



KRI-KRI MILK INDUSTRY S.A.

**ENVIRONMENT, SOCIAL RESPONSIBILITY, GOVERNANCE (ESG)
2023**

(TRANSLATION FROM THE GREEK ORIGINAL)

The non-financial Information report contains information about the Company's activities for 2023 that relate to the following subjects, which are defined by section 7 "Report (Status) of Non-Financial Information" of the circular under no. 62784/6-6-2017 of the Ministry of Economics and Development and the provisions of art. 151 of Law 4548/2018 and contains:

- brief description of the Company's business model,
- description of the Company's policies in relation to the subjects in question, including the due diligence procedures it applies,
- the results of those policies,
- the main risks related to the subjects in question and which are related to the Company's activities, including, where appropriate and proportionately, its business relationships, its products or its services, which are likely to cause negative effects in those areas and how the company manages those risks,
- key non-financial performance indicators related to the specific business sector.

Some of the non-financial factors related to the environment, social responsibility and governance (Environmental, Social, Governance (ESG)) and determine the Company's viability, are published according to the "ESG 2022 Information Disclosure Guide" of the Athens Stock Exchange.

BUSINESS MODEL

The Company's business model briefly describes how the Company operates and achieves constant growth.

Main activities

The main activities are the production and distribution of:

- ice cream,
- yogurt and
- fresh milk (on a limited scale within the region of Serres).

Distribution channels

The products are distributed in Greece through the following channels:

- organized trade (super markets),
- convenience stores, kiosks

The products are distributed overseas through the following channels:

- local importers,
- directly to foreign super market chains

Main resources

The main resources associated with the Company's activity are:

- ice cream production unit in Serres,
- yogurt production unit in Serres,

- warehouse areas for dry cargo, refrigerated and freezer storage in Serres,
- warehouse areas for refrigerated and freezer storage in Aspropyrgos, Attica,
- human resources,
- cooperation with selected cow milk producers - farms,
- cooperation with selected suppliers for the supply of other raw materials,
- cooperation with local distributors and importers,
- strong brand name in the ice cream and yogurt categories.

Value production

The value creation by the Company's activity is mostly linked to:

- the high quality and nutritional value of its products,
- the Company's constant support to the society (emphasising on local communities). This support is multifaceted and relates to the employment opportunities offered by the Company, the economic development created by the Company's investments, the support to the primary sector as well as other important actions including sponsorships and donations,
- a pleasant working environment that contributes to the attraction and retention of talent,
- protection of the environment,
- responsible corporate governance and sound financial position

RISK MANAGEMENT (NON-FINANCIAL)

The Company is exposed to various non-financial risks as a result of its business activities. Those risks could affect the sustainability of the Company.

The main non-financial risks are:

- disruption of the smooth operation of the supply chain,
- risks related to product quality and safety,
- risks related to regulatory compliance,
- changes in the consumers' nutritional behaviour,
- operational risks that cause disruption of operational activity, such as significant mechanical breakdowns, disruption in the relation among staff, fraud issues, etc.
- technological risks. In the short term, these are mainly related to problems or deficiencies in the operation of information systems. In the long-term, they also include the disruption of the business model by technological developments.
- environmental risks.

Risk management is handled by the Company's risk management unit, which operates with specific rules approved by the Board of Directors. The ESG Committee also assists in the management of non-financial risks, which monitors and coordinates all actions related to sustainable development. The Board of Directors provides instructions

and directions for general risk management as well as specific instructions for the management of specific risks.

ENVIRONMENT

Scope 1 emissions

ATHEX C-E1

Direct emissions of greenhouse gas (Scope 1) are defined as GHG emissions which derive from sources owned or controlled by the Company. The below table shows the direct emissions (Scope 1) produced by the burning of fossil fuels within the Company's premises and the fuel consumption of its fleet vehicles. The table does not include the CO₂ emissions from the combustion of biogas (biogenic sources).

	2023	2022	dif.
Tons of equivalent CO ₂ (tCO ₂ e)	9.954	11.251	(11,5%)
Intensity *	66,2	85,4	(22,5%)

* tCO₂e/1000tn pasteurized product

The decrease in the intensity of direct gas emissions by 22.5% is due to the Company's energy saving actions and to the reduction refrigeration gases.

The below table shows the direct emissions (Scope 1) from the combustion of biogas (biogenic sources) in both the steam boiler and the cogeneration engine.

	2023	2022
Tons of equivalent CO ₂ (tCO ₂ e)	3.326,6	3.071,0

To calculate the direct emissions of greenhouse gases we used a tool called "GHG Emissions Calculation Tool_0" of GHG protocol.

The calculation of direct greenhouse gas emissions was carried out in accordance with the requirements of article 20 of Law 4936/2022 using the categorization provided in ISO 14064-1:2018. The calculation of the year 2022 has been verified in accordance with the provisions of the standard EN ISO 14064-3:2019 and figures have been amended.

Scope 2 emissions

ATHEX C-E2

Indirect GHG emissions (Scope 2) are defined as GHG emissions resulting from the production of purchased electricity consumed by the Company.

	2022	2021*	dif.
Tons of equivalent CO ₂ (tCO ₂ e)	12.163,6	12.385,0	(1,8%)
Intensity *	80,8	94,0	(14,0%)

* tCO₂e/1000tn pasteurized product

The decrease in the intensity of indirect gas emissions by 14.0% is due to the Company's energy efficiency. The energy efficiency was achieved through targeted actions which implemented in 2023, such as the start of the operation of the 1MW photovoltaic plant, and resulted to the Company's reduction of energy needs.

The calculation of the indirect gas emissions was carried out in accordance with the requirements of article 20 of Law 4936/2022 using the categorization provided in ISO 14064-1:2018. The calculation of the year 2022 has been verified in accordance with the provisions of the standard EN ISO 14064-3:2019 2019 and figures have been amended..

Energy consumption and production

ATHEX C-E3

The amount of energy consumed is defined as the total consumption of energy purchased or produced by the company itself from renewable and non-renewable sources.

The table below shows the amount of energy consumed, the percentage of electricity consumed, the percentage of electricity consumed that produced by renewable sources, the total energy production and the percentage of energy produced by renewable sources .

	2023	2022	dif.
MWh of energy consumed	69.983,5	62.772,1	11,5%
% electric power consumed	33%	37%	
% electric power consumed by Renewable sources	23%	22%	
MWh of produced energy	7.850,2	11.242,4	
% electric power produced by Renewable sources	100%	100%	

Climate change risks and opportunities

ATHEX A-E2

We recognize that climate change poses significant risks in the future, which could affect our operations, if the Company does not adequately address them.

Below are the main categories of the climate risks that our Company may face, with an impact on our financial results

or our supply chain, as well as the actions that will be taken to turn business risk into an opportunity.

Transition risks

Transition risks are associated with a company's transition to a low carbon economy.

A) Policy actions to limit greenhouse gas emission activities

Risks:

- Increase in energy costs
- Imposition of taxes based on the amount of CO₂ emissions

Opportunities - Business Change:

- Complete recording and analysis of the energy profile of our facilities to find opportunities for energy savings and increase energy efficiency. In 2023, an audit of our energy efficiency took place in our premises by an class c' authorised energy inspector.

- Electricity generation through RES. The investment of biogas production and cogeneration of electricity & heat of 998kW has already been implemented. Within 2023, a photovoltaic station will also be installed on the roofs of our 1MW buildings. The electricity power produced was 1.104.720kWh and it used in the yogurt production facilities.

In 2022 we launched the anaerobic treatment of our company's wastewater and by-products, through which biogas is produced. 93% of 2,345,242 Nm³ produced biogas was used to replace natural gas and to the production of steam, while 7% was led to electricity and heat cogeneration unit (CHP). In 2023, the volume of produced electricity which distributed to the electricity network was 5.396.199 kWh.

We have already constructed a new photovoltaic station of 1MW power. That station is installed on the roofs of our buildings and its operation started in early 2023. Furthermore, we are in the process to receive approval for an additional 2MW power photovoltaic station.

- Conversion investigation of our trucks, with dual diesel / LPG system, in order to reduce oil consumption while reducing CO₂ emissions.

B) Policy actions to limit the use of plastic

Risks:

- Increase the cost of packaging materials
- Imposition of packaging tax

Opportunities - Business Change:

- Reduction of weight of plastic packaging. We have already taken actions to reduce the weight of packaging materials (See [ATHEX SS-E5](#)).

- Replacement of part of the virgin plastic with a corresponding recycled one. We are in the phase of extended pilot tests with our partners - suppliers.

C) Change in the habits of consumers and the products they buy

Risks:

- Decrease in sales

Opportunities - Business Change:

- Investigate the change of packaging with corresponding ones that will contribute less to the greenhouse effect.

- Investigation of product characterization as climate neutral.

Physical hazards

Physical hazards are related to the immediate material damage of a company's assets or the disruption of its supply chain.

A) Extreme weather events - floods

Risks:

- Destruction of our property

Opportunities - Business Change:

- Our facilities are designed and manufactured to the highest quality standards, adequately addressing the risk of extreme weather events. At the same time we have developed and are constantly updating the emergency response system

B) Access to natural resources

Risks:

- Lack of water for use in the production process

Opportunities - Business Change:

- The Company is supplied with water through three boreholes which are located in different parts within our facilities so that we can spread out the risk of lacking of water. At the same time, we are constantly analyse their characteristics, such as their supply, their physico-chemical and microbiological characteristics, so that any variation can be detected on time and avoid any damage.

- Coordinated efforts are made to better manage water, save it, and reuse it where possible. In this direction we have already made a partial reuse of the water resulting from the stages of automatic washing through CIP of our equipment.

Waste management

[ATHEX A-E3](#)

Waste management is defined as the collection, transport, disposal or recycling and monitoring of waste.

	<u>2023</u>	<u>2022</u>
Tons of hazardous waste	52	47
Tons of non-hazardous waste	83.641	47.970

Waste treatment:

	2023	2022
Biogas recycling or production	99,8%	99,7%
Waste management - composting	0,4%	1,4%
Landfill	0,2%	0,3%

Environmental impact of packagingATHEX SS-E5

The environmental impact of packaging is defined as the impact caused by the disposal of packaging materials in the environment.

The packaging of our products is very important because we must:

- ensure all rules of hygiene & food safety and consumer protection, and
- at the same time it should be environmentally friendly.

In the direction of sustainability and minimization of the negative effects on the environment, our Company has taken the following actions:

- Weight reduction of plastic packaging in order to reduce the use of raw material.
- Change of production method of plastic baby yogurt cup packaging from the injection method to the thermofforming method.
- Redesign the packaging of the cups in order to replace the flexible product (sleeve) with printing directly on the cup (offset printing).

The above actions resulted to the reduction of the use of PP plastic by 245 tons in 2023, which led to the reduction of our CO₂e emissions into the atmosphere by 698 tons¹.

In addition, we have proceeded with the use of recycled PET (r-PET) in a PET container, resulting in a further reduction in the use of PET plastic in the year 2023 of 3.9 tons, resulting in a reduction of CO₂ eq. emissions into the atmosphere by 10.5 tons¹.

In addition, we are constantly increasing the use of recycled material in cartons and paper trays, resulting in the percentage of recycled material in our paper packaging ranging from 74% to 100%.

Finally, our company, in cooperation with our suppliers, conducts a series of pilot programs in order to:

- replacing part of the plastic raw material with recycled

¹To calculate the CO₂ equivalent emissions we get the value of 2.85 kg CO₂ eq. / kg PP resulting from the production and formulation of the plastic.

SOCIAL RESPONSIBILITY**Stakeholder engagement**ATHEX C-S1

Stakeholder participation is defined as the process of communicating, consulting and interacting with stakeholders.

In our company, establishing a dialogue with our stakeholders is of the utmost importance, as it helps us to operate more effectively, to understand market conditions and to mitigate potential risks. We recognize as interested parties of the company, those who influence and are significantly affected by our activities. In this context, the company maps the groups of stakeholders that influence with its decisions its ability to implement its strategy and achieve its goals, and on an annual basis validates and prioritizes them, while monitoring and improving methods of communication and consultation with them. At the same time, it records the basic needs and expectations of the stakeholders, as they arise from their daily business operation, through the existing channels of communication and consultation with them (eg telephone or electronic communication, etc.).

Shareholders

Type of communication:

- Electronics
- Telephone
- Corporate presentations

Key topics of interest:

- Financial performance
- Sustainability, ESG

Employees

Type of communication:

- Electronics
- Telephone
- Live communication
- Complaints box

Key topics of interest:

- Health and safety of workers
- Employment, training and development of employees
- Responsible corporate governance
- Financial performance

Customers

Type of communication:

- Electronics
- Telephone
- Live communication

Key topics of interest:

- Raw materials and packaging materials
- Sustainability, ESG
- Responsible corporate governance

Consumers

Type of communication:

- Electronics
- Telephone

Key topics of interest:

- Consumer health and safety
- Raw materials and packaging materials
- Sustainability, ESG

State and local authorities

Type of communication:

- Electronics
- Telephone
- Live communication

Key topics of interest:

- Consumer health and safety
- Health and safety of workers
- Employment, training and development of employees
- Responsible corporate governance

Local and wider society

Type of communication:

- Electronics
- Telephone
- Live communication

Key topics of interest:

- Health and safety of workers
- Financial performance
- Employment, training and development of employees
- Responsible corporate governance

Percentage of female employees

ATHEX C-S2

The number of female employees in the company is defined as the total number of women according to the personnel register.

	2023	2022
% women	18,9%	18,4%

Percentage of women in managerial positions

ATHEX C-S3

The number of women in management positions is defined as the number of female employees who are in the 10% of the employees with the highest total salary.

	2023	2022
% women	19,0%	10,9%

Employee turnover

ATHEX C-S4

Personnel mobility indicators refer to the indicators of voluntary and involuntary mobility that result from the departure of employees from a company.

	2023	2022*
% voluntary departures	11,6%	13,6%
% involuntary departures	1,5%	1,8%

* 2022 funds appear revised, due to the inclusion of seasonally employed staff.

Employee training

ATHEX C-S5

Employee training is defined as the education of employees through formal training programs aimed at increasing or strengthening their technical skills, knowledge and efficiency, as well as the value they add to the company.

	2023	2022
Average training hours (10% of highest paid workers)	43	35
Average training hours (90% of highest paid workers)	10	7

Human rights policy

ATHEX C-S6

Human rights policy is an official document of the Company that describes a company's practices and commitment to respecting internationally recognized human rights standards.

The Company has established and implements a code of ethics regarding human rights. This ensures equal opportunities and the fight against discrimination. More specifically, the selection, appointment and remuneration of all employees is based on their qualifications and suitability for the job to be performed and not on the basis of race, religion, ethnicity, nationality, color, gender, age, nationality, sexual preferences, marital status, physical disability, or any other characteristics. It also prohibits sexual or other forms of harassment of its employees by anyone in the workplace. The Code of Conduct also includes the Company's commitment against child labor.

The Company encourages the reporting of cases of human rights violations, as well as complaints of any other nature that may arise in the work environment, through the complaint boxes that have been placed on the premises of its facilities.

Percentage of employees covered by collective bargaining agreements

ATHEX C-S7

Collective bargaining is defined as the process of negotiation between employers and trade unions regarding terms and conditions of employment, such as wages, benefits, safe working conditions and freedom of the association. The Company's active employees do not cover by any collective bargaining agreements.

Total amount of monetary expenditure on employee training

ATHEX A-S2

Employee training is defined as the training of employees through formal training programs that aim to increase or enhance the technical skills, knowledge, efficiency, and value that employees create for the company itself.

The training provided to employees focuses on both their current role, ie the immediate needs of the company, and their future development. The strategy followed concerns the provision of equal training opportunities to employees aiming at their adaptation to the changing working conditions, the general development of their personality and the cultivation of their leadership skills.

The Company follows the following methods related to the implementation of the trainings: Induction, On the job training, training outside and inside work, Coaching, Mentoring, University Programs / postgraduate, as well as through rotation of jobs (Rotation). The cost of training from external partners amounted to:

	2023	2022
Training costs (€)	70.332	45.078

Percentage of difference between male and female earnings

ATHEX A-S3

The wage difference between the sexes is defined as the difference between the average wage of women and men, calculated as a percentage of men's wages.

	2023	2022
% gender pay gap	13,7%	14,5%

CEO pay ratio - Ratio of CEO to median employee earnings

ATHEX A-S4

CEO-to-worker pay ratio is defined as the ratio between the annual compensation of the Company's CEO and the median value of the annual compensation of the Company's employees.

	2023	2022
CEO's Annual Compensation	397.564	383.207
CEO to median employee earnings	15,1	25,6

Product quality and safety

ATHEX SS-S1

Product quality and safety refers to the procedures for monitoring and mitigating unintended risks to the health or safety of a product to end users. Revocation, commonly used to address quality and safety, is the process of recovering a product from a customer due to malfunction and deformation problems, providing some sort of compensation.

A strategic choice, but also a commitment, is the production and distribution of dairy products of exceptional quality. This has been achieved through continuous investments in specialized scientific staff, in technology and in new production lines as well as in strict controls.

To achieve the above objectives, we have developed, implemented and have been certified by the competent bodies for the Quality Assurance System, according to the ISO 9001: 2015 standard, for the Food Safety Management System according to the ISO 22000: 2018 standards, BRC issue 8 and IFS version 7 which are based on the principles of HACCP (hazard analysis at critical control points), for all production lines so as to fully ensure the hygiene, safety and quality of our products. Also, the applied BRC & FDF Technical Standard certifies the supply of milk from farms that do not use feed that come from or that contain genetically modified microorganisms for animal feed.

We implement procedures for maintaining a Quality Management System, including:

- Control of Suppliers and Raw Materials
- Microbiological analysis.
- Water analysis.
- Risk analysis.
- Contamination of the product.
- Carrying out internal inspections.
- Allergen Management Procedures.
- Product recall procedures.
- Internal and external conditions of the facilities.
- Implementation of security measures.
- Application of cleaning standards and procedures.
- Regular equipment maintenance.
- Controlled transport and distribution of products.
- Systematic training of employees.

The following table presents quantitative data of product recall cases:

	2023	2022
Product recalls (number)	1	0

The product recall carried out in fiscal year 2023 was of a precautionary nature, on a limited scale in a foreign market. It came about due to the omission of an allergenic

ingredient on the product packaging and does not concern any quality or microbiological issue.

CORPORATE SOCIAL RESPONSIBILITY ACTIONS

During 2023 the Company continued its social responsibility actions by supporting the local community with sponsorships, donations and by offering its support to various clubs and organizations. In terms of sports, the Company sponsored the academies of Panserraikos basketball team and supported Konstantino Genniki, a local-based shot put champion. At the same time, the Company was the main sponsor for two local running races, Kerkini Lake Run and Serres Half Marathon. Furthermore, the Company continued its cooperation with the Social Kitchen of the Municipality of Serres, offering free milk for the whole year to 25 families who were in need, and also continued to support the local food banks with its products. It also supported the primary education directorate of Serres by sponsoring the International Student Short Film Competition for 2023. Moreover, KriKri was a gold sponsor of the Serres Art Festival. Finally, the annual cleanliness campaign was also organized with the voluntary participation of the Company's employees.

GOVERNANCE

Board composition

ATHEX C-G1

The Board of Directors (BoD) is the elected committee in a company that represents the shareholders of the company and consists of high-ranking executives. The composition of the Board of Directors is defined as the structure of the members of the Board. (ie, skills and qualifications, independence, diversity, etc.).

In section XII. CORPORATE GOVERNANCE, par. (G) and (j) the composition and mode of operation of the Board of Directors are mentioned and the CVs of its members are listed.

The following table presents quantitative data on the composition of the Board of Directors:

	2023	2022
% women	16,7%	16,7%
% non executive members	66,7%	66,7%
% independent non executive members	33,3%	33,3%

Sustainability oversight

ATHEX C-G2

The supervision of sustainable development is defined as the process by which the Board of Directors (BoD) oversees the issues of sustainable development of the company at the level of board committee or by which the issues of sustainable development of the company are discussed with the Management during meetings. of the Board.

For the most effective exercise of sustainability issues, the Company has provided training to the existing members of its Board of Directors regarding ESG issues.

Furthermore, the Company has established a special ESG Committee with responsibilities: a) the assessment of the materiality of the various ESG factors, b) the shaping of the content of the Company Sustainability Policy and c) the monitoring and coordination of all ESG actions.

Materiality

ATHEX C-G3

Materiality is defined as the importance of certain issues in relation to their impact on both the financial and non-financial performance of a company. Impact is defined as the impact that an organization has or could have on the economy, the environment and people, as a result of the organization's activities or business relationships. Substantive evaluation is the process by which an organization identifies 'substantive' issues that can add long-term value to its business and that also reflect its significant economic, environmental and social impact. These issues are reasonably likely to affect the decision-making processes of investors and stakeholders.

The Company recognizes not only the economic, social and environmental aspects of its activities that relate to the needs and expectations of its stakeholders and but also the wider effects caused to the economy, society and the natural environment.

The dual materiality analysis, which is in line with the European Sustainability Reporting Directive (CSRD), takes into account both the impact of the Company's activity on the environment, society and the economy, as well as the impact of the environment, society and economy, on the sustainability and on the continuous development of our Company.

Dual materiality was conducted through a three-phase framework

1) Recognition of relevant issues of sustainable development

In the first stage of the analysis, the company will take into account the Stakeholder Participation Principle and the GRI Principle of Sustainable Development Framework and will identify issues related to the activities and needs and expectations of its stakeholders, which emerged, inter alia, from the following review work:

- The Principle of the Sustainable Development Framework of the GRI Standards.
- The regulation 2020/852 of the Classification of the European Union
- Internal documents relating to policies, procedures, strategy and results of ongoing stakeholder consultation.
- The reports of sustainable development of similar companies.
- The sectoral versions of the GRI organization for consumer products.
- The 17 Sustainable Development Goals of the United Nations Organization (UN SDGs)

The issues that will be recognized potential impacts of the company on sustainable development are the following:

A) Environment

- Climate Change
- Packaging and Water management
- Food loss and food waste
- Water

B) Society

- Diversity & Inclusion
- Employee security, health, safety, & wellness
- Product safety and quality
- Sustainable farming, fair relationships and pricing with farmers, farmer development
- Responsible procurement and supply chain management
- Responsible marketing
- Healthy foods / Action on public health issues through portfolio
- Affordable food
- Local community engagement

C) Governance

- Business integrity - ethics Transparent & accountable business
- Corporate advocacy on public policy, stakeholder engagement and partnerships
- Safeguarding data
- Investments, Innovative business models / Competitiveness and productivity
- Attractive employer / Talent attraction, retention and growth

2) Prioritization of issues

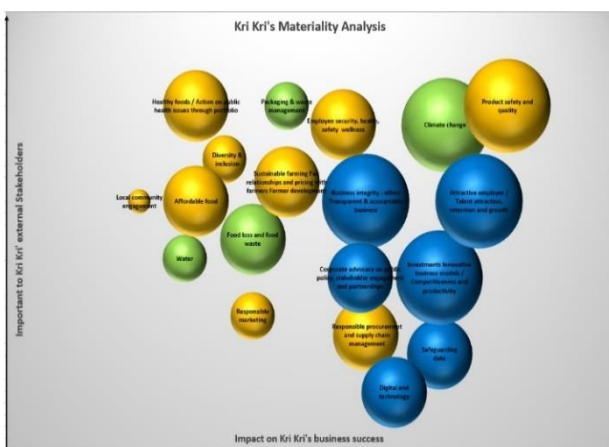
In the second stage of the analysis, the prioritization of these issues was carried out based on the Principle of Materiality of the GRI Standards.

3) Validation of results

At the last stage of the analysis, taking into account the Principle of Completeness and the Principle of Stakeholder Participation of the GRI Standards, the results of the

ranking stage were validated by the Company's Board of Directors.

The chart below shows the essential issues, the ranking of the impact of each of them on the business success of our company, the ranking of the importance of each of them for the stakeholders of our company, as well as the size of the impact of each of these to the sustainability and continuous development of our company. Essential issues related to the environment are shown in green, those related to society in yellow, and those related to governance in blue. The size of the bubble captures the impact of the respective substantive issue on the viability of our company.



Business ethics policy

[ATHEX C-G5](#)

A business ethics policy is an official company document that describes the practices and fundamental principles of business ethics (eg, the fight against corruption, bribery, anti-competitive behavior, etc.) that a company adopts and adopts in order to to conduct its activities in an ethical and honest manner.

The Code of Ethics of the Company, together with the rules of corporate governance and the policies that are applied, define the framework of its business operation.

The Code is based on the 10 principles of the UN Global Compact, which aims to align business with the 10 universally accepted principles in the areas of human rights, working conditions, the environment and the fight against corruption. . In addition to the Company Code of Ethics, the Guidelines of the ETI (Ethical Trading Initiative) and the requirements of SEDEX, where our company has been a member for many years, have been taken into account. Sedex is an international business platform that aims at transparency in the supply chain and covers four areas: work, health and safety, business ethics and environment. As part of this commitment, we participate in annual SMETA unannounced independent audits, share results with our

partners, and work systematically to implement any new requirements.

The Code of Ethics and the related procedures and measures apply to all employees, employees, executives, and the top management of the Company.

We also encourage our subcontractors, suppliers, partners, consultants and other business partners to respect the principles of the UN Global Compact and to adopt the principles contained in our Company Code of Conduct.

The company Code of Conduct covers the following sections:

- General for the Company
- Protection of Personal Data
- Offense Behaviour Reporting Policy
- Anti-Bribery Policy
- Against Violence & Harassment
- Human Rights Protection Policy
- Gender Equality Policy - Equal Opportunities
- Competition Policy

Data security policy

[ATHEX C-G6](#)

The data security policy is an official document of the company that describes its practices and commitments to ensure the integrity and security of its data and that of its customers.

The Company's Security Policy follows the ISO / IEC 27001: 2013 standard. The purpose of the Policy is to identify the obligations of the company and to demonstrate its compliance with the legal and regulatory framework regarding the safeguarding of managed information and related data. Its validity is universal, ie it applies to all staff as well as to all external partners.

The main safety axes are the following:

- Organization of information security
- Security of human resources

Business Ethics Violation

Business ethics violations are defined as violations that take place in a company in relation to business ethics issues, such as price fixing agreements, conduct that distorts competition, and cases of corruption and bribery.

There has been no incident of violation of business ethics, and therefore no financial burden on the Company for this reason.

Monetary damages from violations of business ethics may be due to collusive activities, price fixing agreements, antitrust activities, cases of fraud, acts of persons in possession of confidential information, conduct that constitutes a distortion of competition, activities of

manipulation of market, unfair practices, cases of corruption and bribery.

EU TAXONOMY

The EU Regulation 2020/852 establishes the general framework for determining whether an economic activity is environmentally sustainable, in order to determine to what extent an investment is environmentally sustainable.

The taxonomy regulation sets six environmental objectives:

- Reducing the effects of climate change
- Adaptation to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Prevention and control of pollution
- Protection and restoration of biodiversity and ecosystems

The European Commission has established technical screening criteria to determine the conditions under which a specific economic activity is considered to contribute significantly to mitigating climate change or adapting to climate change, respectively, and has established for each relevant environmental objective, technical control criteria for determining whether the specific economic activity does not significantly burden one or more of the environmental objectives in question.

The control criteria cover the following areas:

- Agriculture and forestry
- Environmental protection and restoration activities
- Product Processing
- Energy
- Water, sewerage, waste management and remediation activities
- Transportation (including sea transportation)
- Construction and real estate
- Information technology and communications
- Professional scientific and technical activities
- Financial and insurance activities
- Education
- Human health and social work activities
- Arts, entertainment and recreation

For each identified eligible activity, included in the Taxonomy, the Company considered the following criteria:

- a) significantly contributes to the achievement of one or more of the environmental objectives defined in the Taxonomy
- b) does not significantly harm any of the environmental objectives specified in the Taxonomy
- c) is exercised in accordance with the minimum safeguards provided in the Taxonomy

d) complies with the technical control criteria of the Taxonomy.

as well as the Do Not Significant Harm (DNSH) requirements, in order to determine whether the specific activity can be considered aligned with the Taxonomy (EU). In this report, the eligible activities are presented. Those activities are aligned with the Taxonomy (EU), and are considered environmentally sustainable economic, for the period ending on 31.12.2023.

Eligible and Aligned activities

The eligible and aligned taxonomy activities for the Company are the following, and the environmental objectives achieved by the Company are described in each of them:

4.1 Electricity production using solar photovoltaic technology

- Mitigation of Climate Change
- Adaptation to Climate Change
- Biodiversity and Ecosystems

4.16 Installation and operation of electric heat pumps

- Mitigation of Climate Change
- Adaptation to Climate Change
- Water and Marine Resources
- Biodiversity and Ecosystems

4.20 Cogeneration of heat/cooling and electricity from bioenergy

- Mitigation of Climate Change
- Adaptation to Climate Change
- Water and Marine Resources
- Pollution
- Biodiversity and Ecosystems

5.7 Anaerobic digestion of biological waste

- Mitigation of Climate Change
- Adaptation to Climate Change
- Water and Marine Resources
- Pollution
- Biodiversity and Ecosystems

Key Performance Indicators (KPI) of sales

The percentage of economic activities eligible for the taxonomy from total sales has been calculated as the part of the net sales which derives from services related to economic activities eligible for the taxonomy (numerator) divided by the net amount of sales of gas (denominator), both for the financial year 2023. The denominator of the KPI sales has been based on the net amount of sales.

Key Performance Indicators (KPI) of CAPEX

The KPI of CAPEX is defined as the CAPEX eligible for the taxonomy (numerator) divided by the total CAPEX (denominator). Regarding financial year 2023, the

numerator includes only the capital expenditure related to Taxonomy-eligible activities, as there are currently no CAPEX plans to upgrade taxonomy-eligible economic activities to meet the alignment criteria or to expand any aligned activities.

Key Performance Indicators (KPI) of operating expenditures

They are defined as the operating expenses eligible for the taxonomy (numerator) by the total amount of operating expenses (denominator). The European taxonomy System definition of the relevant operating expenditures includes expenses for research and development, building renovation, maintenance and repair, as well as any other direct expenses related to the daily maintenance of tangible assets. The total operating expenditures consist of direct non-capital repair and maintenance expenses as well as those expenses related to the exit of leases with a duration of less than 12 months (denominator). Expenditures related to the daily operation of tangible assets are not included, such as e.g. raw materials, cost of labor for machine operation, electricity or liquids necessary for the operation of tangible assets, etc. Similarly to CAPEX in the above paragraph, for the financial year 2023 the numerator includes only the operational expenditures related to the eligible for Taxonomy activities, as there are currently no operational expenditure plans to upgrade Taxonomy-eligible economic activities to meet the alignment criteria or to expand any aligned activities.

The following tables provide information on sales, capital expenditure and operating expenditure for each eligible and aligned activity identified and listed above.

