



PAPOUTSANIS

SINCE 1870

SUSTAINABILITY REPORT
2021





SUSTAINABILITY REPORT
2021

PAPOUTSANIS AT A GLANCE

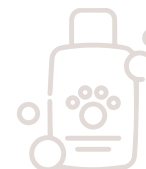
GRI 102-7



177
employees



150
years of experience



126%
increase in hotel amenities sales
(compared to 2020)

4
lines of business

€63.6 million
total capitalisation

33%
of the total energy consumed
derived from renewable sources

5
production departments

47,500
product donations to support society
in collaboration with the DESMOS
Non-Profit Foundation

€54.8 million
in net sales

€34 million
in exports

3 new
lines of sustainable products

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MESSAGE FROM THE MANAGING DIRECTOR

GRI 102-14, ATHEX A-G3

The Papoutsanis company maintained its strong sense of responsibility and continued its efforts to bolster the Greek economy and society during 2021. The COVID-19 pandemic has created immense challenges in terms of economic, social and environmental issues, and has also been a great challenge for the global economy and human well-being. Having experienced a new reality in the previous year, which was especially felt by society and businesses, and which affected the hotel sector to a significant degree, in 2021 we were better prepared to manage these challenges more effectively and, being better informed and more aware, we were able to continue with our activities having adapted to the new living, working and business operation conditions.

In 2021 the company improved its pre-tax earnings by 14%, and increased its exports by 70% compared to the previous year. After the significant drop in sales it suffered in the previous year, in 2021 the hotel amenities segment presented a remarkable increase, as did the Company's other business segments, which trended upward for yet another year.

While remaining loyal to our vision, we are continuing to create products to the highest standards for the domestic and international markets, with respect for our customers' demands and needs and aiming at improving their standard of living. Our operation and business conduct has always been founded in our heritage, innovation, care and ethos – values which have placed us at the forefront of the Greek soap-making industry.

The respect and protection of the natural environment are the cornerstone of the Papoutsanis philosophy. Within this context,

in 2021 we reduced energy consumption from non-renewable energy sources by 20.3% compared to 2020, while 33% of the total energy consumed derived from renewable sources. With the same goal in mind, Papoutsanis invested in creating innovative products, including their packaging, produced from recyclable raw materials (7.5% of our raw materials in 2021 derived from recyclable raw materials).

Being well aware of our consumers' commitment and dedication to sustainability and as part of our constant efforts to provide them with innovative solutions, we have created three new sustainable product lines which reduce our Company's environmental footprint, while at the same time covering our customers' need for environmentally friendly products.

Furthermore, in the two-year period of 2020-2021 we invested in mechanical equipment with the aim of increasing productivity and decreasing energy consumption, and also invested in the expansion of our buildings in order to limit the transport of products between warehouses.

Our success unquestionably goes hand in hand with our skilled and valued employees, for whom we ensure a healthy and safe environment, and whom we support and help develop through a series of programmes aiming to provide opportunities for personal growth, adapting to the work environment and placing emphasis on the leadership skills of individuals. A typical example of this is the increase, during 2021, of the average number of hours of employee training by 60% compared to 2020.

For us, protecting our employees' rights is of utmost importance, as stressed in our Code of Ethics, which describes the principles according to which company employees must act and behave towards the Company and vice versa. These principles also apply to the Company's business partners (e.g. suppliers).

Additionally, we are expanding our network of partnerships and our social impact by supporting a number of actions to assist the State and society, such as our assistance to "Elpis" Hospital, the National Centre for Emergency Assistance (EKAB), our cooperation with the Central Union of Municipalities of Greece (KEDE) and the "DESMOS" non-profit foundation. It is worth noting that through the Company's most recent collaboration to celebrate Papoutsanis' 150-year anniversary, 47,500 personal care products worth €75,000 were offered through 50 social organisations that work with the DESMOS non-profit foundation.

Our strategy is integrally linked to sustainable development and aims at creating and distributing added value for our customers, our consumers, our partners, our human resources and all our other stakeholders through our four lines of business: branded products, hotel amenities, third-party and private label products and specialty soap bases.

We have made a commitment:

- ▶ To protect the natural environment in which we operate and in which our products are distributed and disposed of throughout their lifecycle, aiming at reducing greenhouse gas emissions, increasing the use of raw and packaging materials from recycled components and to reducing waste going to final disposal.

- ▶ To operate, grow and develop responsibility, with regulatory compliance as the basis for our corporate governance.
- ▶ To continue ensuring the highest quality of our products and the health and safety of our consumers.
- ▶ To continue providing a healthy and safe working environment for our employees by consistently striving to improve relations between management and workers, applying modern performance evaluation systems and promoting respect and protection of human rights.
- ▶ To continue to improve our financial performance, creating added value for our local communities and the State.

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 REPORT

GRI 102-51

This Report is the second comprehensive Sustainability Report for Papoutsanis SA based on international standards for non-financial reporting. It includes information related to the management of and performance on material topics representing sustainability aspects of our activities, with a view to informing our stakeholders of our economic, social and environmental impacts.

The Company's previous Sustainability Report was published in October 2021 and concerned the year 2020.

Scope of the Report

GRI 102-45

This Report covers the business activities that Papoutsanis SA conducted in Greece in the aforementioned period at all of its operating facilities. The financial statements include those of the parent company, Papoutsanis SA, and its subsidiary, PAPOUTSANIS Sp. Z o.o.

This Report refers only to the activities of the parent company.

Reporting principles

GRI 102-50, GRI 102-52, GRI 102-54, GRI 102-56

This Report covers fiscal year 2021 (1/1/2021-31/12/2021) and has been prepared with the support of the EY Greece Climate Change and Sustainability Services. Responsibility for calculating, collecting and consolidating quantitative data and for the accuracy and completeness of the quantitative and qualitative information included in the Report lies with Papoutsanis SA. ERNST & YOUNG (HELLAS) Certified Auditors-Accountants SA are not liable to any third party for the content of this report.

The report has been prepared in accordance with the GRI Standards: Core Option and the information included in it outlines the Company's impacts in relation to the UN Sustainable Development Goals.

The Company has not obtained external assurance of the Report's content. We recognise the importance of such a procedure for our stakeholders and we are investigating the possibility of obtaining external assurance for subsequent Reports.

Changes in reporting and restatements of information compared to previous editions

GRI 102-48, GRI 102-49

In the case of any restatements, the relevant parts must be clearly indicated in the text.

There have been no changes to the list of material topics and to the boundaries of each topic compared to the previous Sustainability Report of 2020.

Contact point

GRI 102-53

More information on the content and materiality analysis of the Company's sustainable development topics is available on pages **28-31**. The GRI content index is available on pages **103-112**.

With regard to any reference to the initiatives we undertake in the area of sustainable development, or for any questions about this Report and its contents, please contact us at sustainability@papoutsanis.gr.





1. ABOUT THE COMPANY

CHAPTER CONTENTS:

1.1 PROFILE

1.2 VISION AND VALUES

1.3 HISTORY

1.4 DOMESTIC AND INTERNATIONAL PRESENCE

ABOUT THE COMPANY

1.1 PROFILE

GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7

PAPOUTSANIS SA (hereinafter: the "Company" or "Papoutsanis") was founded in 1960 and is engaged in manufacturing, importing, exporting, marketing and generally trading in consumer goods, such as soap, cosmetic and other personal care products, biocides and disinfectants, as well as the raw materials used to make them.

The Company's facilities are located at the 71st km of the Athens-Lamia National Road, in the Ritsona area of the Regional Unit of Evia, 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.

PRODUCTS

GRI 102-2, GRI 102-6, GRI 102-7, GRI 102-10

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

It owns the largest vertically integrated and most technologically advanced production facilities in the Balkans and unflinchingly produces innovative, top-quality products with raw materials that consistently raise the bar for quality on both the Greek and the international market.

Our customers include major retail chains, multinational companies engaged in hygiene and hotel product distribution, hotels and others. In 2021, the total number of items produced amounted to 124,120,320, which exceeded the number of items produced in 2019, before the pandemic.



With sustainability, innovation and an outward orientation as its key axes, respect for its historic past and 150 years of acquired expertise and a lasting presence, our Company charts its future on a daily basis through a strategic activity model based on four lines of business:

1. Branded products

The Papoutsanis line of branded products is designed to the most stringent quality specifications and relies on the broad expertise of the scientific team working in the Company's Research & Development Department.

The state-of-the-art industrial facilities manufacture products that make the most of ingredients found in nature combined with the most advanced formulas in modern cosmetology. The result is a line of name brands with timeless value that has conquered the markets in Greece and abroad.

- ▶ Aromatics ▶ Natura ▶ Karavaki ▶ Olivia
- ▶ Papoutsanis green olive soap
- ▶ Papoutsanis Glycerine Soap

2. Hotel amenities

Papoutsanis is a leader in the production of hotel personal care amenities in Greece. The product lines featuring the **OLIVIA**, **OLIVIA THINKS**, **OLIVE CARE**, **SARBACANE**, **KARAVAKI**, **Skin Essentials**, **EAU DE GRECE**, **Papoutsanis Kids** and **AHAVA** brands are the preferred choice of the largest hotels in Greece, as well as luxury hotel chains abroad.

Major Greek and foreign hoteliers trust the high-quality Papoutsanis products for their guests. The company continues to expand its exports, making the Papoutsanis name prominent at some of the top hotel chains in the world.



3. Private label and third-party products

With its lengthy experience and expertise in the 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 the private label products it manufactures for its customers and its branded products intended for its consumers 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 market in our product categories (bar soap-liquid soap-shower gel) is more than 35%. It continues to grow at a rapid rate through the ongoing expansion of its portfolio with production and design of new products driven by innovation, while also adding new partnerships with major retail undertakings in Greece and abroad.

► Manufacturing for third parties

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 are products made to the highest quality standards and according to the particular specifications of our clients operating on both a local and international level.

4. Specialty soap bases

Our Company enjoys an important position in the industrial supply sector, as 14% of its turnover originates from the sale of special types of soap bases abroad for use as a raw ingredient to make soaps, solid and liquid cosmetics and other specialty applications.

The Company has acquired extensive know-how in producing specialty soap bases and offers a wide range of options. This has helped to boost its activity in countries such as France and Italy and countries of Central and Northern Europe. It has an equally strong presence outside Europe, with exports to New Zealand, 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.).
- ▶ Soap bases with special certifications, such as ECOCERT COSMOS NATURAL, ECOCERT COSMOS ORGANIC, VEGAN, NORDIC SWAN, etc.
- ▶ Special-use soap bases (e.g. shaving noodles, potassium soaps, solid body cleansing products).
- ▶ Melt & pour soap bases.
- ▶ Synthetic soap bases that can be used in place of liquid products for cleansing the face, body and hair (shampoos).

Meanwhile, starting in early April 2020 with the approval of the competent authorities, Papoutsanis incorporated the production of biocides and disinfectants into its core activities using part of its production line at the state-of-the-art plant in Ritsona-Evia.

▶ Sustainable products

Staying true to its corporate mission, which is centred on sustainable development, with respect to nature and the environment, the Company has proceeded to develop and manufacture sustainable products. These products come under some of the above categories, while their creation is intended to save energy and reduce the environmental impact caused both by the manufacturing process and by their total lifecycle and use.

In particular, the complete new **"Olivia Thinks"** premium line and **"Good to Declare"** certified product line belonging to the Papoutsanis hotel amenities category, help to reduce the environmental footprint and contribute to the viability and sustainability strategy followed in order to protect the environment. Also contributing to this end is the manufacture of the **Aromatics** line, the Company's **vegan products**, which come under the Papoutsanis branded consumer product category.

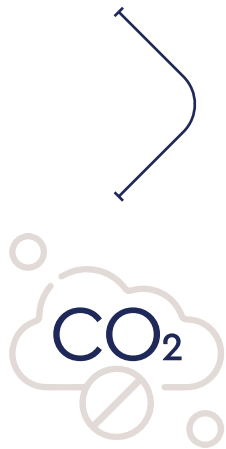
Furthermore, it is worth noting that in 2020 the Company changed the packaging of the **Papoutsanis green soap** from cellophane to paper packaging, resulting in the use of approximately 3 tons less plastic in packaging materials. It also removed the plastic film used to wrap together the **Aromatics** and **Olive** bars of soap in groups of four. This move will lead to the removal of an additional 2 tons of plastic by the end of this year.

Lastly, Papoutsanis is working tirelessly on investing in new waterless product technologies, and is already introducing such proposals to the market, starting from the hotel sector with **Olivia Thinks solid shampoo** and **solid shower gel**. These products have a far smaller environmental footprint compared to the corresponding bottles, considering that bars use fewer packaging materials, no plastic whatsoever; they are lighter and smaller, and therefore easier to carry and store, while less energy is required for their manufacture.

► **Sustainable product promotion strategies**

The Papoutsanis marketing department is responsible for promoting the sustainability and "green" advantages of the Company's products to the broad public.

The Company's goal for the immediate future is to increase the percentage of sales deriving from products that are classified as sustainable.



A typical example of a sustainable product is **Solid Shampoo**, which is defined by its low carbon footprint. More specifically, the solid bars of shampoo are light and compact, and therefore require less space during their transport, thus reducing carbon emissions in relation to the same quantity of liquid shampoo.

Furthermore, solid products have a substantially smaller environmental footprint during their manufacture and use, since they require the use of less water during manufacture and are available in packages of recyclable paper, without plastic.

The promotion of sustainable products coming under the hotel amenities category takes place through:

- the Papoutsanis website and e-shop.
- google ads, banners and search engine management and optimization.
- e-mail/newsletters, press releases and press relations.
- annual participation in the XENIA exhibition.
- one to one training presentations to Papoutsanis customers.
- information material and QR codes for our accompanying products.

Lastly, the promotion of the Company's branded products to our customers also takes place in the following ways:

- sending samples and information material.
- letters and e-mails.

and to end consumers via:

- 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 to stores.
- Customer marketing tools.

It should be noted that the majority of the above actions takes place in waves during the first product placement/launch, and is repeated during the year depending on the strategic plan and budget of the Company.

1.2 VISION AND VALUES

GRI 102-16

Our vision

We are a Greek company with an international outlook. We believe in a future built 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 market.

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 inspiring trust as they are handed down from generation to generation. The experience and know-how developed over our extensive history spark the creation of pure personal care products at competitive prices that can meet every unique need of the modern-day consumer.

Our vision is to play a practical part in ensuring the well-being of consumers with quality personal care products that stand out on the market, while rising to meet the demands of the consumer public that has trusted us consistently over 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.

► Heritage

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 the most of the treasures of nature and combine them with advanced cosmetology to create ground-breaking 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

GRI 102-10

1870

Dimitris Papoutsanis built the 1st steam-powered olive oil and soap production factory on the island of Lesbos.

1913

The Company relocated to Piraeus. It started a new chapter with the construction of one of the first soap manufacturing factories in Greece.

1967

Papoutsanis relocated its facilities to Kato Kifissia and expanded its operations.

1972

Listing of the Company on the Athens Exchange.



2001

Opening of the new model factory facilities in Ritsona, Evia.

2010

New management. Reorganisation of the Company and accelerated growth.

2015

Papoutsanis developed the 4th line of business by entering the Specialty Soap Base market.

2020

The Company prioritized the production of biocides and disinfectants in order to cover the country's immediate needs.

1.4 DOMESTIC AND INTERNATIONAL PRESENCE

GRI 102-6

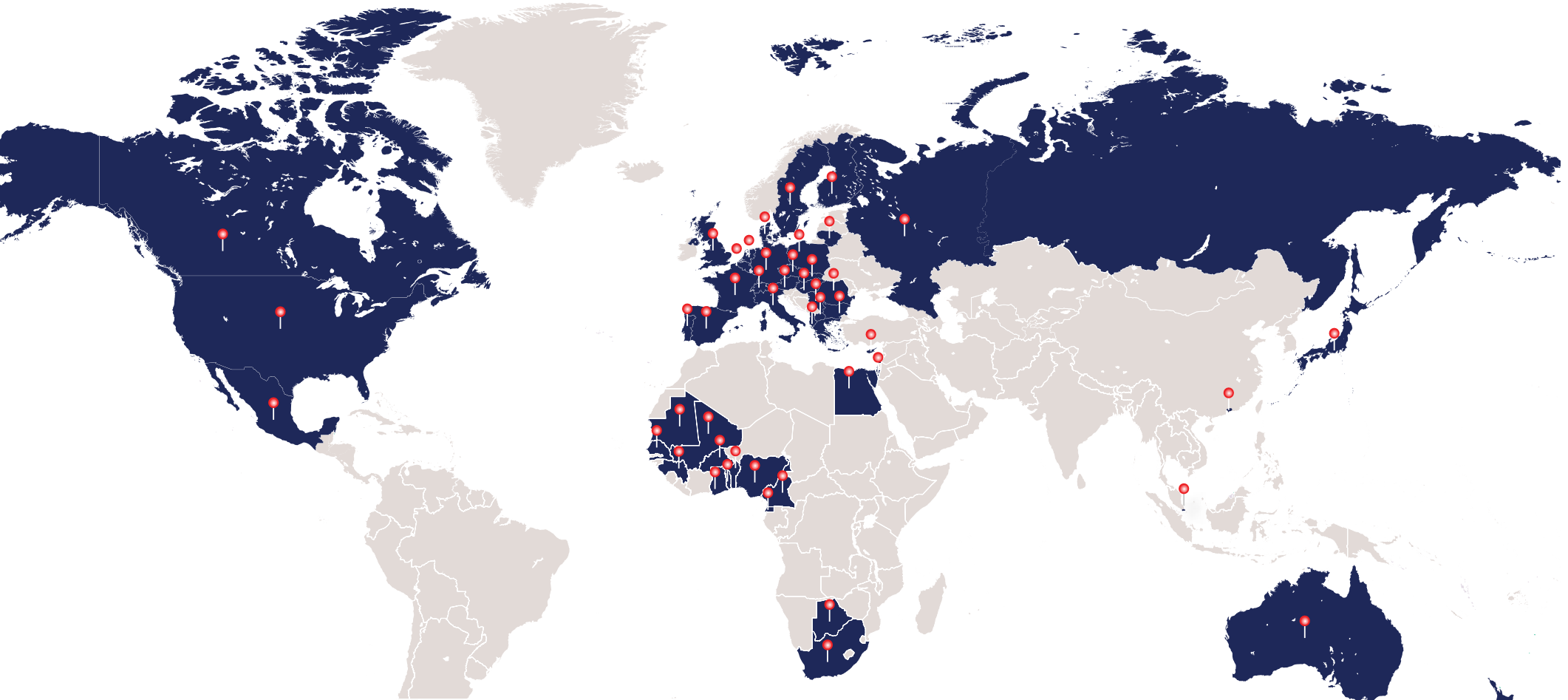
Based in Vathi-Avlida in Halkida, our Company maintains a strong presence in all of Greece, in Europe and in more than 25 countries throughout the world. Through our partnerships with international industry giants, our signature products are disseminated by retailers and in major hotels abroad.

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

The Company is committed to further developing natural sustainable products by using sustainable raw materials and packaging materials made from recycled materials, thus aiming to contribute to the daily well-being of its consumers, who have trusted and have been buying its products for the last 150 years, while also contributing to the reduction of its environmental impact. It should be noted that when it comes to third-party products, there is increasing demand for sustainable products and Papoutsanis is implementing all the more projects in this context.



Papoutsanis' international presence



Our products are sold in:



- ▶ **Europe:** England, Germany, Belgium, Austria, Sweden, Netherlands, France, Italy, Spain, Portugal, Slovakia, Albania, Romania, North Macedonia, Serbia, Bulgaria, Lithuania, Russia, Cyprus, Finland, Poland, Denmark, Czech Republic, Hungary, Switzerland.
- ▶ **Africa:** Mauritania, Senegal, Burkina Faso, Guinea, Mali, Ghana, Togo, Benin, Nigeria, Cameroon, Equatorial Guinea, South Africa, Egypt.
- ▶ **America:** USA, Canada, Mexico
- ▶ **Asia:** Israel, Singapore, Japan, Hong Kong.
- ▶ **New Zealand**
- ▶ **Australia**



The Company's exports, as a percentage by region, are as follows:

	2020	2021
Greece	51%	38%
Europe	45%	56%
USA	3%	4%
Asia	1%	2%

It should be noted that in 2021 there was a partial upturn in sales in the hotel amenities segment, which coincided with the decrease in the production of antiseptic products due to the lower need for such products thanks to the improvement of conditions as regards the COVID-19 pandemic. Lastly, in 2021 the Company embarked on the manufacture and industrial sale of synthetic soap, which constitutes a new subcategory of specialty soap bases, due to the different product specifications.



2. SUSTAINABLE DEVELOPMENT AT PAPOUTSANIS

CHAPTER CONTENTS:

- 2.1 STAKEHOLDERS
- 2.2 MATERIALITY ANALYSIS
- 2.3 VALUE CHAIN AND IMPACTS
- 2.4 PARTNERSHIPS AND PARTICIPATIONS

Papoutsanis recognises that its operation has direct and indirect economic, social and environmental impacts on its stakeholders and on the economy, society and natural environment in general through the Company's entire supply chain: from the production of the raw materials it procures to the use and disposal of its products by consumers.



SUSTAINABLE DEVELOPMENT AT PAPOUTSANIS

ATHEX C-G4

Our Company is committed to responsibly managing these socio-economic and environmental impacts throughout the supply chain, with the aim to reduce potential and existing negative impacts and increase positive ones on its employees, consumers, customers, suppliers and partners, and generally contribute to the Greek economy, society and natural environment under the UN Sustainable Development Goals.

The Company's activities adopt and comply with the applicable laws on Sustainable Development and the implementation of standards, policies, internal guidelines and related procedures put in place by the company, as well as other requirements arising from voluntary agreements, which are endorsed and accepted by Papoutsanis.

By specifying the goal of sustainable development in its framework of action, the Company steadily aims to ensure the following:

- ▶ The health and safety of consumers.
- ▶ Reducing energy consumption and greenhouse gas emissions.

- ▶ Reducing water consumption.
- ▶ Responsible use of raw materials and packaging materials.
- ▶ Reducing the production of solid and liquid waste.
- ▶ Creating jobs and investing in employee training.
- ▶ The health, safety and well-being of employees.
- ▶ Respect for human rights.
- ▶ Equal opportunities and fighting against discrimination.
- ▶ Supplier screening for environmental and social impacts.
- ▶ Fighting corruption and anti-competitive behaviour.
- ▶ Contributing to the needs of local communities.

The above describe the Sustainable Development Policy adopted by the Company. This policy covers all the Company's activities and is linked to individual procedures, standards, as well as voluntary and regulatory commitments of the Company, which may give rise to obligations towards third parties as well. It should be noted that this policy is revised every two years.



2.1 STAKEHOLDERS

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, ATHEX C-S1

For Papoutsanis, establishing a dialogue with our stakeholders is of utmost importance, as it allows us to operate more effectively, to understand market conditions and to mitigate potential risks. We identify as Company stakeholders all those who affect and are affected by our activities.

In this respect, the Company maps stakeholder groups whose decisions affect its ability to implement its strategy and achieve its targets. On an annual basis, it verifies and prioritises such groups, while monitoring and improving methods for engaging and consulting with them.

At the same time, it captures the key needs and expectations of stakeholders, as they emerge through the daily conduct of business, through existing channels of engagement and consultation with them (e.g. by phone or e-mail, etc.).

Key groups of stakeholders	Type of engagement and consultation	Frequency of engagement	Key topics of interest
Shareholders	<p>Electronic (via our website, in the "Investor Relations" section)</p> <p>Telephone Through presentations organised by the Athens Exchange Through presentations organised by the Company for institutional investors</p>	<ul style="list-style-type: none"> • As needed • 1-2 times a year (analyst information) 	<ul style="list-style-type: none"> • Energy and greenhouse gas emissions • Water management • Financial performance • Human rights and diversity • Solid waste and packaging waste management • Raw materials and packaging materials
Employees	<p>Electronic</p> <p>Telephone</p> <p>In person</p> <p>Suggestion box</p>	Daily	<ul style="list-style-type: none"> • Responsible corporate governance • Consumer health and safety • Solid waste and packaging waste management • Employee hiring, training and development • Energy and greenhouse gas emissions
Customers	<p>Electronic</p> <p>Telephone</p> <p>In person</p>	Daily	<ul style="list-style-type: none"> • Solid waste and packaging management • Responsible corporate governance • Raw materials and packaging materials • Water management

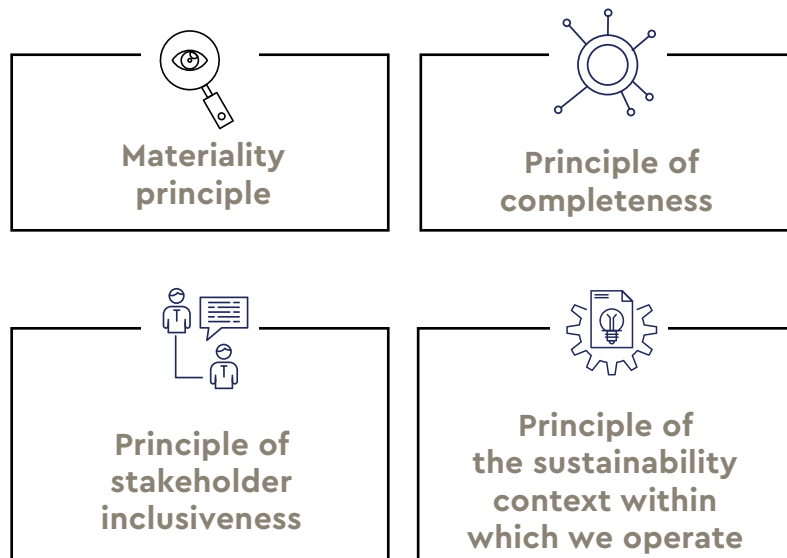
Key groups of stakeholders	Type of engagement and consultation	Frequency of engagement	Key topics of interest
Consumers	Electronic (website/ social media/ e-mail) Telephone (Consumer Hotline/ Call Centre)	Daily	<ul style="list-style-type: none"> • Consumer health and safety • Human rights and diversity • Employee health, safety & well-being • Energy and greenhouse gas emissions
Suppliers/Partners	Electronic Telephone In person	Daily	<ul style="list-style-type: none"> • Energy and greenhouse gas emissions • Employee health, safety & well-being • Responsible corporate governance • Consumer health and safety
State and local government	Electronic Telephone In person	As needed	<ul style="list-style-type: none"> • Employee health, safety & well-being • Employee hiring, training and development • Responsible corporate governance • Consumer health and safety
Local and broader community	Events	As needed	<ul style="list-style-type: none"> • Employee health, safety & well-being • Financial performance • Employee hiring, training and development
Professional associations	Electronic Telephone In person	As needed	<ul style="list-style-type: none"> • Financial performance • Responsible corporate governance • Employee hiring, training and development • Consumer health and safety

2.2 MATERIALITY ANALYSIS

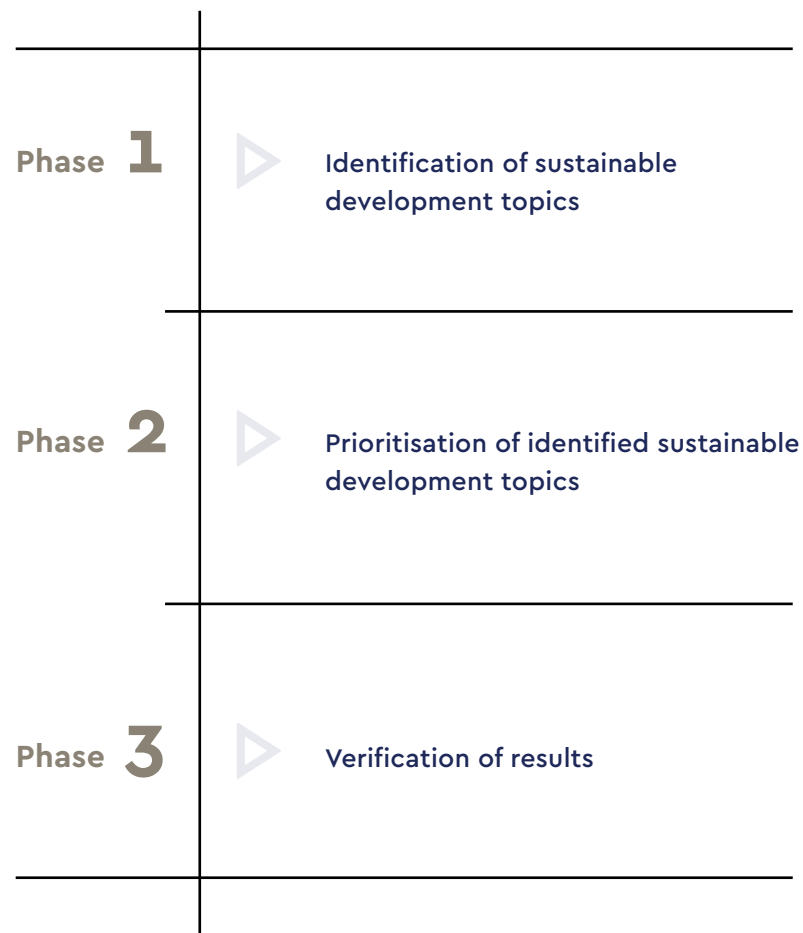
GRI 102-47, ATHEX C-G3

At Papoutsanis, we focus on topics linked to our economic growth and to creating long-term value for all of our stakeholders. To that end, we have identified economic, social and environmental aspects of our activities that are associated with stakeholder needs and expectations, as well as more broad-based impacts we have on the economy, society and the natural environment.

In 2021, we conducted a materiality analysis for the first time based on the reporting principles of the international GRI Standards:



The materiality analysis was conducted through a three-phase process:



Phase 1

Identification of sustainable development topics

During the first phase, the Company considered the principles of Stakeholder Inclusiveness and Sustainability Context in the GRI Standards and identified topics relative to the activities, needs and expectations of its stakeholders, which were derived from the following review tasks, amongst others:

- ▶ Internal documents related to policies, procedures, strategy and results of existing consultation with stakeholders.
- ▶ Sustainability reports from similar companies.
- ▶ The UN Sustainable Development Goals (UN SDGs).
- ▶ GRI sector standard documents for consumer products.
- ▶ The leading international sustainable development standards for the sector, such as SASB, RobecoSam, AISE (International Association for Soaps, Detergents and Maintenance Products) and MSCI.

The topics identified as related to the Company's impacts on sustainable development are as follows:

1. Consumer health & safety
2. Energy and greenhouse gas emissions
3. Water management
4. Raw materials and packaging materials
5. Solid waste and packaging waste
6. Employee hiring, training and development
7. Health & safety at work
8. Human rights and equal opportunities
9. Corporate governance, regulatory compliance and business ethics
10. Financial performance

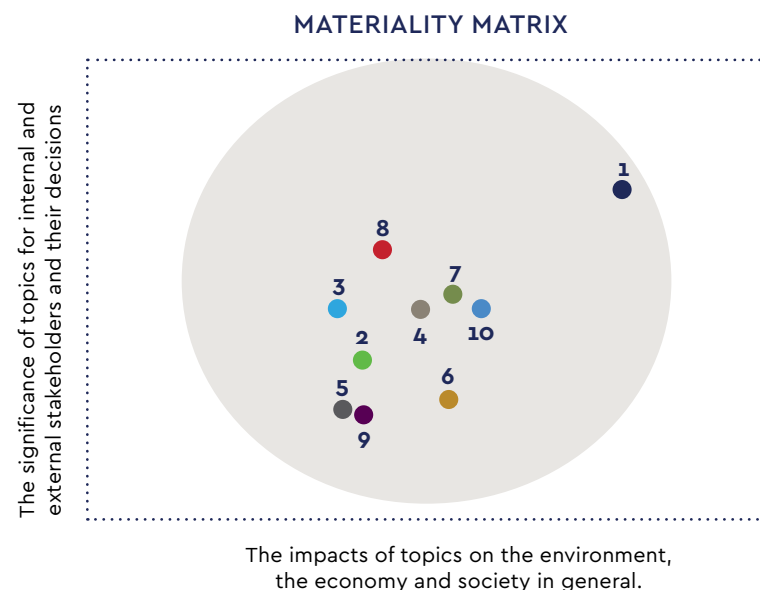
Phase 2

Topic prioritisation

During the second phase of analysis, having already identified Company-wide 10 topics related to our activities with economic, social and environmental impacts throughout our value chain, we conducted an electronic survey of our stakeholders to prioritise these topics based on the GRI Standards Principle of Materiality and the following criteria in particular:

- a. The significance of topics for internal and external stakeholders and their decisions.
- b. The impacts of topics on the environment, the economy and society in general.

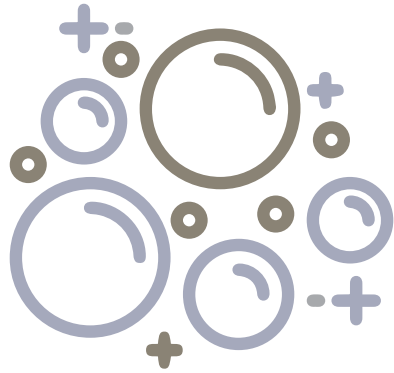
The analysis of the survey results led to the following prioritisation of topics, as shown in the diagram below:



Phase 3 Verification of results

During the final stage of the analysis, the results of the prioritisation phase were verified by the Company's senior management. This process took into account the Principle of Completeness and the Principle of Stakeholder Inclusiveness as set out in the GRI Standards. The contents of this 2020 Sustainability Report were determined through the above process.

The Company did not repeat the Materiality Analysis process as part of this Report and therefore the contents of this Report are determined as a result of the Materiality Analysis carried out in 2021.





2.3 VALUE CHAIN AND IMPACTS






GRI 102-46, GRI 103-1








The following diagram presents important information on the way in which we contribute to sustainable development.




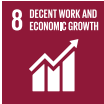


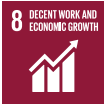
The base of the diagram is our value chain, i.e. activities performed by the Company itself and by third parties (e.g. suppliers, partners, customers), before and after our own operation, which are nevertheless linked to us directly or indirectly.

Each material topic we have identified causes (positive or negative) economic, social and/or environmental impacts. The information depicted in the diagram below, based on the requirements of the GRI Standards, presents the phase in the value chain where these impacts are caused, either directly by us or indirectly by a third party whose activities are linked to Company.

Material topic	Why each topic is material		What the topic boundaries of each topic are	
	Broader economic, social and/or environmental impacts caused by the topic	Stakeholder groups impacted directly by the topic	Phases in Papoutsanis' value chain where the most significant economic, social and environmental impacts occur	Stakeholder groups outside Papoutsanis that may cause or are linked to causing topic impacts
Health and safety of consumers	 	<ul style="list-style-type: none"> • Employees • Suppliers & partners • Shareholders • Consumers • Customers 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market 	<ul style="list-style-type: none"> • Suppliers & partners

Material topic	Why each topic is material		What the topic boundaries of each topic are	
	Broader economic, social and/or environmental impacts caused by the topic	Stakeholder groups impacted directly by the topic	Phases in Papoutsanis' value chain where the most significant economic, social and environmental impacts occur	Stakeholder groups outside Papoutsanis that may cause or are linked to causing topic impacts
Energy and greenhouse gas emissions	  	<ul style="list-style-type: none"> • Employees • Suppliers & partners • Shareholders & providers of capital • Local and broader community • Business community 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution 	<ul style="list-style-type: none"> • Customers • Suppliers & partners
Water management		<ul style="list-style-type: none"> • Local and broader community 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market • Consumption of products and disposal of packaging materials 	<ul style="list-style-type: none"> • Customers • Suppliers & partners
Raw materials and packaging materials		<ul style="list-style-type: none"> • Suppliers & partners • Customers • Consumers • Local and broader community 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market • Consumption of products and disposal of packaging materials 	<ul style="list-style-type: none"> • Customers • Consumers • Suppliers & partners

Material topic	Why each topic is material		What the topic boundaries of each topic are	
	Broader economic, social and/or environmental impacts caused by the topic	Stakeholder groups impacted directly by the topic	Phases in Papoutsanis' value chain where the most significant economic, social and environmental impacts occur	Stakeholder groups outside Papoutsanis that may cause or are linked to causing topic impacts
Management of solid waste and packaging waste		<ul style="list-style-type: none"> • Consumers • Customers • Local and broader community 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market • Consumption of products and disposal of packaging materials 	<ul style="list-style-type: none"> • Consumers • Customers
Employment, training and development of employees	   	<ul style="list-style-type: none"> • Employees • Customers • Suppliers & partners • Local and broader community 	<ul style="list-style-type: none"> • Papoutsanis activity 	-
Health, safety and well-being of employees	 	<ul style="list-style-type: none"> • Employees • Shareholders • Suppliers & partners 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market 	<ul style="list-style-type: none"> • Suppliers & partners

Material topic	Why each topic is material		What the topic boundaries of each topic are	
	Broader economic, social and/or environmental impacts caused by the topic	Stakeholder groups impacted directly by the topic	Phases in Papoutsanis' value chain where the most significant economic, social and environmental impacts occur	Stakeholder groups outside Papoutsanis that may cause or are linked to causing topic impacts
Human rights and equal opportunities	 	<ul style="list-style-type: none"> • Employees • Customers • Suppliers & partners • Shareholders • Business community 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market 	<ul style="list-style-type: none"> • Customers • Suppliers & partners • Scientific & academic community
Responsible corporate governance	   	<ul style="list-style-type: none"> • Consumers • Local and broader community • Employees • Customers • Suppliers & partners • Shareholders 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity • Product distribution • Product placement on the market 	<ul style="list-style-type: none"> • Customers • Suppliers & partners • Scientific & academic community
Financial performance		<ul style="list-style-type: none"> • Consumers • Local and broader community • Customers • Suppliers & partners • Shareholders • Business community 	<ul style="list-style-type: none"> • Procurement of raw and packaging materials • Papoutsanis activity 	<ul style="list-style-type: none"> • Customers • Consumers • Suppliers & partners

2.4 PARTNERSHIPS AND PARTICIPATIONS

GRI 102-12, GRI 102-13

Papoutsanis recognises that our active participation in professional bodies and associations helps to strengthen our partnership network and develop the Company, exchange valuable know-how and continually improve our products. To ensure this, we actively support and participate in the following professional bodies and associations:

Economic organisations

We are members of the following:

- ▶ Association of Greek Tourism Enterprises (SETE).
- ▶ Hellenic Federation of Enterprises (SEV).
- ▶ Association of Hellenic Plastics Industries (AHPI).
- ▶ Association of Industries of Central Greece (SVSE).
- ▶ Private Label Manufacturers Association (PLMAs World).

Environmental organisations

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

Social organisations

- ▶ We support Race for the cure.
- ▶ We have adopted the Smile of the Child Daycare Home in Agios Nikolaos in Halkida.





3. CREATING VALUE FOR THE ENVIRONMENT

CHAPTER CONTENTS:

3.1 OUR APPROACH TO ENVIRONMENTAL PROTECTION

3.2 ENERGY AND GREENHOUSE GAS EMISSIONS

3.3 WATER QUALITY MANAGEMENT AND ASSURANCE

3.4 RAW MATERIALS AND PACKAGING MATERIALS

3.5 SOLID WASTE AND PACKAGING WASTE MANAGEMENT

CREATING VALUE FOR THE ENVIRONMENT

3.1 OUR APPROACH TO ENVIRONMENTAL PROTECTION

GRI 102-11, GRI 103-2, GRI 103-3

The respect and protection of the natural environment are the cornerstone of the Papoutsanis philosophy. As part of this philosophy, our company has in place an environmental policy relating to its plant's operation and energy consumption. In particular, our Company's environmental policy is firmly grounded on the following principles:

- ✓ **Compliance with applicable legislation**
The company's operations fully comply with existing European and national environmental legislation, always within the emission limits specified in its environmental permit (AEPO).
- ✓ **Responsible operation**
The company is fully aware of the environmental impact of the production process and takes all necessary measures to minimise it, as well as appropriate measures to prevent environmental hazards.

- ✓ **Collaboration with accredited contractors**
The Company's partners in waste management (collection, transport, recovery, disposal) hold all the necessary licenses and follow sound management practices, as stipulated by the relevant laws.
- ✓ **Continuous improvement**
The company constantly strives to improve its environmental performance and reduce the environmental footprint of its operations by seeking environmentally-friendly raw materials and developing innovative products to this end.
- ✓ **Transparency**
The company has engaged in an open dialogue on environmental issues with all its shareholders, governmental and non-governmental organisations, academic institutions, local communities and society at large.
- ✓ **Training**
The company's 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 employees.

Papoutsanis is bound by the Code of Ethics to reduce the environmental footprint of its operations and business activities.

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

For the reporting year (2021), monitoring of 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 footprint.

MATERIAL TOPIC

3.2 ENERGY AND GREENHOUSE GAS EMISSIONS

Our approach

GRI 103-2, GRI 103-3

The Company employs practices to help reduce its environmental footprint and implements actions to save energy. Specifically, as part of improving and maximising the output of its production lines, in 2021 it invested in a number of initiatives valued at €5,909,402 which help improve energy efficiency and reduce energy consumption.

Some typical steps that have been taken to date in this direction are the following:

- ▶ New 2,000 sq.m warehouse with pallet racks for the automatic storage of packaging materials and finished products.
- ▶ Addition of a new 500 sq.m warehouse for soap bases.
- ▶ Change of panels in the existing warehouse to improve insulation.
- ▶ Installation of a synthetic soap base production line for ensuring sustainable development through the reduction of packaging plastic.
- ▶ Purchasing new equipment and highly energy-efficient machines for moulding and packaging.
- ▶ Use of electric vehicles by senior Company executives, which are charged using the chargers installed on the Company's premises.
- ▶ Obtaining A Renewable Energy Certificate (REC).

Furthermore, the Company has applied for the installation of a photovoltaic net metering system which it can use to produce energy from renewable sources. This energy will contribute to the Company's efforts to reduce greenhouse gas emissions and the cost of energy since the energy produced by the photovoltaic panels will be deducted from the energy consumed by the Company.

The Company's energy consumption derives directly from the operation of its building infrastructure, including offices and production plants, the use of its company cars and, indirectly, from its value chain.

The production units account for the largest part of the Company's energy consumption. In particular, gas is the main source of energy for saponification. The other activities are powered by electricity and, in power outages, they run on back-up diesel generators.

The company recognises that carbon dioxide emissions are generated by the operation of its production plants and throughout its supply chain. It has systems in place to reduce these emissions, by increasing storage capacity at its facilities, which was completed in 2021 and has led to a decrease in the need for transporting stock to and from third-party warehouses, thus reducing greenhouse gas emissions. In 2021 the Company obtained renewable energy certificates from its electricity provider and therefore 99% of the energy it consumed in 2021 derived from renewable energy sources.

Our performance

As part of the continuous control of our energy performance, we systematically monitor our consumption through bills issued by electricity and gas suppliers.

GRI 302-1, GRI 302-3



Consumption of energy from energy providers (GJ)		
	2020	2021
Total	21,064	24,670.8



Consumption of energy from renewable energy sources (GJ)

	2020	2021
Total	0	24,429.6¹

¹ This particular quantity derived from Guarantees of Origin provided by Papoutsanis' electricity provider.



Corporate indicator 3

Comparison of energy consumption in relation to produced items of finished products

	2020	2021	Modification
Energy consumption (GJ)	21,064	24,670.8	17%
Produced items of finished products	85,981,000	124,120,320	44%
Energy consumption per item of finished product (GJ/product)	0.00024	0.00020	-19%



Energy consumption from non-renewable sources (GJ)

	2020	2021
Electricity ^{2,3}	21,064	241.2
Heating	42,287	50,259.29
- Natural gas	42,253	50,202
- Diesel for generators ⁴	34.29	57.29
Consumption of energy from non-renewable sources	63,351.09	50,500.49

² This results from the total quantity of energy consumed from the energy provider minus the energy consumed from renewable energy sources.

³ To calculate electricity and natural gas, consumption data sent by the electricity and natural gas supplier were used. For conversions into MJ, conversion factors published in [DEFRA UK Government GHG Conversion Factors for Company Reporting](#) were used.

⁴ Note that the total amount of diesel the company purchased in 2021 was 1,500 litres (57,294 MJ). Of that, 150 litres were used to operate the two gensets in emergency situations (power cuts, transformer maintenance, etc.) and the rest to operate a forklift. Two decimals have been added to the value of 2020 for reasons of accuracy.



Total energy consumed within the Company (GJ)

	2020	2021
Total⁵	63,351.09⁶	74,930.09

⁵ This results from the sum of the total energy consumption from renewable and non-renewable sources.

⁶ Two decimals have been added to the value of 2020 for reasons of accuracy.



The Company's energy intensity⁷

Source	2020	2021
Energy consumed to produce soap and cosmetic bases	265 (MJ/ton of product)	284 (MJ/ton of product)
Energy consumed to produce plastics, cosmetic packaging and moulding	74 (MJ/'000 pieces)	71 (MJ/'000 pieces)

⁷ 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 tons. Two decimals have been added to the value of 2020 for reasons of accuracy.

Greenhouse gas emissions Scope 1 & 2

GRI 103-2, GRI 103-3

The company recognises that carbon dioxide emissions are generated by the operation of its production plants and throughout its supply chain. It therefore has systems in place to reduce these emissions, by increasing storage capacity at its facilities, which was completed in 2021 and has led to a decrease in the need for transporting stock to and from third-party warehouses, thus reducing greenhouse gas emissions in the following years.

In 2021 the Company obtained renewable energy certificates from its electricity provider and therefore 99% of the energy it consumed in 2021 derived from renewable energy sources. This action resulted in a significant reduction in the Company's Scope 2 emissions (market based) from 2,283 tCO₂e in 2020 to 23.58 tCO₂e in 2021. As regards the Company's Scope 1 emissions, there was a 19% increase between 2020 and 2021 (from 2,450 tCO₂e in 2020 to 2,912 tCO₂e in 2021), which is linked to the increase in the manufacture of products between the two years.





GRI 305-1, GRI 305-2, ATHEX C-E1, ATHEX C-E2

Direct and indirect greenhouse gas emissions (Scope 1 and Scope 2) ⁸		
Source	2020 emissions (tCO ₂ e)	2021 emissions (tCO ₂ e)
Direct greenhouse gas emissions (Scope 1) ⁹	2,450 ¹⁰	2,912
Indirect greenhouse gas emissions (Scope 2 – location based) ⁹	2,467	2,890
Indirect greenhouse gas emissions (Scope 2 – market based) ⁹	2,283	23.58 ¹¹
Total greenhouse gas emissions (Scope 1 and Scope 2 – location based)	4,917	5,802
Total greenhouse gas emissions (Scope 1 and Scope 2 – market based)	4,733	2,935

⁸ Within the context of calculating Scope 1 and Scope 2 for 2021, the Company recalculated its carbon footprint for 2020. The method used to calculate Scope 1 and Scope 2 emissions (location-based and market-based) for 2020 and 2021 was in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

⁹ For the purpose of calculating greenhouse gas emissions, conversion factors for Company Reporting from MJ to Mwh were used by the Department for Environment, Food & Rural Affairs (DEFRA) - UK Government, as were the following emission factors:

CO₂:

- Diesel, natural gas, electricity (location-based): Ministry of Environment and Energy - 2022 National Inventory Report of Greece
- Electricity (market-based): Greek Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP S.A.) -Supplier energy mix 2021

N₂O / CH₄:

- Diesel, natural gas: Department for Environment, Food & Rural Affairs (DEFRA) - UK Government conversion factors for Company Reporting (2019)
- Electricity (location-based, market-based): International Energy Agency (IEA) emission factors 2019

The operational control approach was used to calculate the Scope 1 and 2 emissions category. The calculations take CO₂, N₂O and CH gasses into account.

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 gathered reliable data for the calculation of emissions.

¹⁰ The present restatement is due to the fact that different conversion factors (see note 8) were used to recalculate Scope 1 emissions for 2020 in this Report, in relation to the calculation of Scope 1 emissions presented in the 2020 Sustainability Report.

¹¹ The significant reduction in Scope 2 – market based emissions is attributed to the fact that in 2021 the Company purchased renewable energy certificates from its electricity provider and as a result, 99% of the electricity it consumed derived from renewable energy sources.

Corporate indicator 4



Comparison of direct and indirect greenhouse gas emissions in relation to produced items of finished products

	2020	2021	Modification
Total greenhouse gas emissions (Scope 1 and Scope 2 - location based) (tCO ₂ e)	4,917	5,802	18%
Total greenhouse gas emissions (Scope 1 and Scope 2 - market based)(tCO ₂ e)	4,733	2,935	-38%
Produced items of finished products	85,981,000	124,120,320	44%
Greenhouse gas emissions (Scope 1 and Scope 2 - location based) per produced item of finished product (tCO ₂ e/item)	0.000057	0.000047	-18%
Greenhouse gas emissions (Scope 1 and Scope 2 - market based) per produced item of finished product (tCO ₂ e/item)	0.000055	0.000024	-57%



ATHEX C-E1, ATHEX C-E2

Greenhouse gas emission intensity

	2020	2021
Direct greenhouse gas emission intensity (Scope 1) (production tCO ₂ e/tn)	0.098	0.101
Direct greenhouse gas emission intensity (Scope 1) (tCO ₂ e/'000 packaging material units)	0.013	0.013
Indirect greenhouse gas emission intensity (Scope 2 - location based) (production tCO ₂ e/tn)	0.098	0.100
Indirect greenhouse gas emission intensity (Scope 2 - location based) (tCO ₂ e/'000 packaging material units)	0.013	0.013
Indirect greenhouse gas emission intensity (Scope 2 - market based) (production tCO ₂ e/tn)	0.091	0.001
Indirect greenhouse gas emission intensity (Scope 2 - market based) (tCO ₂ e/'000 packaging material units)	0.012	0.0001

3.3 WATER QUALITY MANAGEMENT AND ASSURANCE

Our approach

GRI 103-2, GRI 103-3, GRI 303-1, GRI 303-2

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 in all units comes from a well and is temporarily stored in tanks, ensuring continuous water supply and water independence. Our Company acknowledges that the operation of our plant and our entire production process has an impact on water, which relates mainly to water consumption.

To overcome this, the factory has an installed reverse osmosis unit (3 m³/h) to treat the water it uses for production. For conservation purposes, another reverse osmosis unit (1.5 m³/h) was added which uses wastewater from the first unit to produce water for the boiler room. This helps save approximately 20m³ 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. With the same goal in mind, we have installed an automated Clean-in-Place (CIP) system in the production line to reduce water consumption, considering that a substantial quantity of water can be used in the cleaning process.

Furthermore, the manufacture of sustainable products, such as solid shampoo, requires the use of less water during the manufacture process.

For the purpose of ensuring the quality of the water, quality controls are carried out every month on the quantities of water supplied to the facilities. More specifically, samples of water are sent to external laboratories for the analysis of the required parameters and special tests are conducted on a daily basis by the Company's specialised team to monitor the physicochemical parameters.

As for channelling stormwater through our facilities, there is a stormwater pipe installed around the perimeter of the plant that directs it to the municipal pipeline running past our premises.

As part of the sound 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. In particular, in 2021 the Company treated 10,440 tons of wastewater from aqueous washing liquids and mother liquors at its biological treatment facility, which were subsequently released as surface water that met the legally required standard.

After being treated in our biological treatment facility, the industrial and minimal urban wastewater is released as surface water, in accordance with the environmental terms in the existing environmental permit (AEPO). In addition, the quality of the treated wastewater is tested as specified in the environmental permit.

Testing at our biological treatment facility is conducted regularly to ensure the good quality of effluent¹ and, to date, all required physicochemical parameters are within the permissible limits.

Bottled water is used to meet our needs for potable water, and water obtained by treatment through reverse osmosis is used for other needs. It should be noted that the Company is considering the possibility of using water treated at its biological treatment facility in cooling towers, and also – following additional treatment processes – in the soap manufacturing process.

Our performance

GRI 303-5

In 2021, our Company consumed 63.5 ML (1 ML=1,000 m³) of water obtained from a well. It is worth noting that the state of the groundwater systems in the area of Papoutsanis' operation has been assessed as good, both qualitatively and quantitatively. The good chemical status of the water indicates a low or zero pollutant content, while the quantitative analysis indicates the aquifer is still viable².

Use of well water ³		
	2020 (ML)	2021 (ML)
a) Total water consumption	57.7	63.5

¹ The status of these data for the time being does not allow for the provision of more detailed information on processed waste generated by biological treatment in this Report. We plan to improve reporting of the information in the medium term.

² First Revision of the River Basin Management Plan or the East Central Greece Water District (EL 07).

³ Requirements b and c under GRI Disclosure 303-5 have not been completed because no areas with water stress have been identified, according to the assessment of the aquatic systems analysed in the First Revision of the River Basin Management Plan or the East Central Greece Water District (EL07).

Corporate indicator 5

Comparison of water consumption in relation to the number of produced finished products			
	2020	2021	Modification
Total consumption of water	57.7	63.5	10%
Produced items of finished products	85,981,000	124,120,320	44%
Water consumption per produced finished product	0.0000007	0.0000005	-24%

3.4 RAW MATERIALS AND PACKAGING MATERIALS

Our approach

GRI 103-2, GRI 103-3



Raw materials

Raw materials used for the production and packaging of a product are a decisive factor in its quality, safety, as well as its environmental and social footprint. This has driven many industries, including soap and cosmetics manufacturers, to shift to more sustainable solutions using raw materials certified to international environmental and social standards, as well as recyclable and recycled packaging materials that reduce the negative effects of products on the environment. The shift to more sustainable solutions can be achieved either through the use of recycled materials in the manufacture of new products, at the same time reducing the demand for non-renewable raw materials (virgin plastic), or through the manufacture of packaging with a higher recyclability rate, thus limiting the negative impact of products on the environment.

To that end and as part of its quality assurance policy, Papoutsanis invests in creating innovative products, including their packaging, produced from recycled raw materials. Essential raw materials used in the Company's production process include various types of oils (e.g. palm oil), chemicals, perfumes, and paper and plastic used to produce packaging.



Quality goals are met by the implementation of ISO 9001:2015



"Good Manufacturing Practices" during production stages are ensured by the implementation of ISO 22716:2007



Sedex Members Ethical Trade Audit (SMETA)



Members of GreenPalm trading programme, supporting the sustainable palm oil production



Sustainability certification based on a life cycle assessment and an overall goal to reduce the environmental impact of products



RSPO - the Roundtable on Sustainable Palm Oil - is an organization that works to advance the production, procurement, finance, and use of sustainable palm oil in products used all over the world



All products and its derivatives are free from animal ingredients and testing



All stages of product development are free from animal testing



Certified Organic Cosmetics (COSMOS ORGANIC - ECOCERT)



Certified Natural Cosmetics (COSMOS CERTIFIED - ECOCERT)



Authorised Economic Operator

Raw material certifications

More specifically, given the large quantity of various oils it uses to make its cosmetics and soap products, the Company is a member of and is certified by the **Roundtable on Sustainable Palm Oil (RSPO)**, a global initiative undertaken by stakeholders in the palm oil supply chain to further palm oil's environmental and social sustainability. The company is also a member of the **GreenPalm** programme, which is part of the same initiative.

Additionally, the Company sells organic and natural cosmetic lines approved by **ECOCERT (COSMOS ORGANIC and COSMOS CERTIFIED)**, which are produced using 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, ethanolamine), whereas most of the raw materials used do not contain ingredients of animal origin, thus ensuring **Vegan** product certification.

Packaging materials

ATHEX SS-E5

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

Regarding raw materials for making product packaging, 7.5% of materials used are made from recycled PET (polyethylene terephthalate) and HDPE (high-density polyethylene) (PCR), and the remaining 92.5% are made from recyclable PET, HDPE and PP (polypropylene). No PVC (polyvinyl chloride) is used. This allows us to reduce the production of new plastic while also recycling old plastic to new. It should be noted that in 2021 the Company purchased 3 million boxes of soaps certified according to 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. Packaging also ensures proper protection of products during transport and storage.

¹ Further information on the criteria for the selection of raw materials and packaging materials suppliers is available in section 4.2.



Our performance

The certified (ECOCERT and/or RSPO) oil-based raw materials used to manufacture the Company's products constitute 53% of the total oil procurement. As for raw materials for soaps and cosmetics, 19.2% are certified. It has been observed that there is a higher demand for products using certified oil-based raw materials during the last two years (2020 and 2021).

GRI 301-1, GRI 102-48



Total weight of raw and packaging materials (tons) ²		
	2020	2021
Renewables (tons)	15,500 ³	13,338
Non-renewables (tons) ³	685	6,850
Total weight of raw materials and packaging materials (tons)	16,185⁴	20,188

² The company uses cartons and soap boxes as packaging materials, which are measured in pieces and cannot be added to the total weight in the table above. The Company is in the process of implementing a system to calculate total weight of raw and packaging materials.

³ Raw materials for soaps and cosmetics were classified as renewable raw materials in the 2020 Sustainability Report.

⁴ The first restatement contained a typographical error in the sum of the total weight of the raw materials and packaging materials, and in the quantity of renewable raw materials. The necessary corrections have been made in the present restatement.

Corporate indicator 6

Comparison of weight of raw materials and packaging materials (tons) in relation to produced items of finished products			
	2020	2021	Modification
Total weight of raw and packaging materials (tons)	16,185	20,188	25%
Produced items of finished products	85,981,000	124,120,320	44%
Weight of raw materials and packaging materials per produced item of finished product (tons per item)	0.0001882	0.0001626	-14%

As regards recycled packaging materials, the rate of soap boxes originating from recycled materials amounts to 26.47% of total number of boxes; the corresponding rate of recycled cartons relative to the total number of cartons comes to 46.67%, which is indicative of our commitment to limit the impact of our operation on the environment.



Corporate Indicator 1

Total number of cartons and soap boxes		
	2020	2021
Total soap boxes (pieces)	6,500,000	13,600,000 ¹
Recycled soap boxes (pieces)	4,700,000	3,600,000 ²
Recycled soap boxes relative to total soap boxes (%)	72.31%	26.47%
Total cartons (pieces)	4,000,000	7,500,000
Recycled cartons (pieces)	800,000	3,500,000
Recycled cartons relative to total cartons (%)	20%	46.67%

¹ The radical increase is due to the significant growth observed in the hotel sector in 2021, in relation to the drop in 2020.

² The reduction is due to the lack of recycled cardboard raw material, which occurred in 2021.



GRI 301-2, Corporate Indicator 2

% Recycled plastic raw materials		
	2020	2021
Total weight of plastic raw materials (t)	685	643
Recycled plastic raw materials (t)	35	48.3
Total recycled plastic raw materials relative to total plastic raw materials	6%	7.5%

The Company does not use recycled raw material for the manufactured product. Consequently, the formulation of the above table takes into account the total quantity of recycled plastic raw materials concerning packaging materials. Moreover, it should be noted that waste from the Papoutsanis production process is reused so that it is not subjected to other management methods.

3.5 SOLID WASTE AND PACKAGING WASTE MANAGEMENT

Our approach

GRI 103-2, GRI 103-3, GRI 306-1, GRI 306-2

Solid waste

Limiting and reducing our Company's environmental footprint and complying with applicable laws on waste management, storage, transportation, recycling and disposal are high-priority commitments.

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.

Packaging waste

Our product packaging is properly designed to maintain 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 department reuses and recycles unused raw material from the soap crusher machine, thus reducing waste generation and helping to conserve natural resources.

Our performance

GRI 306-3, ATHEX A-E3-1, ATHEX A-E3-2



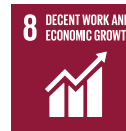
Total waste (tons)				
	2020		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Treated waste after secondary treatment	10,200		10,440	
Plastic packaging	29.58		49.23	
Wooden packaging	20.27		81.08	
Mixed packaging	209.97		316.69	
Paints and varnishes		1.47		0.310
Organic waste containing hazardous substances		65.41		6.09
Organic chemicals consisting of or containing hazardous substances		2.82		0.89
Sludge from biological treatment	274.6		356.59	
Non-chlorinated machine oils		2.56		0.025
Paper and carton packaging	132.31		129.027	
Metals	7.55		-	
Iron and steel	6.35		91.600	
Absorbent materials, filter materials, cloth wipes, protective clothing contaminated by hazardous substances		0.01		0.010
Total waste	10,880.63	72.27	11,464.22	7.325



4. CREATING VALUE FOR SOCIETY AND THE ECONOMY

CHAPTER CONTENTS:

- 4.1 CREATING ECONOMIC VALUE
- 4.2 RESPONSIBLE SUPPLY CHAIN
- 4.3 PRODUCT QUALITY AND CONSUMER HEALTH AND SAFETY
- 4.4 EMPLOYEE HIRING, TRAINING AND DEVELOPMENT
- 4.5 EMPLOYEE HEALTH, SAFETY & WELL-BEING
- 4.6 ENSURING HUMAN RIGHTS AND EQUAL OPPORTUNITIES
- 4.7 CHARITY WORK



CREATING VALUE FOR SOCIETY AND THE ECONOMY

MATERIAL TOPIC

4.1 CREATING ECONOMIC VALUE

Our approach

GRI 103-2, GRI 103-3

Our Company creates economic value for its stakeholders through its business activities and contributes to the economy, employment and development of local communities. Additionally, we create value indirectly for our value chain overall, including our suppliers and partners and through our exports.

Our Company's strategic priorities are fully integrated with the creation and distribution of economic value for all our stakeholders. Our business model, our vision, our values and our business ethics form the basis of our approach to creating value.

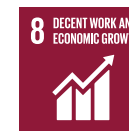
Papoutsanis' modern and outward-looking profile extends well beyond borders. With a steadily growing presence in more than 25 countries all over the world and exports to Europe, America, Asia, Oceania and Africa representing more than 62% of the Company's sales, it creates resounding value for the Greek economy.

Creating value during the Covid-19 pandemic

After the outbreak of the COVID-19 pandemic in 2020, the commencement and development of the vaccination schedule led the global economy to present signs of recovery in 2021. Nevertheless, the pandemic continues to play a significant role in consumer habits and choices, thus also affecting the hotel sector.

The lifting of restrictions from the second half of 2021 led to an increase in private consumption compared to 2020. Moreover, considering that Greece was a safe destination in the summer of 2021, the recovery of the hotel sector was observed, with tourist arrivals increasing in June 2021 compared to the drop observed in 2020.

In 2021, consolidated revenues came to €54.8 million compared to €40.8 million in 2020, presenting a 34% increase. The increase in revenues is attributed to the Company's high performance in all categories in which it operates.

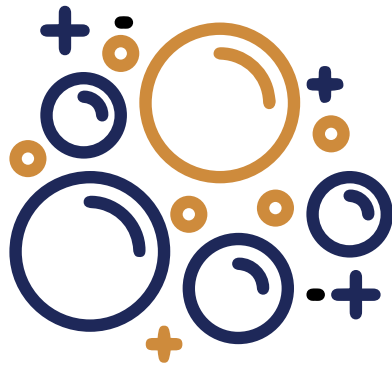


In particular, in 2021 the position of branded products in major retail chains was boosted, simultaneously bringing about the significant growth of the Company's market share. The hotel amenities category was boosted by the partial recovery of the hotel market in Greece and abroad in 2021, with significantly higher exports in the last quarter due to the commencement of new deals with international chains, which had in fact been closed in 2019 but were delayed due to the pandemic.

The third-party product category underwent an increase due to the further enhancement of collaborations with multinational companies for the production of their products, due to the development of its client base and the constant expansion of the products offered by the Company.

The growth in sales of specialty soap bases, a raw material for making solid soap, also contributed greatly to the increase in sales.

This growth is attributed to the establishment of Papoutsanis as one of the key suppliers of specialty soap bases in the international market, to the expansion of its client base and to the constant enhancement of its range of products.



70%
increase in exports compared to 2020

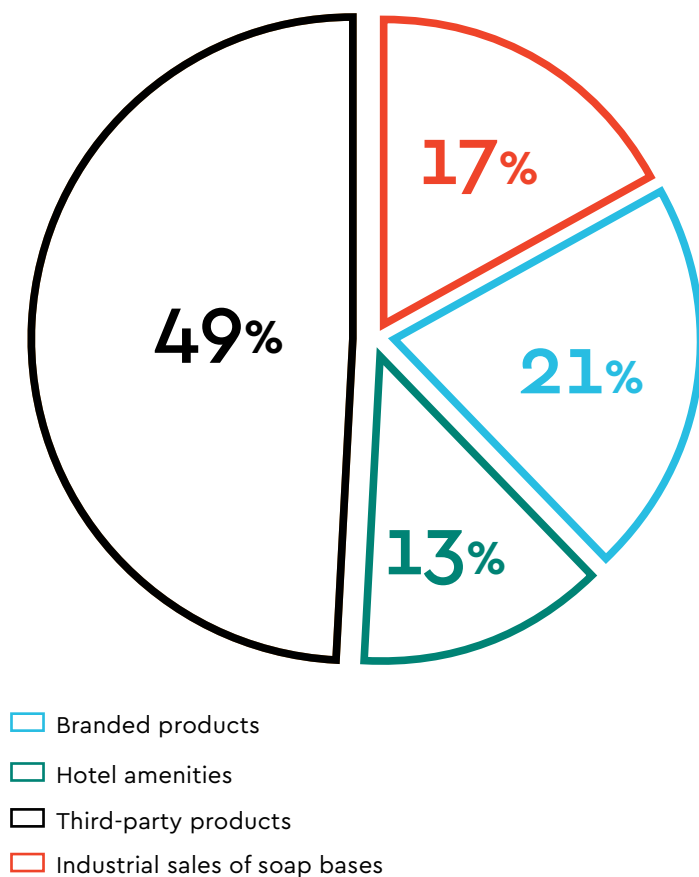
€50.8 million
Direct distributed value

34%
Increase in total revenues compared to 2020

126%
increase in hotel amenities sales (compared to 2020)

In 2021, Papoutsanis exports recorded a significant increase by 70% in relation to 2020, amounting to 34 million euros, representing 62% of total revenues. About 21% of total revenues originates from sales of Papoutsanis branded products in Greece and abroad, 13% from sales to hotels, 49% from product manufacturing for third parties and 17% from industrial sales of soap bases.

Contribution of products to the Company's revenues



GRI 102-10

The following events took place with regard to changes in the Company's share capital in 2021:

► Under the decision dated 28.06.2021 by the Board of Directors, following the exercise of stock options as part of the Company's employee share option scheme, in accordance with Article 113 of Law 4548/2018, it was decided to increase the Company's share capital by €53,325, to the amount of €14,582,615.76, through the payment of cash and the issuance of 98,750 new common registered shares with voting rights and a nominal value of €0.54 each.

Research & Development Department activities

Our Research & Development Department drives the growth of our Company's activities. To that end, we have systematically invested in equipment, adding specialist staff to the team and obtaining the most appropriate certifications.

Our R&D team is involved in the creation of various products, solid soaps and liquid cosmetics, with the greatest emphasis on sustainability as manifested through the use of natural raw materials, the development of related natural recipes, the vertically integrated production of required packaging materials (bottles and stoppers) using recycled and recyclable materials as far as possible, and the obtaining of relevant certifications. As these products respond to current and prospective consumer trends, they are available to the Company for its own branded products as well as to third-party customers who wish to develop their own.



Examples of these products are cosmetics in solid form (body lotion, shampoo, hair conditioners), as well as synthetic soap bases (syndet), as part of the efforts to reduce the use of plastic and water content, while at the same time reducing the carbon footprint accordingly. Other examples include the melt and pour soap bases, liquid olive soaps, hot fill technology or products in different shapes, acknowledging the tendency towards new and original forms of packaging.

Characteristics of sustainable products

The company makes a point of providing environmentally friendly solutions and therefore produces sustainable product lines, thus reducing its environmental footprint. The basic characteristics of these products are presented in the below table.

It should be noted that Papoutsanis complements all hotel lines with refillable dispensers, which it combines with recyclable doypacks produced with 80% less plastic.



Product Line	Main characteristics
Olivia	<ul style="list-style-type: none"> ▶ Up to 93% ingredients of natural origin. ▶ Natural preservatives. ▶ Eco-friendly packaging made from recycled materials.
Olivia Thinks	<ul style="list-style-type: none"> ▶ Vegan formula, 97% ingredients of natural origin. ▶ Up to 100% recycled and 100% recyclable bottles. ▶ Soap with RSPO soap base, in recycled paper packaging with FSC® certification. ▶ Solid Shampoo and Solid Shower Gel (products with fewer packaging materials, no plastic and a significantly smaller environmental footprint).
Good to Declare	<ul style="list-style-type: none"> ▶ Formulas with over 97% ingredients of natural origin and natural preservatives. ▶ Eco-friendly manufacturing process, with responsible use of natural resources and respect to the environment, people and biodiversity. ▶ ECOCERT certification (COSMOS NATURAL). ▶ Eco-friendly, recyclable packaging.
Le Jardin Med	<ul style="list-style-type: none"> ▶ Organic extracts of Greek plants and herbs. ▶ Vegan formula. ▶ Recyclable packaging.
Hotel amenities in Refillable Dispenser & Refill Packaging	<ul style="list-style-type: none"> ▶ Eco-friendly refillable and recyclable dispenser packagings. ▶ Recyclable doypack refill packagings produced with 92% less plastic (compared to the small packagings).
Aromatics	<ul style="list-style-type: none"> ▶ Vegan formula. ▶ Recyclable packaging.

Our performance

GRI 201-1

Direct economic value generated and distributed			
	2019	2020	2021
Direct economic value generated (€ '000)			
Revenues (€ '000)	30,667	40,842	54,769
Direct economic value distributed (€ '000)			
Operating costs	22,007	27,374	40,230
Employee wages and benefits	5,043	5,683	6,402
Payments to providers of capital	598	556	2,459
Payments/contribution to government	1,065	1,528	1,630
Community investments	138	201	162
Total	28,850	35,342	50,883
Economic value retained (€ '000)			
Total	1,817	5,500	3,886

GRI 102-7

Size of organisation	2020	2021
Total number of employees	153	177
Total number of production plants and warehouses		
Production Units	5	6
Warehouses	2	2
Total revenues	€40,841,939	€54,768,621
Total capitalisation*	€51,354,310	€63,577,139
Total number of products produced**	85,981,989	124,120,320

* For 2021, total equity was €25,277,440, while total debt was €38,299,699.

** Due to the significant recovery of tourism in 2021, the number of items far exceeded the corresponding number of produced items in 2020, which presented a remarkable decrease due to the pandemic, as well as the number of items produced in 2019, before the pandemic.

ATHEX A-S1

Revenues	2020	2021
Revenues from sustainable assets, products and services	2,849,168	5,463,204
Total revenues*	40,841,939	54,768,621
Sustainable revenues (%)**	7%	10%
CapEx	2020	2021
Capital expenditure from sustainable assets, products and services	2,650,000	3,942,274
Total capital expenditure	4,996,597	10,228,246
Sustainable capital expenditure (%)**	53%	39%
OpEx	2020	2021
Operational expenditure from sustainable assets, products and services	7,573,847	18,770,632
Total operational expenditure	27,374,000	40,230,000
Sustainable operational expenditure (%)**	28%	47%

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

Sustainable revenues (%)= Revenues from sustainable assets, products and services / Total revenues x 100

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

Sustainable operational expenditure (%)= Operational 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.

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

4.2 RESPONSIBLE SUPPLY CHAIN

GRI 102-9

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



In 2021, we engaged 874 suppliers in Greece, Europe, Asia and the USA, paying suppliers an estimated total of €29 million.

The year 2021 was one in which the supply chain suffered disruptions such as lack of packaging materials and raw materials. Nevertheless, the Company effectively met the challenges by taking preventive measures, which included pre-orders in cases of large quantities, as well as the expansion of its network of suppliers with alternative suppliers that fully meet the quality characteristics required by Papoutsanis. By applying this method, there was no shortage and the manufacturing process continued at a normal rate, creating excellent results.

Selection procedure and criteria for suppliers of raw materials and packaging materials

ATHEX C-S8

Our Company is governed by the Code of Conduct, which it makes sure to send to current and prospective suppliers and subcontractors and encourages them to abide by it for as long as they are working with the company. The overall supervision of supply chain procedures has been entrusted to the Company's Procurement 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.

Supplier selection process

1. Request for a sample from prospective suppliers and related documents (tds, msds, reach compliance, certifications).

2. Approval by quality control.
3. Trial order and small-scale trial production.
4. Visit to prospective supplier's premises.

Selection criteria

1. Responsiveness to requests for materials and material certifications.
2. Uninterrupted flow of good-quality raw materials and packaging materials.
3. Technology used by suppliers.
4. Use of recycled raw materials.
5. Reliability of prospective contractors.

Our Company's goal is to:

- introduce environmental, social and corporate governance criteria to the process of screening all of its suppliers.
- develop and monitor related performance indicators of suppliers.



4.3 PRODUCT QUALITY AND CONSUMER HEALTH & SAFETY

GRI 103-2, GRI 103-3, GRI 416-1, GRI 416-2

Our approach

GRI 103-2, GRI 103-3

Papoutsanis signs its name to its high-specification products and applies the strictest control and quality assurance procedures in accordance with the requirements of the ISO 9001: 2015 standard, European legal requirements for cosmetics (Regulation (EC) No 1223/2009) and the guidelines of the National Organisation for Medicines (EOF) as the national competent authority.

Product quality policy

The Company's mission is to care for its customers. Our goal is to be the most qualitative, productive and low-cost manufacturer in a safe environment, thereby ensuring both our customers' and our own profitability. Company management is committed to making sure quality targets are met with the implementation of a system that complies with the requirements of the ISO 9001: 2015, while at the same time:



- ▶ Acknowledging current trends & customer needs.
- ▶ Providing resources for the development of new products & services.
- ▶ Investing in know-how, facilities and equipment.
- ▶ Faithfully following the rules of good manufacturing practices (GMPs), which are assured by the implementation of the ISO 22716:2007 standard and are referred to in detail below.
- ▶ Making products of excellent quality.
- ▶ Ensuring a safe working environment.
- ▶ Protecting the environment and nature in every possible way.
- ▶ Supporting sustainability.
- ▶ Promoting certified services and products.



The health and safety practices our Company follows, combined with the quality assurance system and adherence to legal requirements, ensure that the products that reach consumers are completely safe and guaranteed.

Quality assurance is applied from the initial development stage of a product to all subsequent levels – manufacturing, production and quality control – to the final stage of storing and delivery, as well as customer service.

The quality strategy is cascaded to all levels of the organisation. Our management, personnel and partners work as a team to support and improve the business' performance. The responsibility for applying quality standards lies with Papoutsanis Management.

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

1. We are members of SMETA (Sedex Members Ethical Trade Audit), the most widely used certification in the world on issues of corporate ethics and social responsibility. SMETA is an auditing methodology that allows businesses to evaluate working conditions.
2. We are members of the Roundtable on Sustainable Palm Oil (RSPO), working to support palm oil sustainability. RSPO is an organisation that advances the production, procurement, finance and use of sustainable palm oil products used all over the world.
3. Sustainability certification based on the life-cycle assessment³.

4. Certified organic cosmetics (COSMOS ORGANIC – ECOCERT).
5. Certified natural cosmetics (COSMOS NATURAL – ECOCERT).
6. Certified vegan products which contain no ingredients derived from animals.

In addition, none of the ready-for-use products are tested on animals.

Training in issues of product quality

As part of safeguarding the high quality of its products, the Company conducts training sessions for employees to explain the importance of meeting the strict quality specifications and how this contributes to our Company's strategic priorities and to protecting the health and safety of the final consumer. As part of these trainings, participants frequently fill out questionnaires which are scored. If a participant fails to achieve a passing score on the assessment, the training must be repeated. Additionally, certificates of attendance are issued after trainings held by external bodies have been completed.

Health and Safety Policy

Our Company's Health & Safety Policy highlights the importance of occupational safety to ensure the protection of our employees, the Company and consumers against any risk or unforeseen event. It should be noted that in 2021, quality assurance inspections were carried out by three organisations for certifications to ISO 9001, ISO 22716 and RSPO.

³ It refers to an SKU manufactured for a multinational company

Quality Controls

The production and packaging of Papoutsanis products are thoroughly controlled through the formal quality assurance system based on the requirements of the ISO 9001 and ISO 22716 standards. In particular:

All of Papoutsanis' raw materials are procured from suppliers of international standing and are assessed by specially trained personnel through ongoing quality testing in the laboratory.

Intensive "in-process" controls are in place during production to ensure specifications are met.

All products are subject to laboratory testing by analysts experienced in testing methods for liquid and solid soaps before they are approved for distribution.

All of our product categories (raw materials, packaging materials, semi-finished and finished products) go through tests that include sampling to verify their quality.

To ensure that our quality targets are met, we have implemented a monitoring system that includes performance indicators for 2020 and 2021 in the following areas:

Indicator	Description	2020 target	2020 Performance	2021 target	2021 Performance
Customer satisfaction	% Company performance related to pre-agreed customer needs and product specification	> 80%	76.1%	80%	76.9%
Product quality	% products not in compliance (deviation from customer specifications or complaints) relative to the total products produced	< 0.01%	0.0007% (liquids), 0.0006% (soaps), 0.0% soap noodle batches, liquid bulk batches 0.004%	< 0.01%	0.001% (liquids), 0.0002% (soaps), 0.014% soap noodle batches, liquid bulk batches 0.005%

Indicator	Description	2020 target	2020 Performance	2021 target	2021 Performance
Product quality	% critical products not in compliance (deviation from specifications, cannot be remedied or require product recall) relative to the total products produced	< 0.01%	0%	< 0.01%	0%
Repeated incidents of non-compliance	Statistical analysis of customer complaints on causes, trends, effectiveness of corrective measures	0.01%	0.0002%	0.01%	0.0003%

Rules of good manufacturing practices (GMPs)

We apply rules of good manufacturing practices at all stages of the production process. These practices are based on the requirements of the ISO 22716 standard and include provisions for:

- ▶ The level of expertise of fully trained personnel.
- ▶ The presence of suitable technological equipment and special areas for controls, storage and hygiene.
- ▶ Special equipment and spaces for personnel protection and hygiene, as well as for cleaning/sanitising facilities and technological equipment.
- ▶ Special specifications for the type, procurement and control of raw materials.
- ▶ Appropriate labelling and handling of raw materials, semi-finished and finished products.
- ▶ The documentation of controls and procedures.

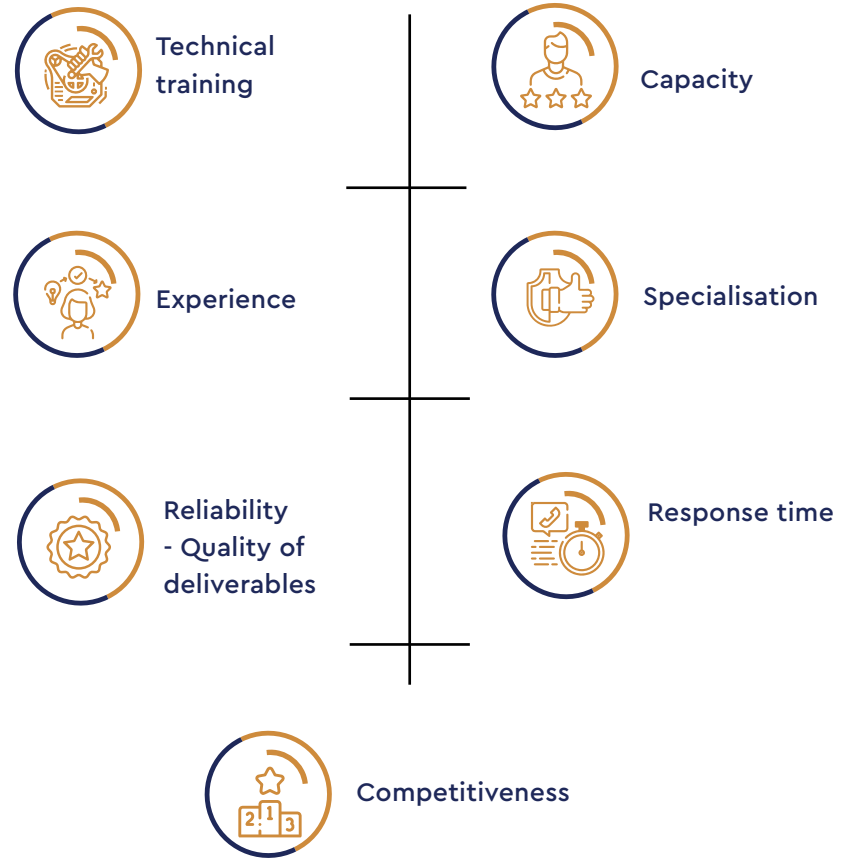
In addition, after the lifting of restrictions for containing COVID-19, we often receive visits from customers who want to learn more about our company, our production process, our facilities, and the measures we apply regarding product quality as part of a potential partnership.

At the same time, existing customers conduct inspections of our facilities to ensure that quality assurance measures are being followed. In 2021, three (3) inspections were carried out by customers.

Supplier screening

ATHEX C-S8

Our suppliers are screened based on the supplier screening system we have in place to review our supplier's performance in relation to the following criteria. The overall performance of each supplier is evaluated by the score received under each screening criterion.



Each parameter is evaluated on a scale from 1 to 5 and, depending on the result of the evaluation, each supplier is placed in one of the following categories:

- ▶ Rejected (<3)
- ▶ Accepted with supervision (3-3.5)
- ▶ Approved (>3.5)

A potential collaboration is possible with approved suppliers. However, suppliers deemed to be "accepted with supervision" are eligible for collaboration, on condition that each collaboration will be fully controlled until the next evaluation.

For reasons pertaining to the environmental management system, in addition to the above:

► Transport companies are evaluated based on the transport company evaluation questionnaire, which they must fill out after it is forwarded to them. The questionnaire is intended to help the Company understand the extent to which its suppliers affect the environmental dimension of its activities and how any environmental performance can be evaluated and improved, if required.

► Waste managers, air conditioning and security system maintenance professionals, as well as control and certification organisations are evaluated based on whether they possess the relevant licence required by Law (e.g. waste management licence for the waste – European List of Waste (LoW) – that is to be managed, possession of a certificate and licence to maintain air conditioning units, accreditation by a state agency).

Suppliers are evaluated on a case-by-case basis based on their offers, and the evaluation is documented



upon acceptance of the supplier's offer. The evaluation of asset suppliers is carried out by Management.

Additional information on the process and criteria for the selection of suppliers of raw materials and packaging materials is presented in section 3.4.

Evaluation of a supplier's premises

In cases of collaborations where suppliers use laboratories, production facilities or crews (production, processing, construction), it is deemed advisable to make regular (usually annual) visits to their facilities. Observations from each visit are recorded in a report and these visit reports are taken into account in the evaluation of the subcontractors. Thereafter, the supplier

is notified of any deviations from the expected performance and the officer conducting the visit must ensure that any non-compliance is restored.

Quality policy for the selection of packaging materials and raw materials

The specifications of supplied raw materials and packaging materials are determined by the R&D and Quality Assurance departments. Thereafter, in collaboration with the Procurement Department, suitable approved raw materials and their suppliers are sought and specified.

The quality requirements for packaging materials are documented in the specifications, depending on the type of material. Where required, at the discretion of the quality control officer, the special specifications of each packaging material are documented separately for each material. Furthermore, where appropriate and based on the product category, packaging materials made from recycled materials and/or eco-friendly materials (bio-based) are selected.

The specified requirements for incoming raw materials are documented in the monographs of the Greek Pharmacopoeia (GP), in documents of the manufacturers (specifications, MSDS), and also by customers.

Selection of raw materials that help to reduce the product's environmental footprint

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

Our Company conducts a health and safety assessment of all products as required by law. Through the quality management standards referred to above and the strict quality and safety policies we employ, we systematically control and assess the impacts of our products.

In 2021, 100% of our products were assessed for impacts on health and safety.

% products by category assessed for impacts on health and safety		
Category of product	2020	2021
Branded products	100%	100%
Hotel amenities	100%	100%
Third-party products	100%	100%
Industrial sales of soap bases	100%	100%

GRI 416-2

In 2021, we had zero incidents of non-compliance with regulations related to the health and safety of our products.

4.4 EMPLOYEE HIRING, TRAINING AND DEVELOPMENT

Our approach

GRI 103-2, GRI 103-3

Papoutsanis keeps a close eye on all developments in labour laws and makes sure to adhere to them. The basis of its approach regarding employment is described in detail in the company's Code of Ethics, which can be found on the official website of Papoutsanis.

The principles guiding our Company's relationship with its employees are trust and respect. At Papoutsanis, we all treat our colleagues in the most respectful and dignified manner. Our Company makes every effort to form and maintain successful working relations. These same principles inform relationships between senior management and subordinates. Both sides share responsibility for ensuring open and honest communication between them.

Specifically, our Company has developed and implemented a number of processes, as shown below, that involve hiring management and staff training by the Human Resources Department and fall within the following stages:



Processes and programmes for employee hiring, training and development

Interview, hire and laying off processes.

Introductory training programme for new employees (induction plan).

Evaluation process, held once a year.

Training and personal development process.

Process for supplying personnel with company products.

Recruiting and hiring employees

Prospective employees can apply through our website, which is connected to the online management system used by the Human Resources Department (HR recruitment tool). Available positions are posted on all job announcement sites and in most recruitment networks simultaneously. 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. The first stage includes a maths test or a case study and an English test. Notes are kept during the interview and the interview is subsequently assessed by the head of the department and by the human resources department. The second stage involves the selection of 2–3 candidates who are invited to a second interview, while the third stage involves the selection of the suitable candidate and the reaching of an agreement on the candidate's earnings and date of commencement. Each candidate is selected based on merit and is treated equally and with transparency. Candidates are screened using predefined objective criteria based on merit and evaluation standards.

In general, as specified through the interview and hiring process, the evaluator aims to identify those characteristics of the candidate which are not as evident from the CV in order to be able to better assess the suitability of the individual for the job. The evaluator also seeks to explore the candidate's values and the degree to which they are compatible with the corporate

culture and to verify that the object of the position is truly of interest to the candidate. At the same time, candidates have an opportunity to promote themselves and to obtain more information about the position.

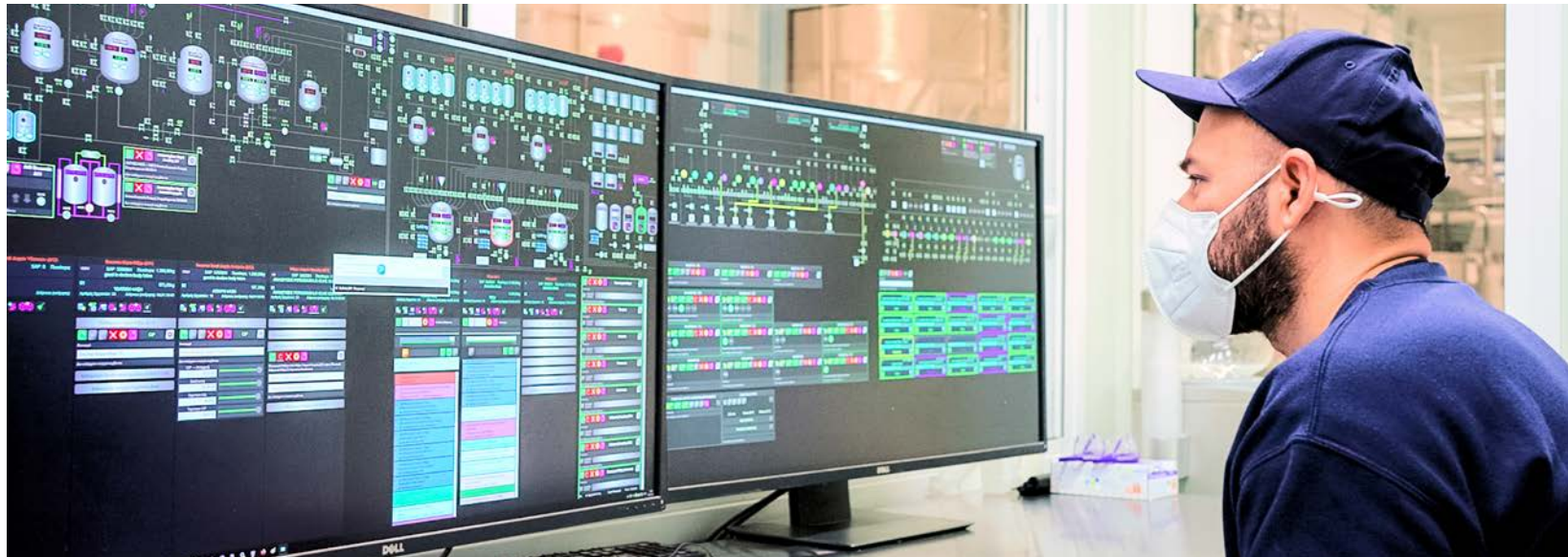
Furthermore, it should be noted that our Company, through its participation in trainee programmes that are implemented either through the NSRF-Manpower Employment Organisation (OAED) (interconnection of all universities) or through the Re-Generation programme, has offered job opportunities to young professionals. Also, the Company has ties with university networks where they jointly make use of self-funded programmes, thus creating jobs for young scientists. A typical example of this is that in 2021, five (5) new workers were employed in this way, three (3) of whom were absorbed in new jobs.



Employee induction

Our Company places great emphasis on the proper induction of new hires, as reflected in the induction procedure. Our employee induction includes the following activities:

1. Presentation of the Company, briefing on its Code of Ethics and introduction of employee.
2. Briefing on rules for safety and movement within the plant premises and use of protection equipment.
3. Discussion with the employee's manager/supervisor on the progress of training and introduction of the employee, discussing impressions, roles and responsibilities assumed by the employee.
4. GDPR training and training on the employee's job, provided by the department's most senior mentor.
5. Preparing a medical record by the occupational physician.





Employee training and development

Through training, we provide our employees with specific skills or assistance so they can perform their work effectively. Training also focuses on current tasks, our Company's direct needs and the future development of our people. Conveying knowledge and cultivating the skills and abilities of our people plays a vital role in our company, as without it, implementing its objectives would be impossible. They must therefore be addressed seriously as activities that determine its future.

The training strategy followed involves personal development through opportunities to grow as a person, adjust to work demands and place emphasis on individuals' leadership skills.

Training stages are defined as follows:

1. Identifying knowledge and skills required.
2. Identifying current levels of knowledge.
3. Diagnosing training needs and preparing a suitable programme.
4. Preparing training methods and providing time and place of training.
5. Assessing employees after training has been completed and how work is being performed.

During 2021, and specifically in May 2021, Papoutsanis decided to integrate the Mentoring and Coaching programme for the development of employees. This particular programme involves

a plan for the development of skills of the Company's staff and is personalised for each participant separately. It is implemented by a group of mentors who are external collaborators of our Company, once a week for each staff member, and 16 employees have taken part to date.

The Mentoring & Coaching programme concerns new employees who hold positions of responsibility, staff members such as Junior Managers and also some older staff members of our Company, so that they may develop their skills with the aim of being smoothly integrated into Next Step Management.

The results from the evaluation procedure that was implemented after the first six months of the programme were impressive. The objective is for all staff members to go through the Mentoring & Coaching process, since Papoutsanis places great importance on the development of its people, and especially of all young employees who must be guided by well-trained Coaches in order to maximise their abilities, improve their performance and achieve personal and professional fulfilment.

GRI 404-2, ATHEX A-S2

Our Company provides continuous training, starting with the employee's hiring and continuing throughout their employment at the Company on topics that apply to: their specific role and the Company's legal obligations (e.g. training on manufacturing of antiseptics, training on the GDPR, handling and storage of hazardous materials); and to teaching additional skills (e.g. positive leadership, verbal and non-verbal communications, business English) that arise as needs following the employee's annual evaluation. Trainings are held either internally by trained Company staff or through training centres in the form of seminars or long-term programmes.

The cost of training provided by external partners in 2021 came to **€28,074.00**. This does not include the cost of training provided by Company personnel nor the payroll costs for people attending training.

The Company follows these methods relating to providing trainings, which were mainly carried out online due to the conditions of the pandemic:

Induction, On the job training, on-and-off-the-job training, Coaching, Mentoring, University programmes/post-graduate work, and Job rotation.



During the reference period, the Company provided its employees with the opportunity to participate in various technical trainings, as well as in trainings focusing on the development of their skills and abilities.

Technical Trainings	Trainings for the development of skills	Other trainings
<ul style="list-style-type: none"> ▷ Soap Packaging Instructions ▷ Management of Certified Raw Materials (RSPO MB-SG ECOCERT-COSMOS) ▷ Receipt/Management of Chemical Substances in Bulk ▷ Equipment Intended for Use in Potentially Explosive Atmospheres (ATEX) (Handling-Precautions) ▷ Procedures and Protocols for Disinfecting Mixers, Storage Tanks, Parts, Bottling Machines ▷ Filling Out Production Forms ▷ GMP's – Housekeeping ▷ Automation Technician Training ▷ Procurement Staff Training ▷ Customs procedures ▷ Export Procedures & Incoterms Settlement Methods 2010 ▷ External Quality Assessment of Internal Audit Units ▷ Rules of Good Manufacturing Practice (GMP) for Employees in Production and Packaging ▷ Certification of the Specialisation of Automation Technician 	<ul style="list-style-type: none"> ▷ Waste Management (Hazardous and Non-hazardous) ▷ Information Security ▷ Stock Management ▷ Recycling-Environmental Management ▷ Introduction to ISO 9001:2015 ▷ ISO 9001:2015 Internal Audit ▷ Design of experiments-Creation of new products ▷ Data Protection Officer ▷ Data Reporting ▷ Production Optimisation ▷ Management/Identification of Risks Measurement/Monitoring of Risks Internal Audit ▷ Consumer-centric Marketing 	<ul style="list-style-type: none"> ▷ Quitting Smoking (Seminar) ▷ Recycling / Environmental Awareness ▷ Mentoring & Coaching

Employee evaluation

The evaluation of our employees is a process that defines the value of different individuals by comparing them to certain standards and to 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, in employee development and the opportunity for advancement.

In general terms, the main applications of employee evaluations are:

- ▶ Defining performance and employee development targets.
- ▶ Defining training needs.

Performance evaluations are conducted once a year and are held with each employee separately. The stages that are followed are:

- ▶ Employee evaluation by manager/supervisor.
- ▶ Employee self-evaluation.
- ▶ Notification of results to the Human Resources Department.

After the evaluation and notification process, results are analysed and training needs are defined. In 2021, all employees, including Company executives, underwent evaluation.

Our performance

ATHEX C-S2

The percentage of women working at the Company is 27%.

(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).

GRI 102-8

Information on employees and other staff*	At 31/12/20			At 31/12/2021		
	Men	Women	Total	Men%	Women	Total
Total number of employees by employment contract						
Open-ended	87	44	131	103	44	147
Fixed term	19	5	24	25	5	30
Total	106	49	155	128	49	177

Information on employees and other staff*	At 31/12/20			At 31/12/2021		
	Men	Women	Total	Men	Women	Total
Total number of employees by employment type						
Full-time	106	49	155	128	49	177
Part-time	0	0	0	0	0	0
Total	106	49	155	128	49	177

*All employees work at the Company's facilities in Ritsona-Evia. The data have been exported from the personnel database maintained by Papoutsanis and employee numbers are expressed as Head Count.

GRI 401-1a

	2020		2021	
	Number and rate of new employee hires			
	Number of hires	Percentage of hires	Number of hires	Percentage of hires
By age				
< 30 years	10	6.5%	16	9.1%
30-50 years	22	14.2%	36	20.3%
> 50 years	2	1.3%	2	1.1%
By gender				
Men	28	18%	47	27%
Women	6	3%	7	4%
Total	34	21%	54	31%

GRI 401-1b

	2020		2021	
Number and rate of employee turnover				
	Number of departures	Percentage of departures	Number of departures	Percentage of departures
By age				
< 30 years	4	2.6%	8	20%
30-50 years	13	8.4%	27	67.5%
> 50 years	9	5.8%	5	12.5%
By gender				
Men	20	12.9%	33	19%
Women	6	3.9%	7	4%
Total	26	17%	40	23%

* All employees work at the Company's facilities in Ritsona-Evia.

ATHEX C-S4

	2020	2021
Number and rate of employee turnover		
Number of voluntary departures	12	29
Turnover rate - voluntary	8%	16%
Number of mandatory departures	14	11
Turnover rate - involuntary	9%	6%

The voluntary turnover rate was derived by dividing the total number of voluntary personnel departures in 2021 by the average number of employees within 2021 and multiplying by 100 to arrive at the rate. The involuntary turnover rate was derived by dividing the total number of mandatory personnel departures in 2021 by the average number of employees within 2021 and multiplying by 100 to arrive at the rate.

ATHEX A-S3

	2020	2021
Gender pay gap		
Average annual pay for full-time male employees	€34,213	€31,134
Average annual pay for full-time female employees	€30,021	€27,639
Gender pay gap (%)	12%	11%

The average yearly pay has been calculated as follows: (1) Average yearly pay of all male full-time employees = Sum of all yearly base salaries of all male full-time employees (including bonuses) / Total number of male full-time employees. (2) Average yearly pay of all female full-time employees = Sum of all yearly base salaries of all female full-time employees (including bonuses) / Total number of female full-time employees. (3) The formula for calculating the gender pay gap is: Gender pay gap, (%) = ((1) - (2) / (1)) x 100

ATHEX A-S4

	2020	2021
CEO pay ratio		
Annual total compensation of CEO	€289,714	€288,447
Median employee annual total compensation	€31,910	€30,186
CEO pay to median employee compensation ratio	9.1	9.6

The CEO pay ratio was calculated as follows: CEO pay ratio = CEO's annual total compensation (a) / Median employee annual total compensation (b).

GRI 102-41, ATHEX C-S7

	2020		2021	
Percentage of total employees covered by collective bargaining agreements				
Employee data	Men	Women	Men	Women
Number of employees covered by collective bargaining agreements	106	49	128	49
Total number of employees	106	49	128	49
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%

GRI 404-1

	2020		2021	
Average hours of training by gender and employee category				
By employee category				
Board of Directors	2		1	
Senior Management	7		28	
Middle Management	13		25	
Administrative Personnel	12		9	
Workers/Technicians	3		8	
By gender				
Men	5		9	
Women	9		14	

ATHEX C-S5

	2020	2021
Average training hours based on employee seniority		
By employee category		
Average training hours (top 10% of employees by total compensation)	3.86	15.9
Average training hours (bottom 90% of employees by total compensation)	5.38	8.8

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.

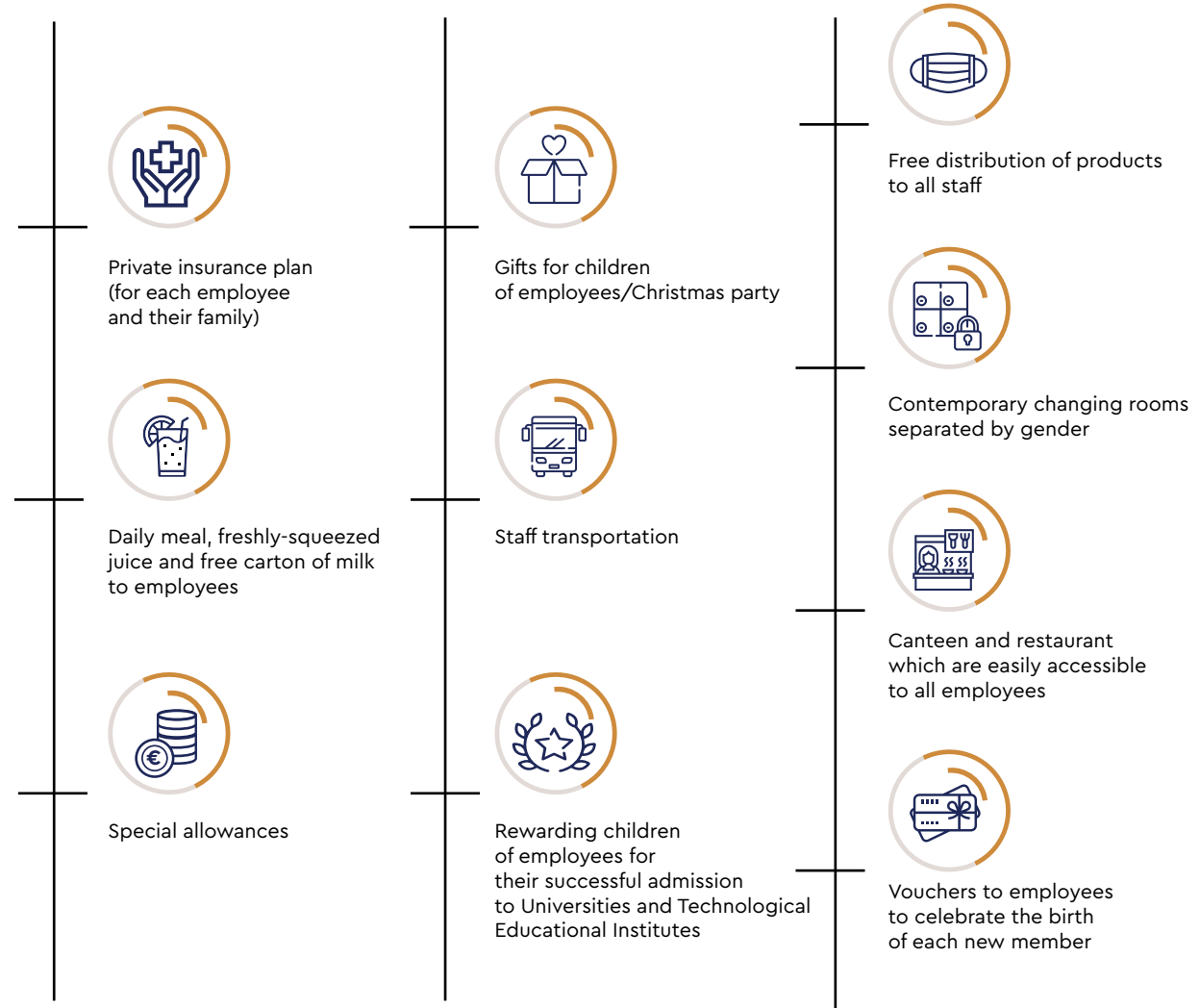
In 2021, our Company also provided 14.87% as variable pay to its employees (ATHEX A-G4). (The variable pay rate for company executives was calculated as follows: % of variable pay = Amount of variable pay, in euros / Total executive's remuneration, in euros x 100).



GRI 401-2, GRI 403-6

Employee benefits

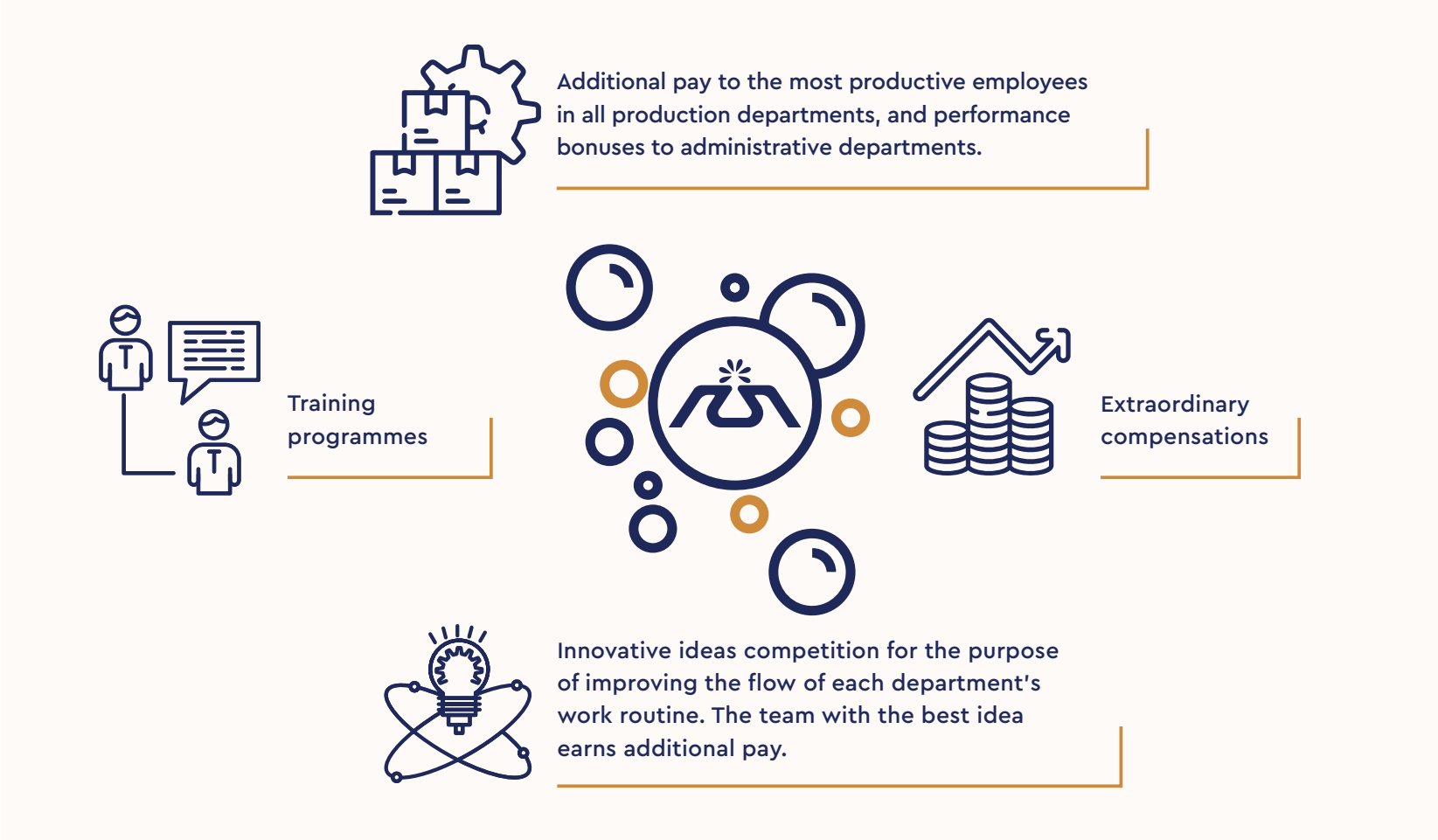
The Company provides the following list of benefits to all personnel, regardless of their employment status:



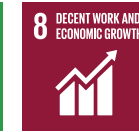
It should be noted that our Company places great importance on the health of its employees and it therefore provides free healthy meals every day, accompanied by healthy drinks (freshly-squeezed orange juice) to all (employees and associates at the facilities of the Ritsona factory). In this framework, the canteen's catering is characterised by a healthy menu that is low in fats and high in proteins. Additionally, in the fully-organised changing rooms located on the Company's premises (separate for male and female employees), all health and safety requirements are observed.



Furthermore, for the purpose of providing additional incentives to its employees for their personal and professional growth, Papoutsanis provides the following benefits:



4.5 EMPLOYEE HEALTH, SAFETY & WELL-BEING



Our approach

GRI 103-2, GRI 103-3, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7

Health & safety policies

As underlined in our Company's Health & Safety Policy, the protection of all our employees and subcontractors, as well as full compliance with applicable laws on health and safety, is our Company's top priority.

Company employees and subcontractors are required to respect and comply with the policies and health & safety standards set by the Company. These include not only obligations arising from the law but also best industry practices so as to safeguard a healthy and safe working environment that cares for customers and guests at its facilities. Some of these practices include:

- ▶ Providing information and training to its human resources so that they can carry out their duties effectively; to contractors, to whom specific security measures are applied, as defined by a specific procedure; and to others who work for the Company, to ensure their commitment and awareness. To that end, it is emphasised that all new hires are made aware of the Company's safety rules and personal protection measures for work in production during their introductory training. Trainings are also held on healthy eating, fighting stress and

the benefits of avoiding smoking. In addition, they are informed about the maintenance of emergency systems and plans, which are monitored through regular exercises.

- ▶ The integration of issues related to health, safety and environmental protection into its operational decisions, planning and operation of its facilities, within a single management system.
- ▶ Target setting to continuously improve health, safety and environmental management systems.
- ▶ The assessment of risks pertaining to Company operations or the activities of the Company's contractors, and their elimination or reduction to permissible levels.
- ▶ The availability of first-aid kits, which can be found in all production areas and in employee offices, and a team fully-trained in first aid in the case of an accident. Furthermore, the employee areas are constantly supervised, as is the use of the necessary equipment for the safe performance of their duties.

In addition, the Company's Health & Safety Policy includes:

1. Monitoring observance of the above practices in all workplaces.
2. Ensuring availability of necessary resources.
3. Evaluating and reporting its performance in safety matters.
4. Performing checks for the application of pertinent standards and procedures

The policy is evaluated and reviewed if necessary at regular intervals. To manage the health and safety of employees, our Company contracts with an external partner who ensures there is a Safety Technician and Occupational Doctor to deal with preventive issues related to personnel hygiene, health and safety.







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











Managing the Covid-19 pandemic

In order to ensure the health, safety and well-being of its employees, Papoutsanis sees to it that employees are kept informed about the risk of Covid-19 infection and the appropriate prevention and protection measures based on the guidelines of the National Public Health Organisation.

Specifically, the Company implements the following measures to comply with current legislation:

-  ▷ Weekly PCR testing up to and including October 2021 of all company employees, partners, crews and contractors to detect Covid-19.
-  ▷ Weekly certified disinfection of all work areas.
-  ▷ Prohibiting all types of events or gatherings.
-  ▷ Postponing scheduled trips abroad.
-  ▷ Implementing work-from-home to the extent it is organisationally and technically possible and as permitted by law.
-  ▷ Temperature-taking of all those entering the facilities at the plant's main gate.

-  ▷ Introducing ways of organising work areas to allow for staggered arrivals that prevent overcrowding in those areas, as well as on buses the Company provides to employees for their travel to and from work.
-  ▷ Regulating access to common-use areas, such as locker rooms, bathrooms, dining areas within the premises, etc., aimed at reducing the density of people gathering in the same space and at maintaining safe distancing.
-  ▷ Taking environmental and personal hygiene measures, such as regular ventilation of workspaces, cleaning of surfaces and equipment, etc.
-  ▷ Mask use throughout the premises (indoors and outdoors).
-  ▷ Regular distribution of free antiseptics (made by the Company) to personnel and to the local community, organisations, hospitals and vulnerable social groups.
-  ▷ Making a significant donation to ELPIS Hospital to purchase hospital equipment.
-  ▷ Providing personnel, including all visiting subcontractors on the premises, with free meals on a daily basis since the start of the pandemic.
-  ▷ Regular updates through a newsletter on health-related issues, including on the pandemic.

Our performance

GRI 403-9

Work-related injuries & work-related ill health		
Indicators	2020	2021
Total number of hours worked during reporting period*	269,293.46	311,675.76
Number of fatalities as a result of work-related injury	0	0
Rate of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	1	3
Rate of recordable work-related injuries**	0.74	0.0000096
Type of injury	Blunt trauma	Blunt trauma* 2
	0	Light Burn
Number of fatalities as a result of work-related ill health	0	0
Number of cases of recordable work-related ill health	0	0
Type of work-related ill health	-	-

* The total number of hours worked has been calculated based on the estimated number of hours worked by 177 full-time employees (at 31/12/2021) 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 an estimated 200,000 hours worked.

4.6 ENSURING HUMAN RIGHTS AND EQUAL OPPORTUNITIES

Our approach

GRI 103-2, GRI 103-3

Respect for human rights

ATHEX C-S6, GRI 102-17

Our Company considers diversity to be a fundamental right of its employees and a source of its strength. This principle underpins the company's adherence to equal opportunities and fights against discrimination through selection, appointment and compensation of all people employed or working for the company on the basis of their qualifications and suitability for the job to be performed and not on the basis of race, religion, ethnicity, citizenship, colour, gender, age, nationality, sexual orientation, marital status, physical disability, or any other characteristics.

Similarly, in the case of suppliers, the Company impartially provides all potential suppliers equal opportunities. The decisions on their selection are based on objective criteria such as price and quality, the standard of service, as well as the reliability and integrity of a supplier. As a rule, the Company does not work with any suppliers or associates who are known for applying unacceptable practices when it comes to the treatment of its employees, such as child exploitation, corporal punishment, mistreatment of people, forced labour or other forms of abuse. The company also prohibits sexual or other type of harassment

of its employees by anyone in the workplace. Each employee's contract includes information on their rights and obligations.

Papoutsanis promotes a work environment that respects and protects human rights. In particular, the Company is against any form of forced labour and undertakes to observe the legislation determining the minimum wage, work schedule, overtime and benefits of employees.

Furthermore, the Company respects the right of employees to participate in trade unions for the purpose of protecting their interests without the fear of being dismissed or subjected to other mobbing actions. It also keeps a close eye on labour law developments, including reports on child labour and respect for human rights, and complies fully with the relevant provisions.

The Company relies heavily on its Code of Ethics as the foundation for its responsible operation and for the protection of human rights, in which it commits to complying with current legislation regarding child labour.



More specifically, child labour in Greece is defined as employment of any person under the age of 15 years; however, the Company is committed not to employ persons younger than 16 years old.

Furthermore, Papoutsanis encourages the reporting of human rights violations and the lodging of complaints of any other nature that may arise in the workplace, through the complaint box placed on the premises of the Company's production facilities. Also, the Company has put in place a procedure for reporting misconduct. Moreover, Papoutsanis has created a Whistleblowing Policy, which determines the principles and framework of operation based on which it 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.

Lastly, there is an open channel of communication at Papoutsanis between management and employees with the aim of ensuring equal opportunities. Hence, communication events are therefore held regularly, such as the event for the cutting of the New Year's cake, so as to give employees the opportunity to pose questions to Management on issues that concern them. In this framework, the Management of the Company is always by the side of every employee in any incident that may occur in the workplace, thus protecting their right to equal opportunities.



Our performance

The tables below show the percentage of individuals within the Company's governance bodies and employees by age and gender.

GRI 405-1

Diversity of governance and employee bodies	2020						2021					
	<30		30-50		>50		<30		30-50		>50	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Board of Directors												
Percentage of representation on the Board	0%	0%	100%	0%	80%	20%	0%	0%	0%	0%	83%	17%
By employee level												
Senior management	0%	0%	67%	33%	75%	25%	0%	0%	60%	40%	86%	14%
Middle Management	100%	0%	73%	27%	0%	0%	0%	0%	63%	37%	100%	0%
Employees	71%	29%	62%	38%	77%	23%	74%	26%	74%	26%	74%	26%
By employee category												
Management staff	53%	47%	47%	53%	67%	33%	50%	50%	50%	50%	80%	20%
Workers/Technicians	100%	0%	80%	20%	80%	20%	100%	0%	89%	11%	76%	24%

ATHEX C-S3

In 2021, the percentage of women employees in management positions was 22%.

The percentage of women employees in management positions was derived by dividing the number of women employees in the top 10% of employees by compensation, by the total number of employees in the top 10% of employees by compensation and multiplying by 100 to arrive at the percentage.

4.7 CHARITY WORK

Social actions

Anniversary soap to celebrate 150 years of operation and social contribution

On the occasion of celebrating its milestone of 150 years of presence in the Greek market, in June 2021 Papoutsanis embarked on a collaboration of significant value with the DESMOS Non-Profit Foundation, which continues to this day.

The main vehicle of this collaboration was the creation of a new anniversary soap for a social cause, since with every sale of a Papoutsanis anniversary soap, the Company would offer a personal care product ("1 for 1" mechanism) to organisations working with DESMOS and supporting people in need. In the 7 months (June 2021-December 2021) of excellent collaboration of Papoutsanis with the non-profit foundation, the Company has offered 47,500 personal care products (soap bars, liquid soap, shower gel, shampoo and antiseptic products) worth €75,000*, through 50 social organisations that work with the DESMOS non-profit foundation.

Furthermore, the Company offers financial support to DESMOS, the ultimate goal being to improve its operation and more effectively serve the vulnerable groups it supports.

* value of sale prices with VAT.



Standing by the community

The year 2021 put our country to the test with major natural disasters. Papoutsanis stood by our fellow human beings by making large donations of personal hygiene products and alcohol-based disinfectants to the Municipality of Elassona and to the village of Arkalochori on Heraklion, Crete, after the large earthquakes of March and September 2021, respectively, and also to northern Evia, in order to support the residents after the destructive August wildfires.

Lastly, our Company steadily supports a number of organisations performing important work to benefit children and youth, such as:



- ▶ the "Friends of the Child" charity association



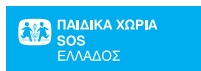
- ▶ the Lyreio Children's Institution



- ▶ the ELPIDA Association of Friends of Children with Cancer



- ▶ the Smile of the Child



- ▶ the SOS Children's Villages



- ▶ the International Olympic Academy



In addition to the above, at Papoutsanis:

- ▶ We support the Race for the Cure, the largest institution working to raise public awareness of breast cancer around the world, by participating each year.
- ▶ We are there to meet the needs of the Smile of the Child Daycare Home in Agios Nikolaos in Halkida, by providing the products forwarded to the families of the 15 children and covering the needs of the home. Youngsters are always the official guests at the Christmas event we hold for the children of company employees, and special personalised gifts are selected for each of the children of the Papoutsanis family. We also hold the Halkida Smile of the Child bazaar every year, except for Christmas 2020 and 2021 due the Covid-19 pandemic, where we supported the organisation remotely, by selecting symbolic gifts for all company employees and cards for the children's gifts. Employees were also given the opportunity to make their Christmas purchases by sharing the link to the bazaar with them.



Activities during the pandemic

Since the pandemic continued to trouble us in 2021, Papoutsanis carried on supporting the community and vulnerable groups with donations of personal hygiene products and alcohol-based disinfectants to schools, social grocery stores, detention centres, nursing homes, municipalities, the Hellenic Police, etc., as well as the following organisations:

- ▶ the Smile of the Child
- ▶ PRAKSIS humanitarian organisation
- ▶ Together for Children Association
- ▶ PEKAMEA (Piraeus Association of Parents, Guardians & Friends of People with Disabilities)
- ▶ The Association for Abused Women and Children of Evia "Good Samaritan"

Employee volunteerism

As part of employee volunteer efforts, our personnel took part in the Athens half-marathon and the Race for the Cure event.

In 2021, as in 2020, due to restrictions mandated by the pandemic, these actions were cancelled, and participating employees ran or walked with their families on their own as part of raising public awareness of breast cancer and to support the Race for the Cure by posting on social media networks.

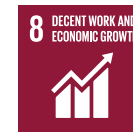




5. RESPONSIBLE CORPORATE GOVERNANCE

CHAPTER CONTENTS:

- 5.1 ORGANISATIONAL STRUCTURE OF PAPOUTSANIS
- 5.2 BOARD OF DIRECTORS LINEUP
- 5.3 CODE OF CORPORATE GOVERNANCE
- 5.4 REMUNERATION POLICY
- 5.5 INTERNAL AUDIT UNIT
- 5.6 REGULATORY COMPLIANCE AND BUSINESS ETHICS



RESPONSIBLE CORPORATE

MATERIAL TOPIC

Our approach

GRI 103-2, GRI 103-3

Corporate governance is a system of relations between Company management, its Board of Directors, shareholders and other stakeholders. It forms the basis on which the Company's goals are discussed and set, specifying the means to achieve these objectives and making it possible to monitor management performance when implementing the above.

For us, regulatory compliance is a key aspect of corporate

Focus on selling high-quality products to customers at competitive prices

Maintaining a workplace environment that ensures employee well-being and growth

Transparent investor relations

governance and aims to ensure that the Company's activities are lawful and related to high levels of corporate responsibility. In this way, a climate of trust is fostered between the Company and its stakeholders, including its employees, customers, shareholders and local government.

All of the Company's operations and activities take place within its value framework, comprising these parameters:

Striving to enhance the company's long-term economic value

Adopting diversity in unwavering opposition to any type of unfair discrimination

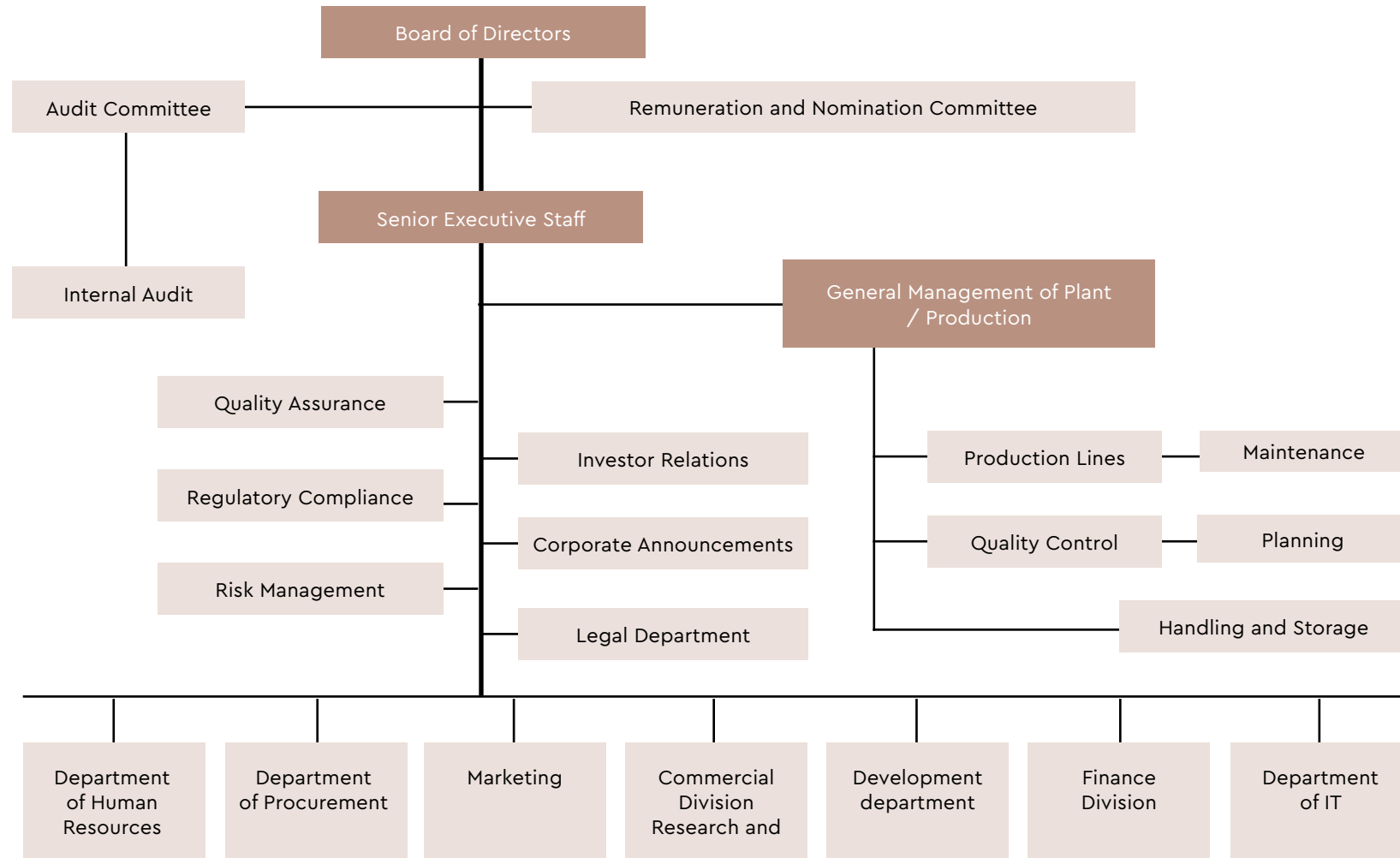
Papoutsanis' corporate governance system is based on principles which are in line with current Greek laws and international practices.

5.1 ORGANISATIONAL STRUCTURE OF PAPOUTSANIS

GRI 102-18, ATHEX C-G2



Papoutsanis' organisational structure is presented in the following chart:



Management

Papoutsanis is governed by a Board of Directors whose members are elected by the General Meeting. Its duties include decision-making and the responsibility for exercising full and effective control of all Company activities.

In addition to the Board of Directors, the Company also has two committees: a) the Audit Committee, which is elected by the General Meeting of Shareholders with prospective members evaluated by the Board of Directors; and b) the Remuneration and Nomination Committee.

The main competencies and function of the Company's committees are detailed in their Regulation, which is posted on the **Company website**.

Most of the Company's departments work together to monitor environmental, social and corporate governance issues.

Additionally, the Company has six departments, four divisions and four units with documented competencies and obligations which are detailed in the Company's internal regulation:



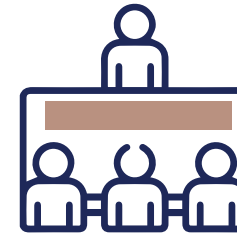
Departments

- ▷ Internal Audit
- ▷ Human Resources
- ▷ Procurement
- ▷ Research & Development
- ▷ Quality Assurance
- ▷ IT



Divisions

- ▷ Finance
- ▷ Commercial
- ▷ Marketing
- ▷ General Management
- ▷ Plant/Production



Units

- ▷ Risk Management
- ▷ Regulatory Compliance
- ▷ Investor Relations and Corporate Announcements
- ▷ Internal Audit

5.2 BOARD OF DIRECTORS LINE-UP

ATHEX C-G1

The General Meeting designates the independent non-executive members of the board (there must be at least two), while the Board also determines which members will be executive and which non-executive.

Members of the Board of Directors up to 14/7/2021	
Chairman (Executive member)	Georgios Gatzaros
Vice-Chair and Managing Director (Executive member)	Menelaos Tassopoulos
Chief Financial Officer (executive member)	Mary Iskalatian
Independent member (Non-executive member)	Christos Georgalis
Independent member (Non-executive member)	Dimitrios Papoutsanis
Non-executive member	Georgios Minoudis
Members of the Board of Directors as of 15/7/2021	
Chairman (Executive member)	Georgios Gatzaros
Vice-Chair (Non-executive member)	Dimitrios Papoutsanis
Managing Director (executive member)	Menelaos Tassopoulos
Chief Financial Officer (executive member)	Mary Iskalatian
Independent member (Non-executive member)	Christos Georgalis
Independent member (Non-executive member)	Antonios Barounas

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. As such, the Board is the Company's governance body. Its duties include decision-making and the responsibility for exercising full and effective control of all Company activities. The rules regarding representation and binding of the Company are set by the Board of Directors, as specified by law.

ATHEX C-G1

Composition of the Board of Directors	2020	2021
Percentage of male Board members	83%	83%
Percentage of female Board members	17%	17%
Total	100%	100%
Non-executive Board members	50%	50%
Executive Board members	50%	50%
Total	100%	100%
Non-executive and independent Board members	33%	33%
Total Board members	100%	100%

All Board members have substantial knowledge in matters of ESG and sustainability, areas that are a high priority for the Company.

For example, energy efficiency and investments in sustainability are included in the annual investment plan discussed and approved by the Board of Directors. Furthermore, with the contribution of the Research and Development Department, the development and manufacture of sustainable products is an important priority.

As of 15/7/2021, the Chairman of the Board of Directors is an executive member and therefore, in accordance with the Greek Code of Corporate Governance, the Vice-Chairman of the Board of Directors is a non-executive member.

5.3 CODE OF CORPORATE GOVERNANCE

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

In the **Corporate Governance Statement**, the Company declares that it meets the Code's minimal requirements, as specified by

current Greek legislation, and deviates from certain provisions of the Code regarding "Special practices for listed companies" for which deviation is provided for in applicable law, justifying the reason for the deviation. The Company does not apply corporate governance practices over and above those required by law.

Company policies

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

- ▷ Risk Management Policy
- ▷ Shareholder Communication Policy
- ▷ Internal Audit System Assessment Policy and Procedure
- ▷ Sustainable Development Policy
- ▷ Whistleblowing Policy
- ▷ Board of Directors and Senior Management Training Policy
- ▷ Conflict of Interest Prevention and Remedy Policies and Procedures
- ▷ Legislative and Regulatory Compliance Policies and Procedures

The above policies may include individual policies on the optimal achievement of their objectives, such as in the case of the "Legislative and Regulatory Compliance Policies and Procedures" stated below.

5.4 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. 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 (basic, 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.



5.5 INTERNAL AUDIT UNIT

The Internal Audit Unit (IAU) is staffed by the suitable number and quality of human resources of the Company, 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 following the proposal of the Audit Committee. As part of its general duties, the IAU monitors, controls and evaluates the following:

- ▶ the implementation of the Regulation and Internal Audit System,
- ▶ the quality assurance mechanisms,
- ▶ the corporate governance mechanisms and
- ▶ the observance 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, as well as the risks arising from them, and also includes improvement proposals. Additionally, it submits reports to the Audit Committee every three months at least, which include its most important issues and proposals regarding all the above issues, and plays a leading role in monitoring the Company's Internal Audit System, while at the same time examining the efficiency of existing safeguards.

5.6 REGULATORY COMPLIANCE AND BUSINESS ETHICS

GRI 205-1, GRI 205-3, GRI 206-1, GRI 419-1, ATHEX C-G5, ATHEX C-G6

Code of Ethics

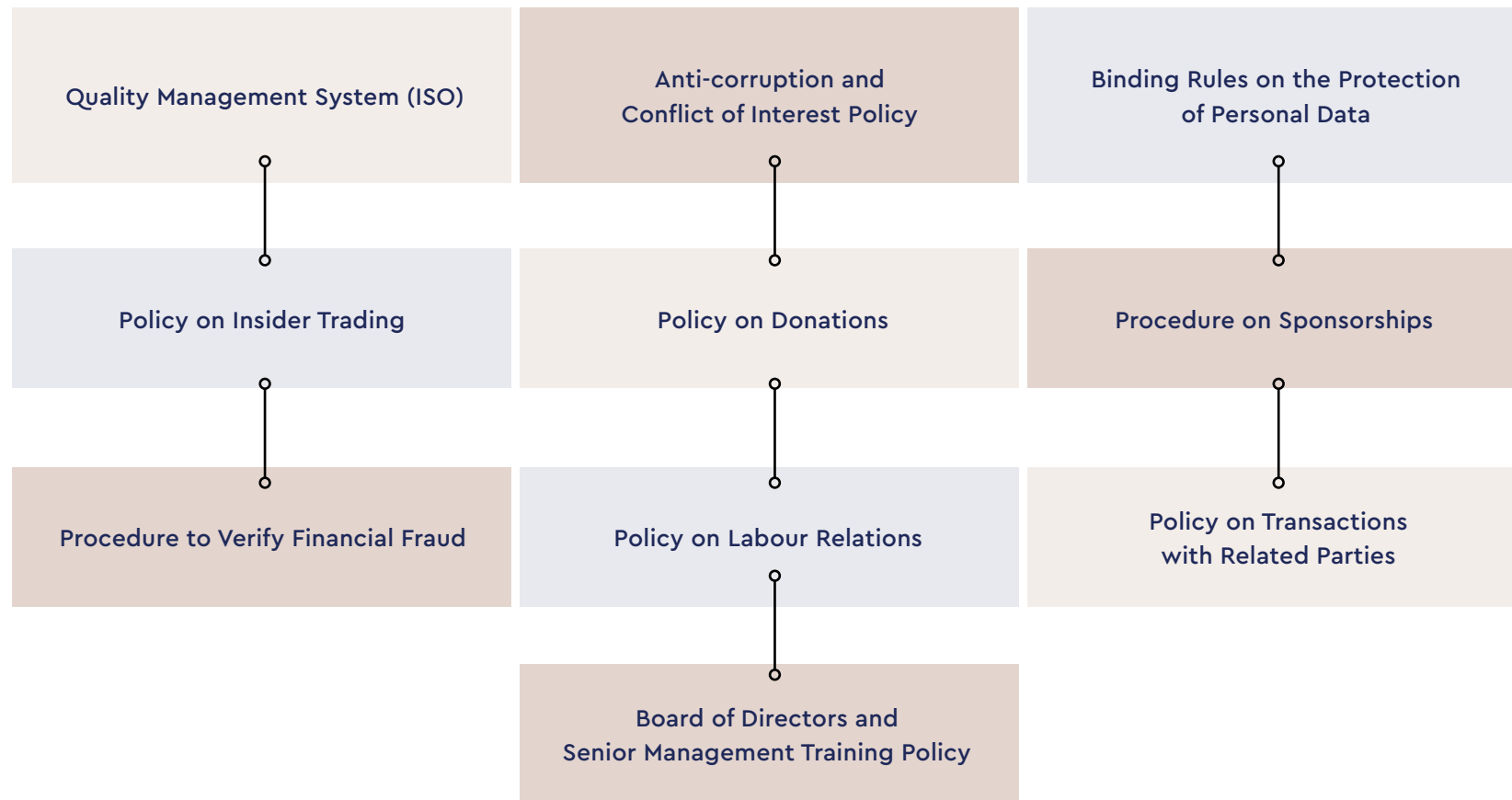
Papoutsanis' Code of Ethics lays out the principles according to which Company employees must act and conduct themselves. It also applies to the Company's business partners, including suppliers in all of their interrelationships and their relations with the Company. Additionally, it defines the way the Company should conduct itself in relation to its employees and partners. These principles include mutual respect and trust, dignity, compliance with current laws in Greece and the countries in which the Company is active and the protection of corporate interests.

The Company's Code of Ethics covers the following topics (ATHEX C-G6):

1. Employment
2. External partners
3. Conflict of interest
4. Trade secrets and third-party confidential information
5. Requests by news media
6. Consumer personal data
7. Financial and non-financial reporting
8. Compliance with competition law
9. Bribery and corruption
10. Transactions with the public and private sector
11. Gifts and donations
12. Retention of personal data records
13. Insider trading
14. Exploitative labour practices
15. Health and safety
16. Shareholder information
17. Environmental protection
18. Employee grievance mechanism
19. Company assets
20. Whistleblowing
21. IT resources
22. Code of Ethics violations
23. Suppliers and customers

Legislative and Regulatory Compliance Policies and Procedures

The compliance policies and procedures applied by the Company aim at ensuring its ongoing compliance with the current institutional and regulatory framework, codes of conduct and standards of good practice while it is performing its activities. As part of the implementation of the regulatory compliance management system, the following Company policies and procedures are applicable, in addition to the Code of Ethics:



Our performance

GRI 205-1, GRI 205-3, GRI 206-1, GRI 419-1, ATHEX A-G2

Performance indicators related to anti-corruption	2020	2021
Number or percentage of operations assessed for risks related to corruption	100%	100%
Significant risks related to corruption identified through the risk assessment	0	0
Total confirmed incidents of corruption	0	0
Total confirmed incidents in which employees were dismissed or disciplined for corruption	0	0
Total confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0
Number of public legal cases regarding corruption brought against Papoutsanis or its employees	0	0

GRI 206-1

As regards anti-competitive behaviour, during the reference period there were no legal actions pending or completed regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation. As a result, there are no main outcomes of completed legal actions, including any decisions or judgments.

GRI 419-1

During 2021, the Company did not identify any cases of non-compliance with laws and/or regulations, and therefore the total value of fines related to non-compliance with laws and/or regulations is zero.

ATHEX A-G2

It should be noted that in 2021 there were no business ethics violations by the Company and therefore the total amount of financial losses resulting from business ethics violations is €0.



6. ANNEX

CHAPTER CONTENTS:

6.1 GRI CONTENT INDEX

6.2 ESG GUIDE TABLE OF CONTENTS

6.3 OTHER INDEX TABLES

6.1 GRI CONTENT INDEX

GRI 102-55

GRI Standard	Disclosure	Section / Reference	Page	Omission
GRI 102: General Standard Disclosures 2016	General Standard Disclosures (Core Option)			
	Organisational profile			
	102-1 Name of the organisation	1.1 Profile	10	-
	102-2 Activities, brands, products and services	1.1 Profile	10-14	-
	102-3 Location of headquarters	1.1 Profile	10	-
	102-4 Location of operations	1.1 Profile	10	-
	102-5 Ownership and legal form	1.1 Profile	10	-
	102-6 Markets served	1.1 Profile 1.4 Domestic and international presence	10, 17	-
	102-7 Scale of the organisation	Papoutsanis at a glance 1.1 Profile 4.1 Creating economic value	10, 57	-
	102-8 Information on employees and other workers	4.4 Employee hiring, training and development	73-74	-
	102-9 Supply chain	4.2 Responsible supply chain	58	-
	102-10 Significant changes to the organisation and its supply chain	1.1. Profile 1.3 History 4.1 Creating economic value	10, 16, 53	-
	102-11 Precautionary Principle	3.1 Our approach to environmental protection	34	-
	102-12 External initiatives	2.4 Partnerships and participations	32	-
102-13 Membership of associations	2.4 Partnerships and participations	32	-	

GRI Standard	Disclosure	Section / Reference	Page	Omission
	Strategy			
	102-14 Statement from senior decision-maker	Message from the Managing Director	5	-
	Ethics and integrity			
	102-16 Values, principles, standards and norms of behaviour	1.2 Vision and values	15	-
	Governance			
	102-18 Governance structure	5.1 Organisational structure	94	-
	102-17 Advisory mechanisms and ethics concerns	4.6 Ensuring human rights and equal opportunities	86-87	-
	Stakeholder engagement			
	102-40 List of stakeholder groups	2.1 Stakeholders	22	-
	102-41 Collective bargaining agreements	4.4 Employee hiring, training and development Our performance	77	-
	102-42 Identifying and selecting stakeholders	2.1 Stakeholders	22-24	-
	102-43 Approach to stakeholder engagement	2.1 Stakeholders	22	-
	102-44 Key topics and concerns raised through stakeholder engagement	2.1 Stakeholders	22-24	-
	Reporting practice			
	102-45 Entities included in the consolidated financial statements	About the report	7	-
	102-46 Defining Report content and topic Boundaries	2.3 Value chain and impacts	28	-
	102-47 List of material topics	2.2 Materiality analysis	25	-

GRI Standard	Disclosure	Section / Reference	Page	Omission
	Reporting practice			
	102-48 Restatements of information	About the report 3.4 Raw materials and packaging materials Our performance	8, 46	-
	102-49 Changes in reporting	About the report	8	-
	102-50 Reporting period	About the report	7	-
	102-51 Date of most recent Report	About the report	7	-
	102-52 Reporting cycle	About the report	7	-
	102-53 Contact point for questions regarding the report	About the report	8	-
	102-54 Claims of reporting in accordance with GRI Standards	About the report	7	-
	102-55 GRI content index	6.1 GRI content index	103	-
	102-56 External assurance	About the report	7	-

GRI Standard	Disclosure	Section	Page	Omission
	Consumer health & safety			
	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	28	-
GRI 103: Management Approach 2016	103-2 The management approach and its components	4.3 Product quality and consumer health and safety	60-66	-
	103-3 Evaluation of the management approach	4.3 Product quality and consumer health and safety Our approach	60-66	-

GRI Standard	Disclosure	Section	Page	Omission
GRI 416: Customer Health & Safety 2016	416-1 Assessment of the health & safety impacts of products	4.3 Product quality and consumer health and safety Our performance	66	-
	416-2 Incidents of non-compliance concerning health and safety impacts of products	4.3 Product quality and consumer health and safety Our performance	66	-
Energy and greenhouse gas emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	29	-
	103-2 The management approach and its components	3.1 Our approach to environmental protection 3.2 Energy and greenhouse gas emissions Our approach	34-36	-
	103-3 Evaluation of the management approach	3.1 Our approach to environmental protection 3.2 Energy and greenhouse gas emissions Our approach	34-36	-
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	3.2 Energy and greenhouse gas emissions Our performance	36	-
	302-3 Energy intensity	3.2 Energy and greenhouse gas emissions Our performance	37	-
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (Scope 1)	3.2 Energy and greenhouse gas emissions Our performance	39	-
	305-2 Indirect greenhouse gas emissions (Scope 2)	3.2 Energy and greenhouse gas emissions Our performance	39	-

GRI Standard	Disclosure	Section	Page	Omission
	Raw materials and packaging materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	29	-
	103-2 The management approach and its components	3.4 Raw materials and packaging materials Our approach	43	-
	103-3 Evaluation of the management approach	3.4 Raw materials and packaging materials Our approach	43	-
GRI 301 Materials 2016	301-1 Total weight of raw and packaging materials	3.4 Raw materials and packaging materials Our performance	46	-
	Corporate Indicator 1 Total number of cartons and soap boxes	3.4 Raw materials and packaging materials Our performance	47	-
	Corporate Indicator 2 % Recycled plastic raw materials	3.4 Raw materials and packaging materials Our performance	47	-
	Water management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	29	-
	103-2 The management approach and its components	3.3 Water quality management and assurance Our approach	41	-
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GRI Standard	Disclosure	Section	Page	Omission
	Water management			
GRI 303 Water and effluents 2016	303-1 Interactions with water as a shared resource	3.3 Water quality management and assurance Our approach	41-42	-
	303-2 Management of water discharge-related impacts	3.3 Water quality management and assurance Our approach	41-42	-
	303-5 Water consumption	3.3 Water quality management and assurance Our performance	42	Requirements b and c are not applicable, as explained in the note below Table 303-5.
	Solid waste and packaging waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	30	-
	103-2 The management approach and its components	3.5 Solid waste and packaging waste management Our approach	48	-
	103-3 Evaluation of the management approach	3.5 Solid waste and packaging waste management	48	-
GRI 301 Materials 2016	306-1 Waste generation and significant waste-related impacts	3.5 Solid waste and packaging waste management Our approach	48	-
	306-2 Management of significant waste-related impacts	3.5 Solid waste and packaging waste management Our approach	48	-
	306-3 Waste generated	3.5 Solid waste and packaging waste management	49	-

GRI Standard	Disclosure	Section	Page	Omission
	Health & safety at work			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	30	-
	103-2 The management approach and its components	4.5 Employee health, safety & well-being Our approach	82-84	-
	103-3 Evaluation of the management approach	4.5 Employee health, safety & well-being Our approach	82-84	-
GRI 403: Occupational health & safety 2016	403-1 Occupational health & safety management system	4.5 Employee health, safety & well-being Our approach		The company does not have a health and safety system in place that covers the indicator requirements.
	403-2 Hazard identification, risk assessment and incident investigation	4.5 Employee health, safety & well-being Our approach	82-84	-
	403-3 Occupational health services	4.5 Employee health, safety & well-being Our approach	82-84	-
	403-4 Worker participation, consultation and communication on occupational health & safety	4.5 Employee health, safety & well-being Our approach	82-84	There are no procedures on worker participation, consultation and communication on occupational health and safety.

GRI Standard	Disclosure	Section	Page	Omission
	Health & safety at work			
GRI 403: Occupational health & safety 2016	403-5 Employee training on occupational health and safety	4.5 Employee health, safety & well-being Our approach	82-84	-
	403-6 Promotion of worker health	4.4 Employee hiring, training and development Our performance 4.5 Employee health, safety & well-being Our approach	79-81, 82-84	-
	403-7 Prevention and mitigation of occupational health and safety impacts	4.5 Employee health, safety & well-being Our approach	82-84	-
	403-9 Work-related injuries	4.5 Employee health, safety & well-being Our performance	85	-
	Human rights and equal opportunities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	31	-
	103-2 The management approach and its components	4.6 Ensuring human rights and equal opportunities Our approach	86-87	-
	103-3 Evaluation of the management approach	4.6 Ensuring human rights and equal opportunities Our approach	86-87	-
GRI 405 Diversity and equal opportunity	405-1 Percentage of individuals of every gender and age category within Papoutsanis' governance bodies and personnel categories	4.6 Ensuring human rights and equal opportunities Our performance	88	-

GRI Standard	Disclosure	Section / Reference	Page	Omission
	Responsible corporate governance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	31	-
	103-2 The management approach and its components	5. Responsible corporate governance Our approach	93	-
	103-3 Evaluation of the management approach	5. Responsible corporate governance Our approach	93	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	5.6 Regulatory compliance and business ethics Our performance	101	-
	205-3 Confirmed incidents of corruption and actions taken	5.6 Regulatory compliance and business ethics Our performance	101	-
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	5.6 Regulatory compliance and business ethics Our performance	101	-
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	5.6 Regulatory compliance and business ethics Our performance	101	-
	Financial performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	31	-
	103-2 The management approach and its components	4.1 Creating economic value Our approach	51-55	-
	103-3 Evaluation of the management approach	4.1 Creating economic value Our approach	51-55	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	4.1 Creating economic value Our performance	56	-

GRI Standard	Disclosure	Section / Reference	Page	Omission
	Employee hiring, training and development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2.3 Value chain and impacts	30	-
	103-2 The management approach and its components	4.4 Employee hiring, training and development Our approach	67-73	-
	103-3 Evaluation of the management approach	4.4 Employee hiring, training and development Our approach	67-73	-
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	4.4 Employee hiring, training and development Our performance	74-75	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4 Employee hiring, training and development Our performance	79-81	-
GRI 404 Training and Education 2016	GRI 404-1 Average hours of training per year per employee	4.4 Employee hiring, training and development Our performance	77	-
	GRI 404-2 Programmes for the improvement of employee skills and transitional support programmes	4.4 Employee hiring, training and development Our performance	70-72	-

6.2 ESG GUIDE TABLE OF CONTENTS

As per the Athens Stock Exchange ESG Reporting Guide
(athexgroup.gr)

ESG Classification	ID	Metric Title	Report Section	Page	External assurance
Environment	C-E1	Direct emissions (Scope 1)	3.2 Energy and greenhouse gas emissions	39-40	
	C-E2	Indirect emissions (Scope 2)	3.2 Energy and greenhouse gas emissions	39-40	
	C-E3	Energy consumption within the organisation – Total amount of energy consumed within the organisation	6.3 Other Tables	115	-
	C-E3	Total energy consumption within the organisation – percentage of electricity consumed	6.3 Other Tables	115	-
	C-E3	Total energy consumption within the organisation – percentage of energy consumed from renewables	6.3 Other Tables	115	-
	SS-E5	Environmental impact of packaging	3.4 Raw materials and packaging materials	45	-
Society	C-S1	Stakeholder engagement	2.1 Stakeholders	23-24	-
	C-S2	Female employees	4.4 Employee hiring, training and development	73	-
	C-S3	Female employees in management positions	4.6 Ensuring human rights and equal opportunities	88	-
	C-S4	Personnel mobility	4.4 Employee hiring, training and development	75	-
	C-S5	Employee training – Employees in the top 10% of employees by total compensation	4.4 Employee hiring, training and development	78	-

ESG Classification	ID	Metric Title	Report Section	Page	External assurance
Society	C-S5	Employee training – Employees in the bottom 90% of employees by total compensation	4.4 Employee hiring, training and development	78	-
	C-S6	Human rights policy	4.6 Ensuring human rights and equal opportunities	86-87	-
	C-S7	Collective bargaining agreements	4.4 Employee hiring, training and development	77	-
	C-S8	Supplier screening	4.2 Responsible supply chain 4.3 Product quality and consumer health and safety	59, 64-66	-
	A-S1	Sustainable economic activity	4.1 Creating economic value	57	-
	A-S2	Employee training expenditure	4.4 Employee hiring, training and development	70	-
	A-S3	Gender pay gap	4.4 Employee hiring, training and development	76	-
	A-S4	CEO pay to median employee compensation ratio	4.4 Employee hiring, training and development	76	-
Corporate governance	C-G1	Composition of the Board of Directors	5.2 Board of Directors Line-up	96	-
	C-G2	Sustainability oversight	5.1 Organisational structure of Papoutsanis	94	-
	C-G3	Material topics	2.2 Materiality analysis	25-27	-
	C-G4	Sustainability Policy	2 Sustainable development at Papoutsanis	21	-
	C-G5	Business ethics policy	5.6 Regulatory compliance and business ethics	99	-
	C-G6	Data security policy	5.6 Regulatory compliance and business ethics	99	-
	A-G2	Business ethics violations	5.6 Regulatory compliance and business ethics	101	-
	A-G3	ESG targets	Message from Management	5	-
	A-G4	Variable pay	4.4 Employee hiring, training and development	78	-

6.3 OTHER INDEX TABLES

ATHEX C-E3

Total energy consumed within the company ^{1, 2}		
Source	Consumption (MWh) 2020	Consumption (MWh) 2021
Electricity ³	5,851	6,853
Heating ³	11,747	13,961
Total energy consumed from non-renewable energy sources	17,598	14,027.92
Total energy consumed from renewable energy sources	0	6,786
Percentage of energy consumed from renewable sources	0%	33%
Total energy consumed within the Company	17,598	20,813.92
% Electricity consumed within the Company	33.3%	32.93%

¹ The total energy consumed within the Company has been calculated as follows: (Non-renewable fuel consumed + electricity + heating) - (electricity, heating, cooling and heating sold).

² The Company does not generate renewable or non-renewable energy in order to cover its energy needs and therefore the total quantity of energy produced from renewable energy sources (%) is zero.

³ To calculate electricity and natural gas, consumption data sent by the electricity and natural gas supplier were used.



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