



Be flexible
in a sustainable way

2022

Responsibility Report

2022

Responsibility
Report

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About this Report

This Corporate Responsibility Report was published in November 2023 and covers the period between 01.01.2022 and 31.12.2022 in alignment with our financial reporting period. It is our 11th annual Corporate Responsibility Report and the first that was created in accordance with GRI Standards and AA1000 (2018) Accountability Principles Standard. It also covers data and KPIs that answer the United Nations (UN) Global Compact Communications on Progress (CoP), and the Greek Sustainability Code. We support the UN Sustainable Development Goals for 2030 and we use the icons of the relevant Goals we contribute to at the beginning of each section. The Report is externally assured by a third party, namely TÜV HELLAS (TÜV NORD). The report does not include a restatement of information during the reporting period.

The Report is being prepared under the scientific and technical guidance of “Sustainability Business Case” an ESG boutique consultancy headquartered in Thessaloniki, Greece. The highest governance body and senior executives oversee the collection, interpretation, and publication of information. The accuracy of the published information is guaranteed by internal procedures carried out by a group of senior executives who are responsible for CSR matters and comprise our CSR internal team.

All data presented in this report refer to A. Hatzopoulos S.A. significant locations of operation which we define as our headquarters and two production sites in Kalohori, Thessaloniki, Greece. The Company is one entity and does not have any subsidiaries, joint ventures, and/or affiliates. All the entities included in the organization’s financial reporting are also included in this corporate responsibility report. There have not been any significant changes in the organization’s sectors, value chain, and other business relationships compared to the previous reporting period.

Message from the Top Management



Dear stakeholders,

2022 was yet another unusual year, marked by the overall financial uncertainty. Industries had to respond to raw materials shortages, increased energy prices and the ongoing cost of living crisis. Despite these conditions, at A. Hatzopoulos S.A., we managed to maintain our leading position, as a key player in the flexible packaging industry. 2022 was a great year for us, not just in financial terms but also in the progress we made in the fields of product quality, sustainability and employee wellbeing. We strongly believe that our achievements are directly connected to the continuous development and well-being of our employees, who we see as the cornerstone of our sustainable future. Their continuous development and well-being helps us grow and improve. The health and safety of our employees is our utmost priority, therefore, we invest in assessing and mitigating any potential hazards in the work environment. Regarding our customers, for yet another year, we prioritized the prevention of health and safety impacts, directly associated with our products.

In 2022, A.Hatzopoulos S.A. has been named as a “Great Place to Work®”; an award that gives prominence to the excellent working environment we foster. Our goal is to establish our Company as a top quality employer and attract high quality candidates. We aim to provide all of our staff with training, tools and a healthy and welcoming working environment to help them develop their skills and personality. We promote respect for human rights, diversity, and equality. We strive for an inclusive work environment and aim to ensure that all employees, regardless of age, gender, or race have equal treatment, rights and opportunities.

In 2022, we continued investing in Research and Development, exploring innovative technologies to further improve our products' properties, footprint, safety and quality. During 2022, we introduced X-LOOP, a new packaging line that pushes the boundaries of sustainable packaging. This innovative

line incorporates circular/post-consumer recycled plastic films (PCR) and bio-circular plastics, holding an ISCC PLUS Certification. The X-LOOP films contribute to a lower carbon footprint compared to virgin or fossil-based plastics.

Recognizing the climate change crisis, at A.Hatzopoulos S.A. we strive to develop environmentally - friendly packaging solutions that take up fewer resources, require less energy and leave no waste behind; thereby minimizing our environmental impact. Prioritising our environmental responsibility, in 2022, we also further invested in renewable energy, by installing solar panels, aiming to reduce our dependence on purchased energy, as well as our greenhouse gas emissions (GHG). We are more than proud to see A. Hatzopoulos S.A. being among the pioneering Greek and European companies that acknowledged the importance of better managing their environmental impact, across the entire value chain.

Our overall goal is to incorporate sustainability into every aspect of our operations and actions. We recognise the impact we have on society and the environment, track our progress and aim to operate responsibly and improve our performance every year. By browsing this sustainability report our vision will become apparent. The report highlights our achievements and their connection to our ESG (Environmental, Social, and Governance) targets. We are committed to continuing in this direction, driven by our passion for packaging excellence and sustainability.

We hope you enjoy reading this report and welcome your feedback.

Mr. Athanasios Hatzopoulos
Vice President and Managing Director

Our Story



Thessaloniki, 1931



About A. Hatzopoulos. S.A.

In 1931, Athanasios Hatzopoulos, one of seven children of refugees from Eastern Thrace, decides to leave the management of the family bakery to his older brothers and starts his own business in downtown Thessaloniki. In the city-centre neighborhood right above the port, the so-called Commerce Square, was the city's open-air market, a veritable melting pot of multiple cultures and a colorful hub of commercial activity. In Commerce Square swarms of street vendors congregated to showcase their work and sell their wares, whilst miscellaneous entrepreneurs, artisans and tradespeople had their workshops, completing the rich tapestry of the area. Athanasios' business idea germinated there, when he started observing a small business of four people making hand-made paper bags from scrap paper and flour paste; he was intrigued and inspired. Athanasios already had deep knowledge of flour and its secrets; he only had to learn about paper and its various qualities. Without hesitation he found a vacant shop in the area and started devising his own bag construction. He wouldn't use old, dirty papers from magazines and newspapers. His paper bags would be of high quality, made of clean, pure paper bought from a local mill. That was the innovation that made him stand out immediately and succeed in the packaging business, laying the ground for A. Hatzopoulos S.A. to evolve over the decades into the industrial enterprise that it is today.

Our high-end flexible packaging solutions are essential for many sectors, such as the food & beverages; personal care; cosmetics; chemicals and pharmaceutical industries. Those are the entities downstream from our organization. Our products are transferred by transport service providers to our clients who use them as packaging for their products. We are proud of our long-term successful partnerships. We collaborate with some of the biggest and most known companies globally. With 90 years' experience in the packaging field, we have become a leading flexible packaging manufacturer with rapid international growth, employing 429 people in two production sites. Thanks to a well-organized international network, we serve our customers in more than 33 countries, with exports accounting more than 78% of our total annual turnover. Our growth is reliant upon investments 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 responsibly unparalleled packaging products and services, supporting our customers to improve their packaging efficiency across the value chain.

The company is limited by shares and managed by its general meeting of shareholders and the Board of Directors. A. Hatzopoulos S.A. does not own any other companies or subsidiaries, it is not owned by others, is not involved in any form of joint financial controls and it only has production lines in Greece, in sites which are 100% owned and operated by the company.

Our headquarters and production operations are located in Kalohori, a community belonging to the municipality of Delta outside Thessaloniki in the region of Central Macedonia, in northern Greece. The company export sales offices are located in 8 countries; France, Germany, Italy, the Netherlands, the UK, USA, Bulgaria and Serbia. Through a well-organized network, we provide support to our international customers, forging long-term partnerships and offering high-quality packaging solutions that exceed expectations.

1931

Foundation of the company in Thessaloniki as paper bags producer by Athanassios Hatzopoulos.

1961

The company transfers its operations to a factory equipped with automated bag-making machines.

1975

Transformation of the company to Limited, under the name A.Hatzopoulos S.A.

1981

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 reorganisation.

1991

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

1997

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

2008

The company inaugurates its new 20.000m² production site in Kalohori with an integrated solvent recovery unit; a total investment of €25M.

2014

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

2015

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

2016

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.

2018

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

2019

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

2022

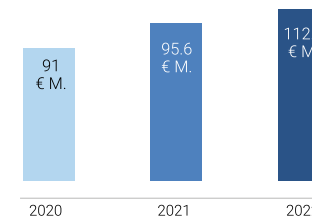
Entering a new green production era: investment in renewable energy with installation of solar panels in both factories.

Milestones

in our company history

2022 PERFORMANCE HIGHLIGHTS

112,7 € million
annual turnover



429 employees
at the end of the year



GREAT PLACE
TO WORK®
CERTIFIED

5.678
training hours



33 countries



32% procurement budget
to local suppliers



~ **28%**
OF OUR PRODUCTION



GOLD
2022
Sustainability
Certificate

375.832 kWh
Solar energy produced



Our Products



We create safe, environmentally friendly packaging solutions that provide safe sealing and maximum protection, increasing the shelf-life and freshness 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

Awarded printing quality and a wide range of add-on packaging features can help our clients increase their packaging quality and offer an attractive product, as well as increase their sales and achieve improved consumer satisfaction. Our products stand out based on the following characteristics:

- Laser-scoring technology for easy-tearing
- Easy-open films
- Adjustable peelability
- Reclosable packaging solutions
- Cold-seal, optionally reclosable
- Retortable applications
- Films for stand up pouches

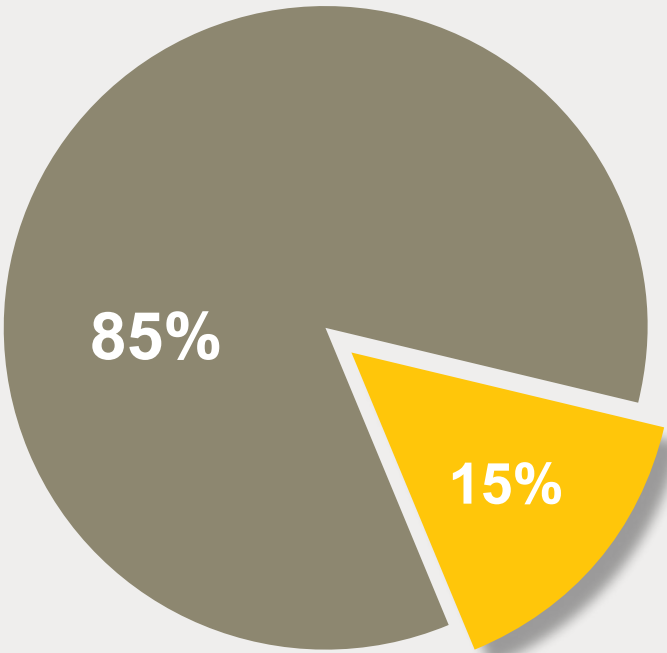
FOOD

Coffee & Tea	43%
Crisps, Snacks & Nuts	26%
Dried Foods & Cereals	10%
Confectionery	8%
Biscuits & Baked Goods	4%
Cheese & Dairy	3%
Other foods	6%

NON-FOOD

Cosmetics / Hygiene	47%
Pharmaceuticals	21%
Tobacco	10%
Other non-foods	22%

Industries Supplied



Product Quality & Safety

The core of our quality policy is centered on the improvement of our systems and operations, driven by a deep respect for our employees, customers, partners, and all the end users of our packaging products. We implement a Quality Management System that covers all aspects of our Company's operations. Key Quality Performance Drivers:

- Full Compliance with Specifications
- Experienced and Qualified Personnel
- Focus on Continuous Improvement
- Full Compliance with relevant International Legal Requirements
- Fully-equipped Quality Labs
- Implementation of certified Quality Food Safety & Environmental Management Systems
- Strict Hygiene and Work Safety Protocols

At A. Hatzopoulos S.A., ensuring product safety is among our top priorities. This commitment extends beyond just the product itself; it involves effective communication with both our direct customers and end-users throughout the entire value chain.

Quality assurance- KPIs	2020	2021	2022
Value of customers' NCRs by the value of dispatched order (%)	0,2%	0,19%	0,14%
Number of customers' NCRs by the number of dispatched orders (%)	2,8%	2,25%	2,83%

Safety

Our company is a member of Flexible Packaging Europe Association (FPE). We are always up-to- date with the research of the European Food Safety Authority (EFSA) and implement food safety principles certified with BRC/IoP Global Standard.

- ▶ Our high-performance films ensure sealing integrity and maximum product protection
- ▶ We strictly implement the international and domestic legislation on Food Safety
- ▶ We perform regular controls of the migration of substances from packaging materials to food
- ▶ We issue certificates for packaging in contact with food with comprehensive and detailed information
- ▶ Before release, all packaging materials produced are thoroughly checked against their corresponding specifications (TDS) at the fully-equipped internal company laboratories

Functionality

Our innovative packaging solutions with add-on functionalities offer high efficiency during the packaging process while delivering convenience and an enhanced overall consumer experience.

Sustainability

We are dedicated to continuously improving packaging design to make our plastic products friendlier to the environment and easier to recycle. We design film formulations with a focus on packaging rationalization and optimization for circularity and recyclability adopting a holistic approach to packaging sustainability.

In 2022 A. Hatzopoulos S.A. had not identified incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling. On the same note, the company had no complaints or legal actions concerning compliance with legal provisions on unfair competition or marketing communications.

Providing access to accurate information helps customers make well-informed purchases aligned with their values and preferences. Customers and end-users require comprehensive information regarding the environmental and social implications, both positive and negative, associated with materials, products and services. The following types of information are required by our Company's procedures for our product and service information and labeling:

The sourcing of components of the product or service:	<input checked="" type="checkbox"/>
Content, particularly with regard to substances that might produce an environmental or social impact:	<input checked="" type="checkbox"/>
Safe use of the product or service:	<input checked="" type="checkbox"/>
Disposal of the product and environmental or social impacts:	<input checked="" type="checkbox"/>



Our Flexible Packaging Commitments

PROTECT We offer secure and high-efficiency packaging solutions designed to guarantee sealing integrity and maximum protection.	Lamination Expertise High-barrier options Optional transparency Puncture resistance Hermetic sealing properties High-performance packaging films
RESPECT We share with our customers our vision for a brighter future for our planet through our environmentally friendly packaging solutions.	Packaging Rationalization Packaging Optimization for resource efficiency X-CYCLE PCR-Content films Films with Bio-circular content Bio-based packaging solutions
APPEAL We incorporate various features and functionalities into packaging solutions in order to provide an enriched customer experience.	Matt/ Tactile/ Paper/ Soft touch finishing Easy-open and Reclosable Packaging solutions Cold-seal; optionally reclosable Retortable applications Personalized packaging solutions

Innovation & Design for Sustainability

At A. Hatzopoulos S.A., we consider innovation as a key driver for success. We design and make high-quality packaging solutions that align with our vision and strategic product quality goals:

Food Safety	Packaging Functionality	Packaging Sustainability
Packaging Optimization	Novel Marketing Applications	Design for Recycling

Our efforts aim at creating sustainable, eco-friendly packaging solutions, while using fewer resources, leaving a smaller environmental footprint. We focus on manufacturing products from recycled materials at different rates and recyclable films, in line with CEFLEX and OPRL guidelines. As active members of Flexible Packaging Europe and its Sustainability Committee, we monitor all European regulations on Plastic packaging and relevant packaging sustainability developments closely, reducing our environmental footprint as we move forward.

Flexible Packaging Sustainability Benefits

Flexible packaging is a fundamental component of the food chain, preserving food and enabling safe delivery to the consumers. Its properties enable it to be resource-efficient and produce less waste.

- **Minimized food waste**
The advanced barrier technologies of our flexible packaging, combined with the high product quality we offer guarantee freshness of the packed foods, extending their shelf-life, therefore reducing food waste.
- **Transportation benefits**
Flexible packaging 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 safer option.
- **Resource-efficiency**
Material efficiency is determined by the product-to-package weight ratio. Flexible packaging has a notably higher ratio compared to other packaging formats, indicating more efficient use of resources with flexibles, as less packaging is used to protect and transport the product.
- **Life-cycle analysis**
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 emissions and contributes less to landfill.

X-CYCLE

X-CYCLE™ refers to the recyclable packaging range, developed with the target to convert conventional formulations into their recyclable equivalents, whilst preserving at the same time their original protective and functional properties. Our X-CYCLE™ packaging technology has been awarded at the annual Worldstar Packaging Awards in 2020 in the Packaging Materials category.

Packaging is extremely important to protect food and combat food waste and we can do that with materials that can be both lightweight and recycled for reuse in a circular way. Incorporating the industry guidelines for flexible packaging design for recycling, we develop monomaterial PP / PE and mixed PO solutions, taking into account all the critical packaging design choices and factors that finally impact the recycling process and the quality of the recyclates.

The recyclability of specific basic versions of the X-CYCLE™ recyclable films was assessed and certified by Cyclos-HTP and Interseroh independent Institutes and by the UK-based organisation OPRL. By replacing traditional film structures with X-CYCLE™, we aim to help solve our partners' sustainability challenges, adding recyclability to our already high-performance packaging films.



FEATURES AND BENEFITS

- Recycle-ready solutions for all recycling streams, where available
- Mono-material, all-PE and all-PP solutions
- High-protective properties
- High-performance films at various packaging lines
- Proven efficiency | Compatibility with common degassing valves - zippers - stickers
- Excellent printability & shelf-appeal, compatibility with lacquers
- Certified Recyclability Optional (Cyclos, Interseroh, OPRL)

AWARDED X-CYCLE PRODUCT

WorldStar Packaging Awards 2022 Winner for GAEA's Mono-Material Olives' Packs
Since 1970, the World Packaging Organization (WPO) has been organizing WorldStar awards recognizing the best of the best in packaging innovations from across the world. The recyclable packaging innovative solution created by A. Hatzopoulos S.A. for GAEA, a Greek olives producer, has received the 2022 WorldStar award in the category «Food». The packaging film that was previously used was redesigned into a recyclable, mono-material olive snack pack, with a packaging film that is designed based on the X-CYCLE packaging principles. This award reflects our commitment to sustainable product quality and safety.



X-LOOP: CLOSING THE LOOP ON FLEXIBLE PACKAGING



A.Hatzopoulos S.A. has created and launched a new packaging line, which takes the topic of packaging sustainability one step further: X-LOOP. This new packaging range incorporates circular / post-consumer recycled plastic films (PCR) and bio-circular plastics, it is ISCC-PLUS certified and food-contact safe, in compliance with all Regulations on plastic materials that come in contact with food. These films do not differentiate from virgin ones. Their mechanical, physical and chemical properties remain the same, as does their performance on the converting and packaging lines. The laminated structures reach adjustable rates of circular / bio-circular content based on the amount of ISCC-certified material used in their production, according to the mass balance approach applied. The overall packaging solutions result in Lower Carbon Footprint relative to virgin / fossil-based plastics, while, at the same time, the barrier properties, packaging functionality and aesthetics of the original films are maintained.

Memberships and Associations

Hatzopoulos S.A. is a member of the following associations and initiatives:



Business Integrity Forum (BIF), a global coalition of companies openly committed to combating corruption. BIF's efforts are coordinated by «Transparency International Greece».

Flexible Packaging Europe Association (FPE), ensuring that we are continuously informed about the latest research from the European Food Safety Authority (EFSA) and implement food safety principles certified with BRC/IoP Global Standard.

E.R.A. European Rotogravure Association

SEDEX, actively striving to enhance our performance through ongoing improvement efforts. As part of this commitment, we participate in third-party SMETA audits, we share the results with our business partners and we monitor the implementation of certain requirements along our value chain.

CEFLEX is a European consortium driving the circular economy for flexible packaging through full value chain collaboration. This includes materials producers, converters, printers, 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 environmentally friendly and easier to recycle, we are looking forward to actively contributing to the CEFLEX goals, shaping the flexible packaging of the future.

On-Pack Recycling Label scheme. Acknowledged as an international Best Practice by the UN Environment Programme, the scheme aims to provide a clear, uniform recycling message on retailer and brand packaging, to help consumers recycle more material correctly, and more frequently.

Exhibitions & Events 2022

In 2022, we participated in five live Exhibitions and three Conferences held in six European countries. A. Hatzopoulos S.A. is present at all major international industry events. These serve as hubs for networking, collaboration and exchange with customers and other stakeholders, and a platform to showcase new products and recent innovations in line with packaging sustainability.

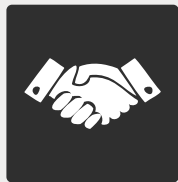
Exhibitions	Date	Country
HISPACK	24-27 May 2022	SPAIN
WORLD TOBACCO EUROPE	18-19 May 2022	BULGARIA
PACKAGING INNOVATIONS	25-26 May 2022	UK
FACHPACK	27-29 September 2022	GERMANY
TRIESTESPRESSO	27-29 October 2022	ITALY

Conferences	Date	Country
MULTILAYER FLEXIBLE PACKAGING	15-17 November 2022	AUSTRIA
SUSTAINABILITY IN PACKAGING EUROPE	2-3 November 2022	SPAIN
RECYCLING FLEXIBLE PACKAGING	13-14 December 2022	GERMANY





Customer Satisfaction and Experience



Customer Satisfaction

Customer Satisfaction is paramount at A. Hatzopoulos S.A. In line with our commitment to continuous improvement, we systematically collect and analyze data to evaluate our performance. We monitor a range of customer satisfaction indicators, which are critical to our success and ensure a long-term exceptional customer experience. That helps us highlight risks and areas for improvement, where we should focus our efforts, while we document annually and re-evaluate constantly the levels of product quality and service we offer to our customers.

Our customer satisfaction survey is carried out on an annual basis, and is sent to our top 100 customers (of the previous calendar year) i.e. corresponding to 90% of the company's annual turnover. The survey is based on an online e-questionnaire. Using a 5-point Likert scale, the customers are asked to rate their experience with A. Hatzopoulos S.A., across 22 parameters, covering the entire spectrum of our activities and all departments. As we consider our partners' sustainable development a critical factor for a successful collaboration, a dedicated question asks customers to rate our company's efforts in meeting their own packaging sustainability goals. The final question is open for feedback, welcoming recommendations and comments. All answers are collected by the Marketing & Communications Dpt that prepares an annual report summarizing the results of the customer feedback. The report and its findings are presented to the Top Management Team that plans actions to address any eventual issues efficiently and to set goals for the next year.

2022 Survey Results
(rating 2021 performance)

Average Score

90%

Weighted Average Score

88%



24/7
Customer Care

We developed and introduced the first multi-tasking App by a flexible packaging company in the world. Free and compatible with Android / iOS, our App provides 24/7 service to our customers and business associates. Using our App our customers have real-time access to Order tracking (Order Details and status), Documentation (Order Confirmation, TDS & Certificates), and Stock availability. App users can also use the built-in Reel Calculator, which provides useful information and unit conversions on product weight, length, surface, pieces, etc.



Product Safety

Our flexible packaging products meet the highest safety standards and we strictly implement international & domestic legislation on food safety. The high-quality, high-performance films we produce ensure sealing integrity and maximum protection along the whole value chain and our products reach the hands of the end user.

We protect the safety of our customers and end users by detecting and mitigating all potential hazards associated with our goods, including those deriving from toxic components or potentially dangerous functional aspects.

We design our products and select raw materials keeping in mind that our customers and end users' health and safety must be top priorities and an inherent part of our business plans. Our product management team is responsible for this work, in close consultation with Research & Development. Our products are assessed for improvements relating to potential health and safety impacts. The first control is performed every three months. 30 samples are chosen by random selection and examined under migration tests. This helps us recognize any chemical substances that could potentially move from packaging to food. So far, no such chemical has been identified so no measures were taken. The second control is microbiological and is performed annually.

Before being released for shipment, packaging materials are thoroughly checked against the corresponding Technical Specifications at our in-house fully-equipped laboratories. This is a necessary step in product development.

In many cases and after discussing with the client, we use life cycle assessment to optimize material and product properties and make them safer to use and more environmentally friendly. Across our business units and at both production sites, ISO 9001:2015 processes are implemented and managed by quality assurance managers.

Our action plan includes:

Mapping risks,
analysis and
prioritization;

Procedures
for assessing
subcontractors
and suppliers;

Measures
and actions to
mitigate risks;

Monitoring and
evaluating the
action plan and
assessing its
effectiveness

In 2022, there were no incidents of non-compliance
(resulting in a fine or warning) concerning the health
and safety impacts of our products.



Our Privacy Policy

We believe that ensuring data safety is synonym to ethical business sense and it is directly linked to the privacy protection of all our stakeholders, including employees and partners. In 2022, there were no substantiated complaints concerning customer privacy or personal data from either A. Hatzopoulos S.A., outside parties, or regulatory bodies. The total number of identified leaks, thefts, or losses of customer data was zero. A. Hatzopoulos S.A. is committed to complying with all applicable data and privacy protection regulations. The strict implementation of our privacy policy ensures the protection of our customers' data. Personal data management follows the European Union's General Data Protection Regulation 679/2016 (GDPR) and other relevant national, regional, and international laws. Data is collected only for well-defined, clear, and lawful purposes and is not utilized in manners that are incompatible with those purposes.

More specifically, we process personal data for the following legal, transparent, and documented purposes:

01

Use of ERP (Enterprise Resource Planning) systems, where contracts, orders, sales, purchases/commissions, or payments are recorded for accounting purposes, tax compliance measures, and any other obligations

02

Procedures required by law (European and national), due to the nature of the company's activities and the strict safety measures to be followed

03

Recording of requests, problems, or customer complaints

04

Internal reports concerning the monitoring of customers and contracts

05

Keeping a record of contact persons to expedite the procedures within the framework of executing contracts

06

Procedures relating to the company's product promotion and services, public relations, and communication

Our privacy policy is practiced in the spirit of integrity
and ethical behavior that governs all our activities
and departments.

Certifications and Awards

Great Place to Work 2022

Acknowledges the Company's dedicated commitment to its workforce and its initiatives to establish a welcoming, inclusive environment. 88% of our employees said that when they joined our company, they were made to feel welcome.

ISCC PLUS

Allows us to produce flexible packaging products, with high levels of certified recycled content, enabling the traceability of any recycled components used in production.

BRC Global Standard

Verifies our strict adherence to industry best practices and the implementation of appropriate systems and controls that ensure packaging suitability and excellent quality.

EcoVadis- GOLD MEDAL

Our rating, this year, places us among the top 5% of all companies assessed in our industry sector. This marks an acknowledgment of our company's advancements and dedication to ethical and responsible business conduct.

FlexoExpert

The FlexoExpert certification provides an objective review of our procedures in place, verifying that our system conforms to the highest standards.

Esko XPS Crystal plate-making certification

Ensuring the highest plate-making quality available, we deliver optimum Flexo quality, meeting the most demanding requirements.

FSC STD 40 004

This certification guarantees that our packaging products are derived from well-managed forests. This enables us to respond to the increasing consumer demand for more eco-friendly packaging options.

WorldStar Packaging Awards 2022 Winner

The recyclable packaging innovative solution created by A. Hatzopoulos S.A. for GAEA, a Greek olives producer, received the 2022 WorldStar award in the category «Food». This award reflects our commitment to sustainable product quality and safety and rewards our Company's R&D focus on packaging circularity.

Greek EBGE Design Awards 2022

Awarded for our project "AGAPE"; a graphic novel that communicates the essence, values and purpose of our Company, as well as of entrepreneurship more broadly.

GOLD European Design Award 2022

Awarded for our project "AGAPE", in the "Book & Editorial Illustration" category.

Red Dot Winner

Best of the Best 2022, awarded for our project "AGAPE".

ISO 9001:2015

It demonstrates that our Company's policies, procedures, and protocols are designed to guarantee optimal operational quality across all levels and departments.

ISO 14001:2015

A.Hatzopoulos S.A. is very closely associated with an increased environmental responsibility. As part of our commitment to implementing substantial eco-policies, in alignment with ISO 14001, we strive towards reducing our carbon footprint and our overall environmental impact.

ISO 45001:2018

This certification displays our commitment to implementing the most rigorous Occupational Health and Safety standards, with a primary focus on minimizing incidents involving our employees, contractors, and visitors.



Business Continuity, Financial Development & Market Presence

Financial Performance

In 2022, the turnover of A. Hatzopoulos S.A. exceeded 112 million euros. The Company exports to more than 33 countries accounting for 78% of the total sales. In order to highlight the financial impacts of our company from the stakeholders' perspective we present the economic value generated and distributed (EVG&D). Various stakeholder groups receive the wealth that we create through our operations. We calculate revenues as net sales plus revenues from financial investments and sales of assets. Net sales are calculated as gross sales minus returns, discounts, and allowances.

In 2022 A. Hatzopoulos S.A. has not received any financial assistance, or benefits from any government for any operation. This includes subsidies, incentives, tax relief, tax credits, grants, awards, or any other form of financial support. In addition, there is not any government present in our shareholding structure.

Direct economic value generated (EVG) revenues		112.710.943€
Economic value distributed		
Operating costs (excl.employee wages and benefits)	93.787.822€	
Employee wages and benefits	14.360.053€	
Payments to providers of capital (interest)	2.886.777€	
Payments to government (taxes)	1.347.633€	
Community investments	100.895€	
Economic value distributed (EVD)		112.483.180€
Economic value Retained		227.763€
(calculated as "Economic value generated" minus "Economic value distributed")		

At A. Hatzopoulos S.A. we recognize the impact climate change can have on our business. We do not yet have a system in place to assess and calculate the financial implications and other risks or opportunities of climate change and this is something that we consider planning in the near future. Risks and opportunities posed by climate change may result in significant changes in our operations, revenue, or expenditure. We actively aim and act to contribute towards fighting climate change and mitigating its impact. Relevant initiatives we took include fuel switching (shifting our vehicles from petrol or diesel to electric) and the use of renewable energy (installing solar panels).

At A. Hatzopoulos S.A. we take into account the minimum wage rules and beyond that we determine salaries based on market trends, competition, and individual performance or needs. All employees, are compensated based on our compensation and benefits policy. This helps us attract and retain skilled and high-performing employees. All of our employees, are compensated above the legal minimum wage. Providing fair wages contributes to building strong community relations and increased employee loyalty.

	Male (monthly wage)	Female (monthly wage)
Ratio B* (Entry level wage to legal minimum wage)	1,30	1,30

Statement of Income at 31/12/2022	
Turnover (net)	112.710.942,78
Cost of sales	-98.692.831,85
Gross profit/(loss)	14.018.110,93
Other operating income	401.564,61
Administrative expenses	-3.225.021,84
Distribution costs	-6.230.021,34
Other expenses and losses	-221.074,99
Gains & losses on disposal of non-current assets	1.441.486,92
Other income and gains	411.156,79
Earnings/(loss) before interest and tax (EBIT)	6.596.201,08
Interest and similar income	6,41
Interest expense and similar charges	-1.386.777,31
Profit/(loss) before income tax	5.209.430,18
Income tax expense	-1.347.632,65
Profit/(loss) for the period net of tax	3.861.797,53

The percentage of senior management hired from the local community:	97,87%
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Senior management refers to the senior executives and managers of the company's departments, who are responsible for making strategic decisions. Individuals who are native or have a residence permit in northern Greece, where our company operates, are all considered people hired from the local community. Including members from the local community in senior management can benefit the local community and improve the company's image, credibility, and ability to respond to local needs.

A. Hatzopoulos S.A. Employees' pension fund

At A. Hatzopoulos S.A., we meet the financial responsibilities outlined in our benefit plan without requiring external sources of funding. Our benefit plan's liabilities are met by the company's general resources.

All our employees participate in retirement plans, in accordance with the Greek law. In addition to that, we offer a separate fund for pension liabilities that allows all our personnel for better management of retirement-related finances and can ensure the ability to meet retirement obligations over time. Pension liabilities are 100% covered by the assets that have been set aside to meet them. To pay the benefit plan's pension liabilities there is a dedicated pool of assets specifically earmarked for that, via a separate fund. The fund is fully covered by us. More specifically, if the company meets the overall financial yearly target, a bonus of one gross salary for each employee is being deposited in the retirement fund. This policy applies to all employees.

Investments 2022



BOBST Master RS 6003 NEW GRAVURE PRESS

During 2022, we installed a new gravure printing press (BOBST Master RS 6003) at the Stadiou plant. This was a 4mil € investment that substantially enhanced our printing capabilities and quality. The investment is in line with our ultimate goal, which is to consistently offer high quality products.

The new printing press is equipped with fully automated systems, allowing us to print using up to 10 colors/lacquer, on a wide range of substrates. The press incorporates cutting-edge technology and automation features, leading to increased productivity. Remaining dedicated to our long-term strategic investment plan, we continually upgrade our machinery and equipment.

HATZOPOULOS ITALY

In 2022 we announced the expansion of our operations with the opening of a new office in Italy. This investment was a result of our long-term commitment to providing exceptional customer care, by operating in close proximity to our clients.



Cooperation with European Bank for Reconstruction and Development (EBRD)

In 2022, we signed an agreement with The European Bank for Reconstruction and Development (EBRD), to access financial support for our investment strategy which is centered around the principles of circular economy and sustainable development.

This seven-year loan will play a pivotal role in helping us attain our ambitious ESG objectives. The loan will fund the acquisition of new equipment and support our R&D department.

State-of-the-art equipment will significantly reduce energy consumption while supporting our ambitious target of developing a 100% recyclable product portfolio by 2025. This fully aligns with the EBRD's mission to ensure that over 50% of its yearly investments are green.

This agreement is an important milestone for our company and will allow us to make the decisive step towards fulfilling our ambitious corporate responsibility targets. It enables us to continue serving our clients with top-quality, customized solutions focused on sustainability, in line with the global call for the full recyclability of flexible packaging.






Sustainable Supply Chain



Responsible Supply Chain

Our Company’s strategic goals involve establishing trust and strong bonds with our suppliers and ensuring the upstream and downstream flow of products and services. Our supply chain includes raw materials, secondary materials, and the transportation of goods upstream and downstream. Our suppliers are mainly producers and the incoming raw materials include OPP, PE, PET, OPA, PAPER and ALUFOIL. Incoming materials also include packaging, which mainly combines plastic, paper and wood. There have not been any significant changes in the organization’s sectors, value chain, and other business relationships compared to the previous reporting period. We expect our suppliers to aim for the same high standards as we do and to embody our core values. Incorporating sustainability principles into procurement practices is critical for us. Therefore, we choose suppliers that strive for environmental protection and demonstrate their commitment to sustainable development. We motivate them to adopt responsible business policies and practices, aiming for mutual benefit and to support society and the environment, thus pushing the global sustainability agenda forward.

Collaboration with our suppliers allows us to:

-  Distribute products that prioritize customer safety and environmental sustainability
-  Reduce the environmental impact of packaging and the transportation of our products
-  Plan and take actions that enable the recycling of materials and their reuse in a circular way

By supporting local suppliers our Company creates additional value to the local economy and fosters stronger relationships with local stakeholders and community members. We consider local suppliers those who are located in Greece, where our Headquarters are. Our two plants in Kalohori, next to Thessaloniki metropolitan area, are our only locations of operation.

The percentage of the procurement budget spent on local suppliers was **32,05%**, exceeding **24 million euros**.



Evaluation of Suppliers

At A. Hatzopoulos S.A. we follow a well-designed policy that describes the step-by-step procedure followed to ensure that our suppliers of raw materials and transport service providers meet our quality and sustainability requirements and expectations. The procurement department is responsible for coordinating the evaluation of our suppliers. The process is applicable to all suppliers; regardless. The quality department communicates the evaluation results to the suppliers and any other stakeholders that might be involved or affected. Individual departments and the relevant supervisors within them are in charge of evaluating suppliers of secondary, auxiliary, supplementary materials, or external partners, who provide products and services.

At the beginning of each year, supervisors evaluate all of the suppliers/external partners with whom they have collaborated by filling out an electronic document, available on the Company’s server. In cases when collaboration issues are identified, the highest governance body is informed and an audit is planned, at their facilities. Subsequently, a re-evaluation takes place and A. Hatzopoulos S.A. decides whether to keep or remove the supplier from their approved list of suppliers. A. Hatzopoulos S.A. reserves the right to discontinue any business relationship, in cases of violations or non-compliance with the company’s values and policies.

The evaluation of the suppliers is based on the following criteria:

- Response time
- Pricing policy
- Quality Index
- Corporate responsibility (including environmental management; health and safety; human rights; child and forced labor)
- Food Safety
- Quality of collaboration and support
- Innovation

The evaluation of the transportation service providers is on the following criteria:

- | | | | | |
|---------------------------|----------------|--|-------------|----------------------------|
| Quality and Delivery time | Pricing Policy | Environmental & Corporate Responsibility | Food Safety | Collaborations and Support |
|---------------------------|----------------|--|-------------|----------------------------|

All of our suppliers are screened annually and are requested and expected to meet specific Corporate Responsibility criteria. The percentages of suppliers with whom improvements were agreed, or relationships were terminated (as a result of the assessment) were both zero, for 2022.

On an annual basis, we evaluate our raw and auxiliary material suppliers and share the results with them. This includes:

- ✓ Their total quality performance (depending on their available certifications)
- ✓ A requirement for updated documents (eg REACH statement, food contact declarations etc)
- ✓ Questions of environmental and social performance

In 2022, no operation or supplier of our Company was considered to have posed significant risk for incidents of forced and child labor, freedom of association and human trafficking.

Furthermore, every potential new supplier is required to read, confirm, and sign our CSR Policy and Code of Conduct. An evaluation questionnaire is also sent to all potential new suppliers. In addition to these documents, suppliers are required to sign a Quality Assurance Agreement. The subject of this Agreement concerns all levels of cooperation for the supply of products and services. The Quality Assurance Agreement consists of mandatory requirements. All above documents address matters related to ethical business conduct, sustainability, and human rights; such as the freedom of association and collective bargaining, the prohibition of forced and child labor, as well as human trafficking.

The Quality Assurance Agreement includes the following among others

The supplier commits himself to comply with all regal regulations regarding the environment and to strive to avoid all negative effects on humans and environment with an adequate organization and realization of environmental protection in the Company

Employment is freely chosen and no discrimination is practiced. Child labor shall not be accepted. Working conditions are safe and hygienic. No harsh or inhumane treatment is allowed. Suppliers have to agree with our code of conduct.

A. Hatzopoulos S.A. aims to contribute to the elimination of all forms of inequalities, forced or compulsory labor, and the effective abolition of child labor and support the society.

During 2022, 32 new suppliers were assessed for environmental impacts and none were identified as having significant actual or potential negative environmental impact.



In addition, we recognize our role and impact as a member of the supply chain of other companies. In 2022, A. Hatzopoulos S.A. received GOLD Sustainability Rating by ECOVADIS; the internationally recognized assessment platform that has become one of the most trusted global providers of sustainability ratings for companies, covering 200+ purchasing categories and 160+ countries. Its framework evaluates companies' relevant policies and actions, as well as their published reporting across 21 criteria grouped into four key categories: environmental impact; labor and human rights; ethics; and procurement practices. Our 2022 score was 62% and our goals is to keep improving this rating.

A. Hatzopoulos S.A. is a proud B member of SEDEX (Supplier Ethical Data Exchange); a social and ethical platform that aims to increase transparency in the supply chain. It covers the following four areas:

- ✓ labour
- ✓ health & safety
- ✓ business ethics
- ✓ environment



Corporate Governance

Our Governance model

The General Assembly of the company’s shareholders is the highest governance body and is entitled to decide on every aspect concerning the company. All shareholders become members of the General Assembly and its committees. The Assembly elects its President (and a secretary) by a simple majority vote. The President oversees the composition of the General Assembly, and the accuracy of the practices, directs the process, determines the issues under review, and announces any relative results.

The company is managed by the Board of Directors, which must consist of at least three (3) to nine (9) members. The Board Directors may be shareholders or not and are elected every 5 years by the General Assembly, via the voting method of absolute majority. The General Assembly has the right to decide how many members the Board of Directors will consist of, and to elect or revoke them, at any given time, if deemed necessary.

The Board of Directors elects the President and Vice-President (this can be the same individual). The Board may also, at any given time, elect one or two CEOs and define their responsibilities, powers, duties, and any other terms.

Shareholders’ opinions are taken into consideration when selecting the highest governance body members. Board Directors can become shareholders and are elected every 5 years by the General Assembly. The selection is based solely on their performance and potential to add value to the organization. Anyone regardless of age, race, gender, etc. has equal chances to be nominated. We foster such conditions that allow members of the highest governance body to exercise their judgment freely, without any external influences or conflicts of interest.

The Board of Directors at the end of 2022		
Hatzopoulos Eleftherios	Male	President & CEO
Hatzopoulos Athanasios	Male	Vice President and Managing Director
Hatzopoulou Elli	Female	Board Member
Fiskas Christos	Male	Board Member
Kouskouras Vasilios	Male	Board Member
Papathanasiou Christodoulos	Male	Board Member
Serb Ovidios	Male	Board Member



Composition of Board of Directors

i. Executive and non-executive members

There are no non-executive members in the Company

ii. Independence

There are no conflicts of interest in the Company

iii. Tenure of members on the governance body

5 years

iv. Gender

One female / six males

v. Under-represented social groups

None

vi. Competencies relevant to the impacts of the organization

All Board Members have deep knowledge and competencies of industry’s impacts

vii. Stakeholder representation

None

The Chair of the highest governance body is also a senior executive of the Company, holding the position of the CEO of A. Hatzopoulos S.A. The Chairman of the Board of Directors presides over the General Assembly. They oversee all important decisions, changes, and plans. The Chair directs discussions, puts the issues to a vote, and announces the results. Conflicts of interest are prevented and mitigated by ensuring that the Chairman is elected by a simple majority vote.

The highest governance body and senior executives are always informed and kept abreast of developments regarding sustainability. They actively participate in developing, approving, and updating the organization’s vision, goals, strategies and policies, related to sustainable development.

In addition, they oversee the management of the organization’s impacts on the economy, environment and society with the help of two Committees. The Health and Safety Committee and the Corporate Social Responsibility Committee. The first one focuses on employee Health and Safety matters while the second one is responsible for decision-making and overseeing the management of the organization’s impacts on the environment and society.

An extract from our CSR Policy

A. Hatzopoulos S.A. is committed to:

- ▶ Continuously improve its Corporate Social Responsibility strategy.
- ▶ Contribute towards the economic development and, at the same time, the improvement of both the quality of life of its employees, as well as of the local community and society as a whole.
- ▶ Recognize that a proper CSR spans across all the sectors for sustainable development and the ways by which we affect people, via our business functions.
- ▶ Encourage dialogue with local society, take account of its needs and assume initiative to support it, aimed at our mutual interest.
- ▶ Operate in a manner that safeguards us from immoral business practices.
- ▶ We believe that a responsible approach for the development of the relations between businesses and the societies they serve, be they local or global, constitutes an important factor for promoting business success.
- ▶ We determine and designate the necessary environmental, social and economic measures in the context of each and every corporate collaboration.
- ▶ The agreed-upon terms and the foundations of our relations are precisely established in our contracts.
- ▶ All groups and individuals with whom we develop business relations are treated fairly and with due respect.
- ▶ Take measures for the appropriate and proper management of data and information relating to issues of transparency or/and the conflict of interests.
- ▶ Competition is under just and fair terms, resting on the quality, value and innovation of the offered products and services.
- ▶ We encourage our associates to provide us with feedback with respect to our performance and we analyse all responses, so as to take corrective and preventive actions, when deemed necessary.
- ▶ We undertake the regular review of our policies and business activities, aimed to rational decision-making and the establishment of long-term collaboration relations resting on trust with businesses at each stage of the value chain.

We determine, monitor and review the rates and indexes relating to our aims and objectives with respect to:

- ▶ the quality of products & services,
- ▶ food safety,
- ▶ hygiene & safety at the workplace,
- ▶ environmental protection,
- ▶ the safety of information and personal data,
- ▶ Corporate Social Responsibility,

This policy governs and traverses the entire chain of company activities and is reviewed on a regular basis in order to ensure that it is up-to-date.

The policy of the company is disclosed both to its staff as well as to its associates and interested social groups, in order to encourage them to endorse the greater social values we advocate. A. Hatzopoulos S.A. encourages dialogue with the local community, takes into account its needs and undertakes initiatives to support it for mutual benefit.

Employees may occasionally face difficult situations and often it is called upon by management to make decisions. For this reason, each individual is responsible for acting with respect and dignity towards others and the company. Our Code of Conduct describes how everyone should behave to ensure that conflicts of interest are prevented or mitigated. It is the Company's collective responsibility to ensure that its principles are upheld and is applicable to all stakeholders of A. Hatzopoulos S.A. The Code of Conduct is accessible to all individuals and is always available for all of our stakeholders, upon request. Conflicts of interest are disclosed to stakeholders only when deemed necessary when the nature of the conflict is critical for them. **There were no reported incidents of conflicts of interest throughout the year 2022.**

Direct and open communication is at the heart of the company's culture and always welcome. When an employee wants to raise any issue with the company's General Management, we encourage and enable them to do so. Any concern can be reported either in person or anonymously to the competent company official and/or to the members of the Board of Directors. Concerns can also be communicated by employees, using the Complaint Form, which is available at various communal areas, within the company's premises, and can also be completed online. Depending on their nature, concerns may be communicated to the highest governance body, if deemed critical. **In 2022, there were no critical concerns that were communicated to the highest governance body.**

The Human Resources Department submits a monthly report to the Human Resources Director regarding:

the payroll data

any overtime payments

the payroll calculation methodology

the completeness of the payroll records

Payroll payment execution control

The Human Resources Director reports monthly to General Manager.

Business Ethics

There are no fixed sign-on bonuses or recruitment incentive payments, termination payments, clawbacks, or retirement benefits for members of the highest governance body and senior executives. A program about retirement bonuses is scheduled to be developed in the upcoming year.

The Compensation and benefits procedure determines the payment levels based on the responsibilities and duties of each job position and the market's labor supply to attract and retain talented employees. Remuneration policies are formed based on the compensation and benefits procedure. The Human Resources Department is in charge of this procedure, as well as the other Departments of the Company, and is applicable to all the employees of the Company. The Human Resources Director is responsible for maintaining compensation levels and benefits, ensuring compliance with the procedure according to the legislation, the regulatory framework, and the codes/regulations/procedures/guidelines of the Company. The Human Resources Director presents issues concerning allowances and loans to the General Director for approval and also performs random checks to ensure compliance with the process. The General Manager establishes the guidelines to ensure that the procedure is correctly executed. There are no specialized consultants nor a vote from the stakeholders regarding their views on remuneration policies.

Our sustainable development strategy lies in our CSR Policy, which is publicly available via our website. A. Hatzopoulos S.A. is dedicated to operating within the framework of responsible management. Integrity, dependability, environmental conscience, compassion, and respect for our employees and business partners are at the heart of our everyday operations and are critical to our long-term success.

A. Hatzopoulos S.A. is a member of international ESG initiatives. We strive to train, empower, and protect our employees, to support and add value to the local community, to lead the fight against corruption and inequality, to improve our environmental footprint and to produce innovative, sustainable packaging solutions aligned with the principles of circular economy. Transparency International Greece (TI-G) is one of Transparency International's (TI) 100 worldwide chapters that lead the fight against corruption in each and every sector. A. Hatzopoulos S.A. agreed to become a member of TI-G's Business Integrity Forum (BIF) for 4 years (2019-2023). Being a member of TI-G's BIF provides the company with a range of benefits such as access to valuable resources, research, tools and publications, including the Due Diligence Check-List.

The management of A. Hatzopoulos S.A. is committed to eradicating the Board of Directors which manages the company, as well as to being in full compliance with all national and international anti-corruption laws, such as the United Nations Convention against Corruption (UNCAC). In 2022 there were no instances of non-compliance with laws and regulations and no relevant fines were paid. Bribery and accepting or making allowances are forms of corruption. Corruption also includes not only the trust for personal gain without any legally justified claim but also the pursuit of personal gain at the expense of the common interest.

At A. Hatzopoulos S.A., we give particular attention to individuals belonging to groups or populations that are considered to be at risk or vulnerable groups, such as indigenous people, migrant workers, persons who might be discriminated against based on their sexual orientation, etc.

The General Management monitors and approves developments in the CSR policy, the Code of Conduct, commitments to respect Human Rights. The policy commitments are discussed and approved by the Board of Directors. The policy commitments apply to all of the Company's activities and business relationships equally.

We expect all of the company's employees, and business partners to comply with our policies. The company's management and Human Resources Department ensures that employees and business partners are informed about the policy commitments. This information is communicated through announcements in the gathering areas for employees and via corporate emails. Additionally, the CSR policy is included in the employee Handbook, which is given to all employees and is freely available at all times.

Our Code of Conduct is publicly available at the following link:



Our CSR Policy is publicly available at the following link:



We aim to guarantee that every individual at all levels of our Company behave responsibly while being mindful of and showing respect according to our policies for responsible business conduct. The General Management monitors and approves developments in the Company's policy commitments and responsible business conduct. The policy commitments are formally discussed and approved at the meetings of the Board of Directors.

Everyone is welcomed and encouraged to seek advice on how to implement the organization's policies and practices for responsible business conduct. Concerns can be communicated by all individuals, including employees, using the Complaint Form, which is available in various communal areas, within the company's premises, and can also be accessed and completed online, on our website. Such reporting of misdeeds is commonly known as whistle-blowing. Stakeholders who act as whistle-blowers shall be protected, to avert any risk of retaliation. Any breaches reported or identified will be investigated and processed appropriately.

Our grievance mechanism is based on an incident/complaint reporting system that we use. It is applied to enable the communication and management of information, complaints and claims from employees and other interested parties. Any issue or concern can be reported either in person or anonymously to the appropriate company official representative and/or to the members of the Board of Directors. Individuals can approach the Human Resources department to find the information they need, raise concerns about the organization's business conduct, or seek any other advice.

The grievance reports must be recorded regardless of whether they were submitted in writing or orally and the reporting party must receive a written confirmation within a predefined deadline by when they will receive a reply. A reporting incident shall be considered closed when a final decision that satisfies both parties has been reached.

The reports are recorded by the:

Human Resources Directorate, in the cases involving the company's employees;
General Management, when they come from other interested parties

We monitor the performance of the grievance mechanisms and other remediation processes by discussing their effectiveness regularly and by openly welcoming feedback from stakeholders. We use stakeholders' feedback and we design and improve our mechanisms to remediate our identified impacts internally.

Human Rights and Social Contribution

Our Company fully supports and honors the Universal Declaration of Human Rights and the relevant national and European legislation concerning the fundamental rights of every individual. The rights encompass the protection of privacy, the freedom to express opinions, non-discrimination, and the prohibition of forced and child labor as well as human trafficking.

Our CSR Policy makes clear reference to the respect of Human Rights. We exclusively establish partnerships and collaborations with businesses that adhere to, implement and actively practice international standards for respecting and protecting Human Rights. Furthermore, we ensure the elimination of every form of discrimination and actively promote equality throughout the broader network of our collaborations. Considering privacy and personal information, we guarantee the protection of every individual with whom we communicate and collaborate, upholding the highest standards of confidentiality and respect.

We focus on:

Meritocracy

Equality

Inclusion

Harmony



At the same time, we also support organizations committed to the protection of Human Rights and who aid vulnerable groups in our society. We strongly believe that it is our responsibility to give back to society, especially to the local community, and to support vulnerable social groups. Therefore, we actively support organizations that engage with humanitarian causes, such as: human rights, social welfare, sports and culture. Besides volunteering we support local communities via targeted sponsorships and donations. In 2022, our social contribution was directed in support of NGOs and other local organizations, such as the Greek Food Bank and the Smile of the Child, that are focused on child care; education, theaters, sports clubs, schools, orphanages.

For instance, we partnered with the “KIDS SAVE LIVES” organization to register our in-house defibrillators to the National Defibrillator Map. This could save the lives of people who might be in urgent need of a defibrillator. “KIDS SAVE LIVES” developed an online app that allows anyone in need of a defibrillator device to locate the nearest available defibrillator and provide basic life support as quickly as possible.



**Voluntary
Blood
Donation
Day**



In response to the call for support from the 1st special vocational secondary school of Eastern Thessaloniki, we provided them with supplies and equipment to address their immediate needs. Through the funds raised by our employees, we actively helped the school and its 130 students.

At A. Hatzopoulos S.A., social responsibility is an integral part of our culture. We plan, sponsor and participate in volunteering events and we encourage our employees to engage in volunteering, individually or collectively. Our employees regularly participate in social giving actions, during their personal time and working hours.

The spectacular 10th Thessaloniki night half-marathon turned on the city lights on the evening of 15 October 2022. Runners of all ages, from all over the world gathered to participate to the largest night street party in the country for a good cause! Our people supported the event and ran for the Brave Children of ELEPAP, the organization that helps children with disabilities and developmental difficulties to carry out their treatments.

Another highlight for 2022 was the “Voluntary Blood Donation Day”. For the first time after the COVID-19 pandemic, we were able to re-hold a voluntary blood donation event at our premises. The event took place on World Blood Donor Day, which is dedicated to saving human lives, in collaboration with the Ippokrateio Hospital of Thessaloniki. We collected 57 blood units, surpassing all previous records.

Our Corporate Values



meritocracy

knowledge

compassion

quality

virtue

AGAPE

A short story filled with LOVE

ON A RAINY DAY, IN OLD-TIME THESSALONIKI, A POOR BOY ENCOUNTERS HUMAN KINDNESS IN THE FACE OF ANOTHER BOY WHO OFFERS HIM A CHOCOLATE BAR. THE POOR BOY RECIPROCATES, BY OFFERING HIM A BAG OF ROASTED CHICKPEAS. IN THE BOY'S HANDS, THE BAG IS TRANSFORMED INTO A BOAT AND A LIFE JOURNEY BEGINS.

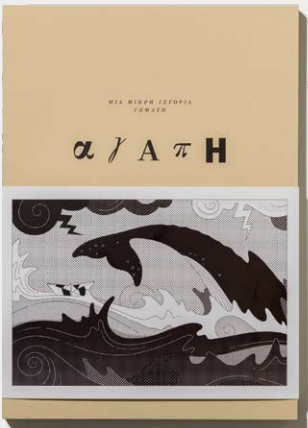
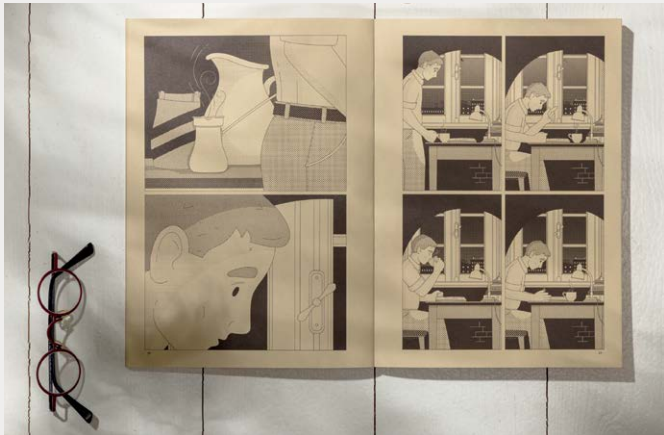
In 1931, Athanasios Hatzopoulos, one of seven children of a family of refugees from Eastern Thrace to Thessaloniki, decided to leave the management of the family bakery to his older brothers and start his own business, making hand-crafted paper bags in down-town Thessaloniki.

Since those humble beginnings the core values of Meritocracy, Knowledge, Compassion, Quality and Virtue have always defined our corporate philosophy. In Greek, the acronym from these five core values spells AGAPE, meaning LOVE. Because, above all, it is the LOVE for what we do that guides our journey and our vision for the future.

To commemorate the 90th anniversary of A. HATZOPOULOS S.A., we created last year a graphic novel entitled "AGAPE - a story filled with love": a short story inspired by our company's values, its history and its progress in the world of packaging.

Designed and brought to life thanks to Beetroot creative team, this work of art makes the leap from realism to fantasy presenting a narrative that is linear, both literally and figuratively, using images as the primary means of communication, with minimal text. The book's production design adopts, reimagines and proposes the style and typography of old-school packaging, with strictly limited visual means: a limited color palette, unified sketch line thickness, and rasterizing. While it tells "silently" the story of the characters, it communicates the essence and purpose of our company and of entrepreneurship more broadly.

We are particularly proud that our project "AGAPE" has been awarded in three major global design competitions: distinction at the Greek EBGE design Awards 2022, GOLD European Design Award 2022 in the category "Book & Editorial Illustration" and Red Dot - Best of the Best award 2022.



reddot winner 2022
best of the best



Materiality Analysis



Stakeholder engagement

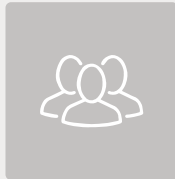
A. Hatzopoulos S.A. considers stakeholder engagement crucial for the strategic planning of the Company. The process involves identifying, categorizing, and prioritizing stakeholders to create an effective engagement strategy. By mapping the stakeholder groups, the Company creates a strategy to effectively engage with each group based on their specific preferences and needs. We recognize as a stakeholder an individual or a group that has an interest that is affected or could be affected by the organization’s activities as GRI Universal Standards suggest in accordance to the OECD terminology. We prioritize our stakeholders based on the impact the company has on them and the influence they have on the company’s ability to achieve its strategic goals. The most significant stakeholder groups for our company are the following:



Clients



Employees



Financial suppliers



Local communities



Suppliers

Stakeholder engagement is a continuous and evolving procedure that enhances and can guide corporate decision-making throughout the phases of planning, execution, and assessment. It plays a crucial role in developing a more complete picture, ensuring informed choices, fostering trust, and evaluating the efficiency of actions taken. By emphasizing stakeholder engagement, we become more capable of understanding and addressing our stakeholders’ needs and requirements.

One of the objectives of stakeholder engagement is to identify both current and potential impacts and to develop prevention and mitigation strategies in response to potential adverse effects. Our stakeholders’ feedback is invaluable and can help us identify risks, flaws, and opportunities for improvement and improve our performance.

Moreover, it is crucial to ensure that our stakeholders share a common understanding and support the strategic direction of the Company. When they are aligned with our mission and vision, they can become advocates, helping A. Hatzopoulos S.A. accomplish its goals. Effective stakeholder engagement involves two-way communication and relies on the genuine commitment of all the participants. We provide all the stakeholders with information that is understandable and accessible through communication channels like online surveys and interviews. The stakeholder’s feedback is recorded and integrated into decision-making.

Stakeholder group	Communication pathways	Timeframe
Clients	Site visits Audits Conferences, seminars Corporate memberships Face-to-face or online meetings Telephone / Email Information requests	Continuously/ongoing whenever deemed necessary
Employees	Face-to-face meetings Open employer meetings Information boards and meetings Informative e-mails Internal grievance mechanism Employee satisfaction survey Online idea collection platform Internal communication events Announcements Townhall meetings	Continuously/ongoing
Financial suppliers	Investor conferences Face-to-face meetings Teleconferences, analyst meetings, senior management meetings	Whenever deemed necessary
Local communities	Informative material Grievance mechanism Company website Telephone / Email Donations and sponsorships requests	Continuously/ongoing
Suppliers	Site visits Office visits Internet Supplier portal (if any) Audits Joint projects Conferences, seminars Corporate memberships	Continuously/ongoing

Materiality analysis

We are committed to the remediation of our identified negative impacts. This is why we carry out a materiality assessment to identify and assess the impact our operations and business relationships have on the environment and society. We utilize the materiality assessment to identify and assess our impact. After we identify the negative impact, we cause or contribute to, we plan actions to remediate or mitigate it. Examples of actions include arranging training, conducting feasibility studies, amendments to our policies, developing strategies, setting clear goals.

In the context of the creation of this Corporate Responsibility Report we engaged with a Sustainability boutique consultancy in 2023. Together with the consultants we discussed the organization’s context, its activities, operations and business relationships, along the whole value chain. We designed and completed a robust materiality analysis exercise with the engagement of our key stakeholders to understand key issues.

The aim of this exercise is to identify and prioritize A. Hatzopoulos S.A.’s actual and potential impacts on the economy, environment, and people, including impacts on their human rights, across the organization’s activities and business relationships. These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

Initially, 42 potential material topics were identified by:

- a) Carrying out a benchmarking exercise, against industry's best practices
- b) Reviewing the recommended SASB material topics for the Containers & Packaging industry and the relevant GRI Standards topics
- c) Taking into account the 17 SDGs and their 169 sub targets
- d) Engaging/discussing with experts and managers within A. Hatzopoulos S.A., and
- e) Reviewing A. Hatzopoulos S.A.'s procedures, certifications, management plans, risk assessments, policies in place, grievance mechanisms, and any other relevant corporate documents

The benchmarking exercise involved reviewing industry's best practices, across the wolrd. It aimed at gathering insights and information on which topics were commonly identified as material, within the packaging industry. This helps A. Hatzopoulos S.A. ensure that it has not overlooked any topics that are likely material for its sector.

Subsequently, some of those 42 potential material topics were grouped and some were discarded from the list, being irrelevant to A. Hatzopoulos S.A. Grouping helps the organization report in a cohesive way about multiple impacts related to the same topic. As a result, a new list of 28 potentially material topics was produced. Lastly, the titles of those 28 topics were reviewed and re-worded, in order to better match the organization’s context.

Engaging with managers, senior executives, and experts within A. Hatzopoulos S.A. is the most effective and efficient way to identify and assess A. Hatzopoulos S.A.’s actual and potential impacts (positive and negative) on the environment and society. Those people have an in-depth understanding of how the organization operates and their views and insights are invaluable.

A bespoke CSR & materiality awareness workshop was carried out, facilitated by the independent Sustainability consultancy, to inform the company’s managers about the importance of Corporate Responsibility; ESG metrics; Sustainability and Sustainable Development and to utilize their in-depth understanding and knowledge of how the organization operates, to assess and prioritize the material topics. The workshop involved three main stages:



A discussion on the importance of sustainability in today’s business world; how it may benefit companies, as well as the environment and society, in multiple ways.



Interactive, tailor-designed games, during which the managers were asked to discuss/argue, assess and, rank the identified 28 potential material topics, as well as the direct positive impacts A. Hatzopoulos S.A. has on the environment and society.



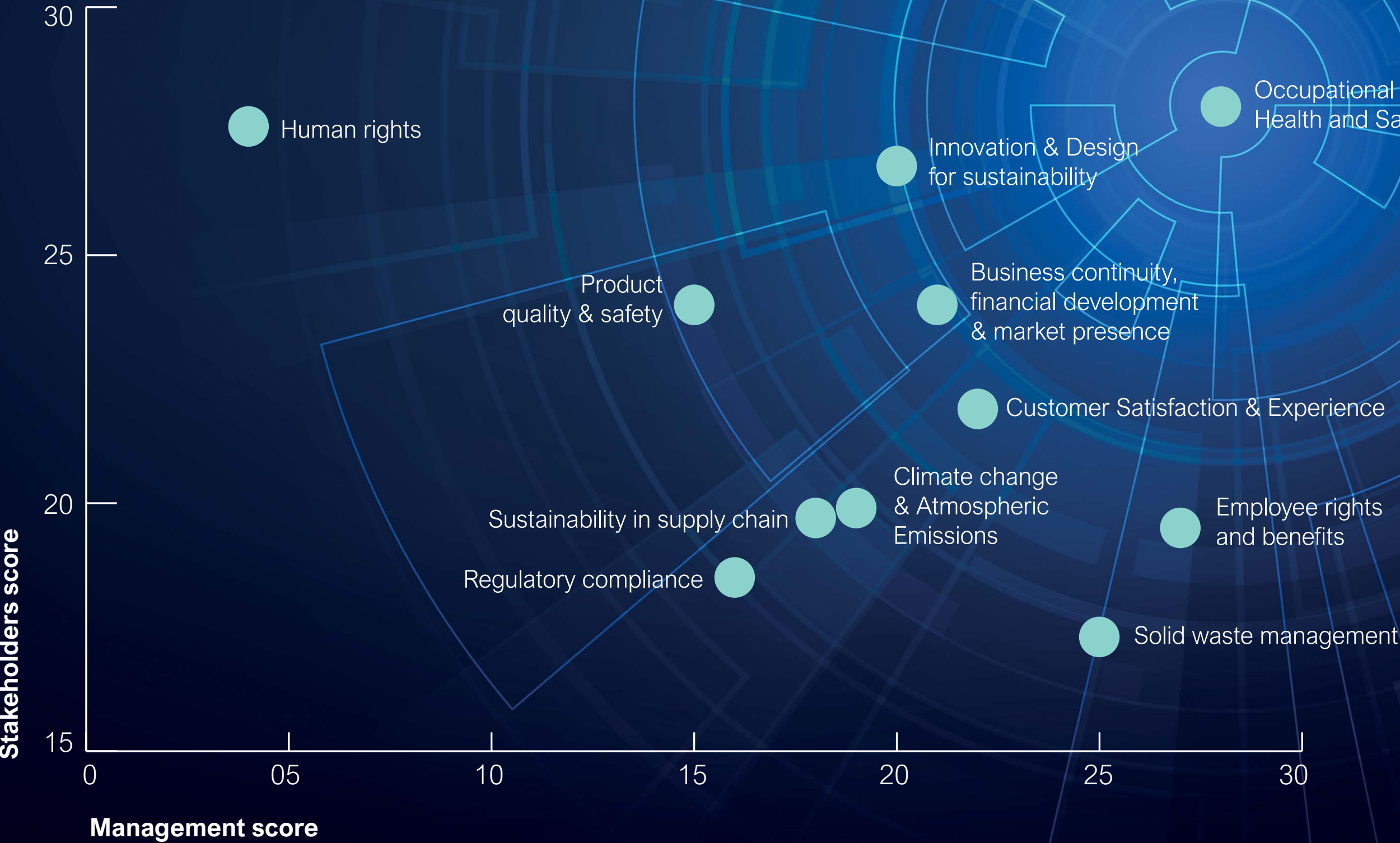
Using an online research/surveying platform, to rank and prioritize the 28 potential material topics, as well as a list of topics to which A. Hatzopoulos S.A. has a direct positive impact.

Each material topic received a final mark. The significance of the impacts was assessed taking into account their likelihood, severity, scale, and timeframe. As a result, the 28 material topics were ranked based on their score. The topics were then sorted from most to least material and a cut-off point was defined to determine the final list of material topics for the management team of A. Hatzopoulos S.A. A critical step, in determining A. Hatzopoulos S.A.’s final list of material topics, was to prioritize the most significant impacts, taking into account all stakeholders’ opinions. That was achieved by utilizing an online survey to gather information on materiality from the company’s most important stakeholders namely: Clients; Employees; Financial suppliers; Local communities and Suppliers.

The results were analyzed to identify which of the 28 topics are most material for each group of stakeholders. Each stakeholder group was given a rating/weight, according to stakeholders' prioritization. The weighted score was calculated for each material topic and a list of material topics was produced for all stakeholders and each group separately.

The final list of the material topics was discussed and validated in a separate meeting with the participation of the General Manager; the Deputy General Manager and the CSR team. This was the first time that A. Hatzopoulos S.A. attempted to carry out a materiality assessment, therefore there are no changes to the list of material topics compared to any previous reporting periods.

Material Topics Matrix



Sustainability management of material topics: impacts mapping		
Material Topic	Actual and potential impact analysis on the economy, environment, and people, including impacts on their human rights	Actions to i) prevent or mitigate potential negative impacts, ii) address actual negative impacts, and iii) manage actual and potential positive impacts
Occupational Health and Safety	Occupational Health and Safety can have a potential, significant both positive and negative impact on our workforce and, as a result, also affect the continuity and productivity of our operations	Please refer to the relevant references throughout the Report
Employee rights, benefits, satisfaction and well-being	Employee rights, benefits, satisfaction and well-being has a direct positive impact on our workforce and enhances the continuity and productivity of our operations.	Please refer to the relevant references throughout the Report
Solid waste	Solid waste has actual negative impact on the environment. We recognize this impact, measure it, take actions to minimize it	Please refer to the relevant references throughout the Report
Customer Satisfaction & Experience	Improved customer satisfaction and experience has an actual positive impact on people (our product's end-users)	Please refer to the relevant references throughout the Report
Business continuity, financial development & market presence	This material topic has a direct and actual positive impact on our operations, our people and the local economy	The relevant department oversees and manages all financial issues, ensuring business continuity and development. Please refer to the relevant references throughout the Report
Innovation & Design for sustainability	Our operation has a positive, direct and actual impact, by pioneering and leading the sector towards producing more sustainable materials	Please refer to the relevant references throughout the Report
Climate change & Atmospheric Emissions (including GHG)	Our operations have an actual negative impact on the environment. We recognize this impact, measure it, take actions to minimize it, and have set specific short and long-term targets	Please refer to the relevant references throughout the Report. In 2023 we started measuring our direct and indirect (Scope3) emissions. Setting a baseline helps us identify risks and opportunities and set realistic reduction goals.
Sustainability in the supply chain	Our suppliers and transportation service providers can have a potential negative impact on the environment, as well as on people and human rights.	We realize this potential impact and take actions to minimize it by screening our suppliers and other business partners, using social criteria. Please refer to the relevant references throughout the Report
Regulatory compliance	Regulatory compliance could have a potential negative impact to the economy and overall business. At the same time the fact that there are no incidents of non compliance has an actual positive impact.	Please refer to the relevant references throughout the Report
Product quality & safety	Product quality and safety has a direct and actual positive impact both on our clients and the end-users, as well as a potential positive impact on the environment (by improving our products' footprint)	Please refer to the relevant references throughout the Report
Human rights	Violations of human rights within A. Hatzopoulos S.A. are very unlikely. We strive to make sure that human rights are protected along our value chain, by screening all our suppliers and business partners. The potential negative impact is therefore minimized	Our CSR Committee oversees and manages the Company's impacts on human rights, the environment and people. Additionally, our CSR policy contains specific commitments regarding human rights. Please refer to the relevant references throughout the Report



Our CSR Committee oversees and manages the Company’s impacts on human rights, the environment and society. Particular attention is given to the 11 identified material topics. To track the effectiveness of the actions regular meetings are held and any proposed changes or new policy commitments are formally discussed and approved at the meetings of the Board of Directors. Separate goals, targets, and indicators are used to evaluate the progress made, for each material topic. Those are described in each individual chapter of this report.

The progress toward achieving the set targets is evaluated by: a) regular internal CSR Committee meetings, b) ad-hoc meetings between the CSR committee and the Board of Directors, or the General Assembly of the company’s shareholders, and c) disclosing relevant information in our annual corporate responsibility report.

By tracking, reviewing and evaluating our progress and the effectiveness of any actions taken we can identify gaps, risks and opportunities for further improvement or modifications. This ongoing process helps us learn and better understand and manage our impact. The lessons learned can then be incorporated into our operational policies and procedures. We regularly review our policies and update them if deemed necessary.



Our People



Our People

At A. Hatzopoulos S.A., we consider human resources and employee management key drivers of our success. The rigorous selection, treatment, development and evaluation of our people are among our top strategic priorities. Along with that we purposefully invest in creating a fair, pleasant working environment and cultivating respect and resilience across our operations. We truly believe that through collective effort, we can move forward. Our ultimate goal is to establish strong and long-term relationships with people, based on mutual respect and trust, and to help our people grow and develop professionally and personally.

According to the Company's Employee Handbook, we expect each member of our workforce to:

- Give their best effort and embrace the Company's vision for a unified corporate culture, promoting continuous learning and personal development
- Promote a sense of teamwork and cooperation
- Comply with procedures and policies
- Feel comfortable suggesting new, innovative ideas that may improve the work environment or operations
- Take initiative for every opportunity that arises for professional growth

With regard to basic salary, all employees and production workers are paid equally and there is no pay differentiation between women and men. We do not employ people based on collective bargaining agreements. The working conditions and terms of employment are not influenced or determined based on any collective agreement. Our employees have individual employment contracts in accordance with the national labor law and wages commensurate with market rates. Remuneration and bonuses are defined based on our compensation and benefits policy. The Human Resources department is in charge of compensation and bonuses, in close collaboration with each individual department, and the compensation and benefits policy is applicable to everyone. The Human Resources Director is responsible for overseeing compensation and benefits, ensuring legal compliance and evaluating the relevant procedures. The Human Resources Director must present any issues concerning allowances and loans to the General Director for approval and also perform random checks to ensure compliance. The General Manager establishes the guidelines to ensure that the procedure is correctly executed.

We strive to create a culture of trust among management and employees. Thus, we make sure to inform them in time if any significant operational changes that could substantially affect them occur. The notification notice is not beforehand defined and depends on the scale and the impact of changes.

Code of Conduct

Our company's approach to Sustainable Development is documented and thoroughly described in our Corporate Social Responsibility Policy and the Code of Conduct. Our Code of Conduct serves as a means to communicate the Company's principles, vision and core values, comprising both legal obligations and ethical standards. Additionally, the Code creates a framework that applies to all employees and stakeholders of A. Hatzopoulos S.A. This helps us identify risks within our internal and external business operations, ensuring the minimization of potential harm. The Code of Conduct covers a plethora of topics, directly linked to Corporate Social Responsibility, such as environmental protection, consumer safety, and conflicts of interest.

The Company's vision is to set an example of proper and best practices concerning:

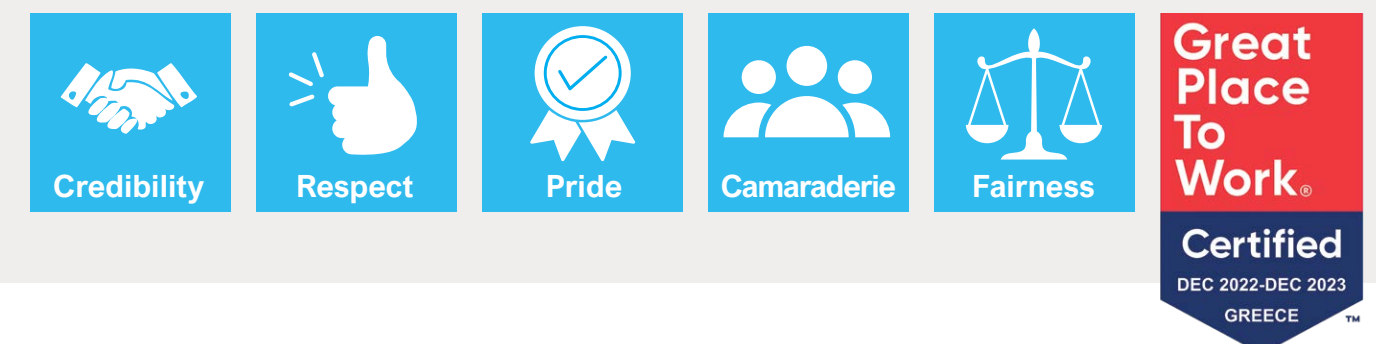
- Quality across all sectors
- Reliability
- Know-how and expertise
- Working environment
- Active contribution to society

Diversity and inclusiveness

At A. Hatzopoulos S.A. everyone is treated equally, regardless of their race, gender, age, religious belief, sexual preferences etc. By fostering a warm welcoming and accepting environment we aim to inspire our people to feel comfortable, be motivated, and perform better. Diversity brings different knowledge, experiences, skills and personal views together and can result in new ideas and innovation. A. Hatzopoulos S.A. seeks to employ people who reflect the diverse characteristics of our society regardless of gender, age, family status, disabilities, sexual orientation, race, religion or national identity. A. Hatzopoulos S.A. aims to create an unbiased work environment where individuals from diverse backgrounds come together, respect each other, and find pleasure and joy in the work they do and the everyday working environment. We endorse an equal treatment policy. All employees regardless of age, gender, and race are treated equally and have the exact same rights, duties and opportunities. Equality and diversity principles apply throughout our operations and sites and are incorporated in our recruitment, training, and compensation policies. **Throughout 2022, no incidents or grievances of discrimination were reported.**

Great Place to Work® Certified

For yet another year, A. Hatzopoulos S.A. has been named as a Great Place to Work®. This certification highlights our company's strong support towards our employees and our continuous efforts to foster a positive, supportive, and inclusive work environment that promotes safety, respect, and collaboration. The certification process includes confidential ratings and feedback from the Company's employees. The overall employee experience is assessed through an index that measures five key elements:



Initiatives for the employees

We stand by our people and take care of their needs, offering generous compensation packages to them and their families. Our Human Resources initiatives and benefits for 2022 include the following:

HEALTH CARE

Annual employee health check-up, hospital treatment, outpatient care and our corporate blood bank

SCHOOL EXCELLENCE REWARDS

They are provided to children who excelled during the previous years

BIRTHDAY GIFTS

Gifts provided to employees on their birthday day

EMERGENCY ALLOWANCE

Special benefits unrelated to regular compensation, aimed at providing financial support to employees

TRAINING AND PROFESSIONAL GROWTH

Annual training plan based on the educational needs of each Department (Training and Development process)

SUMMER ALLOWANCE

Special provision

FUEL ALLOWANCE

Special provision

PERFORMANCE REWARDS

Hatzopoulos League, Excellent performance rewards

HALF MARATHON AND OTHER EVENTS AND ACTIVITIES

Company's participation, through collaborations with NGOs, in activities and fundraising events, such as Half Marathons

LIFE INSURANCE

Private Life and Health insurance, personal retirement plan

COMPANY'S CANTEEN

On-site meals and free lunch at work

EASTER ALLOWANCE

Easter bonus beyond legal requirements, Easter gift vouchers

SCHOOL ALLOWANCE

School allowance varying by each school grade

CHRISTMAS ALLOWANCE

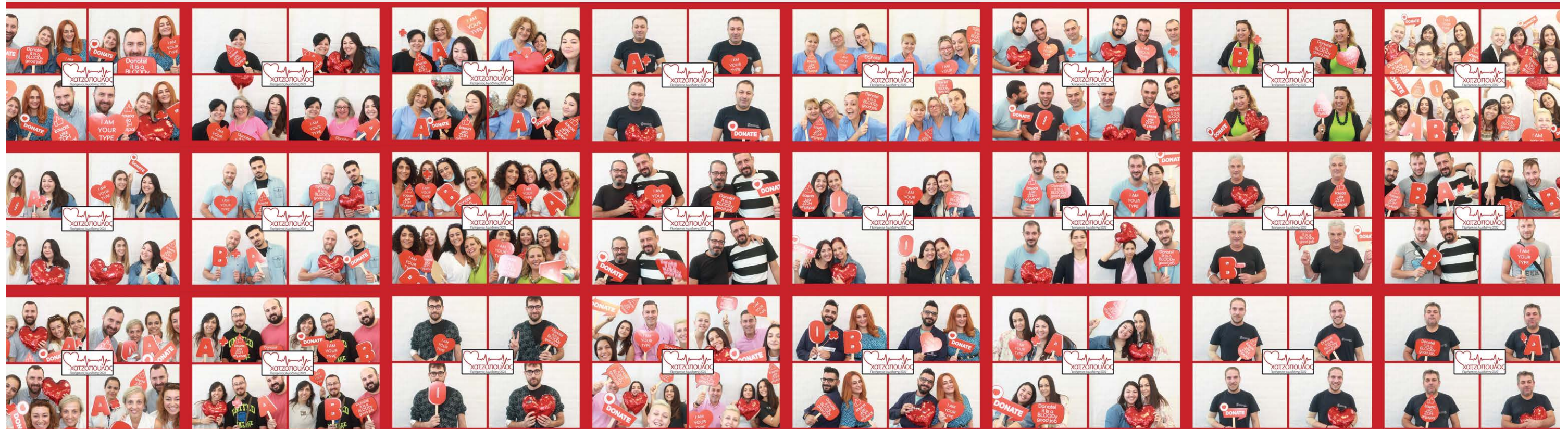
Christmas bonus beyond legal requirements, Christmas gift vouchers

FAMILY BENEFITS

Allowances for families with more than two children. Wedding, childbirth and birthday gifts

REMUNERATION

Attractive remuneration packages, based on efficiency, qualifications and performance



	Male	Female	Total
Total Employees by Gender (headcount)	349	80	429

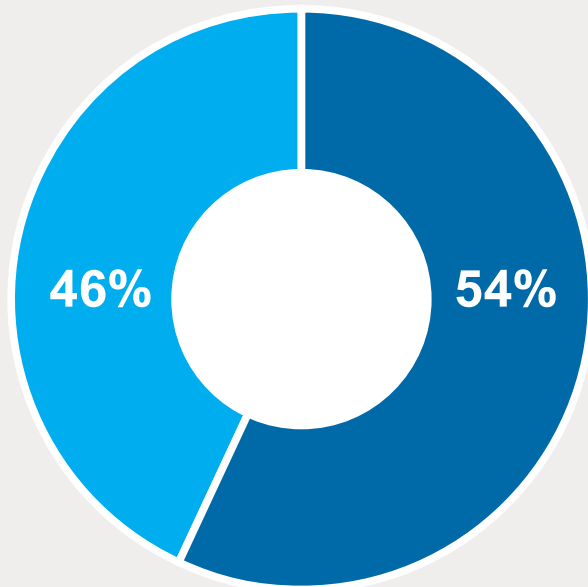
Total employees by type of employment and region (headcount)

	Thessaloniki	Other nearby towns	Total
Total employees	410	19	429
Permanent employees	406	19	425
Temporary employees	4	0	4
Non-guarantee hours workers	0	0	0
Full-time employees	410	19	429
Part-time employees	0	0	0

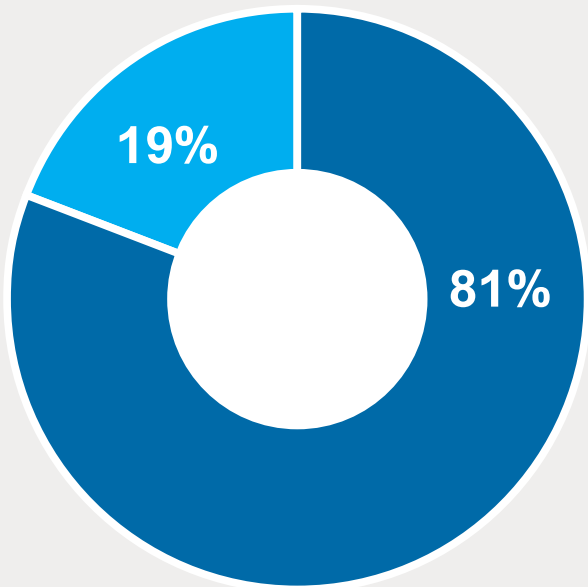
Total employees by type of employment and gender (headcount)

	Male	Female	Total
Total employees	349	80	429
Permanent employees	347	78	425
Temporary employees	2	2	4
Non-guarantee hours workers	0	0	0
Full-time employees	349	80	429
Part-time employees	0	0	0

Employees excluding production workers



Total employees



Female Male

Total employees age distribution

	<30	30-50	51+
Male	44	224	81
Female	16	50	14
Total	60	274	95

Total employees distribution by job position/ hierarchy

	Male	Female	Total
Board of Directors	6	1	7
Directors	10	3	13
Senior Executives (Department Heads & Supervisors)	25	6	31
General staff	38	58	96
Production workers	270	12	282
Total	349	80	429

Management members distribution by gender and age

Total management members	20
Male %	80%
Female %	20%
Percentage of individuals below 30 years old	0%
Percentage of individuals between 30-50 years old	60%
Percentage of individuals above 50 years old	40%

Notes: The numbers presented here reflect the number of employees at the end of the reporting period, 2022.

Training and Education

At A. Hatzopoulos S.A., we invest and emphasize on the training and development of our employees, especially, given the high level of specialization required in our sector. Training is organized by the Human Resources department, which, in collaboration with other departments coordinates the entire training process. Employee participation is essential and mandatory. Failure to attend training events is considered a violation of our Company's policies and procedures.

Having well-trained and highly skilled employees contributes to employee satisfaction, which is directly associated with improved performance. Our training programs take place both internally and in collaboration with external organizations. In 2022, there were no indications of risks relating to human rights regarding security. Thus, we did not prioritize to train our security personnel, nor any third-party security personnel in our organization's human rights policies or specific procedures and their application to security. Our trainings modules included a variety of subjects such as: workplace safety; first Aid; machine-printing issues; production line & troubleshooting analysis; Pre-press; Team management skills; time management; hazardous substances; fire safety; foreign languages; MS Office/ ECDL; payroll; postgraduate programs; business management; class A&B substances. The total training hours during 2022 were 5.678, and our goal is to invest more in training, covering more subjects and more training hours.

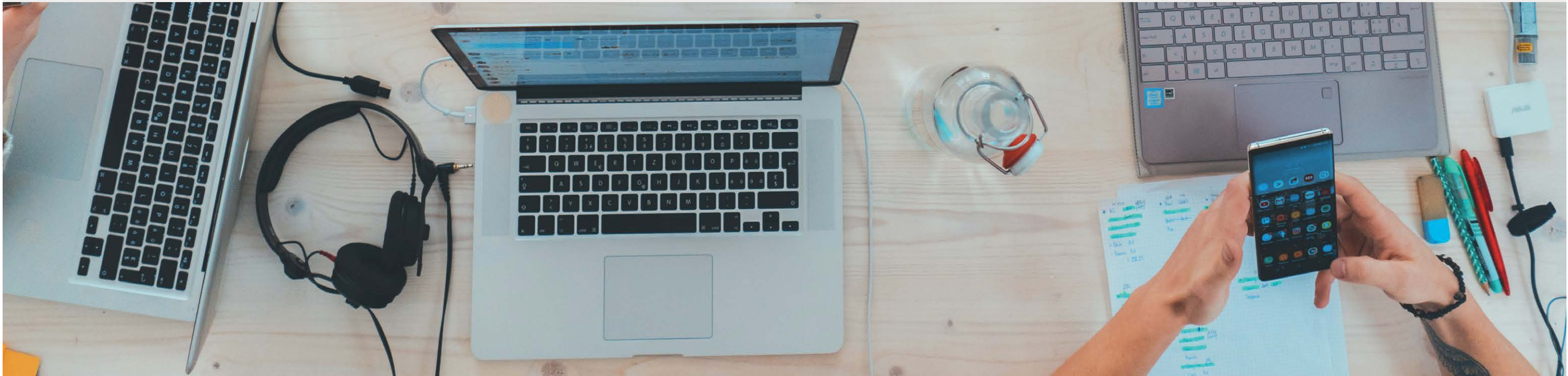
In 2022, 93,8% of the female and 96,3% of the male employees received training. The average training hours per employee for 2022 is 13,85.

Hatzopoulos School

Starting in 2020, we developed Hatzopoulos School, an in-house digital platform for the development, delivery, and evaluation of training. The platform provides online training with options for real-time or offline, asynchronous participation. Every employee, regardless of their location, can connect with trainers either in real-time or through recorded sessions, and access web-based learning resources (courses, manuals, questionnaires, videos, etc.).

Job position/ hierarchy	Total employees (not all of them were trained)			Total training hours			Average training hours per employee		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Board of Directors	6	1	7	9	6	15	1,5	6	2,14
Directors	10	3	13	321	129	450	32,10	43	34,62
Senior Executives	25	6	31	757	254	1.011	30,28	42,33	32,61
General staff	38	58	96	1.073	1.413	2.486	28,24	24,36	25,90
Production workers	270	12	282	1.689	27	1.716	6,26	2,25	6,09
Total	349	80	429	3.849	1.829	5.678	11,03	22,86	13,24

Number of employees trained by job position/hierarchy		
Job position/ hierarchy	Male	Female
Board of Directors	3	1
Directors	10	3
Senior Executives & Supervisors	24	6
General staff	35	53
Production workers	263	12
Total	335	75



Distribution of training hours by training topics

	Number of seminars per training topic	Total training hours	Percentage of hours per training topic
Class Alpha & Beta substances	6	130	2,3%
Skills Development	8	336	5,9%
Workplace safety	10	659	11,6%
Time Management	2	308	5,4%
Printing matters	8	82	1,4%
Hazardous substances	4	100	1,8%
Master's programs	8	800	14,1%
Payroll/ Labor/ Accounting	7	54	1,0%
Foreign Languages	13	979	17,2%
Prepress	7	193	3,0%
First Aid	4	159	2,8%
Fire Safety	3	557	9,8%
Business Systems	14	826	14,5%
Production line and problem analysis	17	471	8,3%
Digital skills	3	44	0,8%
Total hours	114	5.678	100%

Evaluation of performance

	Number of employees evaluated			
	Male	Female	Total	Percentage
Board of Directors	3	0	3	43%
Directors	8	3	11	84,6%
Senior Executives & Supervisors	25	6	31	100%
General staff	35	48	83	86,5%
Production workers	244	12	256	90,8%
Total	315	69	384	89,7%

Our employee performance evaluation system seeks to direct all workers' efforts toward achieving the Company's operational strategic objectives. We aim to ensure that employees are selected, promoted and evaluated based on objective criteria, and to support their continuous development and improvement.

During the evaluation process, every employee is given the opportunity to identify their strengths, and areas for improvement, and to define and plan actions and clear steps to improve. Each employee's progress and success are tied to our overall performance, goals, vision, and mission. In 2022, 86,3% of our female and 90,3% of our male employees were evaluated. Each employee is evaluated and receives a personal annual report with details about their performance, bonuses and compensation.

Employment data

Total hires and rate by gender and age

	<30	30-50	51+	Total	Rate by gender (new hires/total workforce)
Male	13	21	3	37	8,6%
Female	7	4	0	11	2,6%
Total	20	25	3	48	11,2%
Rate by age (new hires/total workforce)	4,7%	5,8%	0,7%		

Total hires and rate by region and age

	<30	30-50	51+	Rate by region (new hires/total workforce)
THESSALONIKI	20	22	3	10,5%
OTHER	0	3	0	0,7%
TOTAL	20	25	3	11,2%

Total turnover by gender and age

	<30	30-50	51+	Total	Rate by gender (turnover/total workforce)
Male	8	25	4	37	8,6%
Female	5	3	1	9	2,1%
Total	13	28	5	46	
Rate by age (turnover/total workforce)	3%	6,5%	1,2%		10,7%

Total turnover by region and age

	<30	30-50	51+	Rate by region (turnover/total workforce)
THESSALONIKI	13	27	4	10,2%
OTHER	0	1	1	0,5%
TOTAL	13	28	5	10,7%

Hatzopoulos League

At Hatzopoulos S.A., we have designed a unified rewards system based on the Company’s values, culture and operational objectives named “Hatzopoulos League”. Employees can receive additional benefits depending on their overall annual performance. The purpose of this system is to enhance employee performance through motivation and rewarding exceptional practices in the daily work. The Company’s primary concern is to ensure internal equity by providing rewards commensurate with contributions. The chosen six categories of ewards, which are given in the form of “Cups”, are listed below. In 2022, 30 cups were awarded to our employees.

- Collaboration & Teamwork
- Quality in work
- Problem solving and innovation
- Health and Safety
- Environmental protection
- Food safety



Happy X-mas (War is over) – Cover

In 2022, we celebrated Christmas with a team bonding experience that we enjoyed. Our employees joined forces (and talents!) to send their season’s greetings to our partners, friends, and the global community. They did so by covering the famous song Happy X-mas (War is Over) by John Lennon, infusing it with elements of Greek tradition, through the incorporation of musical instruments such as the Cretan lute, Pontic lira, and bouzouki. We are more than proud of the final result! You can watch the video at the following link: <https://hatzopoulos.gr/happy-holidays-22-video/>.



Benefits provided to full-time employees that are not provided to temporary or part-time employees

	Full-time employees	Part-time or temporary employees
Life insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Health care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Disability and invalidity coverage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Parental leave	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Retirement provision	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stock ownership	<input type="checkbox"/>	<input type="checkbox"/>
Training	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PARENTAL LEAVE (Pregnancy Leave)

	No.
Total number of employees that were entitled to pregnancy leave (pregnancy leave)	5
Total number of employees that took parental leave	5
Total number of employees that returned to work after parental leave ended for the year 2022	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1
Total number of employees due to return to work after taking parental leave	4
Return to Work Rate	25
Retention Rate	25

Diversity and Equal Opportunity

Incorporation of Diversity in Governance bodies and Employees

Governance bodies and employees	Male	Male %	Female	Female %	Aged <30	Aged <30%	Aged 30-50	Aged 30-50 %	Aged 50+	Aged 50+ %
Board of Directors	6	86%	1	14%	0	0%	2	29%	5	71%
Directors	10	77%	3	23%	0	0%	10	77%	3	23%
Senior Executives & Supervisors	25	81%	6	19%	0	0%	24	77%	7	23%
General staff	38	40%	58	60%	26	27%	57	59%	13	14%
Production workers	270	96%	12	4%	34	12%	181	64%	67	24%



HR TARGETS

Achieved targets for the year 2022:

- High offer acceptance rate by candidates
- Meeting the expectations of recently employed staff
- Successful completion of the training cycle
- High satisfaction rate about the training provided
- Conducted emergency drills
- Successful overtime reporting
- Successful annual leave planning
- Increased employee productivity
- Recognition/certification as an excellent work environment

Targets for the year 2023:

- Achieve strong commitment among new employees
- Maintain a high job offer acceptance rate
- Complete all planned training sessions and have increased participation rates
- Successfully plan annual leaves for 2023
- Timely and accurate preparation of work schedules and tasks





Health & Safety



Occupational Health & Safety: a matter of culture

Health & Safety Management System

At A. Hatzopoulos S. A., it is our utmost priority to ensure the health, safety, and well-being of our employees, visitors, suppliers, and any individuals entering our premises. We believe that a healthy workplace is more than just a legal responsibility. It is an essential and critical pillar of our corporate culture. We employ an Occupational Health and Well-being Advisor, as required by the legislation and we focus on promoting a Health and Safety (H&S) culture, in a way that every one of us can be seen and act as a potential safety engineer. We see Health and Safety as a team effort where our team's overall performance is only as strong as its weakest link.

We established and implemented a Health & Safety Management system, which involves regular inspections and relevant training across all our operations. We expect everyone to be aware, well-trained, and actively involved in Health and Safety, with the ultimate goal being to continuously improve our performance, create a safe working environment for everyone, and minimize work-related incidents. Our Health & Safety Management system is ISO 45001:2018 certified by an external, independent assurance provider and at the same time, it is frequently audited by our internal audit division. It includes specifically designed processes that allow us on one hand to meet the requirements of the standards and most importantly to better manage Health and Safety matters and to design and incorporate actions into our annual planning.

Our management system covers all our business activities and all our personnel (including workers who are not employees). Compliance with, and implementation of the processes included in the management system, are mandatory for all employees regardless of their hierarchical level or job position. The requirements also extend to any third parties that may be present on the premises of A.Hatzopoulos S.A., at any given time, ensuring the prevention of incidents or accidents involving associates or visitors.

To prevent and mitigate occupational Health and Safety impacts directly linked to our business relationships, we make sure that all of our products, leaving our premises, are safe, of the highest quality and appropriately labeled. We provide detailed information about the potentially hazardous properties and risks of our products, as well as clear instructions on how to properly store and handle them.

Occupational Health and Safety Management System Highlights

Our Occupational Health and Safety Management system includes (among others) the following:

The implementation of policies beyond the provisions of the relevant local and European legislation with regards to Occupational Health and Safety.

Regular risk assessments and audits carried out by the designated Safety Engineer with the active engagement of our employees.

Advanced Personal Protective Equipment (PPE) for everyone working at or entering our production facilities.

Specific preventive and control measures taken at all areas, which have been identified as “high-risk” spaces.

Continuous, hands-on training available to all employees that improves their awareness of work-related hazards and risks, and how to deal with them.

Annual health check-ups for all company employees, adapted to their work position.

Specific safety standards for all contractors working at our premises.



Recognition and Evaluation of Occupational Hazards

To address the needs, assess opportunities, evaluate our performance and mitigate any Occupational Health and Safety risks we regularly conduct internal and external safety inspections and audits. Additionally, we encourage and train all employees on how to report, investigate, and actively engage in resolving any Occupational Health & Safety related incidents.

We have developed a comprehensive Occupational Risk Assessment procedure (ORA), covering all our activities, about potential hazards in the workspace. Our ORA applies to the main production activities, as well as any secondary functions (maintenance, transport, etc.). The procedure covers all our full-time employees. Other parties such as subcontractors, clients and partners are covered under a different specific procedure which also belongs to the Health and Safety management system. Our ORA also covers all the new activities. Based on the ORA, relevant legislation, and other factors related to Health and Safety, the Company assesses hazards in terms of their likelihood and severity, the required measures and objectives for implementation, as well as, time-scheduling measures and actions.

The Technical Safety Officer reviews the ORA yearly or at any time significant changes that may affect Health & Safety. The implementation of our Health & Safety management system undergoes regular reviews and evaluation, and adjustments or additions are made, when and if deemed necessary. Also, the review examines the control measures in place and our goals & objectives.

Workforce Consultation on Health & Safety

All our employees, either individually or via their legal representatives, can submit their feedback, observations, opinions, or comments regarding Health and Safety. Their feedback is invaluable and can help us identify gaps, improve our practices and minimize and better manage health-related risks in the workplace.

We highly rate the open communication between our workforce and higher management. This enables us to better recognize and manage H&S-related issues at work, to listen to and better understand our staff needs and to stimulate their interest and participation. We strive to continuously improve our Health and Safety performance and to fully comply with laws and regulations. Thus, employees are welcome to express their opinions on Health and Safety matters at work. Appropriately designed forms are used as pathways and tools for internal communication. The forms are available both in physical format, in communal areas, as well as online through our corporate website. Employee representatives can also participate in the formation of the (H&S) management system. We ensure that any obstacles to participation are identified and removed by providing training to all employees and protecting them against reprisals in accordance with our Code of Conduct and our Health and Safety policy.

Our employees can also become part of Health and Safety committees. The employees have the right to participate and each facility is represented separately. Every two years, an announcement is made, calling all interested employees to participate, and those who declare an interest automatically become committee members. Monthly meetings are held to discuss all occupational H&S issues, methods to eliminate risks, best available practices and any improvements or corrective actions needed. A member of the higher management also attends those meetings to discuss all issues and participate in any collective decisions.

The company does not have an official "stop-work authority" policy. Stopping work is considered beyond question in cases when the threat to Health and Safety is obvious and orally communicated to the department supervisor before the commencement of work. All employees are protected against retaliation according to the Code of Conduct and the Health and Safety policy.

Work-Related Injuries

Our Occupational Health & Safety Risk Assessment Study offers insights on types of work-related injuries. Due to the nature of the work, the main risks are usually associated with issues such as moving machine parts and sharp objects. Apart from informing our personnel about the risks associated with their work, regular and comprehensive safety training is provided. Inspections are conducted on the facilities and the machinery to ensure excellent operation and working conditions. We realize the importance and value of the internationally recognized "Hierarchy of controls". Moreover, all safety measures specified by the machine manufacturers are followed and appropriate personal protective equipment is provided to our staff.

2022

	Number	Rate
Fatalities as a result of work-related injury	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Recordable work-related injuries	8	8,46%
Number of hours worked		945.176

*The Health and Safety indicators have been calculated using the 1.000.000 working hours methodology
**The data include all workers without any exclusions

Work-Related Incidents

To investigate work-related incidents, a structured "Incident report" form is completed, including at least the following:

Brief summary	Timeline: A confirmed sequence of events leading to the incident	Findings: Based on substantiated information	Introduction: Context of the incidents, description of the involved individuals, processes, layout, timings and outcome	Analysis and causes	Conclusions	Lessons learned, improvements proposed	Attachments
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Work-Related ill Health 2022

In 2022, no serious illnesses were recorded. As a Company, we have adopted a systematic approach to enhance occupational Health and Safety, eliminate hazards, and minimize risks. Our foremost goal is to eradicate the hazards, followed by our ambition to substitute the machinery with newer, less hazardous, certified alternatives, while implementing control measures to ensure its proper use and maintenance. Additional measures taken to eradicate hazards include the use of CE-marked machinery and safety devices, machinery certification, regular maintenance, conducting risk assessments, providing Personal Protective Equipment (PPE), and continuous training of employees, with the Hierarchy of Controls.

Most of the 8 work-related ill-health incidents in 2022 were due to accidents caused by the moving parts of the machinery, which resulted in bruises or wounds. We provide all necessary information to the employees regarding the hazards and preventive measures against them.



The data include all workers without any exclusions

Occupational Health & Safety Training

At A. Hatzopoulos S.A. we place a strong emphasis on preventing and mitigating negative H&S impacts that are directly linked to our operations, products, services, and business relationships. To achieve this, we invest in the continuous training and awareness-raising of our employees. This involves audio-visual material, as well as organizing talks and seminars during which experts share valuable information and practices with our staff. This way, our workforce is well-trained and ready to face any future challenges.

Occupational Health & Safety training*	Participants
First Aid	51
ADR (European agreement concerning the International Carriage of Dangerous Goods by Road)	25
LOTO (Lockout-Tagout)	30
Incident Analysis moving parts	176
Incident Analysis (use of forklift trucks)	25
Emergencies	67
Health and Safety culture & Golden rules	461
Toolbox talks and Work instructions	67
Workplace safety measures	35
Fire safety	445
Health and Safety Management system	461

* refers to all employees that were employed throughout 2022

Training is in line with the Company's 10 golden rules:

- 01I use the Personal Protective Equipment (PPE) for my Health & Safety
- 02I keep a safe distance from moving machinery and equipment
- 03I use any sharp tools and equipment safely
- 04I limit the use of chemical substances
- 05I ensure that the equipment is properly stored and labeled before starting maintenance work
- 06I take care of my safety and the safety of others when loading and unloading
- 07I use the fall-protection equipment while working at heights
- 08I use appropriate, safe manual handling techniques for lifting loads
- 09I follow safe driving practices
- 10I maintain orderliness in the workspace

Promotion of Workforce Health

We do not only take into consideration the Health and Safety strictly behind our own doors. The third UN Sustainable Development Goal is to ensure healthy lives and promote well-being for everyone. In this direction, to keep our employees and their families healthy and prosperous, we implement a private insurance program, which becomes available to everyone, after completing six months of employment. It is notable, that all employees are insured since day 1 in case of an accident. It includes medical coverage both in Greece and abroad, life insurance, comprehensive hospital and outpatient care, coverage for permanent disability or incapacity, and benefits in cases of hospitalization exceeding 30 days. Additionally, voluntarily, regular blood donations are organized at scheduled intervals. The company's blood bank caters to the needs of our employees and their first-degree relatives.



Health & Safety 2022 highlights

- Successful recertification of the H&S Management System according to ISO 45001
- Seminars and training for all personnel
- Review of the professional Risk Assessment
- Completion of the Golden Rules process
- Acquisition of LOTO equipment (for Log out-Tag out procedures)
- Purchasing equipment for working in potentially explosive atmospheres (ATEX)
- Marking and signage in open areas
- Creation of a safer solvent unloading area



2023 Targets

- Purchase of automated washing equipment to reduce the required manual work
- Conversion of the ventilation system in the washing area
- Creation of a new equipment charging area
- Completion of the new warehouse construction
- Plan new cycles of seminars and training
- Prevent more work-related accidents
- Re-certification of the H&S Management System according to ISO 45001



Environmental Responsibility

Our corporate responsibility towards the environment goes beyond mere compliance with regulations; it encompasses our broader commitment to minimize our overall environmental footprint, conserve natural resources and contribute to the sustainability of our planet. This chapter presents our achievements in various environmental topics and describes our commitments and strategy towards improving our environmental performance.



We take measures

to minimize our environmental impact, along the entire spectrum of our activities and the wider value chain.

- ✓ We constantly focus on the minimum consumption of the necessary natural resources
- ✓ We continuously oversee and evaluate our production processes, as well as the distribution and use of incoming and outgoing materials and services.
- ✓ We try to better manage the impact individuals arriving and leaving our premises may have on the environment, by informing them and having appropriate measures in place.
- ✓ Our customers are informed about all key technical specifications of our products so that they can make conscious purchases and reduce the environmental impact of the products they use.
- ✓ Our entire staff views sustainability as a pillar underlying all our business activities and decisions.
- ✓ We encourage the adoption of sustainable practices across our activities (optimal water management, use of renewable energy resources, and recycling of materials, including waste).



Actions in place and goals

- Minimize product weight and size
- Implementation of environmental policies according to ISO 14001:2015
- Continuous investments in green production systems: solvent recovery and solar energy
- Responsible waste management and use of energy and resources
- Monitoring specific KPIs and goal-setting
- Increase the use of recycled materials for the packaging of our products, including reusable pallets
- Collaboration with key partners for a Circular Economy: Member of CEFLEX and OPRL
- Packaging Design for Recycling and Circularity: ISCC and FSC certifications



Evaluation of Environmental Topics

Besides the impacts prioritization exercise that we performed in the context of this sustainability report, we also separately, regularly evaluate our environmental topics. The prioritization of environmental topics is carried out based on their importance (on a 1-5 scale) with respect to various indicators. Those indicators are given a specific weight based on their significance with respect to the environment, local communities, European and Greek environmental policies and regulations, and in line with the Company's environmental policy. The weighting factor (WF) of each criterion is evaluated and revised on an annual basis, pursuant to the judgement of the members of the Audit Group.

The following criteria are used to assess our potential impact:

- Impact on employee health and safety (WF: 0,05)
- Legal obligation - compliance (WF: 0.35)
- Severity of the impact on the natural environment (WF: 0,0)
- Company's Financial Capacity (WF: 0,10)
- Need for continuous improvement (WF: 0,20)

The criteria that score 3 or more are deemed critical and require immediate actions or measures. Criteria with a score between 2,5 and 2,95 are deemed to be of high priority, whereas criteria scoring between 2.05 and 2.45 are considered of significant importance and must be examined in the long term. The environmental issues that score 2.0 or lower are not considered relevant or important for the near future or until the environmental issues are re-assessed.



Training and Audits

The success of our environmental policy depends to a great extent on the behaviour of our people and the proper performance of their tasks.

Therefore, all employees are briefed and trained for the proper implementation of the Quality, Food Safety, Health & Safety, Emergencies, and Environmental Management Systems. Informational leaflets on issues relating to environmental protection, energy, waste and water management are in constant circulation in the dining areas. We also developed a system for the submission of proposals and feedback by employees, aiming to keep improving our environmental performance. Control teams have been assigned in both production plants and audits take place every 30-45 days to identify any potential risks and plan relevant actions or interventions.

Materials used

Our supply chain includes raw materials, secondary materials, and the transportation of goods upstream and downstream. The incoming raw materials mainly are OPP, PE, PET, OPA, PAPER and ALUFOIL. Incoming materials also include packaging, which mainly combines plastic, paper and wood.

At A. Hatzopoulos S.A. we purposefully screen and select our raw materials' suppliers, using environmental criteria. Therefore, we ask our biggest suppliers to sign a Quality Assurance Agreement, to ensure full compliance with the relevant legislation, including Regulation (EC) 1907/2006 – REACH.

Percentages of purchased raw materials								
	PP	PE	PET	PA	PVC	PAPER	ALU FOIL	BIO
2020	38,79%	35,37%	16,38%	0,34%	0,12%	1,49%	7,46%	0,06%
2021	40,00%	35,63%	16,80%	0,48%	0,11%	0,43%	6,55%	0,00%
2022	38,12%	36,72%	15,4%	0,23%	0,06%	1,98%	7,48%	0,00%

To produce and package the organization's primary products, during the reporting period, 20.512,7 tonnes of input materials were used. 30,4 tonnes were recycled (0,15%). A breakdown of the materials used by weight is presented in the next table.

Materials used	Renewable materials used	Non-renewable materials used
Total weight or volume of Materials used for the production of the organization's primary products (tonnes)	19,3	19.178,1
Total weight or volume of Materials used for the packaging of the organization's primary products (tonnes)	1.144,1	171,2
Total (tonnes)	1.163,4	19.349,3

Final Products

2022	
Products (kg)	15.235.385
Products (m2)	226.843.681

Packaging of our products.

- ✓ All joints used at our production sites are made of recyclable PP
- ✓ All PET straps have been replaced with recyclable PP ones
- ✓ All plastic bags used for reel protection are made of recycled, transparent PE
- ✓ All wooden boards / other palletization materials have been replaced with recyclable, PP and Paper-based ones

Since 2019, our company has used reusable pallets for the majority of its exports' logistics activities. We prioritize using reusable/rental wooden and plastic pallets to ship our goods. Upon delivery at our customers' sites, the pallets are re-collected, repaired (if required), and reused. This is a sustainable approach that simultaneously reduces waste, lowers emissions, and saves natural resources.

17.183 pallets used for the shipment of our products, weighting 430,57 tonnes, were reclaimed by being re-used (returned to A. Hatzopoulos S.A. after having been unloaded). Data were taken from company records for 2022. The percentage of reclaimed products and their packaging materials for 2022 was 2,1%.

Packaging Sustainability Vision

Improve packaging design and innovate to make our products even more environmentally friendly and easier to recycle towards a circular economy.

Packaging is extremely important to protect food quality and minimise food waste production. We can achieve that by making materials that can be recycled and reused in a circular way. Our efforts aim at creating sustainable, eco-friendly packaging solutions, while using fewer resources, leaving a smaller environmental footprint. We focus on manufacturing products from recycled materials at different rates and recyclable films, in line with CEFLEX and OPRL guidelines. As active members of Flexible Packaging Europe and its Sustainability Committee, we monitor all European regulations on Plastic packaging and relevant packaging sustainability developments closely, reducing our environmental footprint as we move forward.

Solutions for Packaging Sustainability

- ✓ Packaging Optimization for resource efficiency
- ✓ X-CYCLE recyclable
- ✓ PCR-Content films
- ✓ Films with Bio-circular content
- ✓ Bio-based packaging solutions



Target 2025

100% of our packaging products
designed to be recyclable by 2025

2023-2025 Goals

Invest in Research & Development to optimize packaging structures, increase material recyclability and explore alternatives of polymers

Minimize the weight and thickness of the final products, which will contribute towards minimizing the consumption of raw and auxiliary materials and natural resources

Focus on designing monomaterial / recyclable products based on polyolefins

Increase the use of recycled raw materials (PCR) in our packaging products

Increase the use of bio-circular raw materials in our packaging products



Energy

We recognize the impact energy consumption has on Climate change & Atmospheric Emissions and so we closely manage this issue. Firstly, we identify our consumption and then we focus on energy reduction.

Throughout 2022 12.237,6 litres of diesel motor oil and 8.655,19 litres of motor gasoline were used to fuel A. Hatzopoulos S.A. owned vehicles. Besides those, an additional 30.206 litres of diesel fuel were used for the operation of generators. With regards to energy, the total electricity consumption, in 2022, was 17.201.301 KWh and the natural gas consumption was 23.217.596 KWh, respectively. No renewable fuels were used during 2022.

The total energy consumption for 2022 was 40.427.897 KWh and the energy intensity was 178.219 KWh per 1000 m² of final/sold product. This refers to energy consumed exclusively within the organization and includes fossil fuels, electricity, and natural gas. Energy intensity has increased compared to 2021; however, if one looks a bit further back in time it becomes apparent that it has an overall decreasing trend.

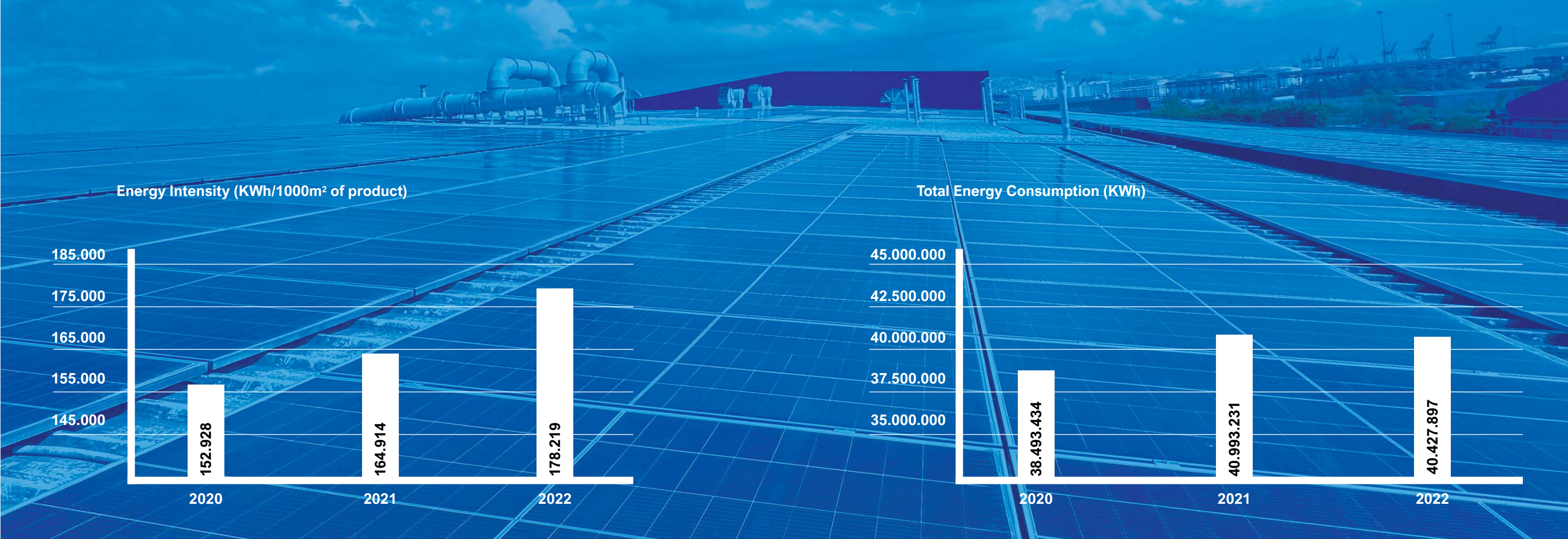
We use natural gas to cover the needs of production and heating our premises. Diesel fuel is only used for company trucks and electric generators (in cases of power outages). Unleaded gasoline is used in the rest of the company's vehicles.

At A. Hatzopoulos S.A. we invest in solar energy, as it leads to cost savings, energy independence, economic opportunities, reduced environmental footprint and GHG emissions, resource safety and a better planet for all of us.

During Q3 2022, solar panels were installed at Stadiou and Arkadiou plants, resulting in the production of 375.832 KWh of energy. This accounts for 2,18% of the total energy consumption for 2022. Aiming to further increase the use of renewable energy, additional solar panels will be installed at the new warehouses, which are currently being constructed (2023). Our long-term goals are to reduce our dependency on purchased energy and to cut down our greenhouse gas emissions (GHG).

- **Short-term overall target of 30% absolute GHG emissions reduction by 2030**
- **Long-term reduction target of 50% respectively**

It must be noted that our energy provider uses renewable sources (solar and wind) to produce electricity. No energy was sold by A. Hatzopoulos S.A. in 2022. Energy consumption outside of the organization is not included in this report, due to the lack of sufficient, reliable data.



The total energy consumption (electricity, and natural gas) in 2022 was reduced by 1,38%, compared to 2021. The energy requirement of our products (KWh per kg of product) was increased by 6,91% compared to 2021, as a result of new production hall installation in Stadiou plant (rotogravure).

We must stress that COVID-19 has had a big effect on energy values and results. During 2021, a significant proportion of our staff worked from home. As a result, the energy consumption in our office spaces was reduced. Had it not been for COVID-19 the energy consumption and energy intensity would have been significantly higher. Therefore, we estimate that the change in energy intensity between 2021 and 2022 would have been negative instead of positive.

	2021	2022	Change (%)
Electricity consumption (KWh)	17.576.231	17.210,301	-2,08%
Natural gas consumption (KWh)	23.417.000	23.217.596	-0,85%
Total energy consumption (KWh)	40.993.231	40.427.897	-1,38%

	2021	2022	Change (%)
Electricity intensity (KWh/kg)	1,0642	1,1296	6,15%
Natural gas intensity (KWh/kg)	1,4178	1,5239	7,48%
Total energy intensity (KWh/kg)	2,4820	2,6536	6,91%

	2021	2022	Change (%)
Gasoline used (litres)	13.732	8.655	-36,97%
Diesel fuel used (litres)	46.831	42.444	-9,37%
Total fuels used (litres)	60.563	51.099	-15,63%



2023-2024 Goals

- 01 Installation of photovoltaic/net metering system at the new warehouse building, which is under construction
- 02 Installation of individual thermal energy measuring gauges at each production line (printing & lamination)
- 03 Study and Adjustment of Switching of Diathermic Oil Boilers to Limit Thermal Energy Losses
- 04 Expansion and upgrade of the VOC burning system at the Arkadiou plant. Boiler of burning a mixture of natural gas and waste solvents at the Stadiou plant
- 05 Switching from fuel to hybrid plug-in vehicles
- 06 Carbon Disclosure for Scope 3 emissions (ISO 14064)

Recognizing our impact, at A. Hatzopoulos S.A., we decided to start measuring our Scope 3 indirect emissions, from 2022 onwards. This will allow us to better understand and manage our emissions and the impact they can have on the environment and society. Setting a baseline will enable us to set realistic targets and measure our performance.

We use ad hoc Life Cycle Assessment to calculate the environmental impact and GHG emissions of a range of our products at all stages of their life cycle (cradle-to-grave). From raw material extraction to materials transportation and processing, manufacturing, product distribution, use, maintenance, and final disposal or use (recycling, re-use etc.).





Waste

Recognising the impact our operations can have on the environment and society, we have developed systems to optimise waste management.

We hold regular meetings with stakeholders, executives, managers, and employee representatives to assess our waste management performance, identify risks, set goals, and plan actions.

We are committed to the vision of a zero-waste economy for the benefit of present and future generations. To make this a reality, we set ambitious targets to eliminate the use of unnecessary materials, to maximize material recycling and reuse, and to apply the principals of circular economy across our facilities and activities.

We use Life Cycle Assessment (LCA) to calculate the environmental impact of products at all stages of their life cycle (cradle-to-grave). From raw material extraction to final disposal or use (recycling, re-use, etc.) our aim is to minimise waste production, energy consumption, and GHG emissions.

With regards to waste streams that require special attention or management, due to their properties, we select and exclusively work with third party companies that are licensed and certified. This way compliance and appropriate management practices are ensured.

A. Hatzopoulos S.A. continuously adopts new approaches that contribute to reducing waste and using resources even more efficiently. In that scope, we proudly announce the certification of both our production sites with ISCC PLUS and FSC.

A. Hatzopoulos S.A. recognizes the global consumer demand for less packaging waste and 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 and Sustainable Development Goals.

The non-hazardous solid waste streams we produce at A. Hatzopoulos S.A. include:

- Waste from setup and trimming the ends of raw material and semi-final rolls
- Copper from engraving rotogravure cylinders, which are collected by a licensed third-party company for recycling
- Intermediate and final products not meeting specifications, that need to be discarded
- Packaging of raw and auxiliary materials
- Residues of polymerized glue and their (steel) containers
- Scrap from paper core boards
- Municipal solid waste

Waste type	2020	2021	2022
Recyclable plastic (Tn)	479,7	537,6	810,0
Wood (Tn)	841,1	822,1	660,7
Paper (Tn)	59,0	89,4	199,6
Non-recyclable waste (Tn)	1.745,5	1.803,7	1.471,4
Total (Tn)	3.125,3	3.252,8	3.141,8

In total, during 2022, 3.141,8 tonnes of non-hazardous waste were diverted from disposal and taken for further treatment or energy production. Those included plastic, wood, paper, cardboard and other non-recyclable waste streams which are treated and re-used. No hazardous production waste was directed to disposal. 70,3 tonnes of mixed municipal solid waste were collected by the municipal collection system (green bins) and directed to landfilling.

325,76 tonnes of hazardous ink sludge were diverted from disposal and recovered. 453,68 tonnes of solvent residue were also diverted and recovered. With regards to contaminated wiping cloths, 137,4 tonnes were diverted from disposal and recovered by third party hazardous waste management licensed companies. Engraving waste (solution including chemical substances, originating from the washing of the cylinders) were 157 tonnes in 2022. All of them were diverted from disposal and taken for inerting, during which irrigation water is produced and the sludge is utilised to produce fertilizer for crops.

At A. Hatzopoulos S.A. we keep an electronic record of the waste produced and the management practices we follow. We annually submit relevant waste data to the relevant purpose-built platform (Electronic Waste Register) of the Hellenic Ministry of Environment and Energy.

The use of printed documents and ink is constantly decreasing, aiming to go fully paperless in the near future. Printouts are limited to only where necessary, and all empty ink cartridges are refilled.



Wooden pallets, used to transfer raw materials, are resold when not being reused. Waste from the packaging of raw materials (paper, steel, and wood) is either recycled, after having assessed the possibility of reuse, or returned to the supplier.



Hazardous waste

The inputs, activities, and outputs that could lead to potential waste-related impacts include:

Waste type	Downstream	Upstream	Inhouse
Organic solvents	✓	✓	✓
Chromium	✓	✓	✓
Residual ink sludge	✓		✓
Saturated wiping cloths	✓		✓
Mineral oils	✓	✓	✓
Electronic equipment	✓	✓	✓

Our Environmental Management System (EMS) ensures that hazardous materials and substances are managed properly. We use organic solvents for washing cylinders and machine parts, which can contain residues of inks and glues. Solvents are automatically collected and transferred to a distiller, via a closed system, where the solvent is recovered and then reused.

Any solvent residue is collected in steel 220lt UN drums, which are stacked on wooden pallets. It is then either sold to third parties (for reuse), or managed as hazardous waste by a licensed company. We use chrome-plated cylinders for rotogravure printing. Residual ink sludge and wiping cloths saturated with ink are also collected in steel 220lt UN drums, which are stacked on wooden pallets or IBC pallet tanks and delivered to a licensed third-party hazardous waste management company.

Used mineral oils originating from the maintenance equipment are also collected in 220lt UN drums and delivered to a licensed management system for utilization/regeneration.



2023-2024 Goals

- 01 Research for use of non-recyclable waste as a raw material for further applications
- 02 Minimise waste
- 03 Increase recycling rates
- 04 Expansion and upgrade of the VOC burning system at the Arkadiou plant. Installation of a boiler where a mixture of natural gas and waste solvents will be combusted at the Stadiou plant
- 05 Minimize the quantities of ink sludge



A system for burning the volatile organic compounds is in operation at the Arkadiou plant. It aims at decreasing the emissions of volatile organic compounds in the atmosphere, which can cause a health hazard. Air is ventilated from the production areas and routed to the burner system. Air quality measurements are taken every six months, ensuring compliance with the relevant legislation (<20 mgC/m³). At the Stadiou plant a system for solvents recovery is in operation. It recovers Volatile Organic Compounds emitted from the rotogravure and lamination machines and on-line measurements are performed. All production takes place in closed environment conditions, meaning that there are no exit points for uncontrolled emissions (e.g. windows).

The following measures are taken for the storage of certain materials (inks and solvents) which are potentially risky due to their flammable qualities:

- Storage in specially configured spaces, with fire protection measures in place
- The hazardous substances are appropriately labelled
- Clear working and handling instructions are given to staff
- Preventive measures are taken to prevent accidents
- Suppliers are required to provide information on storage, via the MSDS
- Stock is continuously monitored
- Storage takes place in sheltered and cemented areas, which are inclined and have a circumferential safety drain, fitted with a grill, to safeguard against leakages
- All of the surrounding area is bituminized
- In spaces where the Ink Mixing Systems are in operation, the floor is industrial, impenetrable, while the barrels containing the inks are placed on steel bases with wheels, to enable their safe handling
- ATEX areas have been demarcated

A. Hatzopoulos S.A. ensures and takes care of the mandatory availability of the following:

- Safety Data Sheets, Accident Prevention Instructions, as well as updated leaflets on the qualities of hazardous materials
- Installation of reception tanks at all points where substances may drip or are stored and waterproofing of the floor using durable insulating materials
- Implementation of measures for dealing with static electricity (insulation, use of antistatic bars)
- Fire-fighting equipment and materials for handling chemical substances
- Operating/Working instructions for the handling of hazardous substances
- Adequate personnel training



Emissions

Acting on climate change and contributing towards tackling the climate crisis and protecting the future of our planet starts with reducing our own carbon footprint.

Our goal is to continuously improve our processes by reducing the volume and properties of input materials and optimizing our overall energy management.

Air emissions are checked regularly at our burners. A record of the measurements is kept, while all the company's burners are checked and maintained systematically on an annual basis. A report-sheet is completed and signed by the person responsible for maintenance and then kept in our records.

Volatile Organic Compounds

Due to their properties, the use of organic solvents causes the emission of organic compounds in the ambient air, which can harm public health, and/or contribute to the local and cross-border formation of photochemical oxidizing in the boundary layer of the troposphere, which can cause damage to the environment. The solvents used at our facilities, in the printing machines, and for washing the equipment are ethyl acetate and ethanol (ethyl alcohol). We manage our impact by applying the following:

At the Arkadiou plant air is ventilated from the production areas and directed to a volatile organic compounds (VOC) burner system. Aimed at decreasing the concentrations of volatile organic compounds in the atmosphere, which can cause a health hazard

Air quality measurements are taken every six months, ensuring compliance with the relevant legislation (<20 mg Carbon/m³)

At the Stadiou plant a solvents recovery system is in operation. It recovers VOCs emitted from the rotogravure machines

Air quality measurements are taken online, ensuring compliance with the relevant legislation (<100mg Carbon/m³)

All production takes place in closed and controlled environment conditions, meaning that there are no exit points for uncontrolled emissions

Exhaust gases

Natural gas is used across our production lines and for heating needs (office spaces). Measurements of the exhaust gases from the boilers are taken and recorded very frequently (1-2 times a week) to ensure that they are in optimal operating condition.

Regarding our vehicles, Exhaust Control Cards (ECCs) are issued on an annual basis to ensure that exhaust gases are controlled. At the same time, ECCs of third-party vehicles (agents, suppliers, etc.) are also checked, and the findings are analysed to identify gaps and plan any required corrective actions.

In 2021 the gradual replacement of forklifts with the newer generation (electric) started. The replacement was completed in 2022. Our next aim is to replace company cars and vehicles with electric ones and to promote the use of environmentally friendly means of commuting amongst our employees (bus, car sharing, etc.).

Ozone depleting substances (ODS)

Ozone is released during the periodic operation of the corona treatment systems of our printing and laminating machines. We do not regularly measure ozone levels, as the emissions are controlled, and the levels are expected to be low. However, it is in our short-term plans to arrange for ODS measurements to be taken, by the end of 2025.

Dust and particulate matter

We have all measures in place, to minimise dust production inside our facilities and at communal external spaces. We have all the required equipment, and our staff are fully trained on best practices (Best Available Techniques) to minimise and manage dust emissions.

Scope 1 and 2 Emissions

Under the control approach, the company accounts for 100% of the GHG emissions from operations over which it has control. The ownership status and organizational boundaries are clear and straightforward. Emission and conversion factors were gathered from different sources. Sources included:

- GWP from the IPCC Sixth Assessment Report, 2023. Using a 100 years-time horizon
- IPCC Emissions Factor Database, 2023
- UK Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS)
- UK Government's GHG Conversion Factors for Company Reporting. Version 2 (2022)
- Association of Issuing Bodies (AIB) - European Residual Mixes (2022)
- US Environmental Protection Agency (EPA). Emission Factors for Greenhouse Gas Inventories (2023)

Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are the gasses included the calculations, as they are the most relevant greenhouse gases emitted from A. Hatzopoulos S.A.'s operations, while they also comprise the vast majority of all gases emitted. Biogenic carbon dioxide (CO₂) emissions were zero and not included in the calculations.

The base year for calculations is 2019, when A. Hatzopoulos S.A. first measured their Scope 1 and 2 emissions. This is also in line with the Greek Climate Law.

Scope 1 GHG Emissions

	Unit	2020	2021	2022
Total Direct GHG Emissions	Tonnes of CO ₂ eq.	7.017,00	7.322.85	4.758.46
Carbon Dioxide (CO ₂)	Tonnes of CO ₂	7.011,52	7.316,63	4.758,37
Methane (CH ₄)	Tonnes of CH ₄	0,098	0,111	0,081
Nitrous Oxide (N ₂ O)	Tonnes of N ₂ O	0,010	0,012	0,008

Direct GHG Emissions by Source

	Unit	2020	2021	2022
Stationary combustion	Tonnes of CO ₂ eq.	4.639,87	4.844,50	4.705,38
Mobile combustion	Tonnes of CO ₂ eq.	47,80	83,25	53,08
Fugitive Emissions	Tonnes of CO ₂ eq.	2.329,33	2.395,11	0,00

More than 99,99% of Scope 1 GHG emissions are CO₂ emissions, whereas only a minor fraction is attributed to CH₄ and N₂O gases. With regards to sources, nearly 99% of Scope 1 emissions come from stationary combustion, 1% from mobile combustion, whereas fugitive emissions were zero, for 2022.

To express scope 1 GHG emissions per an appropriate reference unit, the quantities of each year's manufactured products are used as a denominator. This offers a different perspective, as production/capacity can vary but is directly linked to energy consumption and emissions. Providing emission values alone isn't always an appropriate indicator, as production each year can vary significantly, therefore heavily affecting the relevant emissions. Tables below show the manufactured quantities between 2019 and 2022 and the Scope 1 (direct) GHG emissions intensity throughout the defined period.

Manufactured Products Quantities

Unit	2020	2021	2022
Tonnes (tn)	16.284,68	16.516,07	15.234,05
Meters (m)	1.050.410.576	1.027.633.806	995.914.561
Square meters (m ²)	251.709.773	248.573.488	226.959.912

Scope 1 GHG Emissions Intensity

Unit	2020	2021	2022
Tonnes of CO ₂ eq./tonne of product	0,431	0,443	0,312
Tonnes of CO ₂ eq./m of product	6,68E-06	7,13E-06	4,78E-06
Tonnes of CO ₂ eq./m ² of product	2,79E-05	2,95E-05	2,10E-05

Scope 2 GHG Emissions

Year	2020	2021	2022
Purchased electricity (Tonnes of CO ₂ e)	8.128,189	8.552,245	9.740,499

Scope 2 GHG Emissions Intensity

Unit	2020	2021	2022
Tonnes of CO ₂ eq./tonne of product	0,499	0,518	0,639
Tonnes of CO ₂ eq./m of product	7,74E-06	8,32E-06	9,78E-06
Tonnes of CO ₂ eq./m ² of product	3,23E-05	3,44E-05	4,29E-05

A. Hatzopoulos S.A. operations in 2022 resulted in emitting 14.498,96 tonnes of CO₂ eq., taking into account sources that are responsible for the release of scope 1 & 2 GHG emissions. The respective amount of scope 1 & 2 GHG emissions for 2020 and 2021 corresponded to 15.145,18 tonnes of CO₂ eq. and 15.875,10 tonnes of CO₂ eq.

Compared to 2019, Scope 1 & 2 GHG emissions have decreased by 12,75% and the emissions intensity by 16,4% respectively.

Scope 1&2 Total GHG Emissions

Year	2020	2021	2022
Tonnes of CO ₂ eq	15.145,18	15.875,10	14.498,96

It must be noted that Scope 1 emissions in 2019-2021 included fugitive emissions of refrigerant gases, whereas in 2022 client data indicated that there were no fugitive emissions. As a result, the 2019-2021 total direct emissions are increased, compared to the 2022 emissions. This should be taken into account when comparing Scope 1, as well as total GHG emissions.

Scope 1 & 2 GHG Emissions Intensity

Unit	2020	2021	2022
Tonnes of CO ₂ eq./tonne of product	0,93	0,961	0,952
Tonnes of CO ₂ eq./m of product	1,43E-05	1,54E-05	1,46E-05
Tonnes of CO ₂ eq./m ² of product	6,02E-05	6,39E-05	6,39E-05

Scope 3 Emissions

Besides Scope 1 and 2 emissions A. Hatzopoulos S.A. decided to attempt to calculate its Scope 3 emissions, for the first time, for calendar Year 2022. The criteria used for identifying the most relevant scope 3 activities and deciding which to include in the inventory were:

- Size: Emissions that contribute significantly to the company's total anticipated scope 3 emissions
- Influence: Emissions with potential for reductions
- Risk: Emissions that contribute to the company's risk exposure
- Stakeholders: Emissions that are deemed critical by key stakeholders
- Data availability and quality: Emissions which could be calculated, based on the type, quality and quantity of available data, for Year 2022

Scope 3 emissions were restricted to the following categories:

Business travel (including hotel stays)	Employee commuting	Upstream transportation	Downstream transportation
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Adhering to the GHG protocol principle of completeness, A. Hatzopoulos S.A. reported on all categories where it could, with a reasonable degree of accuracy and have a material impact for the size and within the industry.

The rest of the Scope 3 indirect GHG sources have been excluded, as it was realized and decided that it was not technically feasible, to gather the required data to include them in the quantifications. The data was either missing, sparse, or incomplete, which would result in very high uncertainty and low accuracy.

The intention of A. Hatzopoulos S.A. is to include more Scope 3 categories in its future GHG reports and to improve the data quality and reduce the uncertainty. That, however, only becomes possible after this first Scope 3 assessment attempt, which will help us realize and identify current gaps in data collection and management practices.

Scope 3 GHG emissions were calculated by using all the activity data that were available for 2022 (such as fuel use or passenger miles), making some data-driven assumptions, and applying the relevant published emission factors. "Employee commuting" emissions were calculated following the average-data method, as this is presented in the Greenhouse Gas Protocol's Technical Guidance for Calculating Scope 3 Emissions. Accordingly, emissions for categories "Upstream Transportation & Distribution", "Downstream Transportation & Distribution" and "Business Travel" were all calculated based on the spend-based method. This was decided based on the quality and type of available data for 2022.

It must be noted that products sold by the reporting company are intermediate products. The eventual end use of those products is unknown and each end-use has different GHG emissions. Therefore, it must be clarified that the calculated Scope 3 "Downstream Transportation & Distribution" emissions only include emissions that occurred during the transportation of products to the intermediate client.

Scope 3 Emissions 2022

Category	Tonnes of CO ₂ e	% of total Scope 3 emissions
Employee Commuting	309,77	8,4%
Upstream Transportation and Distribution	1.031,19	27,8%
Downstream Transportation and Distribution	2.208,09	59,6%
Business Travel	154,39	4,2%
Total	3.703,44	100%

Category	Tonnes of CO ₂ e	% of total GHG emissions
Total Scope 1 GHG Emissions	4.758,461	26,14%
Total Scope 2 GHG Emissions	9.740,499	53,51%
Total Scope 3 GHG Emissions	3.703,437	20,35%
Total 2022 GHG Emissions	18.202,398	100%



Goals and targets

Regarding Scope 1 and 2 emissions

We have set a target on setting a short-term overall target of 30% absolute reduction by 2030, as well as a longer-term reduction target of 50% respectively. There should be a breakdown between energy consumption reduction and the own-production of renewable energy. In case these reductions cannot be achieved through absolute reduction, the difference will be covered by voluntary carbon offsets (e.g. reforestations). These goals are considered realistic, considering the steps A. Hatzopoulos S.A. is taking and the strategies in place.

Scope 3 emissions

Targets will be set within 2023-2025 as this is the first year A. Hatzopoulos S.A. is measuring such emissions.

INDEPENDENT EXTERNAL ASSURANCE REPORT

To: Management of A. HATZOPOULOS S.A.

1. Scope of the External Assurance project of the Sustainability Report

The company **A. HATZOPOULOS S.A.** (hereinafter referred to as **A. HATZOPOULOS**) has assigned TÜV HELLAS (TÜV NORD) SA (hereinafter referred to as TÜV HELLAS) the limited external assurance of the Sustainable Development Report, which covers the period of 1/1/2022-31/12/2022.

The information in the Sustainability Report concerns the company **A. HATZOPOULOS** and more specifically the company's headquarters and the two production sites in Kalochori, Thessaloniki, Greece.

The scope of the project consists of the following:

A. The external assurance of the information disclosed to confirm that the Sustainability Report of **A. HATZOPOULOS** for 2022 has been prepared **"In Accordance"** with the **GRI Universal Standards 2021**.

B. The provision of external assurance service about the accuracy of the claims mentioned for specific numerical indicators that **A. HATZOPOULOS** reported at the Sustainability Report Chapters, based on the **GRI Topic Standards**, as follows: GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10.

C. The control of the adherence to the AA1000 AccountAbility Principles (Inclusivity, Materiality, Responsiveness & Impact) against the criteria found in **AA1000AP (2018)**.

The limited external assurance as it is defined by the above project scope, refers to the Sustainability Report of **A. HATZOPOULOS** for 2022 and it was conducted based on the corresponding correlation table of **GRI Standards** Indicators stated by **A. HATZOPOULOS**, to confirm that the Sustainability Report has been prepared **"In Accordance"** with the **GRI Universal Standards 2021**, as well as the requirements of **AA1000AP (2018)**.

2. Project Criteria

The external assurance was based on the evaluation of conformity with the requirements of the following guiding standards:

- A. **GRI Universal Standards 2021**
- B. **GRI Topic Standards**
- C. **AA1000AP (2018)**

For the evaluation of conformity to the requirements of **AA1000AP (2018)**, the provisions of the guide AA1000 Assurance Standard (**AA1000AS v3**) were followed. More specifically, the Type 2-Moderate level of external assurance was followed. According to this, the level of conformity to the Accountability Principles, as they are stated within **AA1000AP (2018)**, was checked, while the reliability and quality of sustainability performance information based on basic sampling of limited range, was simultaneously assured.

3. Project methodology

Based on the conformance criteria of paragraph 2 and to draw conclusions, the external assurance team of TÜV HELLAS conducted the following (indicative and not restrictive) methodology:

- Reviewed the coverage of the **"In Accordance"** with the GRI Universal Standards 2021 requirements, as they are described within the **GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021**.
- Reviewed the procedures followed by **A. HATZOPOULOS** to identify and determine the material issues to include them within the Sustainability Report.
- Reviewed the materiality analysis of Sustainable Development and the identification of **A. HATZOPOULOS'** business impact activity on the environment, society, and the economy, as well as the risks and opportunities that arise for the company itself.
- Interviews were conducted with selected executives of **A. HATZOPOULOS** having operational role in Sustainability issues to understand the current state of sustainability development activities and progress achieved during the period under reference.
- Reviewed the **A. HATZOPOULOS** consultation approach with their stakeholders through interviews with executives responsible for communication with the interested parties at company level and review of selected documents.
- Reviewed the claims mentioned to the Reporting Indicators, based on the **GRI Topic Standards** (referred in paragraph 1, point B) in connection with the findings of the above steps. In addition, the methodologies, and practices for extracting the results were reviewed and crosschecks were performed on the reliability and quality of the indicators reported in the report. These checks (not restrictively) consist of the following:
 - Understanding of the quality management and results collection processes related to the indicators under consideration.
 - Review of the design of processes, systems, and controls for managing reliability and quality of specified information
 - Sampling of management practices and operation control, as well as evidence gathering to sufficiently ensure the completeness and accuracy of the claims.
 - Maintain of the appropriate documentation for all the aforementioned controls.

4. Review limitations

The range of the review was exclusively limited to the activities of **A. HATZOPOULOS** company and more specifically the company's headquarters and the two production sites in Kalochori, Thessaloniki, Greece. No visits and interviews in stakeholders of the **A. HATZOPOULOS** have been conducted.

In case of any discrepancy in the translation between Greek and English version of the Sustainability Report, the Greek version shall prevail.

5. Responsibilities of the Reporting Organization and Assurance Provider

The Corporate Responsibility Division of **A. HATZOPOULOS** carried out the Sustainability Report, thus, is exclusively responsible for the information and statements contained therein. The external assurance conducted, as it is defined in the project scope (paragraph 1), does not represent **TÜV HELLAS**’ opinion related to the quality of the Sustainability Report and its contents.

The responsibility of **TÜV HELLAS** is to express the independent conclusions on the issues as defined in the project scope and in accordance with the relevant contract. The project was conducted in such a way so that **TÜV HELLAS** can quote to **A. HATZOPOULOS** administration the issues mentioned in this report and for no other purpose.

6. Conclusions

Based on the project scope (paragraph 1) and in the context of the external assurance procedure followed by **TÜV HELLAS**, the conclusions are as follows:

A. External assurance of the information disclosed to confirm that the Sustainability Report of A. HATZOPOULOS for 2022 has been prepared “In Accordance” with the GRI Universal Standards 2021.

- During the external assurance project carried out, nothing has come to the attention of **TÜV HELLAS**, which would lead to the conclusion that the Report has not been prepared “In Accordance” with the requirements of the **GRI Universal Standards 2021**, as reflected on the corresponding correlation GRI content index.

B. Control of accuracy of the claims mentioned for the Reporting Indicators that A. HATZOPOULOS reported at the Sustainability Report Chapters, based on the GRI Topic Standards

- Nothing has come to the attention of **TÜV HELLAS** that would lead to the conclusion of the incorrect gathering or transferring of data concerning the claims mentioned to the disclosures (indicators) of the GRI Topic Standards, referred in paragraph 1, point B of this report.

C. Adherence to the AA1000 AccountAbility Principles (Inclusivity, Materiality, Responsiveness & Impact) against the criteria found in AA1000AP (2018)

Inclusivity: Dialogue on Sustainability Issues with the Stakeholders

- We have not realized any matter that causes us to believe that major stakeholder groups were excluded from consultation processes, or that **A. HATZOPOULOS** has not implemented the principle of Inclusivity in developing its approach to sustainability.

Materiality: Focus on the material issues related to sustainability

- We have not realized any matter that causes us to believe that the material issues’ definition approach which was followed by **A. HATZOPOULOS** does not provide a comprehensive and balanced understanding of the material issues.

Responsiveness: Addressing the needs and expectations of stakeholders

- We have not realized any issue, which would lead us to believe that **A. HATZOPOULOS** has not responded timely and adequately, through decisions and actions, to the needs and expectations that emerged from the material issues of sustainable development.

Impact: Impact of company’s activities to the broader ecosystems

- We have not realized any issue, which would lead us to believe that the **A. HATZOPOULOS** has not understood and managed the direct and indirect impacts that the material aspects create to the broader ecosystems.

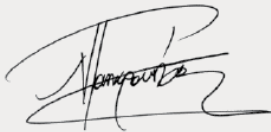
7. Impartiality and independence of the external assurance team

TÜV HELLAS states its impartiality and independence in relation to the project of **A. HATZOPOULOS**’ Sustainability Report external assurance. **TÜV HELLAS** has not undertaken work with **A. HATZOPOULOS** and does not have any cooperation with the interested parties that could compromise the independence or impartiality of the findings, conclusions, or recommendations.

TÜV HELLAS was not involved in the preparation of the text and data presented in the Sustainability Report of **A. HATZOPOULOS**.

Athens, November 10, 2023

For **TÜV HELLAS (TÜV NORD)**



Nestor Paparoupas
Product Manager



AA1000 2018 Accountability Principles Standard Index



AA1000
Licensed Report
000-209/V3-NMSSV

Principle applied	Methods	Reference in the Report
Inclusivity	Identification of key stakeholders and dialogue to understand key issues	Stakeholder engagement (p. 60) Materiality analysis (ps.58-59)
Materiality	Identification of issues which are important to the company and its stakeholders	Materiality analysis (ps.58-59)
Responsiveness	Responsiveness is an organisation's timely and relevant reaction to material sustainability topics and their related impacts	Material sustainability topics chapters throughout the Report (ps. 16, 24-25, 32-33, 38-39, 44-45, 58-59, 68-69, 84-85, 94-95)
Impact	Analysis of direct and indirect impact of the company's action	Material sustainability topics chapters throughout the Report (ps. 16, 24-25, 32-33, 38-39, 44-45, 58-59, 68-69, 84-85, 94-95)

Greek Sustainability Code

Pillar	Criteria	References
Strategy	Strategy analysis & actions	Message from the General Manager
	Materiality	Materiality analysis
	Objectives	Message from the General Manager Material sustainability topics throughout the Report
	Value Chain Management	Sustainable procurement Materiality analysis
Process Management	Responsibility & Accountability	Corporate governance
	Rules and Processes	Corporate governance
	Monitoring	Corporate governance Material sustainability topics throughout the Report
	Stakeholders Engagement	Stakeholder engagement
Environment	Natural resource use	Environmental responsibility
	Resource Management	Environmental responsibility
	Air emissions & Climate change	Environmental responsibility
Society	Labor Rights	Our people
	Equal Opportunities	Our people
	Employment	Our people
	Human Rights in the supply chain	Sustainable procurement

The ten Principles of the United Nations Global Compact

Pillar	References in the Sustainability Report	UNGC Principle
Human Rights	Sustainable procurement Human rights Our people	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
		Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
Labor	Our people	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
		Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour
		Principle 5: Businesses should uphold the effective abolition of child labor
		Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation
Environment	Environmental responsibility	Principle 7: Businesses should support a precautionary approach to environmental challenges
		Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility
		Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	Corporate governance	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

GRI content index						
Statement of use		A. Hatzopoulos S.A. has reported in accordance with the GRI Standards for the period from 1/1/2022 to 31/12/2022				
GRI 1 used		GRI 1: Foundation 2021				
GRI Sector standards		N/A				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			External Assurance
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Our story Milestones				✓
	2-2 Entities included in the organization's sustainability reporting	About the Report				✓
	2-3 Reporting period, frequency and contact point	About the Report Feedback at: gkiouzeli@hatzopoulos.gr				✓
	2-4 Restatements of information	About the Report Materiality analysis				✓
	2-5 External assurance	Assurance statement				✓
	2-6 Activities, value chain and other business relationships	Our story				✓
	2-7 Employees	Our people				✓
	2-8 Workers who are not employees	Our people				✓
	2-9 Governance structure and composition	Corporate governance				✓
	2-10 Nomination and selection of the highest governance body	Corporate governance				✓
	2-11 Chair of the highest governance body	Corporate governance				✓
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance				✓
	2-13 Delegation of responsibility for managing impacts	Corporate governance Materiality analysis				✓
	2-14 Role of the highest governance body in sustainability reporting	Corporate governance				✓
	2-15 Conflicts of interest	Corporate governance				✓
	2-16 Communication of critical concerns	Corporate governance Materiality analysis				✓
	2-17 Collective knowledge of the highest governance body	Corporate governance Materiality analysis				✓
	2-18 Evaluation of the performance of the highest governance body			Confidentiality constraints	Internal business information	✓
	2-19 Remuneration policies			Confidentiality constraints	Internal business information	✓
	2-20 Process to determine remuneration	Corporate governance				✓
	2-21 Annual total compensation ratio			Confidentiality constraints	Internal business information	✓
	2-22 Statement on sustainable development strategy	Message from Top Management				✓
	2-23 Policy commitments	Corporate governance Responsible supply chain Health and Safety				✓
	2-24 Embedding policy commitments	Corporate governance Responsible supply chain Health and Safety, Our people				✓
	2-25 Processes to remediate negative impacts	Materiality analysis Corporate governance				✓
	2-26 Mechanisms for seeking advice and raising concerns	Corporate governance Stakeholder engagement Our people				✓
	2-27 Compliance with laws and regulations	Corporate governance Environmental responsibility				✓
	2-28 Membership associations	Our products				✓
	2-29 Approach to stakeholder engagement	Stakeholder engagement				✓
	2-30 Collective bargaining agreements	Our people				✓

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			External Assurance
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality analysis	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Materiality analysis				
Business continuity, financial development & market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Business continuity, financial development and market presence				
Financial Development						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Business continuity, financial development and market presence				
	201-2 Financial implications and other risks and opportunities due to climate change	Business continuity, financial development and market presence				
	201-3 Defined benefit plan obligations and other retirement plans	Business continuity, financial development and market presence				
	201-4 Financial assistance received from government	Business continuity, financial development and market presence				
Market presence						
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Business continuity, financial development and market presence				
	202-2 Proportion of senior management hired from the local community	Business continuity, financial development and market presence				
Sustainability in the supply chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Sustainable supply chain				
Procurement practices						
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable supply chain				
Supplier environmental assessment						
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable supply chain				
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain				
Supplier social assessment						
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable supply chain				
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable supply chain				
Climate change and Atmospheric emissions (including GHG)						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Environmental responsibility				
Energy						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental responsibility				
	302-2 Energy consumption outside of the organization	Environmental responsibility				
	302-3 Energy intensity	Environmental responsibility				
	302-4 Reduction of energy consumption	Environmental responsibility				
	302-5 Reductions in energy requirements of products and services	Environmental responsibility				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			External Assurance
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

Emissions						
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental responsibility				
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental responsibility				
	305-3 Other indirect (Scope 3) GHG emissions	Environmental responsibility				
	305-4 GHG emissions intensity	Environmental responsibility				
	305-5 Reduction of GHG emissions	Environmental responsibility				
Solid waste management						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Environmental responsibility				
Waste						
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental responsibility				
	306-2 Management of significant waste-related impacts	Environmental responsibility				
	306-3 Waste generated	Environmental responsibility				
	306-4 Waste diverted from disposal	Environmental responsibility				
	306-5 Waste directed to disposal	Environmental responsibility				
Employee rights and benefits						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Our people				
Employment						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our people				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people				
	401-3 Parental leave	Our people				
Employee satisfaction and experience (well-being)						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Our people				
Training and education						
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our people				
	404-2 Programs for upgrading employee skills and transition assistance programs		404-2b	Not applicable		
	404-3 Percentage of employees receiving regular performance and career development reviews	Our people				
Diversity and equal opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our people				
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Health and Safety				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			External Assurance
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety				✓
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety				✓
	403-3 Occupational health services	Occupational Health and Safety Health and Safety				✓
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety				✓
	403-5 Worker training on occupational health and safety	Occupational Health and Safety				✓
	403-6 Promotion of worker health	Occupational Health and Safety				✓
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety				✓
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety				✓
	403-9 Work-related injuries	Occupational Health and Safety				✓
	403-10 Work-related ill health	Occupational Health and Safety				✓
Human Rights						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Human rights				
Security practices						
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Our people				
Non-discrimination						
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our people				
Product quality and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Our products				
Marketing and labeling						
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Our products				
	417-2 Incidents of non-compliance concerning product and service information and labeling	Our products				
	417-3 Incidents of non-compliance concerning marketing communications	Our products				
Customer satisfaction and experience						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Customer Satisfaction and experience				
Customer privacy						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction and experience				
Customer health and safety						
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Satisfaction and experience				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Satisfaction and experience				
Innovation and design for sustainability						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality analysis Innovation and design for sustainability				
A. Hatzopoulos S.A. KPIs	A. Hatzopoulos innovative sustainable solutions	Innovation and design for sustainability				



Be flexible
in a sustainable way

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