



FY 2016 SUSTAINABILITY REPORT

April 2017

INTRODUCTION

According to the provisions of article 43a, paragraph 6 of P.L. 2190/1920, as it is in effect following its amendment via the Law 4403/2016 (Gov. Gaz. A' 125/7.7.2016), the Management Report of fiscal year 2016 includes for the first time a non-financial statement which contains information, to the degree it is required, for the greater understanding of the performance, the position and the effect of the Group's activities with regard to the following issues:

- Environmental
- Social
- Labor
- Respect for Human Rights
- Fight against Corruption and
- Issues with regard to Bribery

It is noted that the present Non-Financial Statement which is recorded for the first time, refers to the actions of the Greek companies of the Group during the fiscal year 2016 and more specifically of the companies THRACE PLASTICS CO. SA (parent company), THRACE NON WOVENS& GEOSYNTHETICS SA, THRACE EUROBENT SA, THRACE PLASTICS PACK SA and THRACE GREENHOUSES SA.

The depiction of the Group's actions, in entirety, will take place in a second stage and will be therefore presented in one of the subsequent non-financial statements.

The topics of the current non-financial statement include the following:

- Short description of the Group's activities
- Business model
- Strategy
- Vision
- Mission
- Corporate Responsibility –Strategy of Approach
- Corporate Governance Code – Code of Business Conduct – **Fight against Corruption**
- Responsibility for the **Environment**
- Responsibility for the **Society**
- Responsibility for the **Employees – Human Rights**
- Responsibility for the **Market**

SHORT DESCRIPTION OF THE ACTIVITIES OF THE GROUP

THRACE PLASTICS CO. SA was established in 1977 with its domicile located in the area of Magiko, Municipality of Avdira, County of Xanthi, Greece. In a short period of time from its establishment, the Company evolved into one of the largest producers of Technical Fabrics and Packaging Solutions on global level.

Thraces Plastics Group is currently a multinational Group which activates in the production and distribution of polypropylene products possessing production facilities in 5 countries, namely in

Greece, Great Britain, Bulgaria, Romania and in the United States of America. The Group also owns distribution and trade companies in 6 countries, namely in Ireland, Norway, Sweden, Serbia, Australia and China, and it also possesses and operates a distribution network which extends to more than 80 countries.

The Groups' activity is distinguished in two major business sectors or divisions:

- Technical Fabrics Sector
- Packaging Sector

The above two sectors cover 24 market segments in total. Since the start of the year 2013, the Group also demonstrates an activity in the Agricultural Sector through the subsidiary company Thrace Greenhouses SA, which has the business objective to produce tomato products with the use of hydroponic cultivation method and through the utilization of geothermal energy.

The Technical Fabrics Sector concerns the production and trade of synthetic fabrics for industrial and technical uses. The Sector of Technical Fabrics has strong export orientation as 97% of sales are generated internationally. It operates through nine subsidiary companies of the Group (Thrace Non Wovens & Geosynthetics in Xanthi, Don & Low LTD in Scotland, Thrace Synthetic Packaging in Ireland and Thrace Polybulk AS in Norway, Thrace Polybulk AB in Sweden, Thrace Linq Inc. and Lumite Inc. in USA, and Thrace Asia in China). The major products of the Sector are the following: geotextiles, insulation membranes and technical fabrics for agricultural and industrial uses.

The Packaging Sector concerns the production and trade of packaging materials, plastic bags, plastic cups for packaging of food and colors, as well as other packaging materials for agricultural uses. The Packaging Sector targets the European markets with an emphasis in the countries of Southeast Europe, Scandinavia, United Kingdom and Ireland. More specifically, it operates through five companies within the Group, including the parent company in Greece, and companies in Bulgaria, Romania and Serbia. The products of the Sector are categorized into those of Packaging for Industrial Uses and of Packaging for Consumer Uses. The first category concerns mainly bags, mega bags and pallet films for the packaging of fertilizer, seafood, animal food, as well as of chemical and idle materials, whereas the second category concerns products used in the packaging of food and chemicals.

BUSINESS MODEL

- International Orientation – High Geographical and Product Diversification

- Activity in 11 countries via production and trade companies
- Sales network in 80 countries
- Products targeting 24 areas of activity
- 83% of sales directed into foreign markets
- 53% of production is performed in the Greek production facilities

- Strong Knowhow and Technological Superiority

- 28 technologies of production from the stage of processing to the finishing stage

-1,708 Employees internationally

Of which 895 employees are located in Greece.

- Innovation

The Company applies a strategic plan for business and technological innovation. The policy of innovation is predefined and the steps towards its encouragement are also predetermined. The Group executes a program by which it targets a stronger awareness of the senior staff with regard to the innovation and also stronger generation of innovative products. The main objective is to create a

system according to which the use of innovation will be able of producing value for the customer and generating respective benefits for the Group, achieving at the same time the ultimate objective which is the Group's development and growth.

STRATEGY

The major axes of the sustainability on the Group level are the following:

- New investments for the increase of production capacity
- Innovation

Major Constituents of the Strategy:

Organic Growth – Optimal Utilization of Resources – Maximization of Economic Value

Specifically:

Organic growth by investing in sectors with high growth rates

- Increase of Production Capacity
- Further Geographic Expansion
- Focus in two developing markets
Spunbond & needle punch products
Greater penetration of Southeast Europe in the Packaging Sector

Maximization of economic value / Optimization in the management of resources

- Constant plan of production cost containment
- Improvement of the product mix in favor of products with higher profit margins
- Development of new high added value products
- Expansion in subsequent stages of the production chain
- Commercial approach for a series of products

VISION

To become the most valuable partner for our customers and suppliers and at the same time to increase systematically our shareholders' value, attaining at the same time the prosperity of all people employed within the Group.

MISSION

- To serve the fundamental values of the Group: integrity, effectiveness, innovation, flexibility, immediate response, collaboration and leadership.
- To invest in our people by encouraging the continuing education, the individuality, the importance of initiatives, and the personal achievements.
- To define and set new business standards via innovation and pioneering thought, by assisting our customers in their effort to capture leading position in their market.
- To offer not only plain products but also complete, total and innovative solutions, capable of adapting into the needs and requirements of our customers.
- To evolve and grow on a local and at the same time on global level, by servicing thousand of companies all over the world through our strategic diversification.
- To pursue profitability through organic growth and strategic acquisitions.
- To achieve competitive prices through economies of scale, vertical integration and internal synergies.
- To combine various advanced technologies with long-term knowhow and extensive experience in the markets where we activate.

- To show respect for the environment and the societies where we work and live.
- To adapt into the constantly changing market conditions and to timely adjust our practices so that we successfully respond to the global trends which define the entrepreneurship, the economy and the society of future.

CORPORATE RESPONSIBILITY – STRATEGIC APPROACH

The Corporate Responsibility is incorporated into the corporate culture of the Group across the entire spectrum of its daily interaction with its strategic partners.

In this context and by recognizing the effect generated from its business activities, the Group pursues the sustainable development and is committed via its policies to the Environment, Energy Management, Product Responsibility and the Social Action with the goal to always play the role of a valuable social partner.

The strategic approach of the Group has the objective of the simultaneous optimization of the value it produces and creates for the benefit of broader social groups of people, as well as the reduction of risk on economic, social and environmental level.

Specifically, the broader activities of the Group create not only a series of financial risks which the Group is called to face (foreign exchange risk, raw material price risk, credit risk, liquidity risk, interest rate risk, etc.) but also a series of risks and consequences which the Group may have to face in case of a climate change, an event which might affect the demand for its products, their standards and also their performance. Moreover, changes which may occur in the trends of the market and broadly of the society are sufficient enough to affect the development strategy of the Group across the entire spectrum of its business activities on international level.



CODE OF CORPORATE GOVERNANCE – CODE OF BUSINESS CONDUCT – FIGHT AGAINST CORRUPTION

Principles & Framework of Corporate Governance

The Company with regard to the issues of corporate governance applies the provisions of the Laws 2190/1920, 3016/2002 and 4449/2017, which have been incorporated into its Articles of Association, the Internal Regulation of Operation and the Internal Audit Manual which is regularly kept and updated.

Moreover the relatively recent Law 3873/2010, which incorporated the Directive no. 2006/46/EC of the European Union into the Greek legislation essentially enacts the adoption of the Corporate Governance Code by the companies.

In compliance with the requirements and regulations of the particular Law, the Company prepared and currently applies its own Corporate Governance Code. The Company, on its own will, decided to apply its distinctive Code of Corporate Governance and has set the goal of constant improvement of the corporate legislative framework and the broader corporate environment, as well as the improvement of the Company's competitiveness in its entirety. During the preparation of the above Code, the Company took into consideration all principles of corporate governance currently followed by the Company itself in accurate and consistent application of the existing legislation, as well as the proposals and the broader content of the Code of Corporate Governance. The latter was prepared under the initiative of the Hellenic Federation of Enterprises (HFE – SEV) and was later amended in the context of its first revision from the Hellenic Corporate Governance Council (HCGC) and was released publicly in October 2013.

The Code of Corporate Governance which the Company prepared and currently applies has been approved by its Board of Directors and has been submitted to the Hellenic Capital Market Commission with the latter having full knowledge of the Code's existence.

Code of Conduct – Fight against Corruption

The constant commitment of Thrace Plastics Group is to perform its corporate and business activities with integrity, according to the highest standards of ethics and by applying the effective law provisions.

The Company completed the preparation of the Code of Business Conduct in October 2014, with the Code constituting an indispensable part of the Employees Handbook.

The particular Code sets the standards of conduct which are required by the employees of the companies within the Group and also develops the guidelines that govern the proper behavior of personnel within the Group. The central theme of the Code of Conduct is summarized as follows:

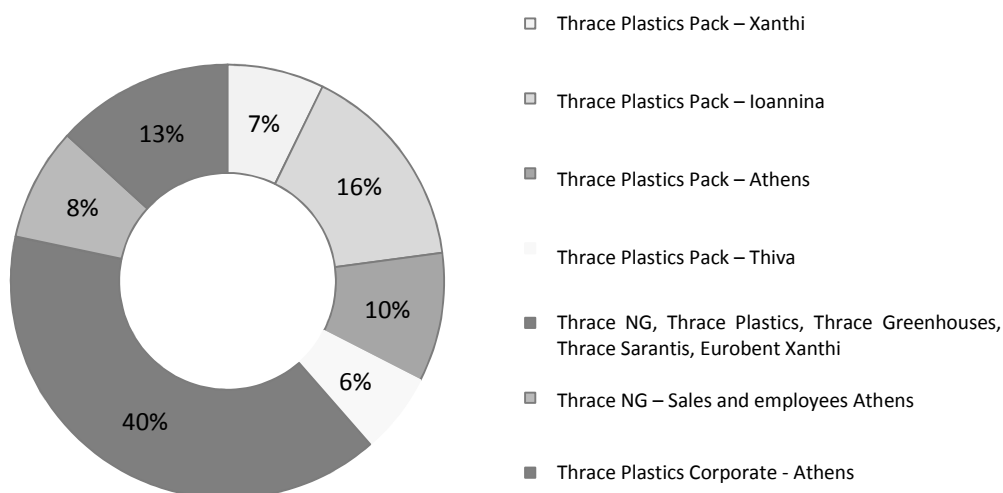
All employees, as representatives of the Group, should act with honesty, respect and integrity in all matters emerging at any time.

The basic principles of the Code of Conduct, the compliance of which ensures the non-existence of corruption cases, include the following:

- Avoidance of cases containing issues of conflict of interest
- Accuracy and completeness of Financial Information
- Protection of Corporate Assets
- Implementation of all transactions with responsibility
- Transparent and Legal Collaboration with the Public Authorities
- Protection of Information
- Safety, Health and Environmental Protection

During the year 2016, the companies within the Group implemented a broad education and training program for their employees, with regard to the procedures which are related to the application of the Code of Conduct and are included in the Group Policies Manual. More specifically during the year 2016, the Group trained 83 employees from all levels of hierarchy and from all departments: production, sales, logistics, supplies, financial services, quality control, health and safety.

Training in Areas of Business Conduct



The systematic training and information update of the employees and the senior staff from all levels of hierarchy and departments ensured that during the year 2016 there was no internal incident concerning corruption issues. Furthermore, the audits that were performed by the quality control department detected no incidents which could be materially related to our partners and suppliers. The long-term relations of trust that we have built and which we constantly invest to, ensure the existence of an environment of professional integrity, high work ethics and trust.

Moreover, no legal case is pending with regard to issues concerning the following:

- environmental legislation
- marketing–communication
- legislation of anticompetitive business conduct
- compliance with environmental legal framework
- violations of antitrust-monopoly legislation

RESPONSIBILITY FOR THE ENVIRONMENT

Thrace Plastics Group recognizes its responsibility towards the protection of environment and the minimization of any environmental consequences as result of the operation of the Group's production facilities.

In the context of the **environmental policy and energy management**, all subsidiaries of the Group seek the production of products with the minimum possible burden for the environment. Specifically:

- Apply practices targeting electric energy savings.
- Apply the process of water recovery throughout the production process targeting water savings.
- Systematically monitor the emissions of air pollutants and the injections of liquid waste materials.
- Utilize mineral fuels to the maximum level with the objective to reduce carbon dioxide.
- Utilize and take advantage of the new practices with regard to the recycling and the management of waste materials.
- Examine the option of using renewable energy sources

- Ensure that the operation of facilities is performed according to the current legislation and regulations, including the ones that govern the audit, the transfer, the storage and the removal of controlled or non materials.
- Educate and train the personnel in order to make significant and essential contributions to the energy and environmental management.

Electric Energy

The annual consumption of electric energy accounted for 83,195,062 kWh in the fiscal year 2016.

The Group initiated the implementation of a 5-year plan for the reduction of energy consumption per produced kilogram with the objective to have attained a reduction by 30% at the end of 2018. In the context of this plan, certain actions have been planned in each of the Group's production plants, actions which on aggregate basis resulted into the contraction of energy consumption per kilogram by 20% during the period 2014 – 2016 (7% within the year 2016).

Indicative actions that materialized were the following:

- Addition of new production lines with lower energy consumption per manufactured product.
- New mechanical components and better management of existing production lines with the target to eliminate any energy losses.
- Change of compressed air systems with new ones which are less energy intensive.
- Recovery of leaks in the networks.
- Addition of new cooling machineries characterized by a more economical operation.
- Addition of inventers into the pumps.
- Interventions in the factories with the goal to reduce any previously realized thermal losses.

Use of Geothermal Energy

The Group via its participation in the subsidiary company Thrace Greenhouses SA has developed the use of geothermal energy for the production of vegetable products with very low energy footprint.

Consumption of Fuels

The following table summarizes the annual consumption of fuels:

<i>Fuels Consumption</i>	
Oil (in liters)	29,000
Liquid Gas (in Kg)	151,000
Natural Gas (MWh)	18,600

With regard to the vehicles circulating inside the production facilities, during the year 2016 the Group proceeded with the replacement of five old diesel forklifts from one diesel vehicle of modern technology with significantly lower air pollutants, and also from two gas vehicles and two electric vehicles.

Water Consumption

The annual water consumption settled at 8,450 m3 in 2016.

The actions taken in order to generate water savings in 2016 resulted into the contraction of the water consumption by the Greek subsidiaries of the Group by 10%. Specifically, the particular actions concerned the following:

- Reductions of leaks in machinery equipment
- Immediate treatment of leaks in the cooling circuit
- Rational water consumption on behalf of employees
- Installation of collection, filtering and reuse system in the cooling machinery (cooling tower)

Management of Natural Resources and Raw Materials

The measurement and analysis of the products which are recycled constitutes fundamental part of the Group's liabilities. The Group recycles and reuses 100% of all byproducts and spare raw materials during its production process as well as the packaging items of the incoming raw materials.

The Group collaborates with licensed companies in the areas of waste management (collection, transfer, utilization and allocation) in such manner that it ensures its compliance with the management practices described by the existing regulatory framework.

<i>Recycled Materials</i>	<i>Quantities</i>
Metals (in kg)	360,000
Paper (in kg)	100,000
Plastic (in kg)	130,000
Oils (in ltr)	24,650
Batteries (in kg)	3,500
Inks (in kg)	12,500
Wood (in kg)	32,000

<i>Recycled Raw Materials (in kg)</i>	
Polypropylene (PP)	3,578,548
Polyethylene (PE)	608,259

RESPONSIBILITY FOR THE SOCIETY

Policy of Social Activity

Via a unified Policy of Social Activity, all companies of Thrace Plastics Group recognize their responsibility towards the society and in this context they activate in order to:

- Emerge as the most valuable corporate entities for the societies in which they activate and live, by making stronger the ties of trust that have been built after so many years of mutual existence.
- Maintain and strengthen their attention with regard to the local needs as well as raise quality of life through the funding of community related programs and foundations.
- Collaborate with important educational institutions for the promotion of innovation and the progress of knowledge.

- Disclose and notify about essential social issues related to the business practices of Thrace Plastics Group.

“STAVROS CHALIORIS” SOCIAL CENTER

The year 2007 signaled the foundation of “STAVROS CHALIORIS SOCIAL CENTER” in Magiko, County of Xanthi, pursuing good causes for the broader local community, of which the companies of Thrace Plastics Group constitute the largest contributor and funding partner. The above good-cause related actions include, among other things, the following:

- The granting of scholarships and financial assistance for education purposes
- The granting of support to the financially weak members of the local society
- The organization of cultural and educational events
- The creation of cultural activities (theater, music, painting, dancing, etc.) for children
- The provision of a space for a doctor’s office for primary health care services
- The construction of a building for good-cause and charity related purposes

During the year 2016, the following group of cultural activities took place

- Painting
- Music
- Creative activity
- Traditional dances
- Gymnasiums
- Gym class dancing
- Remedial teaching
- New Greek language
- Coptic sewing
- Robotics (for children of the local community and of the senior staff of the Group)

Approximately two hundred (200) children participated in the above groups and educational programs.

The Social Center continued its activities in year 2016 as well, and included the following actions:

- Hospitality services to **KAPI** (Houses for Elderly People) of Magiko with 63 members
- The housing of the **Nursery** with full and modern equipment in the Municipality of Avdira
- The housing of a **Rural Clinic**, of the former Community of Magiko, in the fully equipped doctor’s office in the Social Center. The new facility serves the needs of the inhabitants of broader local community in the area of preventive health care services
- The **granting of the offices** of the Center to the correspondent of OGA (Agricultural Insurance Organization), who utilizes the offices in order to serve its pensioners
- The **granting** of the Center’s offices to the Municipal Water Supply and Sewerage Enterprise for the purpose of invoice payment collection.

Moreover in the context of the Group’s especially sensitive stance towards various issues of social nature, the following actions have been taken:

- Three times per year, the Group organizes a blood donation day in its own facilities. Blood donors receive in exchange one day leave from employment as an incentive towards the support of the blood bank that has been created.

- At the end of each fiscal year, the Group approves a funding in order to support socially sensitive groups and foundations, as well as sport clubs through sponsoring and donation actions.

RESPONSIBILITY FOR THE EMPLOYEES

The strategy of the Group with regard to Human Resources is based on the concept “Talent Development and Management” which takes the highest credit for the Group’s successful course until today as well as for the achievement of the Group’s targets with regard to sustainable growth.

In Thrace Plastics, the Human Resources Department functions through transparent, fair and legal procedures which aim at developing the organization’s most valuable asset, meaning its people.

The internal employment regulation along with the remuneration and personnel management procedures define the framework used for the management of Human Resources and of all parameters related to the companies of Thrace Plastics Group.

Via the establishment and compliance with mutual principles and rules, aligned with the broader strategy and culture of the Group, the following are attained:

- The fair remuneration policy which is exclusively and only based on the professional skills of each employee.
- The objective evaluation process for each employee in annual basis.
- The opportunity of employees to participate in general and special training sessions depending on their duties as well as the personal development and promotion plan.
- The assurance of the integrity of employees and the transparency with regard to the acceptance of bonuses, gifts and special invitations.

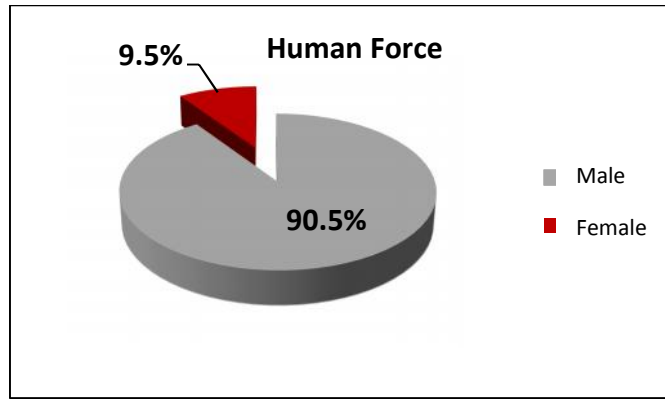
The Group for the year 2016 focused on the following matters:

- Employment and integration
- Training and development of personnel
- Hygiene and Safety

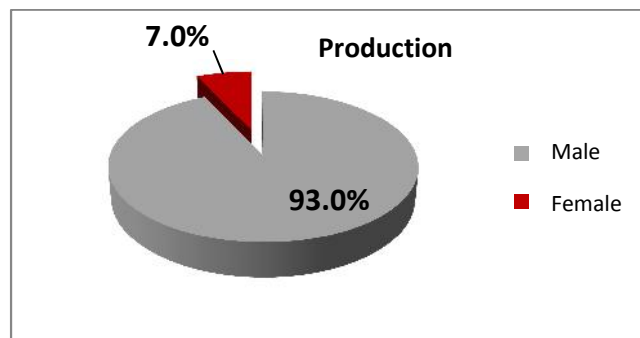
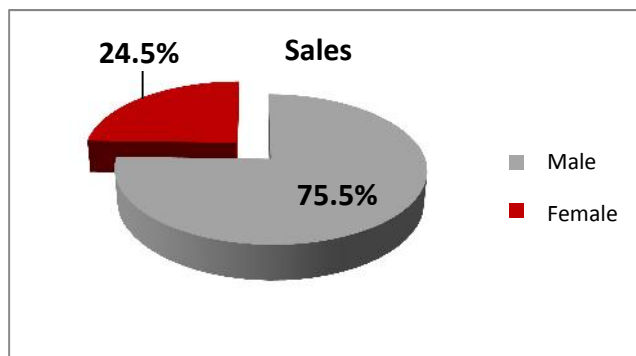
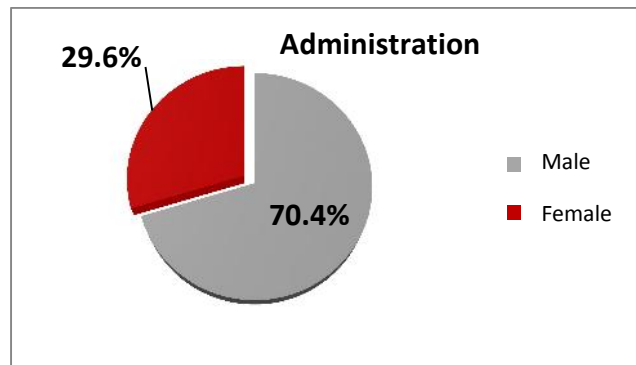
In total, Thrace Plastics Group employed **1,708** people in year 2016 of which **895** concerned the Greek companies of the Group.

The breakdown of employees concerning the Greek companies of the Group for the fiscal year 2016 is presented below:

Breakdown of Employees per Gender.



Below, the breakdown of employees among the areas of Production, Administration and Sales is presented:



The following table presents the breakdown according to the employment relation (regular and seasonal employees)

	<i>Employment Relation</i>		
	<i>Regular</i>	<i>Seasonal</i>	<i>Total</i>
Male	774	36	810
Female	39	49	88
Total	810	85	898

Below the breakdown of employees according to the age is presented:

	<i>Breakdown according to Age</i>			
	<i><30 years</i>	<i>30-50 years</i>	<i>>50 years</i>	<i>Total</i>
Male	168	531	111	810
Female	12	57	16	85
Total	180	588	127	895

Of the 895 employees, 894 employees are employed as regular ones and only one employee is employed on a part time basis.

The following table depicts the employment hours of the employees along with the participation of males and females.

<i>Training - Education</i>			
<i>Participants</i>			
<i>Hours</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
1,098	164	13	177

Training and Education of Senior Staff in Elements of Innovation

In the context of the broader training and education program of the Group during the year 2016, a special emphasis was placed on the training with regard to innovation and its respective procedures. An important part was played by the number of the senior staff of the Group's Greek companies which participated in the educational course covering innovation of Kellogg Business School in Northwestern University, Chicago, USA. The purpose was to create a "common ground" and a "common language" for innovation. This is considered to be especially important since it considerably motivated the organization and maximized the importance of innovation as a tool for the development and the future of the Group itself.

Below the number of the hired and departed employees (males and females) during the previous year is presented:

<i>Hiring / Departing</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
Number of employees departed	95	35	130
Number of employees hired	135	50	185

Human Rights

The Group is fully aligned with the effective labor legislation and with the relevant provisions for children employment, the respect for human rights and the participation of employees in labor unions. Specifically approximately 80% of the employees of Group's Greek companies participate in labor unions.

Through the unions there is the official registration of requests on behalf of the employees, whereas the broader communication of any requests as well as the meeting between the employees and the management can be facilitated. All requests submitted, are evaluated and wherever is necessary the corresponding corrective measures and actions take place.

HEALTH AND SAFETY

It constitutes an indisputable value and top priority of the Group which constantly makes efforts to ensure the Safety and Hygiene conditions for its employees in the areas of employment. In this context, the Group has focused on the development and application of the most effective systems, standards and practices of Hygiene and Safety in employment with the goal to minimize as well as control the risks related to the activities of the Group's companies and ensure the safety conditions of employees, partners and visitors.

Policy for the Hygiene and Safety at Work

All companies of Thrace Plastics Group apply a strict Policy of Hygiene and Safety with the following goals:

- The safeguard of Hygiene, Safety and Welfare in the work environment for all employees, partners, visitors as well as people from the wider audience which may be affected by the Company's activities.
- Avoidance of any potential loss in the assets of the Company.
- Improvement of the Group's culture with regard to the issue of Hygiene and Safety.

During the execution of this Policy, all the companies of Thrace Plastics Group are required to:

- Offer a work environment (including the facilities and the welfare procedures) which is safe and does not jeopardize the people's health to the extent it is feasible.
- Comply with the effective state legislation of Hygiene and Safety and wherever it is appropriate to establish standards, processes and guidelines.
- Ensure, to the extent it is feasible, that the production plants, machinery, equipment or appliances operate with safety and do not put at risk the Hygiene, Safety and Welfare of the personnel in its entirety.
- Make available or provide information, guidelines, training and supervision in the context of the operation of such production plants, machinery and equipment, wherever it is necessary according to the judgment of the Company.
- Apply procedures which ensure that the use, management, storage and transfer of objects and substances, to the extent it is possible, do not put at risk the Hygiene, Safety and Welfare of the personnel to its entirety.
- Be advised by the labor force through the respective committees of Hygiene & Safety with regard to issues of Health, Safety and Welfare.
- Detect all possible risks and assess whether these risks can affect the personnel and especially the younger individuals, in order to limit such risk factors to an acceptable degree.

- Constantly improve the performance through the utilization of innovative technology, training and policies of good management.
- Encourage practices on behalf of the employees in favor of health issues.
- Promote a positive and favorable corporate culture which is based on the principle that all incidents can be avoided, whereas in cases of unexpected and extraordinary events, there can exist special programs of immediate actions limiting any damages to the people and to the Company's assets.
- Evaluate and revise on a regular basis the Hygiene & Safety Policy.
- Be certain of the fact that all employees and partners have access to a copy of the Hygiene & Safety Policy of the Company and the Group.

The Policy of Hygiene & Safety is reviewed on annual basis, without excluding the case of extraordinary revisions so that the Company is in position to evaluate its effectiveness and ensure its response to the changes of legislation or corporate affairs.


The following table presents the number of labor accidents of the Group for the year of 2016 (total employees: 895):

<i>Labor Accidents of the Group - Year 2016</i>	
Near-Accidents	78
Accidents followed by hospital care	31
Accidents followed by provision of first aid (within the production plant and without any lost man hours)	29
Fatal accidents	0

On annual basis, the Group conducts training sessions from qualified external partners in the areas of proper industrial practices, in the issues of safe handling of lifting machineries, forklifts, provision of first aid in cases of fire, evacuation of facilities, etc. The unions oversee that the personnel is provided with all necessary means, which are required in order to execute their work with safety (for example, safety shoes, uniform and garment, earplugs, masks, helmets, etc.).

In addition, and according to the law, there is a Health and Safety Committee consisting of 4 members in compliance with the requirements and provisions of Law 3850/10. The sessions taking place are significantly higher in number from the required ones and are used for the settlement and resolution of the relevant matters.

Health & Safety Award for Thrace Plastics Pack

	<p>In December 2016, the production plant of Xanthi was distinguished for the successful application of practices in the area of Health & Safety management in the work environment.</p> <p>Thrace Plastics Pack was recognized as the leading Greek Plastics Industry in the area of Health & Safety management in the work environment during the event "Health & Safety Awards 2016". More specifically, Thrace Plastics Pack received the top award "WINNER" in the category of Industry for the policy it applies as well as for the Health & Safety plan it has developed for its employees.</p>
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RESPONSIBILITY FOR THE MARKET

Policy of Product Responsibility

The products of Thrace Plastics Group reflect our vision with regard to quality, which is assured through a series of procedures and best practices such as:

- The conveyance of a culture favoring quality across the entire Group and with the involvement of the entire personnel.
- The establishment and maintenance of collaborations and partnerships with suppliers and customers for the optimization of the added value generated in the supply chain.
- Establishment and maintenance of a printed document concerning the Group's Quality Management System which in turn assures customers that the products and services they have received are distinguished for their proper use and are characterized by a fixed quality, according to the recognized ISO standards wherever it is applicable.
- Investment in the most modern technologies relating to the area of our business activities.
- Utilization of statistics related techniques for the monitoring of our procedures and the detection of trends.

All production plants steadfastly comply with the Quality Policies that are established.

Specifically, the factories of the Group apply the most optimal practices which include the following:

- The establishment and maintenance of collaborations and partnerships with suppliers and customers for the optimization of the added value generated in the supply chain.
- Establishment and maintenance of a printed document concerning the Group's Quality Management System which in turn assures customers that the products and services they have received are distinguished for their proper use and are characterized by a fixed quality, according to the recognized ISO standards wherever it is applicable.
- Utilization of statistics related techniques for the monitoring of our procedures and the detection of trends.

The basic stages of the quality assurance process

Based on the Quality Management Plan, there are various audit levels across all stages of the production process from the delivery until the loading:

- 1. Audit of Supplies and Raw Materials:** Evaluation of suppliers (goodwill, years of collaboration, qualifications). The raw materials supplied, originate only from approved suppliers. Evaluation of raw materials based on a test period for the extracted product and comparison tests in the lab with products produced via another raw material.
- 2. Audit of Products:** Inspection and audit of products in all production phases (audit of dimensions, mechanical properties audit according to international standards, alignment of the product with the standards and requirements of the customer).
- 3. Audit of Packaging and Transport:** Packaging according to the respective specification of the products so that the smooth and safe transport of products to the customer is ensured. During loading, visual quality inspections are carried out for the suitability of the loaded products, whereas the bar code systems ensure that only the loading of approved goods is performed.
- 4. Review of Customers' Satisfaction Rate:** Annual dispatch of evaluation questionnaire to customers with the objective to analyze their responses and optimize our broader services and procedures.

Specifically, with regard to the Food Packaging Sector, the most demanding inspections and audits take place as follows:

- The supplied raw materials originate only from approved suppliers.
- All raw materials are food grade, meaning that they are appropriate for contact with the food and satisfy the requirements of the European Regulation (10/2011) and its respective amendments.
- For all raw materials per supplier there is a respective electronic file with the following elements and data: a) Declaration of Conformity (DoC), b) Material Safety Data Sheet (MSDS), and c) Technical data sheet.
- The final products are subject to an audit of holistic and special migration, in an external and certified laboratory.
- 8 times per year, samples of plastic containers are dispatched to a certified lab in the United States (Milk Regulatory Consultants) for microbiological inspection.
- The laboratory of quality control of the Company conducts swap tests, according to a specific plan and with the use of luminometer.

Quality Assurance

Question	THRACE NG – SPUBDBOND	THRACE PLASTICS PACK IOANNINA – PACKAGING	THRACE PLASTICS (INDUSTRIAL AREA OF XANTHI)	THRACE NG – REMAINING PART OF TECHNICAL FABRICS	PACK XANTHI
Certified systems / standards	<ul style="list-style-type: none"> • EN ISO 9001:2008 • EN ISO 14001:2004 • OEKOTEX Standard 100 Class 	<ul style="list-style-type: none"> • ISO9001:2015 • ISO22000:2005 • FDA/IMS • BRC/IoP (VER.5) • OHSAS 18001:2007 	<ul style="list-style-type: none"> • ISO 9001:2008 	<ul style="list-style-type: none"> • ISO 14001:2004 	<ul style="list-style-type: none"> • BRC/IoP (ISSUE 5) • FDA • ISO 14001:2004 • OHSAS 18001:2007
Targets for certifications	<ul style="list-style-type: none"> • OHSAS 18001 	<ul style="list-style-type: none"> • ISO14001:2015 	<ul style="list-style-type: none"> • HACCP • ISO 14001:2004 	<ul style="list-style-type: none"> • OHSAS 18001 	<ul style="list-style-type: none"> • ISO 50001

Quality Targets

	THRACE NG – SPUBDBOND	THRACE PLASTICS PACK IOANNINA – PACKAGING	THRACE PLASTICS (INDUSTRIAL AREA OF XANTHI)	THRACE NG – REMAINING PART OF TECHNICAL FABRICS	PACK XANTHI
Quality targets for year 2016	1) complaints with regard to Quality / year TARGET < 9 2) complaints with regard to Transfer / year TARGET < 3 3) complaints with regard to service / year TARGET < 9	1) Total volume related to complaints (kgr) / total sold volume (kgr) TARGET<0.01%. 2) Credit notes issued due to customer complaints (€) / Total turnover (€) TARGET<0.01%.	Stronger satisfaction rates of customers – reduction of complaints TARGET:20%	Stronger satisfaction rates of customers – reduction of complaints TARGET:20% More effective evaluation of suppliers – Reduction of number of complaints	1) Reduction of number of complaints by 20% in comparison with the previous year 2) Total volume related to complaints(kgr)/ total sold volume (kgr), TARGET < 0.3% 3) Credit notes issued due to customer complaints(€) / Total turnover (€), TARGET<0.3%

During the fiscal year 2016, there were no incidents of non-compliance with regulations and voluntary codes that concerned the effect of the products and services on health and safety.

One particular incident of non-compliance with regulations and voluntary codes that concern the information for products and their marking was detected and settled. It concerned the marking of CE textiles (Thrace NG).

Local Suppliers

The Group demonstrates a clear and concrete preference towards Greek suppliers, which account for approximately 70% of the Group's suppliers in terms of volume and value. This significant percentage of participation of Greek producers constitutes a clear evidence of the Group's preference with regard to products of Greek companies. Among of suppliers, the most important ones are the following: Hellenic Petroleum, Plastics of Crete, Chrostiki, Bright Colors, etc.

The purchases of raw and auxiliary materials are in the context of the Internal Regulation of Operation which depicts the Procedure of Purchases via the analytical description of the following: standards of materials, evaluation of suppliers, hygiene – safety rules, effect on environment.