

Mrs. Eleni Pappa: Sarantis Group approach towards sustainable production and its ESG strategy

The Group's approach towards Sustainable Production and the Group's Sustainable Development strategy were thoroughly described at epixeiro.gr by Mrs. Eleni Pappa, Investor Relations and Corporate Communications Director of Sarantis Group, while she presented the key elements of the Group's ESG strategy today.

Interview by Mr. Christos Kotsakas

Which is Sarantis Group Strategy towards Sustainable Development? Which are the main axes/pillars of this Strategy?

For us, Sustainable Development is always at the core of our operational journey, as we consistently strive to offer high quality products that consumers love and trust in their everyday lives. Through our responsible operation we try to create a positive impact on the daily lives of our consumers and to offer the necessary conditions for a better tomorrow.

However, we remain constantly vigilant, comprehending and following the wide span of differentiated consumers' needs, and given the European Union's ambitious climate goals, we are constantly adapting and evolving.

That is the reason why the recent years our corporate orientation focuses on Sustainable Development which has become more and more intense, enhancing further our efforts towards a greener direction.

Throughout the cycle of our operational activity, from the production of raw materials to the use and disposal of our products by the consumer, and across our product portfolio, from Personal Care & Cosmetics products, to Health Care and Home Care products, we recognize that our operation has direct and indirect economic, social and environmental impacts, and we are committed to managing these impacts responsibly accordingly.

Having us our ultimate goal to maintain the optimum balance of our financial performance and our responsible environmental and social practices, and in order to maximize our positive impact, we focus on four key pillars in our strategy for Sustainable Development, in line with the United Nations Sustainable Development Goals. This strategy, therefore, unfolds in 4 main pillars of action: **Sustainable Production and Consumption, Responsible Governance, Empowered Employees** and the support of the Communities (**Thriving Communities** pillar) in which the Group operates.

In each of these pillars, we intensify our efforts behind business practices such as investing in human capital development, ensuring the health, safety and well-being of all our employees, improving the health and well-being of consumers, and minimizing greenhouse gas emissions, enhancing sustainable supply and improving waste management, in order to maximize the positive economic, social and environmental impact of our operation.

Moreover, the renewal of the composition of the Group's BoD in 2021, underlines the Group's commitment Group to follow best practices in matters of Corporate Governance and Business Ethics and to strongly support with its future decisions the intensification of the Group's efforts towards Sustainable Development.

Which are the main points that stand out in the Group's ESG strategy from your point of view, in terms of the Group's footprint -in Greece and internationally?

At a time when the demand for sustainable raw materials, more efficient production processes, more sustainable product lines with less waste, is now reshaping decisively the industry and constantly setting the business standards and expectations at high level, a key pillar in our strategy is to provide sustainable, high quality and safe products to our consumers. Our priorities remain the protection of the environment as well as the health and safety of our employees and consumers.

We invest in automated production processes and production technologies that will allow us to increase the use of sustainable materials, while we increase the percentage of recycled and recyclable packaging materials, and we further strengthen the philosophy of circular economy in production by reducing waste generation in our factories.

Furthermore, our personal care brand bioten is a exceptional example as its products include extracts and active ingredients that come 100% from sustainable sources, are vegan friendly and its packaging comes from responsible sustainable sources while the brand provides detailed information for each of its ingredients online via its well-designed website.

Our commitment to the environment is further strengthened thanks to the growing list of the Group's production plants that obtain the **ISO 14001** certification regarding the Environmental Management System and the **ISO 50001** regarding the Energy Management System, while we continuously reduce our energy footprint through the use of renewable energy sources, (eg photovoltaic systems) and following optimizations in the network of distribution centers.

However, our efforts are not only related to the production process, but we also embrace actions towards the society, returning value to the communities where we operate. The distributed economic value that the Group returned to society last year amounted to 93% of its total economic value generated. Specifically, as our revenue increases each year, the economic value we distribute through payments to partners, suppliers, salaries and benefits to employees, payments to governments, direct sponsorships to vulnerable groups and NGOs increases as well, especially in the last two years where the Group's support and solidarity actions were numerous due to the COVID-19 pandemic.

Finally, it is worth mentioning that actions are taken internally for the development, safety, and wellbeing of our employees, which are at the heart of our activity supporting all these years the Group's successful course. Subsequently, we focus on broadening the knowledge and skills of our people to support them in evolving and fulfilling their professional aspirations. For instance, this year in addition to a variety of seminars, we have partnered with LinkedIn to provide our employees with the My Sarantis LinkedIn Learning platform. A tool with a wide range of cognitive videos / webinars specifically tailored to the needs of each employee. Furthermore, we ensure through ISO certifications, best practices, and other actions to ensure health, safety, and well-being for all our employees throughout our operational activity. Our employees give life to our vision and the motivation to evolve together over time.

How are your goals for the coming years shaped for Sustainability matters and reaching a "net zero"? How is their achievement ensured?

The framework of our strategy is predetermined and specific and defines both our short-term and long-term corporate goals. Our main concern, however, is the Group's commitment towards environmental protection, therefore we constantly invest and take actions towards the reduction of our greenhouse gas emissions contributing to the overall reduction of the Group's environmental and energy footprint in the field of production.

As mentioned above, we implement an energy management system ISO 50001, and we continuously empower initiatives to reduce electricity consumption throughout the Group, as well as we are in the process of installing photovoltaic systems in our production units to gradually meet our energy needs. At the same time, we try to increase the ISO certifications in all the production factories of the Sarantis Group by ensuring more and more GMPs practices in the Group's production processes in energy and environmental level.

We could agree that ESG has become gradually a business trend in recent years. Are there points where you believe Greek businesses should focus more?

Indeed, in recent years the ESG issue has emerged and has come to stay in the business world, given the climate change, and the challenges posed by COP26. I believe that Greek businesses therefore will reorganize their forces and efforts around environmental issues, in the view of the new Climate Law, while at the same time the regulatory framework and transparency obligations will continue to increase going forward.

The bottom line for me is that any company, regardless of its size, can identify the areas where it has significant impacts, on an environmental, economic and social level, and then focus further on them to maximize its positive impacts and eliminate its negative impacts. Everyone can contribute to building a culture of business responsibility, each from their point of activity. The threat of climate change is common for all and needs to be addressed collectively, each one, from their scope of action, can contribute to the wider good.

How aware and sensitive are we, as consumers, of such issues? What role do you see that your applied ESG strategy has in the choice of a product by the final consumer?

The truth is that in recent years there has been a rapid increase in the consumers' consciousness regarding ESG issues, but also in our customers too. On the one hand, Sustainability is a hot issue for all of us in the modern society in many aspects, on the other hand, the younger generations who are more sensitive and Sustainability-oriented are shaping the consumption habits and patterns of entire households.

Practically, I believe that today we all take care and thoroughly examine what products we put in our basket, always looking for products that are in line with our values towards the environment and society.

Specifically, at Sarantis Group, we want the consumer to feel confident about the high quality and safety of the products we provide, however our work based on our strategy does not stop to that point. We make sure that the product we provide will be of high standards, and that practically supports responsible production practices through chosen production processes from which it is made. Moreover, we include eco-friendly raw materials and packaging but also, we try to promote a culture of responsible consumption to our consumers. Basically, by implementing our ESG strategy, we ensure daily that the products that finally reach the consumer reflect the Group's best practices throughout its overall activity.

Could you describe the Group's financial footprint in the country? How many employees do you have and what potential investments do you plan?

In the business world we consist of an example of business excellence, showcasing the successful course and development we have achieved over the years. Our company has managed to evolve from a Greek local company into a multinational consumer products company over the last 50 years' time span with a significant international presence, leading brands and strategic partnerships. Apart from Greece, today we have a presence through subsidiaries in 12 countries of Central and Eastern Europe and we export our products to over 50 countries worldwide. At group level we have 2,600 employees, of which 860 employees are in Greece.

In addition to our geographical footprint, our financial footprint is of essential importance. Over the last decade we have doubled our sales to around € 400 million, while we have quadrupled our net profit to around € 38 million, with 93% of the economic value generated being distributed to society through payments of taxes, wages and benefits.

At the same time, within the framework of the Group's strategic plan, the Group has the opportunity to invest in initiatives, either organically or through acquisitions, in order to give additional support to its development and to fuel further value creation. This plan remains active despite the challenges posed by the COVID-19 pandemic.

In Greece, in our production facilities at Inofyta, a series of investments amounting to 10 million euros has just been completed, which concerned the expansion of the production facility, as well as the purchase of modern mechanical equipment, aiming at the optimization and automation of its production line. At the same time, in Poland, a large-scale project worth 23 million euros is underway at the plant of the Group's subsidiary, Polipak, which specializes in the production of garbage bags. This project concerns the construction of the new technologically advanced production unit, the creation of a modernized R&D laboratory and the purchase of new automated high-performance mechanical equipment, for upgrading the newly established factory.

Finally, our main aim is the optimization of our product portfolio, leveraging the strong equity of our brands in our strategic product categories. With this goal in mind, we continuously activate investments related to infrastructure, systems, and processes in order to further increase the Group's efficiency and effectiveness.

I am interested in your opinion regarding doing business in Greece. What is its contribution to the economy, how can it be supported more?

The Greeks have proven over time that they have the potential and an exceptional business mindset that flourishes and grows everywhere, given the right conditions exist.

Recently, leaving behind the economic crisis and despite the negative effects of the pandemic, steps are being taken in our country towards ensuring stability and increasing competitiveness, emphasizing the support of Greek entrepreneurship and especially many start-ups, through continuous reforms: regarding digital transformation, adoption of new technologies, energy transition and tax incentives.

This mix of governmental policies and measures is the main guarantee for the continuous improvement of domestic entrepreneurship that will actively contribute to making Greece a competitive investment destination.

At the same time, worth mentioning is the EU's contribution towards this direction, in addition to the Government's efforts. The EU's attempts are crucial as they steadily and consistently strengthen Greek businesses with various actions, financial tools and programs that support and facilitate small and medium-sized enterprises (SMEs) and large (MidCaps) business.