

RESPONSIBILITY

REPORT

2019

Be FLEXIBLE
SUSTAINABLE

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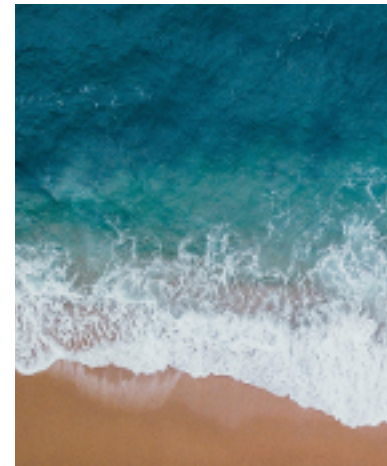
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About this Report

At A. Hatzopoulos S.A. we are committed to act within the framework of responsible management. Integrity, reliability, environmental consciousness, compassion and respect for our employees and our business partners are the basis of our daily activities and essential for our sustainable success.

The present Responsibility Report provides a detailed overview of our company's approach to sustainable development and presents our performance with regard to social, economic and environmental responsibility, covering the fiscal year from January 1 to December 31, 2019.



*"We aim
at creating
sustainable
value
for all our
stakeholders"*

Welcome from Theo Zontanos, General Manager

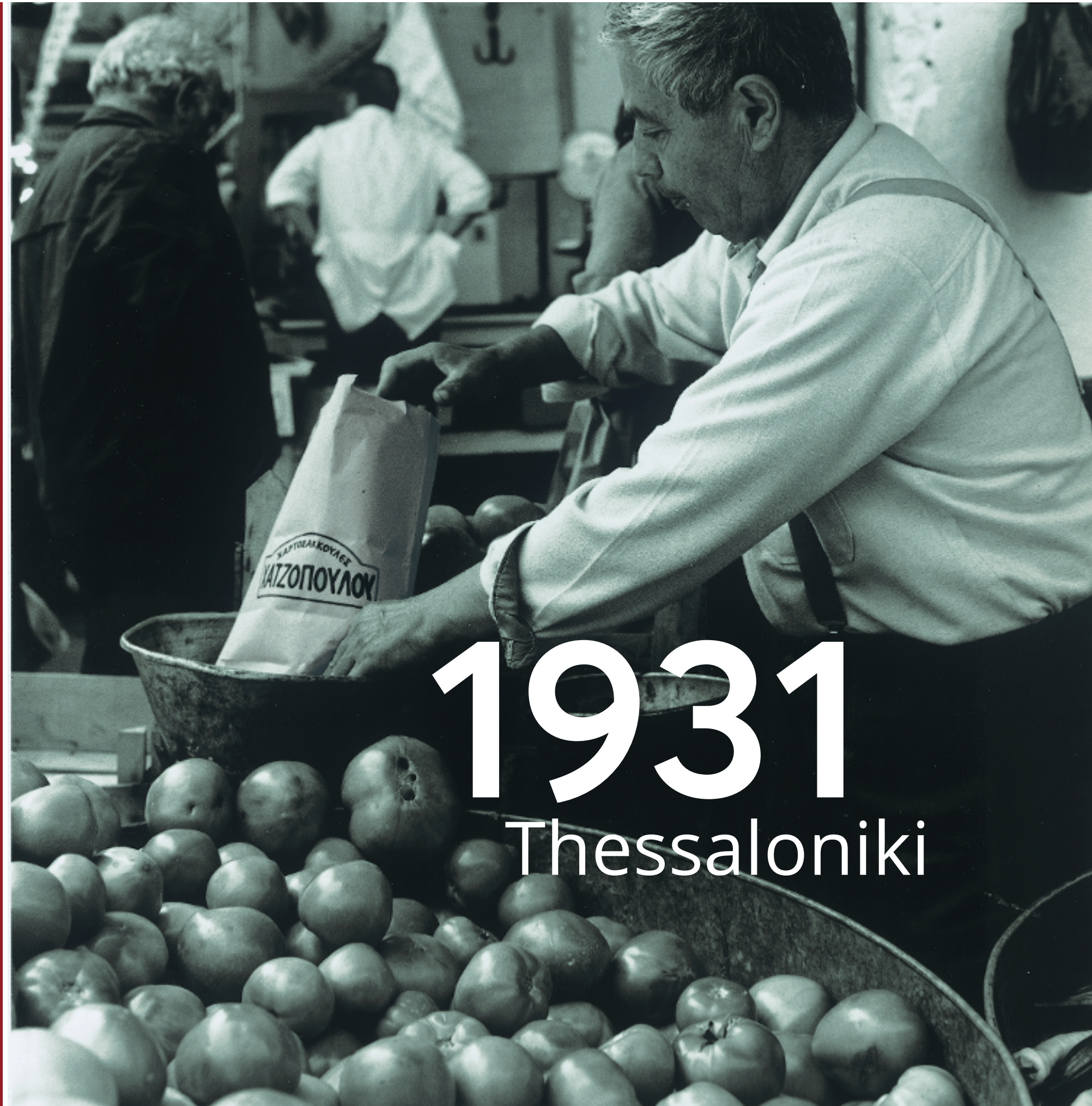


A. Hatzopoulos S.A.'s commitment to social, environmental, human responsibility begins with the foundation of the company itself. This commitment is reflected on our value system, our policies and our daily operations and for the last decade it is publicized through our annual Responsibility Report.

The present Responsibility Report outlines our company's performance in 2019 in line with our vision to create sustainable value for all our stakeholders. As member of international responsibility initiatives, Hatzopoulos S.A. has been systematically working to train and empower its employees, to actively support local communities, to lead the fight against corruption, to improve its environmental footprint and to innovate for the development of sustainable packaging solutions, designed for a truly circular economy.

We will continue to walk along the same path in the upcoming years, to deliver our vision to the next generation.

Theo Zontanos
General Manager



1931
Thessaloniki

ABOUT US

In 1931, a young entrepreneur named Athanasios Hatzopoulos recognizes a business opportunity in the open-air market of fresh goods in Thessaloniki.

The founder implements his innovative idea of offering a high-quality and easy-to-use food packaging solution that would effectively help both vendors and buyers. He starts producing paper bags, made by hand at that time, to pack a wide range of foodstuffs sold at the local market.

His success was immediate, followed by the official company establishment and move to its privately - owned facilities, equipped with automated bag-making machines.

Since our first beginnings, nearly 90 years ago, our company has evolved over time from one hand-made product to several advanced packaging solutions and add-on technologies sold across 35 countries.

Today, A. Hatzopoulos S.A. develops high-end flexible packaging solutions for the food & beverages, home- & personal care, cosmetics and pharmaceuticals industries.

Thanks to a broad customer base and a well-organized network, the company operates on an international level, with exports accounting more than 70%.

Our growth is reliant upon investment in cutting-edge technology, research and development of innovative products and continuous training of our employees, who represent our most important asset.

Driven by our strong values and our passion for packaging excellence, we offer unparalleled packaging products and services, supporting our customers to improve their packaging efficiency across the value chain.





Flexible Packaging Commitments



We develop safe, high-barrier, high-performance packaging that ensures sealing integrity and maximum protection, to increase the shelf-life and lock-in the freshness of the delicate flavors and aromas of our customers' products.

- Lamination expertise
- Wide range of high-barrier options
- Optional transparency / Clear windows integration
- Puncture resistance
- Hermetic sealing properties
- High-performance packaging films



With our custom green packaging solutions, designed in accordance with the European Strategy for Plastics in a Circular Economy, CEFLEX and OPRL, we help our customers achieve their packaging sustainability goals; with the common vision for a better future for our planet.

- Packaging Rationalization
- Packaging Optimization for resource efficiency
- X-CYCLE | Recyclable flexible packaging range
- Bio-based packaging solutions



Numerous innovative add-on features and functionalities can be integrated to our packaging solutions, in line with the latest society demands, to differentiate effectively, offer increased packaging functionality and an enhanced overall consumer experience.

- Matt / Gloss / Tactile / Paper / Soft Touch finishing
- Easy-open & Reclosable packaging solutions
- Adjustable peelability
- Cold-seal; optionally reclosable
- Retortable applications
- Personalized packaging solutions

Milestones in our company history



New technologies & materials shape a new age for the packaging industry. The company enters the flexible packaging market leading to a series of investments for its radical reorganization.



The company's new state-of-the-art production plant, equipped with flexo printing machinery and a triplex-in-line laminator, goes into operation



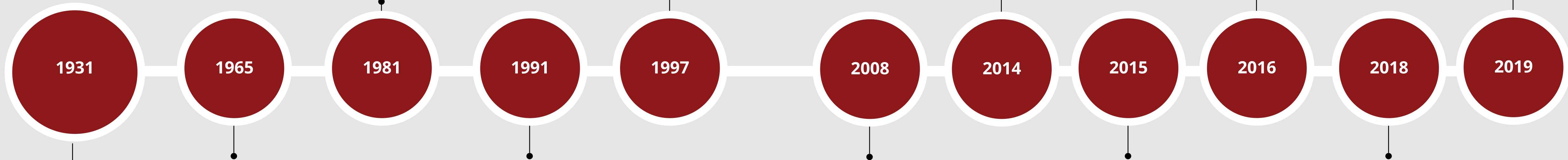
The company installs a new rotogravure cylinder engraving line, further upgrading its services. The whole production procedure is fully automated through a robotic system, limiting human interference at minimum.



Introduction of full-HD flexo printing technology, certified by ESKO. The new system provides excellent print quality with sharper images and an expanded tonal range.



A.Hatzopoulos S.A. inaugurates its new Head Office in Kalohori



Foundation of the company in Thessaloniki as paper bags producer

The company acquires its privately-owned facilities, equipped with automated bagging machines. It now covers 60% of the Northern Greek market needs for wrapping paper and paper bags

A. Hatzopoulos S.A. becomes leader of the domestic market and begins its first exporting activities, starting with Eastern Europe

A.Hatzopoulos S.A. inaugurates its new 20.000m² production facility in Kalohori; a total investment of €25M. Guided by its environmental responsibility, the company installs a solvent recovery unit at its plant in order to limit the release of volatile organic compounds in the atmosphere.

Capacity expansion: the company commits to a plan of continuous investments to further upgrade its equipment and expand its capacity. The two production plants now operate independently equipped with new machinery for every step of the converting process, from printing to slitting.

Launch of X-CYCLE, the next generation of flexible packaging solutions, designed for recycling





Highlights 2019

The year that passed has been a very successful one for A. Hatzopoulos S.A., bringing several milestones for our company. Continuously investing in our people and in state-of-the-art technology and equipment, we have reached record-high results with 15% increase in our annual turnover, while we expanded further also our global presence in 35 countries.

Within 2019, we launched and presented at three international exhibitions our sustainable flexible packaging solutions, which respond to the increased environmental concern globally. Our commitment to responsible growth was exemplified repeatedly within the past year and it was recognized once again by ecovadis, which rewarded us with the highest level for our practices towards sustainable development.

The celebration of our new Head Office opening in Kalohori was definitely one of the top highlights of the year, right before its end.

.....
Learning from our past, we have planned our next steps with main focus on innovation, looking into the future with gratitude and excitement!

 **373** EMPLOYEES
+5% INCREASE SINCE 2018

 **83** € M. TURNOVER
+15% INCREASE SINCE 2018



 **NEW HQ**
HEAD OFFICE RELOCATION

 **3** TRADE SHOWS
FACHPACK - GERMANY
P.I. - BIRMINGHAM, UK
PLMA - CHICAGO, USA

X-CYCLE
RECYCLABLE



WORLDSTAR
PACKAGING AWARD

1 € MILLION
ENHANCED EMPLOYEE BENEFITS
AND SOCIAL ACTION PLAN

GOLD ecovadis
CORPORATE SOCIAL RESPONSIBILITY RATING

NEW Headquarters

We are thrilled to announce the opening of our new Head Office! Directly linked to our Stadiou rotogravure production plant, the modern 3-floor and 1.500sqm office space was custom-designed to facilitate functionality, productivity and collaboration. We are excited about this move, which is expected to significantly improve our daily operations and workflow.

The relocation of our head office was completed before the end of the year, to mark an exciting new chapter in our company history. Welcome to the future of A. Hatzopoulos S.A.!



- Please address your future mail to our new HQ address:
21, Stadiou street, 57009,
Kalohori, Thessaloniki,
Macedonia, Greece
- Our other contact information:
telephone / fax numbers and
email addresses remain the
same

Rotogravure Capacity Expansion

In July 2019 we completed the installation of a new RS 6003 HS rotogravure printing press at our Stadiou plant. The €4M investment is expected to significantly increase our rotogravure printing capacity, while further strengthening our company's commitment to high quality and exceptional service.



The new BOBST RS 6003 HS press has printing capability of 10 colors on a multitude of substrates and it is equipped with fully automated systems for cold seal and lacquer application. Definitely the most impressive feature of the new machine is the high production speed, which reaches 600 meters/minute. The press features advanced technology and automation capabilities.

The inking system of the new machine has been designed for consistent and uniform inking with a High-Speed Meter roller system that ensures accurate and uniform ink distribution across the print width at high speed. One of its most advanced integrated technologies is the Registron S6100 control system, which ensures register control and printing quality consistency several times faster and more effectively than conventional systems.

With the mission to set higher productivity and printing quality standards, this new addition to our rotogravure machines fleet will further increase the flexibility and efficiency of our company's service. We pursue a capacity expansion plan, based on investments in cutting-edge technology and equipment, suitable to meet the most demanding requirements. We continue our dynamic growth, continuously confirming our commitment to offering exceptional flexible packaging solutions and efficient, high-quality service for our partners.

International Packaging Events

In 2019 we presented at three leading international exhibitions our new series of packaging solutions, responding to the growing consumer demand for convenience and less packaging waste.



FACHPACK
GERMANY



PACKAGING INNOVATIONS
UK



PLMA
CHICAGO



WORLDSTAR WINNER 2020



X-CYCLE
RECYCLABLE PACKAGING

X-CYCLE | Packaging Materials Winner Worldstar Award

The year end has brought us one more precious international industry award to add to our growing collection. The "X-CYCLE" recyclable packaging range we presented at the annual WPO competition has received the Worldstar Packaging Award 2020 in the Packaging Materials category!

The annual Worldstar Awards is one of the most respected international competitions for industrial products, rewarding the greatest achievements in packaging innovation and technologies worldwide since 1970. For the 3rd consecutive year, the solutions we design have reached the Worldstar Winner status, positioned among the world's best in packaging.

We are thrilled that our most recent packaging range X-CYCLE, following its' Gold win at the national packaging awards last year, has now also climbed to the international top. This year's recognition rewards our efforts to provide high performance solutions which in turn will help our customers in their Sustainability journey.

Awards

2019 Packaging Innovation

2 GOLD WINS

A.Hatzopoulos S.A. has won two GOLD prizes at the "Packaging Innovation Awards 2019", organized by Bousias Communications with the collaboration of the Association of Greek Manufacturers of Packaging & Materials.

Professionals from the packaging, FMCG and creative design sectors had the chance to participate in the internationally recognized Greek competition that supports and honors innovation in packaging design and development. Our company's technical innovation, expertise and approach to sustainable packaging were emphatically recognized in two highly competitive categories:

- GAEA Gourmet Olives pack - GOLD Packaging of products launched in an international market
- X-CYCLE Recyclable Barrier Packaging - GOLD Sustainable Packaging Design



ETHOS



ethos (*ē-thās*) *n.*
: the distinguishing character, sentiment, moral nature, or guiding beliefs of a person, group, or institution as manifested in its beliefs and aspirations.; also : ethic

Our Values

What we stand for



Love for what we do is the essence of our company,
shaping our core values and driving us forward!

Business Ethics

Transparency | Integrity | Ethos

Businesses worldwide have the clear responsibility to play a vital role in the fight against corruption; at national and international level. Transparency International engages in partnerships with companies that seek to demonstrate their commitment to business integrity and ethics.

A. Hatzopoulos S.A. is an active member of the Business Integrity Forum (BIF), an international group of companies that openly support the fight against corruption, which is coordinated by Transparency International, Greece. All members of the BIF initiative are committed to operate in a transparent and responsible manner; setting thus an example for ethical business operations.

As one of our core company values, Ethos has steadily guided our operations since our humble beginnings, setting the standards for our Code of Conduct that pervades our corporate culture, our everyday activities, and our relationship with our partners.

With our BIF membership we actively support this initiative for the international fight against corruption and as BIF members, we share these principles within our industry, strengthen anti-corruption messages across our employees and educate all involved departments to recognize and manage corruption incidents.



Gold Ecovadis

Responsibility Rating

For the 3rd consecutive year, we receive **GOLD** sustainability rating by Ecovadis for our CSR practices.

A. Hatzopoulos S.A. has been awarded the "GOLD" medal by Ecovadis, the unique Corporate Social Responsibility platform that evaluates companies' performance covering 21 criteria grouped in 4 themes: Environment, Fair Labor & Human Rights, Ethics and Sustainable Procurement.

The Ecovadis assessment methodology is built on international CSR standards including the Global Reporting Initiative, the United Nations Global Compact and ISO:26000, covering 190 spend categories and 150 countries.

The score that we have achieved this year ranks our company once more among the top 3% of all companies rated by EcoVadis in our industry sector; a valuable recognition and reward of our company's core value system and our commitment to sustainable and responsible development.



Respect | Fairness | Freedom

We are fully committed to the basic ethical values of respect, appreciation, integrity, responsibility and team spirit.

Humanity is one of the core values of A. Hatzopoulos S.A. Our company fully supports and respects the Universal Declaration of Human Rights and the relevant national and European legislation with reference to the fundamental rights of every individual, such as protection of privacy, freedom of opinion and expression, freedom of association, non-discrimination and the right to be heard.

We are not complicit in any kind of human rights violations while conducting our business activities and our main policy is to

choose companies to cooperate with, which are not violating in any manner the internationally proclaimed human rights. Our commitments are not only reflected on our internal employment policies and partnership standards, but additionally our company, as a corporate citizen, provides active financial support to organizations dedicated to human rights protection and supporting the non-privileged.

Hatzopoulos A. S.A. respects the freedom of association and recognizes the right to collective bargaining. We respect the right of our employees as of any individual to participate in unions in accordance with the national laws, while the members of the Regional Union are welcome to visit our premises, discuss with our employees and

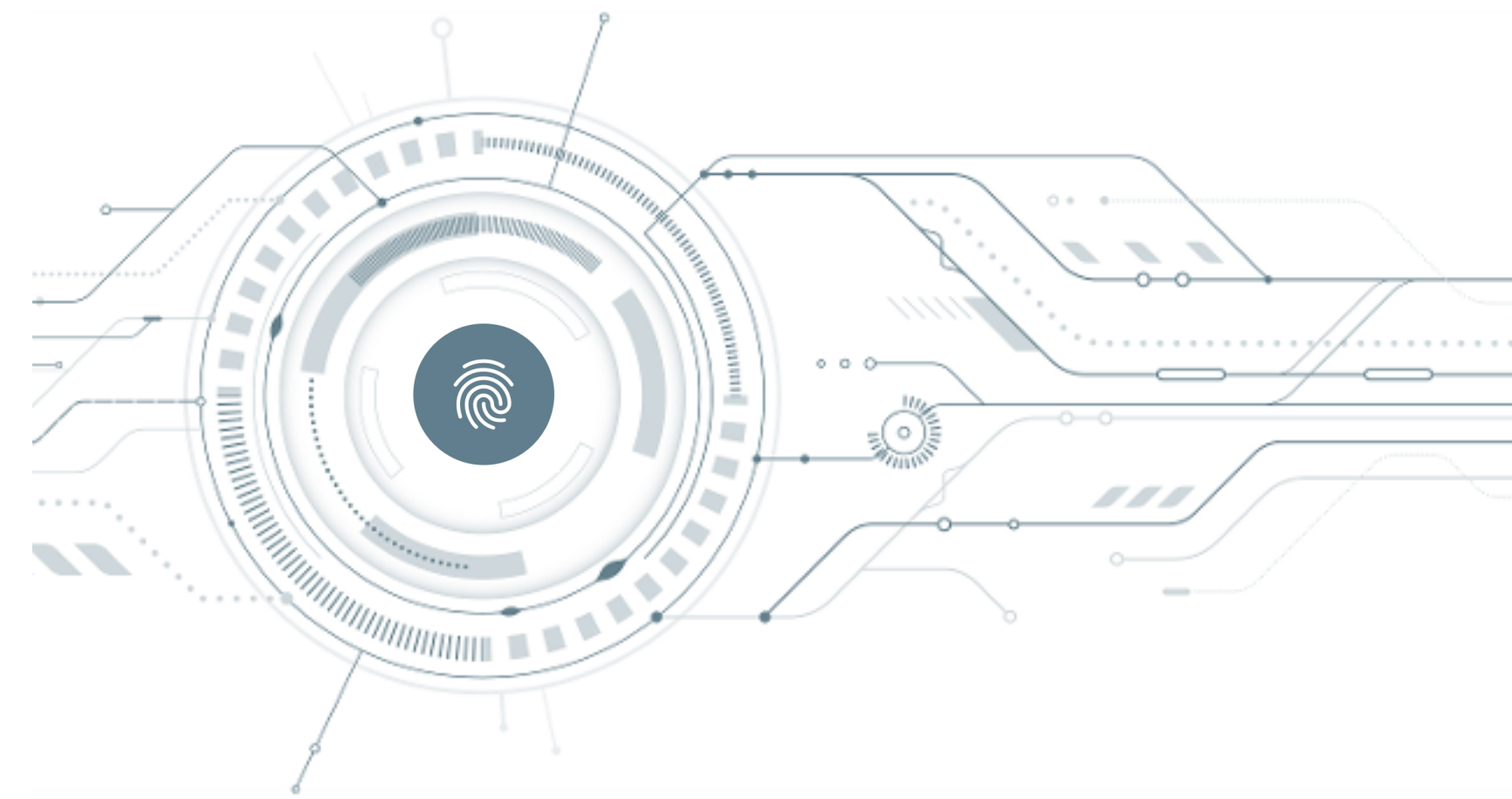
distribute material and publications.

Meritocracy is the first core value of our company, while our equal opportunities standards and commitments are applied and reflected on all of our internal processes and systems (recruitment, training, development and promotion of employees). We are annually audited by our customers as well as by independent institutions on our labor practices as well as our procedures regarding training, evaluation of our employees.

Human Rights

Privacy Respect

Data Protection



We ensure the privacy and protection of personal & business data collected from our partners, employees and suppliers.

In compliance with the GDPR requirements, we process personal data in lawful, fair and transparent ways, ensuring the legality, objectivity and transparency of the process. Data is collected only for specific, legitimate purposes and they are not being processed in a manner that is incompatible with those purposes. Only data that are necessary and appropriate are collected and they are maintained only for as long as they are necessary. The protection of personal data from loss, misuse, unauthorized access or leaking of information is ensured, as well as the fact that appropriate technical and organizational measures are taken for their protection.

[READ HERE OUR PRIVACY POLICY](#)



Social Contribution

Hatzopoulos S.A. firmly believes that company growth and success should be accompanied by the will to give back; especially to the local community and for the support of vulnerable social groups.

We proudly support humanitarian, environmental, cultural, athletic and scientific institutions as part of our social contribution program, in which the participation of our employees is strongly encouraged. In 2019, the amount allocated to our Social Contribution Plan was tripled compared to last year.

- Cultural & Athletic Center "Proodos"
- The Greek Food Bank
- Nursing Home "Vasiliada"
- MDA Hellas
- Cultural & Educational association of Kalohori
- Alexander the Great Athletic Club of Kalohori
- Museum for the Macedonian Struggle
- Solidarity Net
- Elepap - Association for the Rehabilitation of Disabled Children
- The Smile of The Child
- Orphanage Papaphio
- Aristotle University of Thessaloniki
- Lighthouse of the World
- National Theater of Northern Greece
- Institute of Balkan Studies
- Thracian art & tradition Foundation

192%

increase of the amount allocated to our Social Contribution Plan in 2019 compared to 2018



Reconstruction of Proodos, Attica

On the 23rd of July 2018, one of the most tragic pages was written in the history of Greece. A deadly wildfire broke out in Eastern Attica, leaving behind it 102 human lives taken, thousands of acres of forest destroyed, and incalculable material damage.

As a company that is driven by the value of Compassion, we were quickly motivated, in an effort to provide moral support to the local community and especially to the young people of the area, whose lives were violently changed by this massive disaster.

Among the buildings of the region that were completely destroyed in the wildfire was the Cultural and Athletic Center for youth "PROODOS-PROGRESS" in N. Voutzas.

In September 2018, A. Hatzopoulos S.A. undertook the cost of its reconstruction, in order to help re-open the center to the public as quickly as possible.

Since May 2019, the building is completely re-established, ready to act as a vibrant center, that will cultivate, through sports and art, human values and a purpose to youth, to believe in and help rectify this literally blessed place.





First, the Consumer

A. Hatzopoulos S.A. designs & produces flexible packaging materials that meet the highest safety standards and the increasing consumer demand for functionality and sustainability of the products they choose, use and consume.

SAFETY

The company implements food safety principles across the entire supply chain sharing all information with its partners. It is certified with BRC/IoP Global Standard and also a member of FPE - Flexible Packaging Europe Association, staying always up-to-date with the research of EFSA - European Food Safety Authority.

- The high-barrier, high-performance films we produce ensure sealing integrity and maximum product protection
- We strictly implement international & domestic legislation on Food Safety
- We perform regular controls of migration of substances from packaging materials to food
- We issue certificates for packaging products in contact with food, with the most comprehensive information possible

FUNCTIONALITY

We pursue a continuous investment plan, based on cutting-edge technology and equipment, suitable to meet the most demanding requirements. Our innovative solutions and add-on packaging functionalities guarantee maximum convenience and an enhanced consumer experience.

SUSTAINABILITY

At A. Hatzopoulos S.A. we always focus on improving packaging design and on innovating to make our plastic products environmental-friendlier and easier to recycle. We design structures with focus on packaging optimization and sustainability adopting a holistic approach.

Consistent Quality

Setting high standards

It is fundamental value of A. Hatzopoulos S.A. to ensure High and Consistent Quality, achieved thanks to the implementation of a Quality Management System that covers the entire spectrum of the company's operations, from planning and development to after sales service.

Our Quality Policy is focused on Continuous Improvement of our systems and operations governed by Respecto our employees, our customers, our partners and the final consumers that daily use our packaging products.

Key drivers of our Quality performance

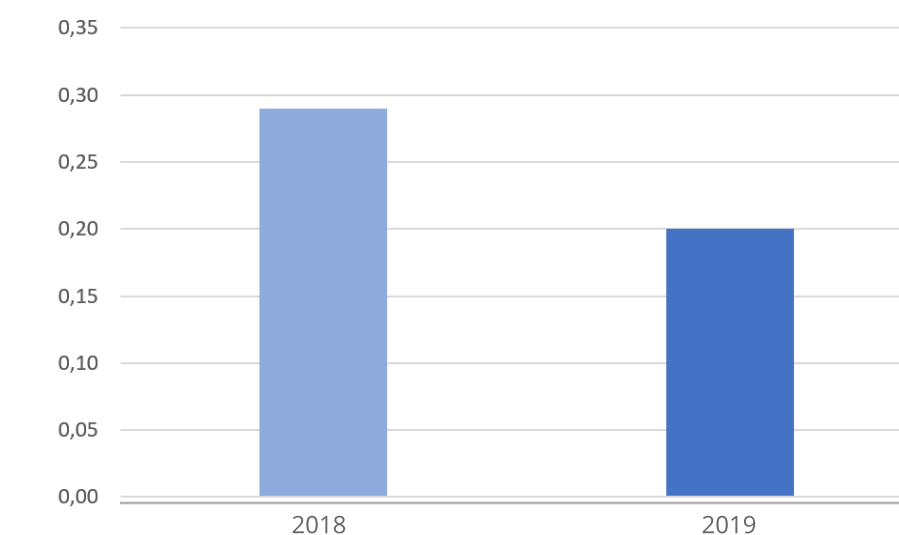
- Full compliance with Customer Specifications
- Full compliance with relevant International Legal Requirements
- Implementation of Quality Management System - ISO 9001 certified
- Proper Hygiene, Work Safety and Environmental Conditions
- Qualified Personnel
- Fully-equipped Quality Labs
- Focus on Continuous Improvement
- Full Traceability

We inform, train and encourage all employees to actively participate in our continuous improvement system for the overall company quality development and upgrade. The scopes and the countable targets of the company regarding quality, food safety and hygiene conditions are clearly defined and their progress is regularly audited and revised accordingly.

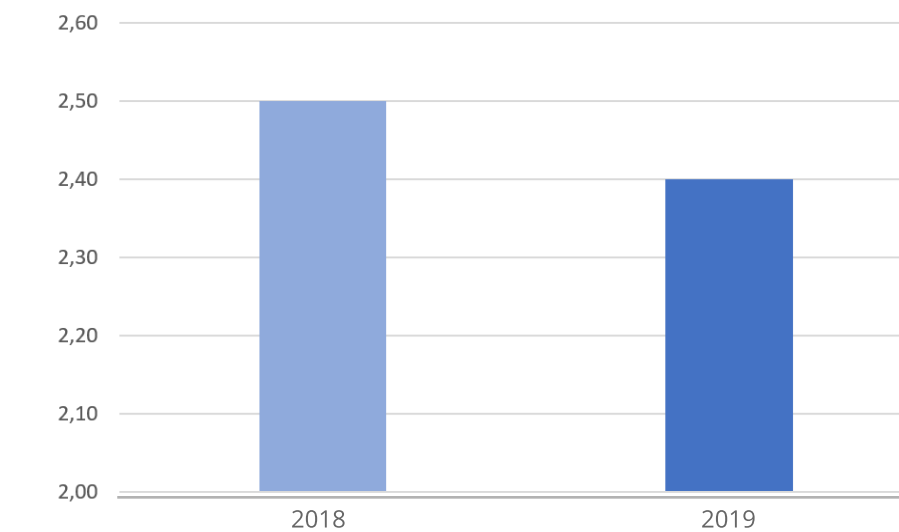
Our commitment is to produce safe and qualitative packaging products according to our customers' ever-diversifying requirements; to provide best-in-class services that exceed our client expectations; and to develop sustainable, innovative and competitive packaging solutions through utilization of green manufacturing processes.



Value of Non-conforming Materials VS Turnover



Number of Claims / Number of Invoiced Orders



Sedex

Ethical Supply Chains



Sedex is one of the world's leading ethical trade service providers, which aims to improve working conditions and to increase transparency in global supply chains.

Working with some of the world's most recognizable brands and standard-setting organizations, such as the United Nations and Ethical Trade Initiative, it covers the four areas of: labor, health & safety, business ethics and environment.

Hatzopoulos S.A. has been a member of SEDEX for several years, actively working for the continuous improvement of its performance. As part of this commitment, we participate in third-party SMETA audits focused on these four themes, we share the results with our business partners and we monitor the implementation of certain requirements up and down our value chain.

Sustainable Procurement

We understand that our Responsibility as a company extends beyond our own internal operations. The goal of A. Hatzopoulos S.A. is for all its suppliers to commit to the company's principles, so that they will in turn assist in the strengthening of its sustainable development up and down the value chain.

The company suppliers and business associates are selected and evaluated annually, based on their policies regarding Environmental protection, Defense and Protection of Human Rights, Food Safety, Quality Consistency and Ethical Policies to combat corruption and discrimination. Following our Supply Chain Risk Assessment Process, we perform regular supplier evaluations and also on-site audits. After our assessments, we ask all suppliers to draw up corrective action plans and to work on any identified subjects where improvement is required.

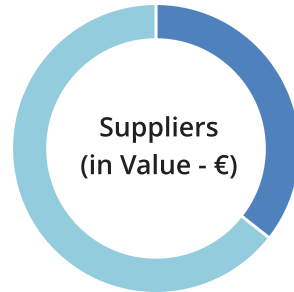
In 2019, 28% of all materials that entered our production sites were purchased from Greek producers and 33.8% of the raw materials used in our products were also sourced locally.

33.8% 

of the raw materials (tons) used in our packaging films are purchased locally



Local International



Local International



PEOPLE



Meritocracy | Respect | Empowerment

We are Stronger,
Together

.....
We aim to create an environment in which every employee feels proud to be part of. Today, A. Hatzopoulos S.A. employs 373 people; the force behind the company's success and growth.

Commitment to Our People

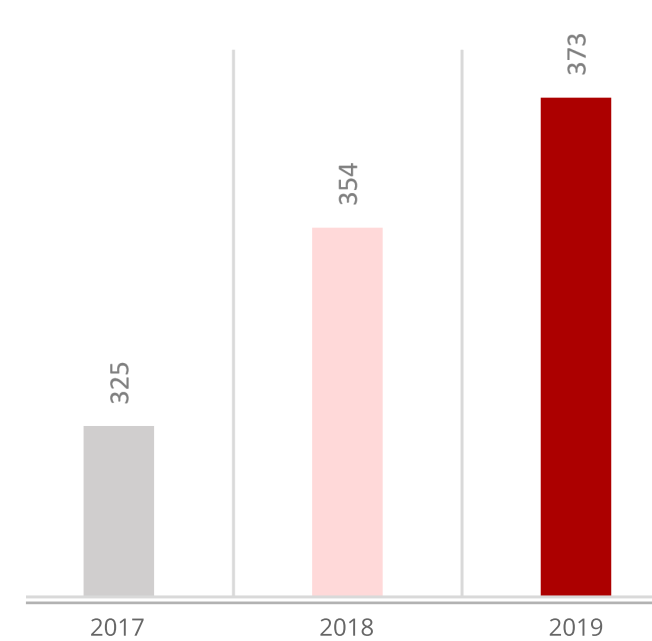
Providing a safe and friendly professional environment, treating all job applicants and employees equally, fairly and with respect to the Universal Declaration of Human Rights and investing in continuous training and development programs for our people.

We commit to provide an excellent working environment where we:

- Promote and enhance the skills, efficiency and well-being of our people
- Promote a positive, productive and team-based learning environment
- Attract, develop, motivate and retain the talented people of the company
- Build and maintain a workplace that is governed by the principles of meritocracy and recognition
- Achieve credibility, consistency and trust in Hatzopoulos
- Enhance communication among all Departments

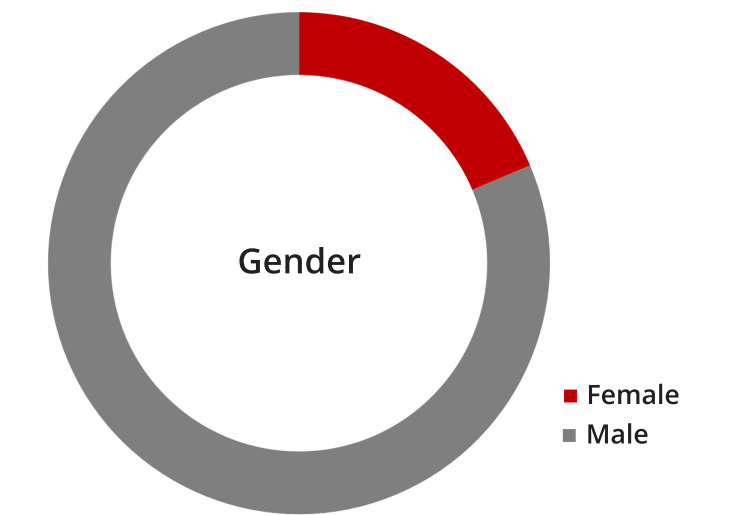


Employees at the end of the year



In 2019 the number of our employees increased by

5.4%

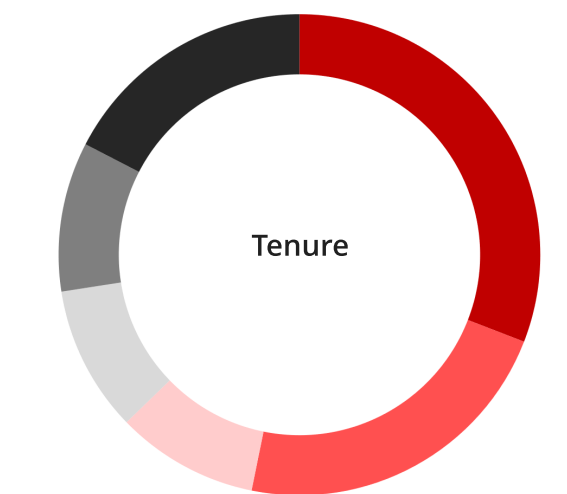


7.5% increase of female employees in 2019

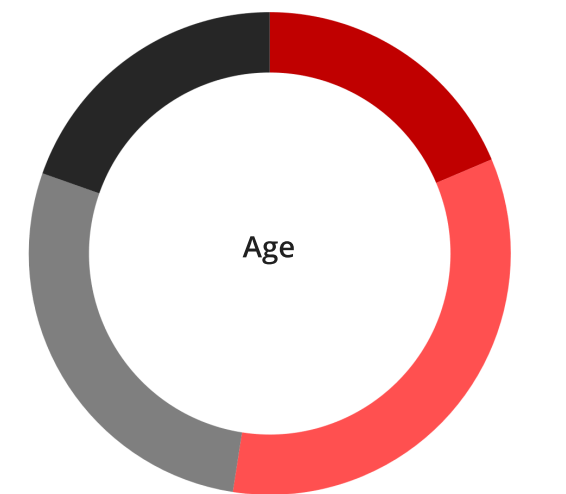
A thriving, diverse culture

Embracing inclusion

- We seek to employ people, that reflect our diverse community because we value the individual contribution of any person, irrespective of their sex, age, marital status, disability, sexual orientation, gender, race, colour, religion, belief, ethnic or national origin
- We support diversity, choosing people of different experiences, skills and cultures, treating all employees and job applicants equally and fairly
- We believe in fostering a culture that supports inclusion, variety and no discrimination, which makes us stand out in the international environment



■ 0-3 ■ 3-6 ■ 6-9 ■ 9-12 ■ 12-15 ■ 15+



■ 18-30 ■ 30-40 ■ 40-50 ■ 50+

Health & Safety

Management System

Occupational health & safety at A.Hatzopoulos S.A. is of the utmost importance. Ensuring both, every day, is a fundamental right of all our employees and other company stakeholders.

Our company has committed to fully implement the relevant legislation and, far beyond that, the highest standards related to Health & Safety, in a manner that maximizes the prevention of incidents that may cause any injury, illness or large-scale accidents for its employees, in and out of the company, and all visitors to its premises.

In this direction, we have developed an effective Health & Safety Management System that includes, among others:

- The implementation of the provisions of the European legislation with regard to Health and Safety at work.
- Annual Health check-up for all company employees, adapted to their work position and age group.
- Continuous, hands-on training program applicable to all employees, that develops their understanding of any work-related hazards.

- Regular risk assessments and audits by a Safety Engineer with the active engagement of our employees.
- Advanced means for self-protection for anyone working or entering our production facilities.
- Specific preventive and control measures taken at all high-risk related departments and factory areas, such as solvent recovery and logistics.
- Specific safety standards for any third-party contractors working at our premises.

The periodical review of the H&S Management System ensures continuous improvement of all relevant procedures and minimization of deviations from the highest safety standards. At the same time, the company's top management is actively involved in the implementation and review of the H&S Management System, enabling the establishment of a culture of safety for everyone.



Fostering a Culture of Safety for all

Major developments related to Health & Safety management took place within our company in 2019, following the Risk Assessment Revision for both plants.

Improved safety initiatives, measures and procedures were introduced last year at A. Hatzopoulos S.A. applying to all incidents investigation, Health & Safety Registry, Inspection and Audits carried out by the designated Safety Engineer of the company, Health & Safety regular meetings and related employee training courses. These procedures have set the solid base for our future steps towards the fulfillment of a complete Health & Safety Plan, in compliance with ISO 45001-2018.

What is more, a new, perfectly organized, infirmary at the Stadiou plant has also been created last year to provide immediate care to our people. In 2019, the 71% of the 55 total incidents which were recorded at our plants, are either characterized as "Near Miss" incidents or returned Back to Work within the same day.

2019	Total Incidents	Near Miss	BtW - Same Day
	55	12	27

Health & Safety Training Plan

The H&S Training Plan of the company involves all employees, with the purpose to develop their awareness and understanding of any hazards related to their daily activities, in and out of the company. In 2019 we dedicated 110 training hours, specifically to Health & Safety-related subjects, custom-planned based on every employees' group activities and relevant needs.

110 hours 
dedicated to Health & Safety Training



Training Topics include, among others:

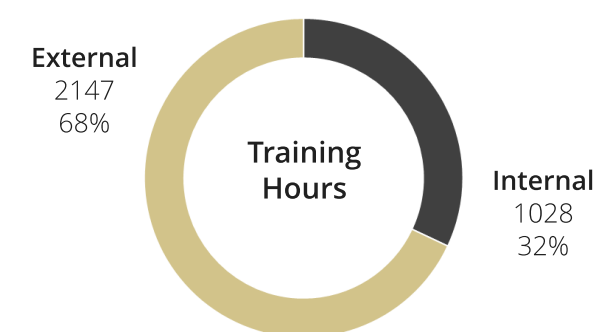
- Safety Culture
- Incidents Analysis - Lessons Learned
- Main Hazards as per Risk Assessment
- Production Equipment, Materials & Machinery Handling
- First Aid Assistance
- Fire Prevention & Safety

Investment in People Training Plan

As a company, we recognise that our future success relies on our ability to develop our people. We ensure that all employees are trained and developed, from the moment they join the company and throughout their entire career with us, according to their customized needs and ambitions.

Training is an important part of our culture and it is provided according to the Annual Training Plan, based on our Performance Management System and all emerging business needs.

In 2019 we increased our investment in training per employee by 37% compared to last year, to complete a training plan of 3.175 hours, 68% of which was external.



€ 232 / employee
invested in training & development

Employee Benefits

It is our firm belief that employee satisfaction is of paramount importance for our company's sustainable development. We provide attractive remuneration packages for all our employees, commensurate with qualifications and former experience.

The non-bonus related spent on enhanced employee benefits increased by

18.7% in 2019
VS 2018

- Life insurance
- Health-care insurance
- Annual health check-up
- Accident cover
- Private blood bank
- Pension plan
- Infirmary
- Christmas & Easter vouchers
- Wedding gift
- Extra financial support for new parents
- Extra financial support for families with more than 3 children
- School allowance on every new academic period
- Academic excellence awards for our employees' children
- Performance rewards & bonus
- Weekend trips
- Work meals & daily healthy snacks
- Tickets for cultural & artistic events



14th Thessaloniki Marathon

Run with Purpose

120 Hatzopoulos employees and their family members participated this year in the 14th International Marathon "Alexander the Great" to run for a good cause! We are more than proud of our running team, which ran to support to the organization "Smile of a Child"!

120

Hatzopoulos runners supported the Organisation "Smile of a Child"

Born in Marathon, Greece in 490 B.C. by the heroic effort of soldier Phedippides who ran the distance to announce to the Athenians the victory of the Greeks, falling dead due to overexertion, today in every corner of the world thousands of marathons are being organized, making thus this sport the one with the most participants in the world.

The Thessaloniki city Marathon refers to the route Pella-Thessaloniki. This Marathon which symbolizes one of the most recognizable personalities of

humanity, Alexander the Great, is not just a major International sporting event. It is a path in history & ancient Greek culture, connecting the past with the present and crossing within 42 km over 2.500 years of Macedonian history and Hellenism.

On 14.04.2019, 16.800 runners, aged 9-85 years, flooded the streets of Thessaloniki and Macedonia to live a unique experience, to win the applause of many fans and to send a message of fitness and health through an event that also has social, cultural, environmental, touristic and historic character.

Our employees embraced this major city event once again, along with their families, engaging in the spirit of Humanity! This year's participation was particularly special to us, since we run with the organization "Smile of a Child" to support and strengthen the NGO's efforts! The Greek Organisation supports children victims of any form of violence, missing children, children with health problems, children living in poverty or threatened by poverty.

We are Proud to Run for a Good Cause!



Company Sport Games

The 3rd Northern Greece Company Sport Games were organized by the Hellenic Organization for Company Sport & Health (HOCSH) in Thessaloniki on 11 & 12 May 2019 and many Hatzopoulos S.A. employees supported once again the event. We are proud of their talent, passion & team spirit!



22 September 2019 Car-Free Day

The annual Car-Free Day is organised by the European Commission as part of the European Mobility Week, which takes place from 16 to 22 September each year.

The campaign seeks to improve quality of life through promoting clean mobility and sustainable urban transport and gives people the chance to experiment with practical solutions to tackle urban challenges, such as air pollution. The 2019 campaign put the spotlight on safe walking and cycling and the benefits it can have for our health and the environment.

As part of our efforts to raise awareness on the adoption of sustainable practices also in our people's daily lives, our company organized and sponsored a bicycle draw for the children of our employees. The five bicycles, along with their safety equipment, were given to our people's families at the educational traffic park of Thessaloniki.

With this initiative, we celebrated last year's Mobility Week and Car-Free Day, by encouraging the development of environmental morale to the next generation.



8th Int'l Thessaloniki Night Half-Marathon

Athletes from all over the world gathered to run along the beautiful Thessaloniki coast line and to participate in this unique night half-marathon, which lit up the city on the evening of 19 October 2019! The Hatzopoulos Marathon Team showed once again its true spirit of compassion and ran for a good cause: to support the steps of the brave kids of ELEPAP rehabilitation centre for children with disabilities.





ENVIRONMENT

Designing a better future for our planet

Eco-Performance

Responsible waste management & energy use

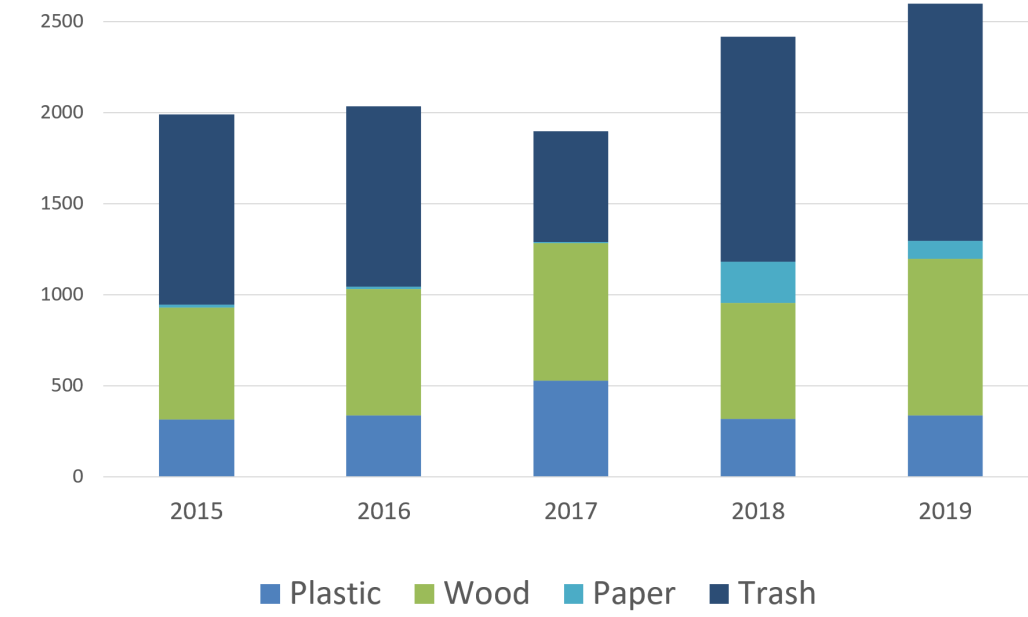
Respect for the environment and eco-consciousness are deeply ingrained in our corporate culture. We aim at maintaining high environmental management standards, implementing concrete eco-policies certified with ISO 14001.

Working towards an optimum waste management, controlled energy and natural resources consumption and the implementation of a circular economy mindset in our activities, we use the following principal indicators to monitor our eco-performance and to measure our efficiency and progress year on year:

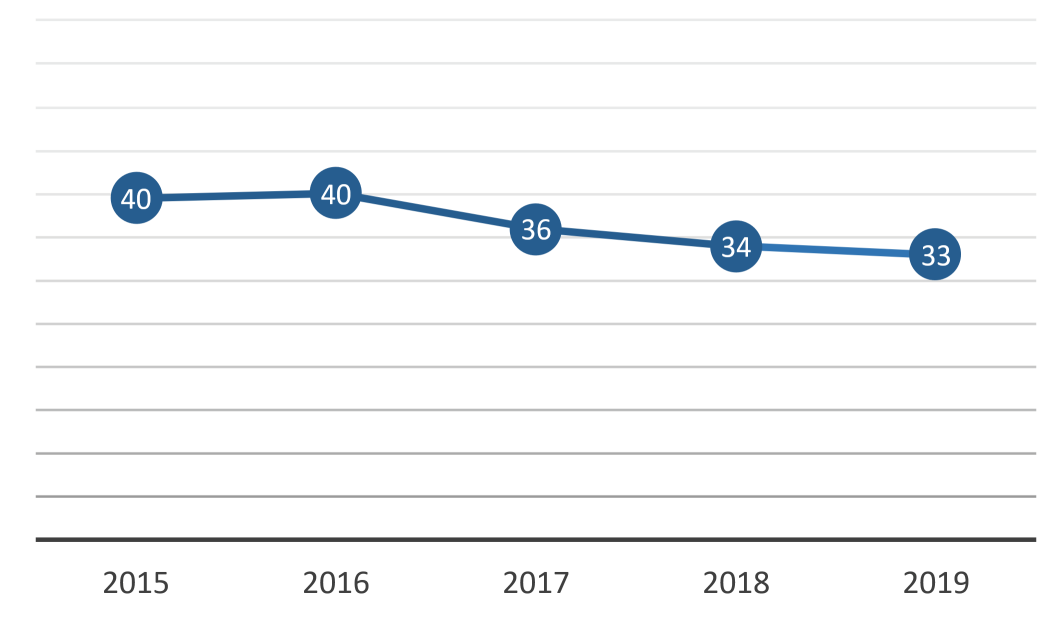
In conjunction with continuously investing in solvent recovery and abatement systems, with the specific aim of reducing the carbon footprint of our production activity, we collect data from our manufacturing sites regularly, measuring our eco-performance and setting higher targets to reduce the overall environmental impact of all our daily operations.

- RECYCLABLE & NON-HAZARDOUS SOLID WASTE
- HARD COPIES / PROCESSED ORDER
- ENERGY & GAS CONSUMPTION / 1000m² OF PRODUCTS
- DISTILLATION RESIDUE IN KG / PRODUCTS IN KM²
- INORGANIC WASTE IN KG / ENGRAVED CYLINDER

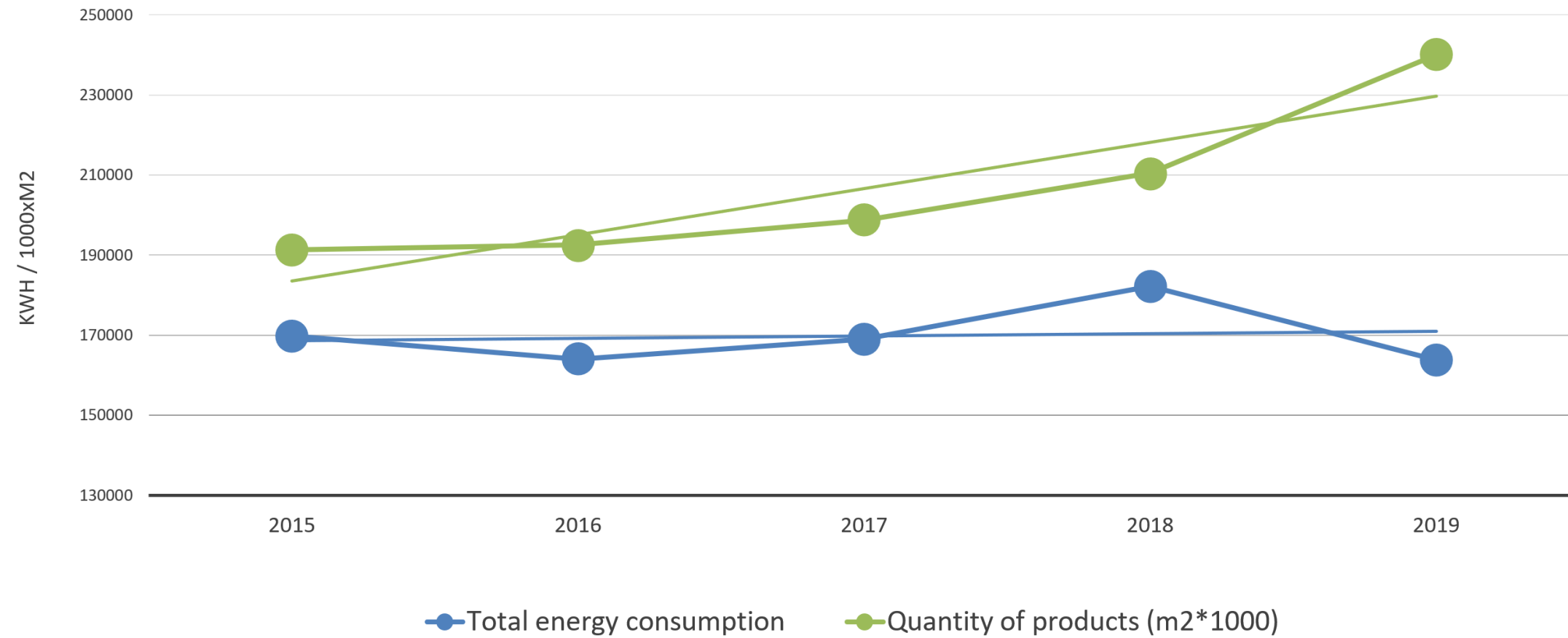
RECYCLABLE & NON-HAZARDOUS SOLID WASTE
(quantities in tons)



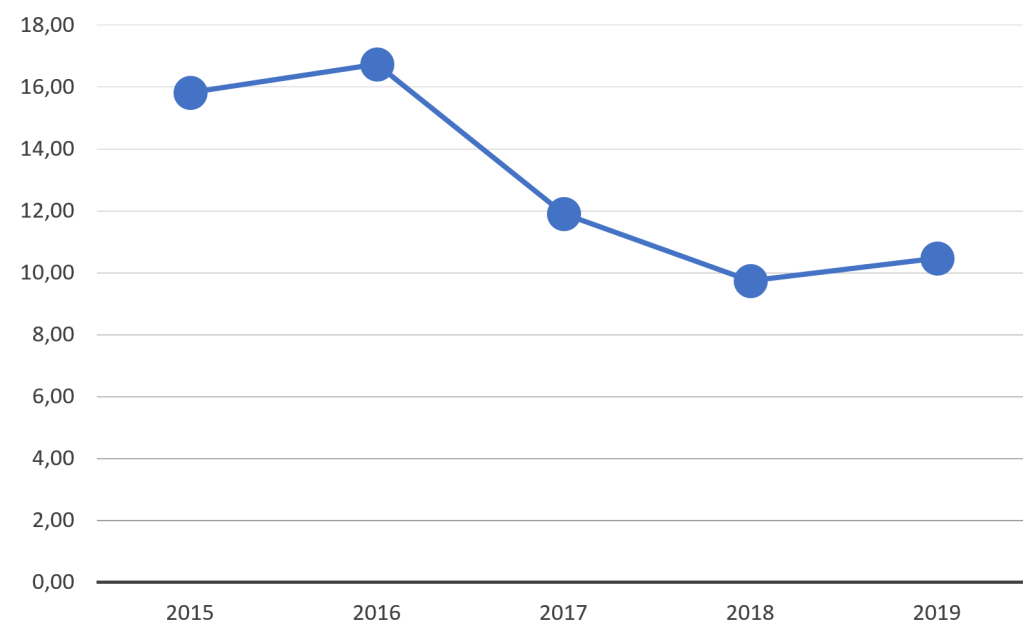
HARD COPIES / PROCESSED ORDER



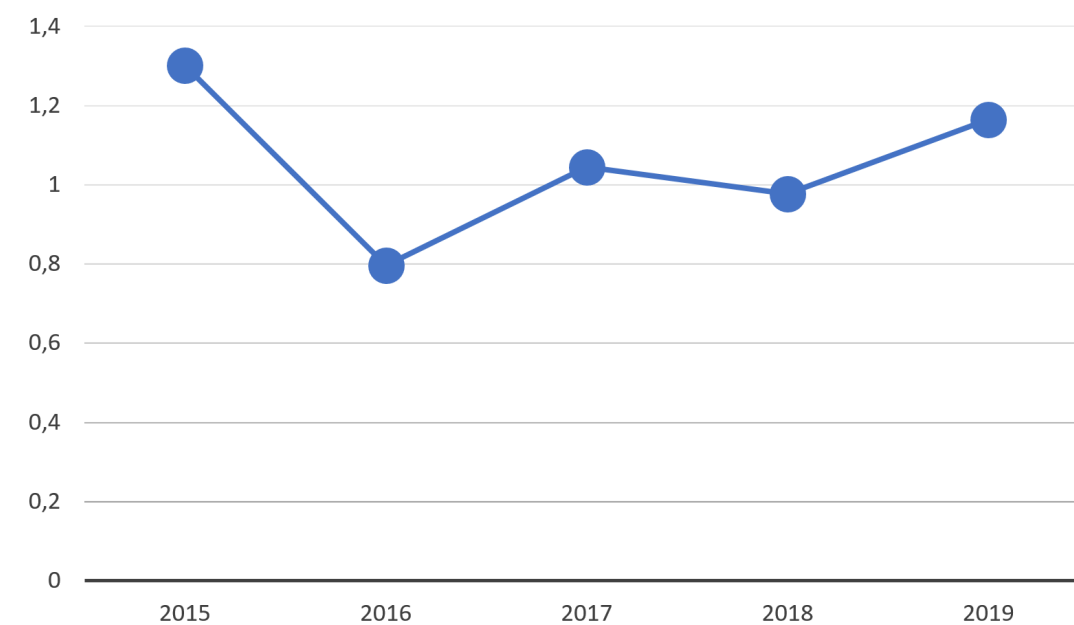
ENERGY & GAS CONSUMPTION PER 1000m² OF FINAL PRODUCT



INORGANIC WASTE IN KG / ENGRAVED CYLINDER



DISTILLATION RESIDUE IN KG / PRODUCTS IN KM2



Total environmental Consciousness

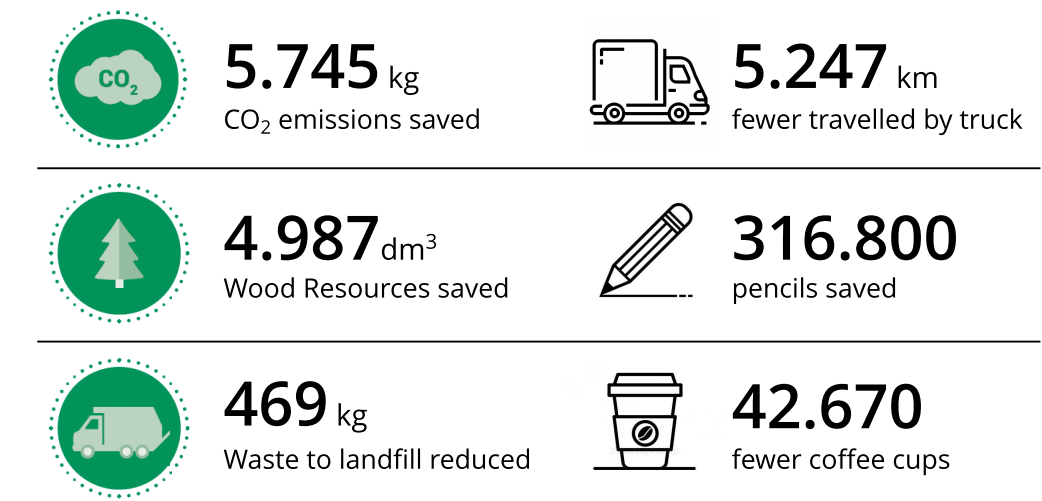
Our company is committed to the vision of circular economy for the benefit of the present and future generations. To make this vision a reality, we have set ambitious targets to eliminate materials used through our value chain, innovate to transform all materials we use into recyclable or reusable and circulate everything we use, to keep it active in the economy and out of the environment.

CHEP reusable pallets

In the scope of the above, in the Summer of 2019 our company started using reusable wooden pallets provided by CHEP for its exports' logistics activities. The principle is simple: we use CHEP pallets for shipping of goods and, upon delivery and use at our customers' sites, CHEP undertakes their re-collection, repair (if required) and reuse.

This is a sustainable approach for the use of pallets into our operations, leaving wood waste out of the environment, lowering emissions and saving important natural resources. What is more, CHEP pallets last up to 10 times longer than their white-wood equivalents and they are 100% recyclable.

CHEP Sustainability saving (since August 2019)



We follow the same sustainable approach with regard to all different materials used for our final reels preparation and palletization:

- All previously-used PVC joints were eliminated from our production sites. Alternatively, in 2019 we switched to recyclable PP / Paper joints, a decision which resulted in the saving of >390.000 running meters of PVC film last year.
- We have eliminated the PET straps used for our products' palletization and switched to recyclable PP ones.
- All blue plastic bags used for reels' protection have been replaced with transparent ones. The new PE bags are recyclable and they leave no ink residue in the final recycle.
- Using thinner PE bags for the protection of pallets has resulted in a massive 40% saving of plastic in 2019.
- All wooden boards and secondary palletization materials have been replaced with recyclable, PP- and Paper-based ones.

In addition to the materials' waste and machine scrap collected from our production sites, which is monitored and measured separately, we have set an advanced collection and recycling system at all company departments.

We collect separately our PET bottles, glass bottles, paper cups, cans and paper sheets, in the specific recycling bins installed at all company halls and offices.



Collaboration for the Vision of Circular Economy



A. Hatzopoulos S.A. fully supports the objective to transform Europe into a more circular and resource efficient economy. As an active member of Flexible Packaging Europe and FPE's Sustainability Committee, we are committed to our common Vision to enhance the contribution of flexible packaging for that purpose through our Sustainability Goals.

Sustainability Goals

- Design flexible packaging for full effectiveness with minimum footprint
- Work on optimized flexible packaging recyclability and circularity
- Zero tolerance of leakage and littering into the environment
- Collaboration with selected value chain peers to speed up circularity progress

In 2019 we joined CEFLEX the collaborative European consortium of companies and associations representing the entire flexible packaging value chain.

The CEFLEX initiative aims at further enhancing the performance of flexible packaging in the circular economy, through the collaboration of companies representing the full spectrum of the value chain: from materials producers to converters and printers, to brand owners, retailers, technology providers and recycling companies. As a company that is focused on improving packaging design and on innovating to make our plastic products more environmental-friendly and easier to recycle, we are looking forward to actively contributing to the CEFLEX goals, shaping the flexible packaging of the future.

Since 2019 our company is member of OPRL, the UK scheme recognized by the UN Environment Programme as international Best Practice.

The On-Pack Recycling Label scheme aims to deliver a simple, consistent and UK-wide recycling message on retailer and brand packaging, to help consumers recycle more material correctly, more often. That simple consistent message is now recognised by more than 7 in 10 UK consumers, with over 500 members now using it.

CEFLEX Membership

Hatzopoulos S.A. as an international supplier of advanced flexible packaging solutions, is fully committed to supporting the CEFLEX vision to establish a comprehensive sustainability and circular economy road-map for flexible packaging by 2020.

The road-map will include widely recognised design guidelines and a robust approach to measure, demonstrate and communicate the significant value flexible packaging adds to circular economy.

Moreover, we fully support the CEFLEX target to have by 2025 an established collection, sorting and reprocessing infrastructure / economy developed for post-consumer flexible packaging across Europe, based on end of life technologies and processes which deliver the best economic, technical and environmental outcome for a circular economy.

Circular economy

CEFLEX was launched to improve the end-of-life-performance of Flexible Packaging to make it even more relevant in the circular economy.

Collection, sorting and recycling

This will be achieved by combining optimized packaging design and improved infrastructure for collection, sorting and recycling.



Entire value chain

CEFLEX involves the leading companies along the entire value chain material producers, converters, fillers, brand owners, recyclers and many others (www.ceflex.eu).

Across Europe

The objective is to increase collection, sorting and recycling of Flexible Packaging across Europe and to develop end markets for the recycled materials.

Source: Flexible Packaging Europe



The future of packaging X-CYCLE | Recyclable

A. Hatzopoulos S.A. is focused to achieve the packaging sustainability goals set by our company, as well as our partners internationally. With a common vision of a better future for our planet, we innovate for the development of the next generation of flexible packaging solutions, designed for recycling: X-CYCLE.

X-CYCLE refers to our complete recyclable packaging range, first introduced to the market in 2018. Following several years of R&D team research on flexible packaging design for recycling, the specific target for the development of this range was to convert conventional formulations into recyclable equivalents, whilst simultaneously preserving the protective properties and functionality of the original traditional materials. Last year, we took this breakthrough technology one step further, by bringing to the European market several new, recyclable packaging projects, in partnership with leading food producers and retailers.

Complementing the sustainability benefits already offered by flexibles, the novel X-CYCLE films can combine recyclability, high-protective properties, high-performance, and many-fold add-on packaging functionalities together, to meet the diversified needs and packaging requirements of our customers internationally.

Recycle-ready design

The X-CYCLE solutions are designed for recycling through the PE/PP/mixed polyolefins recycling streams, where available. The recyclability of the basic versions of the new films has been recently validated and independently certified by the German Institut Cyclos-HTP.

High barrier properties

The new X-CYCLE solutions can offer high-protective properties against humidity and oxygen. They are therefore suitable for packaging an array of products, contributing to the packed products' shelf-life extension.



Excellent shelf-appeal

The range is suitable for high-quality printing for the integration of graphics and end-of-life messages to help support and further strengthen consumer engagement with recycling.

High-performance

Thanks to their mechanical properties, the X-CYCLE films have demonstrated very good performance on various packaging machines, and they are also compatible with zippers and common degassing valves for fresh coffee packaging. Hermetic sealing is guaranteed, even, in certain cases, at lower temperatures compared to the ones required for sealing of non-recyclable laminates. This way, X-CYCLE technology also contributes to less energy consumption, consecutively leading to a reduced environmental impact overall.

By replacing traditional film structures with X-CYCLE, we aim to help solve our customers' sustainability challenges, adding recyclability to our already high-performance packaging films. These solutions can be applied on various existing packaging lines and formats and are suitable for packaging a broad range of consumer goods, serving as the perfect fit to the Circular Economy.

The switch to Bio-based packaging

As the global movement towards a circular, zero-waste economy grows, the demand for more sustainable, responsible products throughout the supply chain is rising in parallel. Our company stays committed to enhancing the contribution of flexible packaging for that purpose, while assisting our customers in realizing their goals for eco-friendly packaging for their products. The BIO-based packaging solutions that we offer, deliver both functionality and effectiveness, with the lowest possible environmental footprint at the same time.

Environmental Impact

Replacing traditional film formulations with BIO-based films has a direct positive environmental impact. The carbon footprint benefit lies in the way they are produced. Traditional plastic films use depletable fossil-sourced raw materials, while BIO-based plastics derive from renewable resources instead, that can be grown again. Furthermore, during their production, BIO-based plastics capture CO₂ from the atmosphere, contributing to the reduction of greenhouse gas emissions.

At the same time, BIO-based plastics can be recycled. When combined with our X-CYCLE PE / X-CYCLE POLY recyclable packaging technologies, the BIO-based solutions are recycle-ready too, suitable for recycling through the polyethylene and mixed polyolefins recycling streams where available.

The switch to BIO-based alternatives is easy and it doesn't affect the film's quality, efficiency or performance during packaging. Providing the same technical and protective properties as common plastics, they can be customized as needed to preserve freshness and to meet the most demanding packaging functionality and shelf-appeal requirements.

I'm green

The technical team of Hatzopoulos S.A. can support our customers along the process, to choose the best option for each product and reach high rates of BIO-based content in the packaging film formulation, which can enable the use of a strong sustainability claim to be communicated with the packaging, such as the "I'm green" logo.

Complementing our metal-free, resource-efficient solutions and the X-CYCLE recyclable packaging range, the BIO-based films we offer within our Green Flexible Packaging Portfolio, are designed for brands with a clear eco-vision, looking to go the extra mile in packaging sustainability.



Flexible Packaging Sustainability Benefits

The efficient and responsible use of resources has become a critical factor to consider for companies along the value chain. In fact, when it comes to packaging decisions, the sustainability factor has never been more important to consumers and manufacturers both around the globe, than today. Flexible packaging offers numerous environmental benefits throughout the entire life-cycle of a product and its packaging. Read our holistic approach to flexible packaging's key role to sustainable development.

Flexible Packaging is designed to minimize the use of packaging materials

Flexible packaging by definition combines the best qualities of plastic, paper and aluminum foil to deliver a broad range of protective and functional properties, while employing a minimum of material



Source: Flexible Packaging Europe

Contribution to Food Waste

One of the key functions of a package is to contain and protect the product by creating an effective barrier between the product and the environment to prevent the product from becoming waste. As such, packaging is an integrated part of the product used to preserve freshness and extend its shelf life by protecting it from potentially damaging environmental factors such as light, oxygen and moisture, which could affect the quality and the taste of food. Approximately one-third of all food produced is disposed of before it is consumed, resulting in 1.3 billion tons of food thrown out annually. Food waste is also a major contributor to global greenhouse gases and is a large contributor of methane gas at landfills.

Shelf-life Extension

The advanced barrier technologies of flexible packaging can extend the shelf life of food by 100% or more. A great example is meat packed in modified atmosphere packaging (MAP), where the shelf life for the meat can be extended from two days, up to 21 days, without using preservatives. Flexible packaging can be the answer to the global food waste issue in two more fascinating ways: by providing appropriate format and serving and an enhanced consumer convenience, with add-on functionalities, such as reclosable packaging for gradual food consumption.

Resource-efficiency

A measure of material efficiency is how much of a product sold to the consumer consists of product and how much packaging by weight. A higher ratio indicates more efficient use of materials as less packaging is being used to protect the product. The product-to-package ratio of flexible packaging is much higher than that of other packaging formats.

The beverage packaging example shows best that the lightweight nature of flexible packaging results in the optimal amount of packaging being used with the least amount of resources necessary to protect the product. Replacing rigid with flexible packaging in the beverage packaging case can generate a massive 97% reduction of total material used - 1,5 pounds of flexible plastic instead of 50 pounds of glass required for packaging of 60 pounds of beverage.

Transportation benefits

Flexible packaging also allows a large number of packages to be shipped on a truck (flat or on roll), reducing the number of trucks needed, both from packaging supplier to filler and from filler to retailer. The flexibles' additional ability to resist denting or breakage without spilling content makes them also a much more safe and attractive option suitable for e-commerce.

Beneficial life-cycle metrics

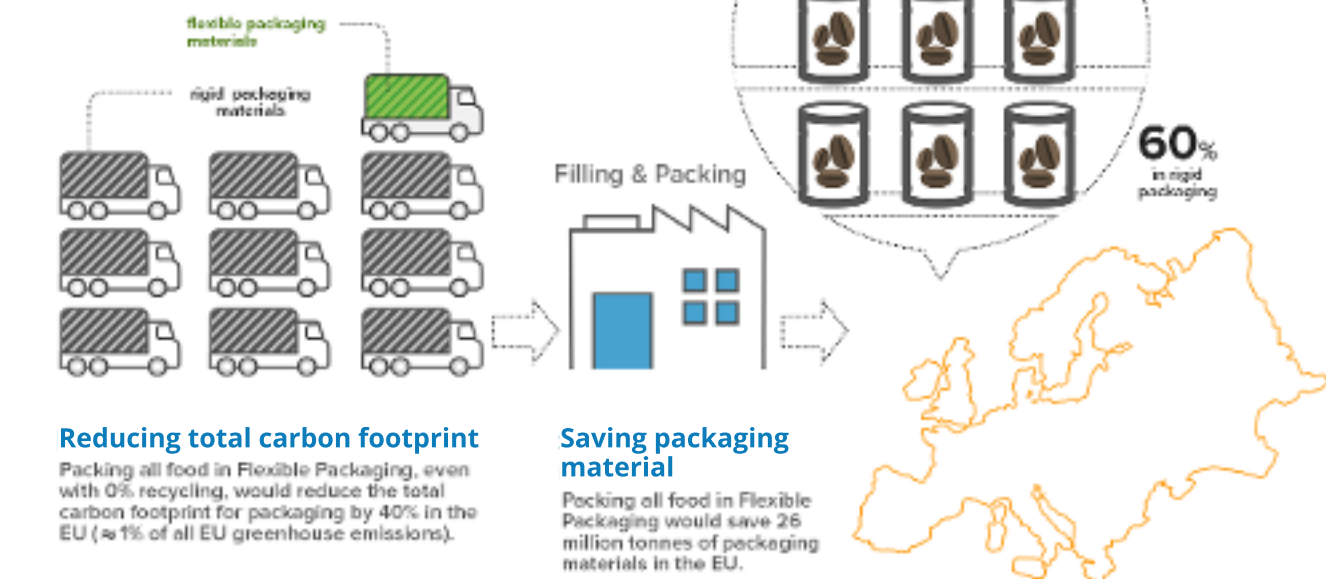
The use of life-cycle assessment tools proves that flexible packaging results in preferable environmental attributes regarding carbon impact, fossil fuel usage, water usage, as well as material to landfill, when compared to other package formats. Thanks to the efficient use of resources enabled by flexible packaging, it uses less energy, generates less CO₂ emissions and contributes less to landfill.

In addition to its reduced environmental impact and to the fact that it represents a relative small part of the overall product impact (usually <10%), flexible packaging is increasingly contributing further by being re-designed for recyclability.

Flexible Packaging accounts for only 10% of all packaging materials used for food in Europe but packs more than 40%

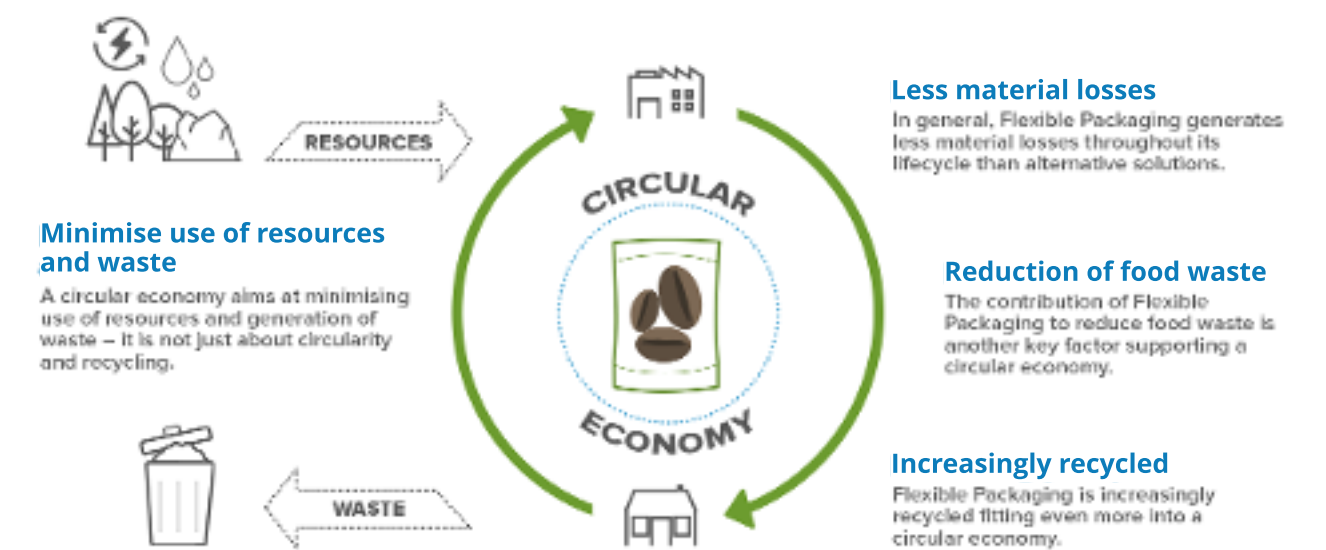
Low packaging ratio

Flexible Packaging has a very low packaging-to-product ratio: 5 to 10 times lower than alternatives.



Source: Flexible Packaging Europe

Flexible Packaging supports circular economy



Source: Flexible Packaging Europe



Be FLEXIBLE
SUSTAINABLE

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