

THRACE GROUP: Sustainable Development Report 2021

The adoption of ESG practices is a key pillar of the Group's strategy

Thrace Group, responding to the modern challenges of our times, publishes for the **4th consecutive year the Sustainable Development Report**, demonstrating its long-term commitment and dedication to ESG goals and the substantial contribution of its business activity and its actions for a sustainable future.

Priority for the Group remains **the continuous investment in Research and Development, placing particular emphasis on the design phase**. The goal is to develop sustainable products, fully harmonized with the European strategy for plastics, within the framework of the circular economy, achieving a positive environmental impact and contributing to the reduction of the effects of climate change. The main objectives are the low environmental footprint, the possibility of reusing the products, their recyclability, as well as the use of up to 100% recycled material. It is worth noting that the above, which are part of the wider strategy of the Group, significantly strengthened the results of the year 2021 in terms of the use of secondary raw material, achieving a parallel reduction in waste production.

Additionally, in the **ENVIRONMENT** pillar, the Group implemented an extensive investment plan to strengthen its dynamics at the level of recycling, through a series of actions, **achieving high performance in two key areas of strategic priorities, in recycling and in reducing waste**. Specifically, **during 2021, 11,443 tons of plastics were recycled, an increase of 69% compared to 2020, while the waste reduction act recorded a 29% decrease compared to 2020**. It is therefore evident that the actions implemented have brought remarkable results, contributing to the Group's sustainable development goals.

In the same context, **the environmentally targeted platform IN THE LOOP, which holds a special place in the Report**, is based on the 3 pillars of the circular economy **REDUCE | REUSE | RECYCLE** and networks companies, brands, public authorities, and consumers with the aim of reducing the environmental footprint throughout the value chain.

The Report also highlights the Group's further **shift to the use of energy from renewable sources. More specifically, in 2021 the Group invested in a photovoltaic park with a capacity of 1.5 MW**, with a goal of operating 6 MW by the end of 2022, including a plan for further expansion. At the same time, the Group constantly monitors the energy consumption in its production processes, with the aim of the best possible efficiency through energy saving actions and investments in mechanical modernization, thus achieving a reduction in energy intensity.

For the first year, the Group's Sustainable Development Report includes **detailed information on its carbon footprint, as well as its overall contribution to the implementation of the national policy for the transition to a low-carbon economy**. Specifically, the Report analyses the Group's performance both in direct and indirect emissions (Scope 1, 2), as well as in indirect emissions related to the value chain (Scope 3).

In the **SOCIETY** pillar, extensive reference is made to the Group's strategy, which is implemented for the purpose of creating and securing employment, defending human rights at work, as well as ensuring the health and safety of employees and the quality of products.

At the same time, the operation of the **Stavros Halioris Social Center** is described and the Group's practical contribution to the society through educational, cultural, recreational, and social initiatives and actions.

Finally, in the **CORPORATE GOVERNANCE** pillar, the report analyses all the issues that fall under the specific action pillar with reference to the Group's financial performance, business continuity and supply chain management. This section lists the eligible economic activities that contribute to the environmental objectives of mitigation and adaptation to climate change, according to the EU Taxonomy Regulation, as well as the categories of risks related to climate change and the opportunities to the transition to a low-carbon business model with an emphasis on innovation.

With regards on the publication of the Sustainable Development Report, **Konstantinos Halioris, Chairman of BoD of Thrace Group** pointed out: *"In our quest for a sustainable future, we set ambitious goals, always in line with our business model. Sharing this journey with our partners and customers, we are confident that our goals will be achieved"*.

Dimitris Malamos, CEO, adds that *"with the vision of creating a modern and sustainable world for everyone, we are ready for a future business environment filled with challenges, but also great opportunities"*.

Thrace Group expands with respect for society and the environment with Sustainable Development being a "polymer" collaboration. This concept is now woven directly into in our corporate culture.

It is noted that the Report has been prepared in accordance with the highest disclosure standards of sustainable development data, such as GRI, SASB, TCFD, CDP, the ESG performance indicators of the Athens Stock Exchange and the Nasdaq ESG Reporting Guide. Accordingly, the principles of the United Nations Global Compact are considered, as well as the impact on the UN Sustainable Development Goals that the Group focuses on. It is also noteworthy that the Group is part of the composition of the ATHEX ESG index of the Athens Stock Exchange.

The detailed Sustainable Development Report of the Thrace Group for 2021 is available [here](#).