment to transparency, integrity and prevention of corruption, the relevant policies and procedures were communicated universally to all levels of human resources. More specifically, for the years 2020, 2021, 2021, 2022, 2023 and 2024, the information was shared with all employees (100%), including member of the Board of Directors, the members of senior Management, senior officers, technical workforce, and all others involved in the organisational structure. Through continuous communication, full awareness and compliance with the organisation's principles against corruption and improper practices was ensured.

Disclosure is mandatory and regular, through internal communications, official information and distribution of relevant documents, with the aim of full understanding and compliance. Disclosure of anti-corruption policies and procedures was made for employees located at the Ritsona-Thiva facility and the offices in Kifissia, Athens.



**OUR**

GRI 205-1, 205-3

INDICATORS RELATED TO CORRUPTION

|                                                                                                                                               | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|------|
| <b>Percentage of activities assessed for corruption-related risks</b>                                                                         | 100% | 100% | 100% | 100% | 100% |
| <b>Significant risks related to corruption that have been identified through risk assessment</b>                                              | 0    | 0    | 0    | 0    | 0    |
| <b>Total number of confirmed corruption-related risks</b>                                                                                     | 0    | 0    | 0    | 0    | 0    |
| <b>Total confirmed incidents in which employees were dismissed or disciplined for corruption</b>                                              | 0    | 0    | 0    | 0    | 0    |
| <b>Total confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</b> | 0    | 0    | 0    | 0    | 0    |
| <b>Number of public legal cases regarding corruption brought against Papoutsanis or its employees</b>                                         | 0    | 0    | 0    | 0    | 0    |

GRI 206-1

As regards anti-competitive behaviour, during the reporting period there were no outstanding or completed legal actions relative to anti-competitive behaviour or violations of anti-trust laws. As a result, there are no final results from completed legal actions, including any decisions or judgments.

ATHEX C-G5, ATHEX A-G2

The Company maintains a Business Ethics Policy, which recognises and follows national and international business ethics laws. It is noted that in 2024 there were no business ethics violations by the Company, and therefore, the total amount of financial losses resulting from business ethics violations is €0.

GRI 2-27

In 2024, the Company did not identify any incidents of non-compliance with laws and/or regulations, and therefore the total amount of fines related to non-compliance with the legal and regulatory framework was zero.

## 5.4. CORPORATE GOVERNANCE

GRI 2-23, 2-24, ATHEX C-G4, SS-G1

The Company applies the Corporate Governance Code of the Hellenic Corporate Governance Council (HCGC), with the exceptions published in the annual Corporate Governance Statement. This Code is available on the HCGC website and in hard-copy form for all personnel at the Finance and Human Resources divisions and on the Company website.

The Code outlines the role, competencies, number and line-up of Board of Directors members, the role and required capacities of the Chairman, as well as the procedures for nominating new members, and the function and evaluation of the Board.

### POLICIES

The Company has developed a number of policies aimed at ensuring its smooth operation and its improvement:

- > Quality Policy
- > Risk Management Policy > Policy against Fraud and Corruption
- > Shareholder Communication Policy
- > Policy and Procedure on Evaluation of Internal Audit System
- > Sustainable Development Policy
- > Whistleblowing Policy
- > Human Rights Policy
- > Diversity Policy
- > Policy to Prevent and Combat Violence and Harassment

In the **Corporate Governance Statement**, the Company declares that it meets the minimum requirements of the Code, as laid down by applicable Greek legislation, and deviates from certain provisions of the Code regarding "Special practices for listed companies" for which a deviation is provided for in the applicable legislation, justifying the reason for the deviation. The Company does not apply corporate governance practices beyond those required by law.

These policies may include individual policies for optimal achievement of their objectives, as in the case of "Legislative and Regulatory Compliance Policies and Procedures".



## POLICIES AND PROCEDURES ON REGULATORY COMPLIANCE

GRI 2-23, 2-24, ATHEX C-G4

The compliance policies and procedures applied by the Company aim at ensuring its ongoing compliance with the current institutional and regulatory framework, codes of ethics and standards of good practice as it performs its activities. As part of implementing the regulatory compliance management system, the following Company policies and procedures also apply, in addition to the Code of Conduct.

The Company is committed to operating in an environmentally and socially responsible manner, while working closely with customers and the community to create a more sustainable future for all stakeholders. The reliable operation of the Company is considered a top priority and is essential to its sustainable success. Papoutsanis has instituted a number of policies that cover the most important aspects of our culture and operations, aimed at protecting our business conduct and guaranteeing that our work and professional life are conducted in accordance with our values.



The Company has an Internal Audit Department, the purpose of which is to continuously monitor the proper and lawful operation of the Company, with the aim of ensuring compliance with the approved policies, procedures and Management's instructions in each department and activity of the Company, the protection of its assets and the timely identification and remedy of any risks relative to the operation of the Company.



## POLICIES AND PROCEDURES ON REGULATORY COMPLIANCE

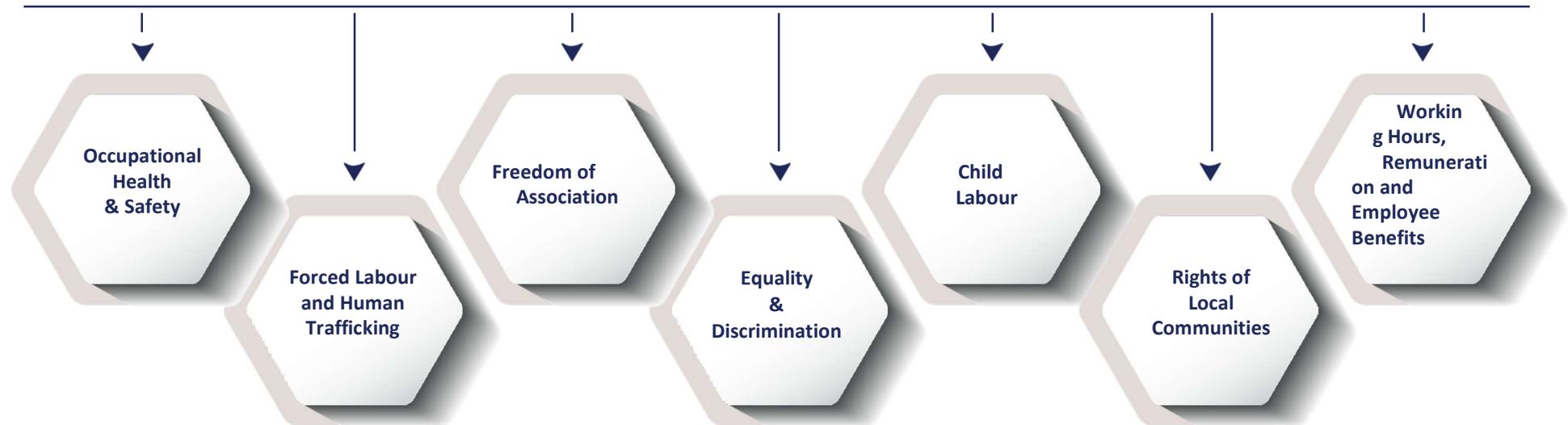
### HUMAN RIGHTS POLICY

Papoutsanis recognises the importance of respectful, dignified and fair treatment of the people who make up its staff. Our Human Rights Policy sets out our principles and commitments to promoting and protecting human rights in all aspects of our business.

Our policy primarily aims to ensure a workplace in which every member of Papoutsanis is treated with

absolute respect and fairness. We are committed to promoting equality, encouraging diversity and preventing all forms of discrimination. We combine the protection of human rights with giving back to society and promoting social well-being, while seeking practices that enhance sustainability and respect the environment. In this way, we create an integrated work culture that combines the well-being of individuals with social responsibility and environmental sustainability.

The Human Rights Policy includes the following elements:



## POLICIES AND PROCEDURES ON REGULATORY COMPLIANCE

GRI 2-19, 2-20

### REMUNERATION POLICY

Papoutsanis' Remuneration Policy sets out the framework for remuneration of senior management executives, with the aim of retaining useful and qualified human resources among its ranks and achieving the Company's long-term goals. By adopting decision-making procedures regarding remuneration, fair boundaries between basic and variable remuneration, and a broader cohesive framework for remuneration of those to whom it applies, the remuneration policy contributes to the Company's business strategy, its long-term interests and to its sustainability. The aim of this Remuneration Policy is to transparently help provide the appropriate incentives to senior positions of responsibility in terms of salary so the Company can recruit top-level human resources while mitigating distorted incentives with regard to remuneration.

Its scope of application includes members of the Company's Board of Directors and the Managing Director and Deputy Managing Director (if applicable). The policy is approved by the General Meeting of Shareholders, while the Board of Directors reviews and revises it. Its period of validity and handling of conflicts of interest are detailed in the Remuneration Policy. It also outlines the method by which payroll and working conditions for Company employees are taken into consideration when formulating the policy, the type of remuneration (fixed, variable and other benefits) and the related regulations that apply to executive members of the Board and the Managing Director and to non-executive members of the Board.

Lastly, it refers to Company contracts with entities that fall within the scope of the Remuneration Policy and potential cases of deviation from the policy.

### FIXED REMUNERATION

Executive members of the Board of Directors receive fixed remuneration as part of their employment agreement with the Company or part of a share distribution-stock option scheme. They do not receive separate fixed remuneration in their capacity as members of the Board of Directors. Fixed remuneration reflects the range of duties and responsibilities they assume, in relation to prevailing rates on the market and to the Company's need to recruit and retain high-level executive officers.

Fixed remuneration is re-evaluated annually, taking into consideration the state of the economy, the remuneration levels in the labour market and the Company's course, including its key financial figures, e.g. turnover, earnings before tax and its assets overall. After such re-evaluation, an adjustment in fixed remuneration is permissible. The adjustment (increase) shall not exceed 10% of the fixed remuneration per year or 30% overall over the three-year period, in other words by comparing the fixed remuneration at the start and end of the three-year period for each person. At least 30% of fixed remuneration is monetary.

### VARIABLE REMUNERATION

Variable remuneration is paid based on annual targets, which are set no later than 1 April of the reporting year. The targets for the reporting year are set no earlier than 1 November of the previous year, except for share distribution or stock option schemes, where the targets may be set in advance for a maximum period of four years.

## POLICIES AND PROCEDURES ON REGULATORY COMPLIANCE

Taking into account the recommendations of the Remuneration Committee, the Board of Directors sets specific targets for one or more categories for each director, and the type and amount of variable remuneration linked to achievement, whether the type and/or amount of variable remuneration gradually changes in connection with the degree of target achievement or whether the achievement/non-achievement of a target leads to receiving or not receiving variable remuneration, and any other related matter.

All variable remuneration, or any part of it, may comprise shares or stock options.

It is noted that, with regard to stock option or share distribution schemes, the value of the benefit will be calculated on the date the rights are granted or when a binding decision is taken about the number and conditions for granting free shares, respectively, and will be calculated based on the closing price of the stock on that day, or in another acceptable manner in accordance with the prevailing science of economics.

## OTHER BENEFITS

As part of creating a competitive benefits package, the Company may offer, by resolution of the Board of Directors (in which the director to receive the benefits does not participate) a mix of other benefits, such a company vehicle and/or mobile phone and/or coverage of phone fees and/or mileage allowance based on actual consumption, group and/or individual health insurance (which includes spouses and children), retirement plan and other benefits. Additionally, expenses incurred which are necessary to performing their duty are compensated.

## INTERNAL AUDIT UNIT

The Internal Audit Unit (IAU) is staffed by the suitable number and quality of Company personnel, and has resources that allow it to accomplish its mission in direct relation to the size and complexity of the Company. The IAU has in place an Internal Regulation, which is approved by the Board of Directors on recommendation of the Audit Committee.

As part of its general duties, the IAU monitors, audits and evaluates the following:

- > **the application of the Regulation and the Internal Audit System,**
- > **the quality assurance mechanisms,**
- > **the corporate governance mechanisms,**
- > **the fulfilment of commitments contained in the Company's prospectuses and business plans.**

Furthermore, the IAU draws up reports to audited units with findings regarding the above, outlining the risks arising from them and proposing improvements. In addition, it submits reports to the Audit Committee at least quarterly, which include the most important issues and recommendations on all of the above issues. It also plays a key role in monitoring the Company's Internal Audit System, while also reviewing the effectiveness of existing safeguards.

## POLICIES AND PROCEDURES ON REGULATORY COMPLIANCE

ATHEX C-G6

### RISK MANAGEMENT POLICY AND RULES OF PROCEDURE FOR THE RISK MANAGEMENT COMMITTEE

The Company has developed a Risk Management Policy, which also serves the purposes of a Risk Management Regulation, in accordance with the applicable provisions. Company Management understands that it is exposed to a business environment with various forms and types of risks. Therefore, it has established and implements a Risk Management System in order to be able to operate more efficiently by minimising the impact of risks on its operations and financial performance.

The Company recognises the value of good organisation in the risk management function, and has implemented a transparent and well-defined structure for risk management. All employees, including the Papoutsanis Board of Directors, adhere to and carry out the procedures outlined within the policy when participating in actions or activities that carry risks. The policy aims to establish an effective risk management framework in the Company.

The bodies responsible for overseeing risk management are:



The development of an effective risk management system requires several critical elements, such as an appropriate organisational structure and function, clear roles and responsibilities, adequate resources, qualified staff and supportive infrastructure, understanding of the concept of risk, knowledge of risk management techniques, knowledge of outsourcing rules, appropriate internal communication, reliable data and reporting, adequate documentation and information, effective controls and the ability to ensure business continuity. The focus of good risk management is the identification and handling of these risks. This section describes the fundamental principles and stages that govern the Company's Risk Management System.

# POLICIES AND PROCEDURES ON REGULATORY COMPLIANCE

## RISK MANAGEMENT SYSTEM

- > Risks are identified following the definition of the Company's objectives and are linked to them
- > Risk categories: strategic, operational, reporting and compliance risks
- > The objectives are aligned with the eight components of risk management: internal environment, setting goals, identifying events,

assessing risks, risk response, control activities, notification and communication and monitoring.

- > Integrated risk management examines risks at level of entity, department, business unit and subsidiary.

- > Strategic objectives
- > Operating objectives
- > Information objectives
- > Compliance objectives

- > Identification of risks that may affect the impartial objectives set for the Company

- > Indicative objectives: profitability indicators, turnover growth, market share, customer satisfaction, number of staff, customer complaints, hire/turnover rate

- > Review of compliance with the regulatory framework
- > Overview of Board composition
- > Review of procedures for developing and monitoring business plans and strategy and their review procedures
- > Setting and communicating objectives
- > Overview of the Code of Conduct

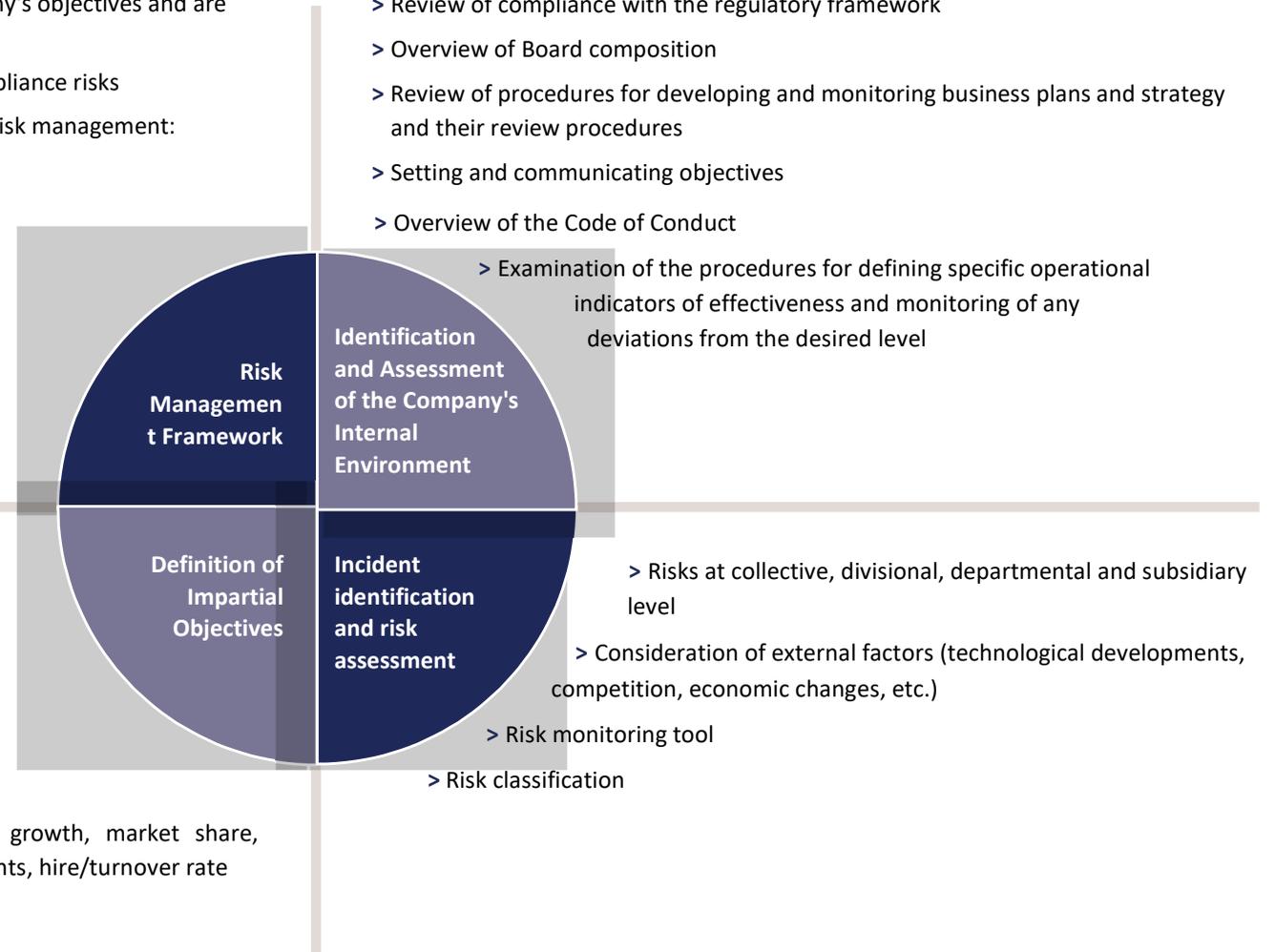
- > Examination of the procedures for defining specific operational indicators of effectiveness and monitoring of any deviations from the desired level

- > Risks at collective, divisional, departmental and subsidiary level

- > Consideration of external factors (technological developments, competition, economic changes, etc.)

- > Risk monitoring tool

- > Risk classification





## COMPLAINT MECHANISM AND REMEDYING OF NEGATIVE EFFECTS

GRI 2-25, 2-26, ATHEX SS-S9

Papoutsanis believes that developing a culture of transparency, responsibility and accountability is essential in our journey towards a sustainable and socially responsible future. Through continuous commitment and dedication to addressing negative impacts, we aim to adhere to the principles of sustainability for the benefit not only of our Company, but also of society as a whole and the environment in which we operate

For this reason, the Company places particular emphasis on its commitment to responding and remedying negative impacts resulting from its operations. The Code of Conduct serves a fundamental role as it outlines our commitment to this purpose. Through established grievance mechanisms, we actively encourage our employees

and stakeholders to express their concerns and raise any issues related to our operations that may have caused or contributed to negative impacts. We believe in the power of open communication and the Internal Audit Unit acts as a vital link to ensure that any identified problems are addressed immediately.

The Company will not take any adverse action or punishment against any person who makes any complaint, allegation, report or person who participates or assists in the investigation of a possible violation of the Code of Conduct, unless the allegation was knowingly false. The Company maintains the confidentiality of the data pertaining to these individuals and the complaints to the maximum extent possible.

## DUE DILIGENCE PROGRAMME

The due diligence programme aims to ensure that the Company only works with third parties who operate with integrity, respect for international regulations and a commitment to the values of transparency, ethics and information security. The approach focuses on preventing corruption, fraud and money laundering by creating a secure and responsible framework for cooperation. The assessment covers financial profile, reputation, compliance with legislation, but also checks against sanction lists and links to politically exposed persons.

Due diligence is carried out with specialised questionnaires for storage/transport companies and suppliers of raw materials, which examine:

- > **Quality Management and Environmental Responsibility Certifications,**
- > **Product storage and handling infrastructure,**
- > **Procedures for hygiene, cleaning and monitoring of environmental conditions (e.g. humidity),**
- > **Safety measures in the transport of products and raw materials.**

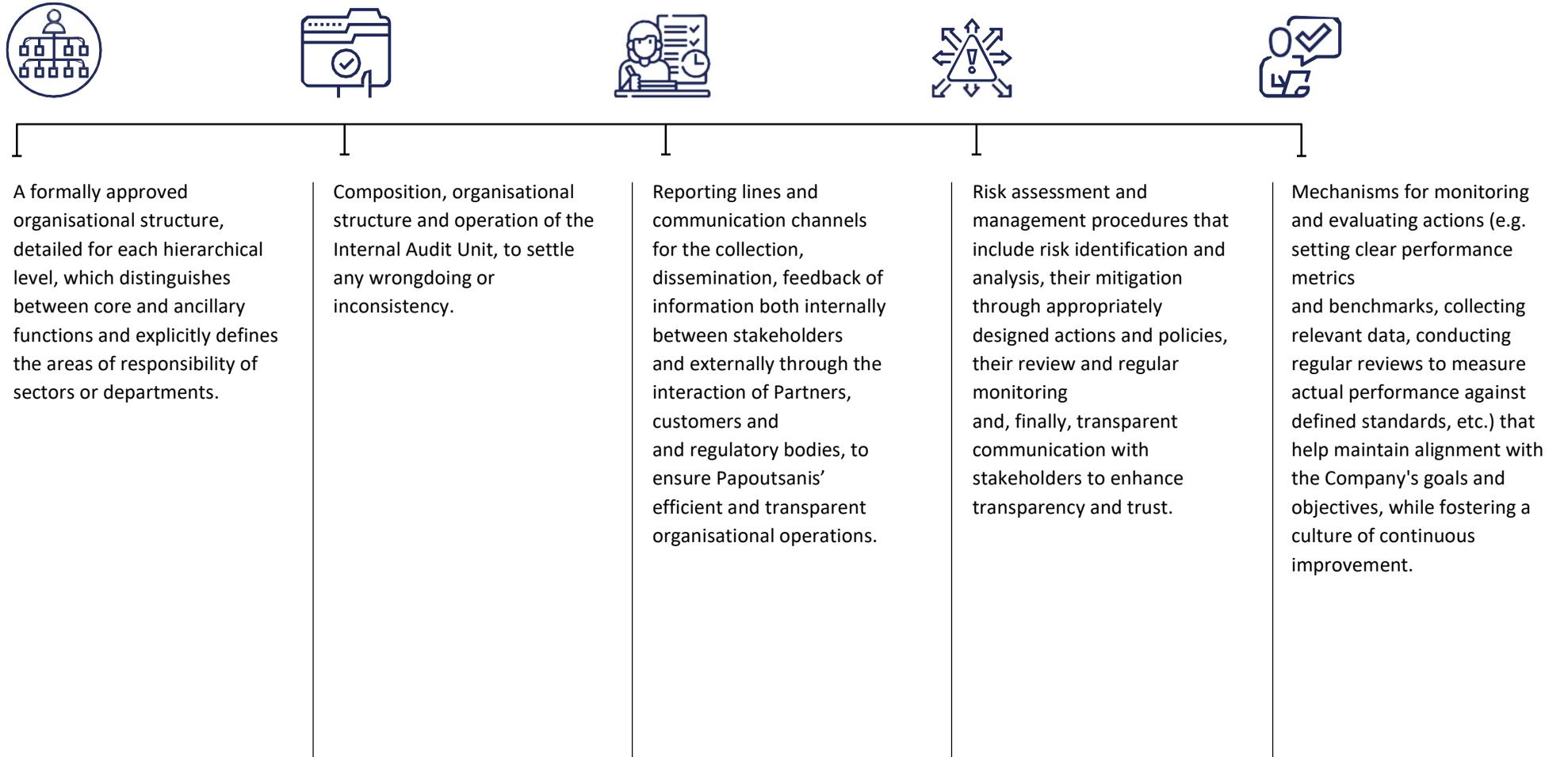
Partnerships are reassessed annually and mechanisms are in place to detect suspicious behaviour early. Some of these mechanisms are listed below:

- > **Platform for anonymous whistleblowing,**
- > **Complaint-handling procedures,**
- > **Strict corrective action or termination of cooperation in case of non-compliance.**

Particular emphasis is placed on information security (policy review, cybersecurity tool, response to breach incidents) and staff training. In this way, the programme serves as an essential safeguard against risks and builds confidence among stakeholders. No breaches of the Company's information security were recorded in reporting year 2024.



The Company has a strong and capable Internal Audit System (IAS) for both financial and non-financial reporting. The IAS reporting model includes an integrated set of data which aim to fulfil Papoutsanis’ commitments to remediate negative impacts it recognises that it caused or contributed to:



VALUES OF

**TRANSPARENCY  
AND INTEGRITY**

Day-to-day decision making at all levels and functions of the Company is largely based on the values of integrity and personal responsibility for the development of transparency.

**CONTROL  
MECHANIS**

The Company's governance structures are reinforced by the control mechanisms implemented by the Internal Audit Department.

**RISK  
MANAGE**

Prevention and risk mitigation is the foundation of long-term success and strategic flexibility.

**DUTIES AND  
RESPONSIBILITIES**

The definition of clear boundaries in roles and responsibilities to promote the efficiency and cooperation is a sign of good governance.

## REPORTING METHODOLOGY

GRI 2-2, 2-3, ATHEX C-G7

This is Papoutsanis' 6th consecutive annual report and aims to inform Company stakeholders about the management of environmental, social and economic challenges and its performance on sustainability issues. It also reflects the Company's commitment to transparent and responsible operations in the area of sustainable development.

Papoutsanis reports sustainability information "in accordance" with the GRI Standards for the period 01/01/2024 to 31/12/2024 and includes the Company's responsible business practices, policies, actions, performance indicators and objectives, while reflecting its economic, environmental and social impacts across the entire range of its activities.

The Sustainable Development Report includes only the activities of the parent company, as it does not include data on subsidiaries, partners, suppliers or other third parties. Updates and additional information regarding Papoutsanis' policies and practices are available on the Company's website, [www.papoutsanis.gr](http://www.papoutsanis.gr).

**This Report was published on 31 OCTOBER 2025.**

### REPORTING PRINCIPLES

The report follows the latest GRI (Global Reporting Initiative) Universal Standards 2021 (5 February 2024 version) and meets the requirements of the Athens Stock Exchange ESG Reporting Guide 2024. The Report also refers to the United Nations Sustainable Development Goals (SDGs).

This Report covers Financial Year 2024 (01/01/2024 – 31/12/2024) and has been prepared with the support and guidance of expert consultants (data collection, evaluation and writing) of the Sustainable Development Department of SustChem Technical Consulting ([www.sustchem.gr](http://www.sustchem.gr)).

### DATA COLLECTION AND INFORMATION SOURCES

The data and information presented are collected on the basis of the recording procedures and databases of the relevant management systems in place. Where the data presented have been processed or based on assumptions, the type or method of calculation is indicated.

### ENHANCING THE CREDIBILITY OF THE SUSTAINABLE

The Company conducts internal audits to enhance the integrity and reliability of the Sustainable Development Reports. The audits ensure that the Company's sustainability performance is monitored and assessed and provide reasonable assurance on the progress towards achieving the objectives. Management's involvement in the internal audit process is deemed necessary and contributes to the formulation and redefinition of the Corporate Sustainable Development Strategy.

## LIMITATIONS AND IMPORTANT DIFFERENCES FROM PREVIOUS REPORTS

GRI 2-4, ATHEX C-G7

There are no specific limitations on the scope and boundaries of this document so as to affect the comparison of the sustainability data included and disclosed on an annual basis. However, changes have been made to some of the methods or techniques for calculating/evaluating disclosures presented in the Sustainable Development Report 2024 due to the revision of GRI Standards. Where revisions have been made, a specific reference is included in the relevant sections, tables or charts, clearly stating the reasons for the revision at those points.

The financial data included here are fully consistent with those in the Annual Reports, which have been audited by certified auditors, as required by law. The Annual Financial Reports and Sustainable Development Reports are available on the Papoutsanis website at the respective links.

[https://www.papoutsanis.gr/en/investor-relations/financial-results-4\\_131338/](https://www.papoutsanis.gr/en/investor-relations/financial-results-4_131338/)  
and [https://www.papoutsanis.gr/en/sustainability/sustainability-report\\_132642/](https://www.papoutsanis.gr/en/sustainability/sustainability-report_132642/).

## EXTERNAL ASSURANCE

GRI 2-5

The Company has not obtained external assurance of the Report's content. As Papoutsanis, we recognise the importance of the process for our stakeholders and we are considering the possibility of obtaining external assurance for our next reports, as it becomes mandatory in the context of compliance with the requirements of the Corporate Sustainability Reporting Directive (2022/2464).



## CONTACT POINT

GRI 2-3

The main objective of this report is to provide meaningful and complete information to all Papoutsanis stakeholders. If you have any comment or feedback that could help us in our ongoing efforts to improve, or any questions regarding this Report, you can contact us by e-mail at:

[sustainability@papoutsanis.gr](mailto:sustainability@papoutsanis.gr)



# 6

## Annex

### CHAPTER CONTENTS:

- 6.1. Annex I - GRI Table of Contents
- 6.2. Annex II - ATHEX ESG Reporting Guide  
Content Index 2024

## 6.1. ANNEX I - GRI TABLE OF CONTENTS

### GRI 1: FOUNDATION 2021

|                                             |                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI 1: Foundation – Statement of use</b> | The information provided in this Report reflects the activities of Papoutsanis S.A. and presents the Company's financial, environmental and social performance. The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards for the period 1 January 2024 to 31 December 2024. |
| <b>GRI 1 used</b>                           | GRI 1: Foundation 2021                                                                                                                                                                                                                                                                                             |
| <b>Applicable GRI Sector Standard</b>       | Not applicable                                                                                                                                                                                                                                                                                                     |

### GRI 2: GENERAL DISCLOSURES 2021

| GRI                                          | DISCLOSURE                                                       | REFERENCE SECTION     | PAGE   | EXTERNAL ASSURANCE |
|----------------------------------------------|------------------------------------------------------------------|-----------------------|--------|--------------------|
| <b>1. THE ORGANISATION AND ITS REPORTING</b> |                                                                  |                       |        |                    |
| 2-1                                          | Organisational details                                           | 1.1. Profile          | p. 7   | -                  |
| 2-2                                          | Entities included in the organisation's sustainability reporting | Reporting methodology | p. 151 | -                  |
| 2-3                                          | Reporting period, frequency and point of contact                 | Reporting methodology | p. 151 | -                  |
| 2-4                                          | Restatements of information                                      | Reporting methodology | p. 152 | -                  |
| 2-5                                          | External assurance                                               | Reporting methodology | p. 152 | -                  |

GRI 2: GENERAL DISCLOSURES 2021

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|----------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------|--------------------|
| <b>2. ACTIVITIES AND WORKERS</b> |                                                                             |                                                                                                        |                  |                    |
| 2-6                              | Activities, value chain and other business relationships                    | 1.1. Profile<br>1.4. Domestic and global presence<br>1.5. Supply chain<br>2.3. Value chain and impacts | p. 8, 18, 20, 31 | -                  |
| 2-7                              | Employees                                                                   | 4.2. Human Resources Development                                                                       | p. 99            | -                  |
| 2-8                              | Workers who are not employees                                               | 4.2. Human Resources Development                                                                       | p. 100           | -                  |
| <b>3. GOVERNANCE</b>             |                                                                             |                                                                                                        |                  |                    |
| 2-9                              | Governance structure and composition                                        | 5.1. Organisational structure of the Company                                                           | p. 120           | -                  |
| 2-11                             | Chair of the highest governance body                                        | 5.1. Organisational structure of the Company                                                           | p. 121           | -                  |
| 2-12                             | Role of the highest governance body in overseeing the management of impacts | 5.1. Organisational structure of the Company                                                           | p. 121           | -                  |
| 2-13                             | Delegation of responsibility for managing impacts                           | 5.1. Organisational structure of the Company                                                           | p. 121           | -                  |
| 2-14                             | Role of the highest governance body in sustainability reporting             | 5.1. Organisational structure of the Company                                                           | p. 121           | -                  |
| 2-15                             | Conflict of interest                                                        | 5.3. Business Ethics                                                                                   | p. 125           | -                  |
| 2-16                             | Communication of critical concerns                                          | 5.3. Business Ethics                                                                                   | p. 133           | -                  |
| 2-17                             | Collective knowledge of the highest governance body                         | 5.1. Organisational structure of the Company                                                           | p. 123           | -                  |
| 2-18                             | Evaluation of the performance of the highest governance body                | 5.1. Organisational structure of the Company                                                           | p. 125           | -                  |
| 2-19                             | Remuneration policies                                                       | 5.4. Corporate Governance                                                                              | p. 143           | -                  |

GRI 2: GENERAL DISCLOSURES 2021

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| 2-21                                       | Annual total compensation ratio                    | 4.2. Human Resources Development                                                                                                                                                             | p. 102 | -                  |
| <b>4. STRATEGY, POLICIES AND PRACTICES</b> |                                                    |                                                                                                                                                                                              |        |                    |
| 2-22                                       | Statement on Sustainable Development Strategy      | Message from the Managing Director                                                                                                                                                           | p. 4   | -                  |
| 2-23                                       | Policy commitments                                 | 4.3. Safeguarding Ethics and Human Rights<br>5.3. Business Ethics                                                                                                                            | p. 104 | -                  |
| 2-24                                       | Embedding policy commitments                       | 3.3 Climate Change<br>4.1 Product Quality and Safety<br>4.3. Safeguarding Ethics and Human Rights<br>4.4. Occupational Health and Safety<br>5.3. Business Ethics<br>5.4 Corporate Governance | p. 105 | -                  |
| 2-25                                       | Processes to remediate negative impacts            | 5.4. Corporate Governance                                                                                                                                                                    | p. 147 | -                  |
| 2-26                                       | Mechanisms for seeking advice and raising concerns | 5.3. Business Ethics                                                                                                                                                                         | p. 147 | -                  |
| 2-27                                       | Compliance with laws and regulations               | 5.3. Business Ethics                                                                                                                                                                         | p. 138 | -                  |
| 2-28                                       | Membership associations                            | 2.4. Partnerships and Participations                                                                                                                                                         | p. 35  | -                  |
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GRI 3: MATERIAL TOPICS 2021

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|------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------|
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|                                    | 103-2: Energy consumption and own-production in the organisation     | 3.2. Energy                                                                                                                                                                                        | p. 41                     | -                   |
|                                    | 103-3: Energy consumption in the upstream and downstream value chain | 3.2. Energy                                                                                                                                                                                        | p. 47                     | -                   |
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|                                    | 102-5: Direct (Scope 1) greenhouse gas emissions                     | 3.3. Climate Change                                                                                                                                                                                | p. 50                     | EN ISO 14064–3:2019 |
|                                    | 102-6: Indirect (Scope 2) energy-related greenhouse gas emissions    | 3.3. Climate Change                                                                                                                                                                                | p. 50                     | EN ISO 14064–3:2019 |
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|                                               | 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services | 4.1. Product quality and safety             | p. 78  | -                  |
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|                                       | 402-1: Minimum notice periods regarding operational changes                                   | 4.2. Human Resources Development          | p. 92  | -                  |
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| MATERIAL TOPIC                        | DISCLOSURE                                                                                                           | REFERENCE SECTION                   | PAGE   | EXTERNAL ASSURANCE |
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|                                       | 205-2: Communication and training about anti-corruption policies and procedures                                      | 5.3. Business Ethics                | p. 135 | -                  |
|                                       | 205-3: Confirmed incidents of corruption and actions taken                                                           | 5.3. Business Ethics                | p. 138 | -                  |
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## 6.2. ANNEX II – ATHEX ESG REPORTING GUIDE 2024

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|-------------|-------|----------------------------------------------------------------------------------------------------|---------------------------------------------|------------|---------------------|
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|             | C-E2  | Indirect GHG emissions (Scope 2)                                                                   | 3.3. Climate change                         | p. 50      | EN ISO 14064–3:2019 |
|             | C-E3  | Energy consumption and production - total amount of energy consumed within the organisation in MWh | 3.2. Energy                                 | p. 42-46   | -                   |
|             | C-E3  | Energy consumption and production - percentage of electricity consumed (%)                         | 3.2. Energy                                 | p. 42-46   | -                   |
|             | C-E3  | Energy consumption and production - percentage of energy consumed from renewable sources (%)       | 3.2. Energy                                 | p. 42-46   | -                   |
|             | A-E1  | Indirect GHG emissions (Scope 3)                                                                   | 3.3. Climate change                         | p. 60      | -                   |
|             | A-E2  | Climate change risks and opportunities                                                             | 5.2. Financial Performance                  | p. 129-130 | -                   |
|             | A-E3  | Waste Management                                                                                   | 3.6. Packaging Materials and Waste          | p. 76      | -                   |
|             | A-E4  | Wastewater disposal                                                                                | 3.5. Water Quality Management and Assurance | p. 66      | -                   |
|             | A-E5  | Biodiversity                                                                                       | 3.4. Procurement of raw materials           | p. 63      | -                   |
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|             | SS-E8 | Chemicals in products                                                                              | 3.4. Procurement of raw materials           | p. 62      | -                   |

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|         | C-S3  | Female employees in management positions | 4.3. Safeguarding Ethics and Human Rights        | p. 106    | -                  |
|         | C-S4  | Employee turnover                        | 4.2. Human Resources Development                 | p. 100    | -                  |
|         | C-S5  | Employee training                        | 4.2. Human Resources Development                 | p. 96     | -                  |
|         | C-S6  | Human rights policy                      | 4.3. Safeguarding Ethics and Human Rights        | p. 104    | -                  |
|         | C-S7  | Collective bargaining agreements         | 4.2. Human Resources Development                 | p. 103    | -                  |
|         | C-S8  | Supplier screening                       | 4.1. Product quality and safety                  | p. 115    | -                  |
|         | A-S1  | Sustainable economic activity            | 5.2. Financial Performance                       | p. 128    | -                  |
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|         | A-S3  | Gender pay gap                           | 4.2. Human Resources Development                 | p. 101    | -                  |
|         | A-S4  | CEO pay ratio                            | 4.2. Human Resources Development                 | p. 102    | -                  |
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| PILLAR     | ID   | DISCLOSURE                               | REFERENCE SECTION                                                                                       | PAGE              | EXTERNAL ASSURANCE |
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|            | C-G2 | Sustainability oversight                 | 5.1. Organisational structure of the Company                                                            | p. 123            | -                  |
|            | C-G3 | Material topics                          | 2. Sustainable Development at Papoutsanis<br>2.2. Materiality Assessment                                | p. 23, 25         | -                  |
|            | C-G4 | Sustainability Policy                    | 5.3. Business Ethics<br>5.4. Corporate Governance                                                       | p. 118-119        | -                  |
|            | C-G5 | Business ethics policy                   | 4.3. Safeguarding Ethics and Human Rights<br>5.3. Business Ethics                                       | p. 104, 138       | -                  |
|            | C-G6 | Privacy Policy                           | 5.3. Business Ethics<br>5.4. Corporate Governance                                                       | p. 131, 145       | -                  |
|            | C-G7 | Sustainability reporting                 | Reporting methodology                                                                                   | p. 151            | -                  |
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|            | A-G2 | Business ethics violations               | 5.3. Business Ethics                                                                                    | p. 138            | -                  |
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| PILLAR     | ID     | DISCLOSURE                     | REFERENCE SECTION                | PAGE   | EXTERNAL ASSURANCE                                             |
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|            | A-G5   | External assurance             | 3.3. Climate Change              | p. 53  | -                                                              |
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