

REPORT ENVIRONMENT, SOCIAL RESPONSIBILITY, GOVERNANCE (ESG) 2021

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.

ENVIRONMENT

Scope 1 emissions

ATHEX C-E1

Direct emissions of greenhouse gas (Scope 1) are defined as GHG emissions from sources owned or controlled by the company. Direct emissions (Scope 1) include the burning of fossil fuels on the company's premises and the fuel consumption of its fleet vehicles.

	2021	2020	var.
Tons of equivalent CO2 (tCO2e)	5.857,1	5.284,5	10,8%
Intensity *	56,3	54,7	2,9%

* tCO2e/1000tn pasteurized product

The increase in the intensity of direct gas emissions by 2.9% is due to the actions of the Company to upgrade the hygiene of the factory, in order to achieve a longer service life of the products.

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.

	2021	2020	Var.
Tons of equivalent CO2 (tCO2e)	10.359,5	9.354,9	10,7%
Intensity *	99,5	96,8	2,8%

* tCO2e/1000tn pasteurized product

The increase in the intensity of indirect gas emissions by 2.8% is due to the Company's actions to upgrade the quality of products that require higher energy consumption.

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 (eg wind, solar, hydroelectric, geothermal, biomass, etc.) and non-renewable (eg

coal, oil, gas, electricity, heating, cooling, steam, etc.) sources.

	2021	2020	Var.
MWh of energy consumed	49.536,2	43.418,7	14,1%
% electric power	44%	46%	

Climate change risks and opportunities

ATHEX A-E2

Climate change risks are potentially adverse events or market conditions that arise from climate change and affect a company's financial stability.

Opportunities from climate change are potentially beneficial events that may arise from a company's efforts to adapt and mitigate climate change.

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

The following are the main categories of climate risk 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 VAT

Opportunities - Business Change:

- Complete recording and analysis of the energy profile of our facilities to find opportunities for energy savings and increase energy efficiency
- Electricity generation through RES. The investment of biogas production and cogeneration of electricity & heat of 998kW has already been implemented. Within 2022, a photovoltaic station will also be installed on the roofs of our 1MW buildings.
- 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. See and ATHEX index 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
- Increase in the cost of property insurance

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:

- 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.

	2021	2020
Tons of hazardous waste	27	55
Tons of non-hazardous waste	32.394	22.437

Waste treatment:

	2021	2020
Biogas recycling or production	99,6%	99,5%
Landfill	0,4%	0,5%

Environmental impact of packaging

ATHEX 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. Indicatively we mention that in 2021 we reduced the use of PP plastic in our packaging by 86 tons resulting in the reduction of CO2e emissions into the atmosphere by 244 tons.
- use of cartons and paper trays made from recycled material. More specifically, the percentage of recycled material in our paper packaging ranges from 74% to 100%.
- redesign the packaging of the cups in order to replace the flexible product (sleeve) with printing directly on the cup (offset printing). With this action we achieve the replacement of packaging that could not be recycled, with new ones where the possibility of complete recycling is given. This action has already started to be implemented within the year 2022 and we expect the increase of the recycling of our packages by 17.8 tons of PP plastic per year.
- Change of production method of plastic baby yogurt cup packaging from the injection method to the thermofforming method. By changing the production method we achieve a reduction of 23% in the weight of the package.

This action has already started to be implemented within the year 2022 and we expect the reduction of the use of 0.77 tons of plastic, resulting in the reduction of CO2e emissions into the atmosphere by 2.2 tons per year.

Our company in cooperation with our suppliers conducts a series of pilot projects in order to:

- the replacement of part of the plastic raw material with recycled one,
- the replacement of non-recyclable composite laminates with recyclable materials

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.

	2021	2020
% women	17,1%	16,1%

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.

	2021	2020
% women	13,6%	13,0%

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.

	2021	2020
% voluntary departures	4,7%	2,8%
% involuntary departures	4,5%	0,9%

Employee training

ATHEX C-S5

Employees' training is defined as the education of employees through formal training programs. The aim of those programs is to increase and enhance employees' technical skills, their knowledge, their efficiency and the value they add to the company.

	2021	2020
Average hours of training (10% of highest paid employees)	9,6	14,6
Average hours of training (90% of highest paid employees)	5,4	3,1

Human rights policy

ATHEX C-S6

Human rights policy is an official document of a 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 to 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:

	2021	2020
Training costs (€)	45.428	24.882

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.

	2021	2020
% gender pay gap	19,9%	14,1%

CEO pay ratio - Total CEO pay

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.

	2021	2020
CEO's Annual Compensation	383.207	394.304
CEO to median employee earnings	25,9	27,3

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. Revocations, commonly used to address quality and safety, are 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 is achieved through continuous investments in specialized scientific staff, in technology and 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 BRC & FDF Technical Standard that we apply certifies the supply of milk from farms that do not use feed 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:

	2021	2020
Product recalls (number)	0	0

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:

	2021	2020
% women	16,7%	0,0%
% non executive members	66,7%	60,0%
% independent non executive memmbers	33,3%	60,0%

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 intends to train the existing members of its Board of Directors regarding ESG issues, by the middle of the fiscal year 2023.

Furthermore, the Company intends, within the fiscal year 2022, to establish a special 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 the economic, social and environmental aspects of its activities related to the needs and expectations of its stakeholders, but also to the wider impacts caused to the economy, society and the natural environment.

The Company intends, within the year 2022, to establish a special Committee for the assessment of the materiality of the various ESG factors. The materiality analysis will be 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:

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

- Consumer health and safety
- Greenhouse energy and emissions
- Water management
- Raw materials and packaging materials
- Solid waste and packaging waste
- Employment, training and development of employees
- Health and safety at work
- Human rights and equal opportunities
- Corporate governance, regulatory compliance and business ethics
- Financial performance

2) Hierarchy of issues

In the second stage of the analysis, having already identified at company level 10 issues related to our activities and through which we create economic, social and environmental impacts throughout our value chain, we will proceed to research towards our stakeholders, in order to prioritize these issues based on the Principle of Essentiality of GRI Standards.

3) Validation of results

In the last stage of the analysis, the results of the hierarchy stage will be validated by the Board of Directors of the Company. This process will take into account the Completeness Principle and the Stakeholder Principle of GRI Standards. Through the above procedure, the contents of the Viability Report will be determined.

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:

- Corporate culture (Values & Responsibilities)
- Compliance with the Legislation
- Our Relations with Shareholders and Investors
- Our Relationships with Partners and Suppliers
- Our Customer Relationships
- Our Relationships with Colleagues and Employees
- Equal opportunities policy
- Evaluation
- Harassment in the workplace
- Disclosure of Information and Corporate Image
- Regulatory Compliance Issues
- Conflict of interests
- Bribery & Corruption
- Scam
- Use of Information and Data
- Confidentiality and data protection
- Dealing with employees who make complaints
- Misuse of privileged information
- Rules of transactions between the companies of the Group
- Assets of the Group
- Financial and non-financial information
- Healthy competition
- Environmental Policy
- Violation reports of the Code

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
- Resource management
- Security entrance check
- Encryption
- Physical and environmental safety
- Function Management
- Communication Security
- Supply, development and maintenance of information systems
- Cooperation with suppliers
- Management of information security incidents
- Business continuity management
- Compliance

Total amount of monetary losses as a result of business ethics violations

[ATHEX A-G2](#)

Business ethics violations are defined as violations which take place within a company and relate to business ethics issues. Those issues include price-fixing agreements, conduct that distorts competition, corruption and bribery.

The Company has never faced any of the above issues, and therefore there is no financial burden on the Company.

Financial damage relating to violations of business ethics can be due to cartel activities, price fixing agreements, antitrust activities, fraud, inside-information actions, conduct that distorts competition, market manipulation activities, unfair practices, corruption and bribery.