

Declaration of conformity 2022

VARIO S.A.

Indicator set

GRI SRS

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Indicator set

The declaration was drawn up in
accordance with the following reporting
standards:

GRI SRS

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General

General Information

Describe your business model (including type of company, products / services)

VARIO, as the member of INPACS for Greece and Cyprus, is a leading organization in the distribution of professional products and solutions in the fields of hygiene, cleaning, catering supplies, waste management and hotel amenities as well as personal protective equipment. VARIO was founded in 2004 and since then operates in the professional market offering quality products and value-added services to all kind of commercial and industrial workplaces, hotels, health facilities, educational institutes, restaurants, caterings and so on. More than 5.000 product codes of VARIO (1 out of 2 products in range is eco-friendly) are used daily in thousands of places across the country thus, VARIO's vision is to become "Your Business Supply Partner", creating added value for people, customers, and society. The globally recognized brands (Tork, Vileda Professional, Kimberly Clark Professional (Kleenex, Scott), Ecolab, Diversey, Duni Group (Duni and BioPak) etc.) allow company to offer a wide range of services that will be adopted to your needs. Through the close cooperation with the strongest brands, the company contributes to supply chain optimization and cost savings for customers, as well as provide eco-conscious products helping reducing the impact on the environment. For VARIO, sustainability is an integral part of its business with a focus to contribute to wellbeing and sustainable consumption in terms of circular economy. VARIO combines the efficiency of the single source model with true local market presence on a national scale (including the islands) through the extensive and specialized network of partners. In addition, as a part of business operations, company offers training programs for partners, customers as well as on site product service.

For more information regarding our history and operations you can also visit our website:
<https://www.vario.com.gr/>

Additional remarks:

Workforce

VARIO recognizes the major role people play in maintaining a successful presence in the local market. VARIO believes that added value lies with the people of VARIO's family and the company is proud of succeeding with open and honest communication within the workforce. In this way, VARIO has given the opportunity to serve responsibly and directly businesses throughout Greece with the same quality and commitment for sustainable solutions.

A few words about INPACS

INPACS is a global network of independent family businesses, members of which are leading companies providing complete product solutions for professional cleaning, hygiene and hospitality (such as VARIO) with a presence in over 42 countries and more than 200,000 non-food products in their product range. This combination of international experience and expertise with our company, gives VARIO the opportunity to adapt the wide range of services and product solutions, to meet directly and effectively the overall needs of each customer.

EcoVadis

VARIO has been awarded the Gold Status by EcoVadis for its practices concerning sustainability and corporate social responsibility (CSR). For the third year, the company's policies, practices, and remarkable results in the fields of sustainability, human rights, ethics, and sustainable procurement have been evaluated by EcoVadis. VARIO's activity

has been focusing on developing corporate social responsibility strategies and increasing its sustainability awareness for years, continuously guaranteeing a healthy environment in every workplace at the same time. In 2021 VARIO has been classified in the top 2% of all the companies assessed by EcoVadis in the same industry. In more detail, according to this year's results, VARIO is ranked among the top 4% of suppliers in the "environment" section, a significant improvement since last year's top 13% ranking. Being a responsible organization as a family business, VARIO is proud and humbled of this great achievement and feels further motivated to improve practices concerning sustainability and corporate social responsibility.

CRITERIA 1–10: SUSTAINABILITY POLICY

Criteria 1–4 concerning STRATEGY

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

**VARIO is committed through its vision of sustainability
“To become the sustainability expert and visioner in the market in which VARIO operates”**

As a family business, VARIO is guided strategically and operationally in terms of sustainability by the experience and requirements of its corporate development.

For VARIO, sustainability is the core business of the company. VARIO promotes sustainability for people, suppliers, companies and society as a whole. The sustainability efforts are rooted in the company’s purpose: to lead the way to a circular economy, reducing carbon footprint. VARIO believes in contributing in addition to the sustainability impact and targets. The company promotes sustainable procurement, products and services that make a real positive impact for B2B customers and for consumers. The company is aware of customer satisfaction and has conducted an annual survey for understanding their opinion and their demands.

VARIO intends to adopt a new separate sustainability strategy for 2022-2025 and it is based on three pillars for long-term added value:

- Environment
- Social Performance
- Governance

VARIO is aware of corporate responsibility in accordance with the increasing global challenges related to sustainable development for environment, society and governance. The company’s strategy for sustainability is guided by a continuous performance improvement plan. This plan is significant and determines its commitments for CO₂ Reductions, the Code of Conduct, the Policies, the vision for Diversity, and waste reduction. Not only that, but VARIO also raises the awareness of sustainable development among the employees through training programs.

Sustainable Development is an integral part of VARIO long-term business strategy. With its current range of products and its solutions, VARIO already directly addresses the following 6 Sustainable Development Goals which are related to its strategy. These are the key areas where VARIO aims to in order to report on its progress:

- Gender Equality (SDG5)
- Decent work and economic growth (SDG8)
- Reduces inequalities (SDG10)
- Responsible consumptions and production (SDG12)
- Climate Change (SDG13)
- Partnerships for the Goals (SDG17)

More specifically, VARIO targets for:

SDG 5: Promotion of Equal Opportunities for all Genders in Leadership

Achieving gender equality will require specific measures designed to eliminate gender inequities. VARIO promotes successful business equal opportunities for leadership at all steps of decision-making. More specifically, women participate in 1 out of 2 managerial and leadership positions. In this way, VARIO enhances the participation of women at all positions of the Board. Furthermore, in 2022, VARIO included young employees under 35 years old in its workforce contributing directly to SDG 5. More specifically, in 2022, for employees under 35 years old the rate was 36%, for employees under 54 years old the rate was 62% and the rest 2% was for employees of 55 years old.

SDG 8: Protect Labor Rights and Safe and Secure Working Environments within Operations and along the Supply Chain

In line with the INPACS Code of Ethics, VARIO promotes sustainable and inclusive economic growth, full and productive employment and decent occupation for all, respecting the protection of labor rights as well as a secure working environment for all employees. Moreover, the company encourages safe and secure working environments for all employees within operations of suppliers and manufacturers.

In 2022, VARIO developed a dedicated "Code of Conduct" for the suppliers, which sets out the Company's minimum expectations from its supply chain actors regarding issues related to responsible entrepreneurship and sustainable development. The Code is structured according to sustainability principles of INPACS and is aligned with the United Nations' Sustainable Development Goals. Thus, the Code of Conduct has been distributed to local suppliers, in order to endorse it and agree to work towards it.

Company's strategic suppliers have adopted and committed to the Code of Conduct of the global network INPACS/through INPACS.

SDG 10: Reducing inequalities and ensuring no one is left behind are integral to achieving the Sustainable Development Goals

The company promotes these values with regard to employees and all of the stakeholders. More precisely VARIO, as it develops, strengthens the culture in its work environment with policies and practices that enhance equal opportunities and respect for Human Rights. For the company, SDG 10 represents how it empowers people to take an active role in society and economy. All employees irrespective of sex, skin color, origin, social background,

disability, sexual orientation, political or religious beliefs as well as gender or age shall feel included, as well as respectfully treated. VARIO treats its staff with dignity and respect.

SDG 12: Promote procurement practices that are sustainable, in accordance with national policies and priorities and make a contribution to the reduction of waste generation; create awareness and inform all actors along the whole supply chain.

In 2022, VARIO provided sustainable product solutions and educated the sales team through advices on environmental trends, environmental regulations and sustainable products in order to give customers the opportunity to reduce their plastic footprint and develop circular economy concepts. In addition to that, the company is determined to handle the supply chain responsibly, in order to reduce its carbon footprint. VARIO promotes bundling orders for customers, as a way to reduce its carbon footprint. Last but not least, a green agenda is strongly promoted for its products and specifically, 1 out of 2 of the products are eco-friendly.

SDG 13: Significantly Reduce Greenhouse Gas Emissions on Local, National and International Level to Combat Climate Change and its Impacts

VARIO acts in order to supply new and more sustainable products and services. Its offering includes eco-friendly, reusable and compostable products, and the company calculates the benefits to approve to customers the value of waste management. Through innovation, targets are set to reduce the carbon footprint, to minimize packaging and create transparency for partners and customers.

SDG 17: Build Partnerships for the SDGs

VARIO builds long-term partnerships with suppliers, customers, and organizations (such as INPACS) that share common goals and values. A continuous and long-lasting partnership is significant for the company in order to develop new sustainable solutions for customers, such as circular economy.

VARIO's Sustainability Strategy includes company commitment to leading global frameworks including:

- The Ten Principles of the United Nations Global Compact (In 2022, VARIO signed the Letter of Commitment and has undertaken to adopt and uphold the Ten Principles within the sphere of influence concerning:
 - Human Rights
 - Labor
 - Environment
 - Anti-Corruption
- United Nations Agenda 2030 Sustainable Development Goals
- Annual GHG Report

Every year, the company is tracking data and sets targets (KPIs) for climate actions and carbon footprint (CO₂) reduction targets and aspires to the development of responsible-sustainable procurement.

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

VARIO sets sustainability targets for all stages of its operations and offers expert services in areas including diversity, climate change, sustainable procurement, health protection, education and training.

The company acts in ways to create a more sustainable future. They focus on workforce, customers, environment and society with a purpose to make an impact that matters for partners and the planet. They are aware of climate change and they set a strategy to reduce the carbon emissions in all stages of activity. All in all, the company respects and is informed of the national and European environmental legislation. For 2022, VARIO arranged for compostability in the offices in order to recycle the food scraps. Moreover, the company follows internal ways of recycling paper and plastic consumption.

VARIO acts in a responsible way for employees and society, enhancing corporate social responsibility. Throughout education and training, the company ensures the continuous qualifications of the workforce.

VARIO contributes to enable positive societal change through donations, CSR activities, marketing, engagement on social media and reports. For example, VARIO donates all used dispensers to Public Benefit Foundations in order to promote zero waste for a part of hygiene equipment.

As it concerns the risks VARIO faces, it should be mentioned that the company recognizes a number of risks from the non-implementation of the principles and the sustainability program. Some of these are:

- The company's reputation, as the requirements of sustainability are constantly revising, the non-application of sustainable practical solutions and services can affect company's operation and reputation
- Climate change and inefficient resource management. Company aims to reduce its environmental footprint contributing to climate change adaptation
- The lack of sustainable services and products can gradually lead the company to reduced economic performance. The provision of sustainable environmental product and service solutions is a strong market position and diversification from its competitors.
- Not attracting new executives - corporate performance and culture is essential

VARIO has committed to effectively prioritize and report on the material topics that are of most interest to stakeholders, thus in 2024 they will conduct the first Materiality Analysis by sending to stakeholders a questionnaire concerning the material topics: Identify new trends on the horizon that could impact the ability to create value in the long-term of their activity.

In particular, for the Stakeholder Engagement, company expects to stress the commitment to follow the participation of Stakeholders in the process of setting the material topics related to sustainable development. By distributing the specific questionnaire, VARIO would like:

- to identify all categories of stakeholders that concern the company
- to assign material topics to stakeholders based on their importance to VARIO
- to assess the priorities that stakeholders and the company attach to the various issues

The results of the Materiality Analysis for 2023 will be presented in the next Sustainability Report. There will be included all material topics that will be considered strategically important for VARIO. VARIO wishes to further develop the materiality analysis and prioritization of all material topics identifies with the participation of stakeholders for developing open social dialogue with:

- Environmental Dimension
- Social Dimension
- Governmental Dimension

The company has adopted a Sustainability Policy based on 17 Sustainable Development Goals from the UN, which addresses all company's functions, giving priority to environmental protection, excellent working relationships, corporate social responsibility and cooperative improvement.

The material aspects in particular are the following:

For the environment

VARIO aims for its continuing compliance with all environmental legislation, in every area of the business. To begin with, corporate environmental goals, programs and actions are set. The company controls energy consumption, electricity, and water management, to protect natural resources. In addition to that, a comprehensive waste management project with an emphasis on reuse, recycling and composting has been adopted.

As a wholesale company with hygiene solutions, catering supplying, hotel amenities, ecological certification and production details of products are particularly important for operations. The EU regulation concerning prohibition of single-use plastic items (EU Single-Use-Plastics Directive) gave the opportunity to provide a product range with reusables and it was an opportunity to design and select products as sustainable as possible and to contribute to the realization for a circular economy, in order to reduce the environmental impact of plastics.

Throughout the cooperation with partners and customers VARIO provides solutions that are sustainable by pursuing the dual mission of cost and carbon savings. Besides these, the workforce is systematically trained on sustainability and health and safety issues.

For the company's workforce

VARIO's purpose is to contribute to society, building confidence with employees, upholding integrity, and supporting their needs. VARIO recognizes that it has a responsibility to uphold human rights both in the workplace and more broadly within its sphere of influence. Hence, the company adopted INPACS policies such as Code of Conduct and Code of Ethics. The policies are distributed to employees and local suppliers through the website. As it concerns labor rights, VARIO complies with all labor legislation and encourages professional and personal development. Further, the company focuses on employee

satisfaction and creates a workforce consisting of healthy, inspired and motivated employees.

Local society and supply chain

VARIO promotes as far as sustainable procurement. Its product range contains eco-friendly products for customers and products that are produced by renewable energy. VARIO provides customers solutions in all ways of cooperation, giving them the opportunity to understand the added-value of products. Additionally, the company encourages corporate responsibility initiatives, participation in internal and external activities of the company operations. When working with suppliers and partners, VARIO tries to create an environment in which both partners can be developed positively on the market. Therefore, and as a first step in order to secure a sustainable supply chain, a set of rules is stipulated in regards to the supplier monitoring. Finally, laws concerning climate change raise the awareness of customers. In order to help customers be prepared to strengthen carbon emissions reduction as much as possible for the above-mentioned legislations and related challenges, particularly in procurement, the company develops all the appropriate services.

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

As a member of INPACS Sustainability Committee, it focuses through its activities on sustainable development and is committed to minimizing the carbon footprint and promoting a circular economy. VARIO's corporate culture is linked with sustainable initiatives and promotes green ways throughout activity.

VARIO implements and adopts INPACS' policies and distributes them to its workforce, suppliers and customers. Additionally, VARIO's policies can be found on its website for everyone interested in.

VARIO has no production; it is not a manufacturer. So, the company seeks at the national and international level for responsible suppliers that provide high-quality products that meet specific and strict environmental criteria.

Suppliers train the company's employees, partners and customers by presenting products, the way of usage and how their products contribute to climate protection through their environmental certifications. Not only suppliers train the employees, but also, every new employee of VARIO, meets the product range by the sales team. VARIO always asks customers for their opinion about products and protects them with sustainable solutions according to regulations.

As it has been mentioned, the company from 2022 adopts a new separate sustainability strategy for 2022-2025 with environmental, social and governmental aspects. A target is set for making the Company's sustainability performance measurable on the basis of short-term and long-term environmental and social goals.

In accordance with the **Sustainability Strategy 2022-2025**, VARIO pursues the following goals to further expand all sustainability-related activities:

- VARIO is committed to its continued compliance with all environmental regulations, in every area of business
- Submit annually a greenhouse gas emissions according to GHG Protocol, and report the carbon footprint in order to make informed decisions about how to reduce them. It also will help VARIO become more transparent about CO₂ emissions and build trust between workforce and stakeholders
- As follows, VARIO will set targets for less flights for business travel
- VARIO emphasizes to the promotion of its range of eco-friendly and reusable

products and circular economy services

- Continuously selecting products with a focus on a high level of recyclability, reusability and compostability
- The company systematically trains its people, partners and customers on sustainability, environmental management and health and safety issues
- VARIO requires safe environments for all employees within its operations. Thus, company is committed to protect diversity within operations. Additionally, VARIO expects to support the promotion of equal opportunities for all genders in leadership at all levels of decision- making
- Sustainable procurement: Ethics impacts of suppliers: Preventing corruption/ Preventing anti-competitive practices (as price-fixing)/ Preventing illegal working practices/ Protecting biodiversity and land use/ Reducing energy consumption and carbon emissions/ Reducing waste/ Adoption of Code of Conduct by suppliers
- VARIO contributes to the awareness-raising on climate change mitigation, adaptation and carbon footprint reduction for its local suppliers
- Supporting the UN SDGs and reporting to UNGC Communication on Progress (UNGC CoP)
- The company complies with all labor legislation (payroll, working hours, social affairs and inclusion of employees). More specifically, VARIO sets labor targets for equal treatment, protection of human rights as a first priority, and it has created a working environment without discrimination on sex, religion, age, nationality and disability
- Enhancing social responsibility for commitment to zero accidents at work and supporting employees with health benefits
- Annually presentation of the corporate performance through Sustainability Report

VARIO sets targets in order to control and reduce its environmental and climate impact. Company promotes bulk orders for distribution of products for less CO₂ emissions. Additionally, for 2022, VARIO adopted three electric corporate cars. Now there are 3 electric corporate cars in the fleet, by which the company will achieve some steps for reduction of greenhouse gas emissions. VARIO intends to strengthen the fleet with more electric corporate cars.

In 2014, VARIO had set online invoices in the policy, by which they strive for paper reduction. All of the strategic suppliers operate transparently according to INPACS Code of Conduct and VARIO aims to pursue the local suppliers to adopt and operate according to principles.

The objectives of its sustainability are people-oriented and based on quality policy from the requirements of ISO 9001:2015. Quality throughout its activity is non-negotiable. For all products VARIO maintains their certifications, the attributes and the Safety Data Sheets (SDS).

Within the strategy for Sustainability, responsible for products and services, VARIO has been established to be annually certified by ISO 14001, ISO 9001 and the EcoVadis Rating, tracking the quality of VARIO and the sustainability management system.

In accordance with ISO 9001 and ISO 14001 procedures define responsibilities in the fields of quality, environment and occupational safety. These procedures are adapted to the requirements and remarks of stakeholders either in the internal or external environment with focus on continuous improvement.

Company's main goals for **2023**:

(short-term)

1. Increase the eco friendly product sales at 51%
2. Increase the number of eco products at 61%
3. Increase training hours to 20hrs/employee
4. Retain the number of women at managerial positions at 51% and in general at 51%
5. Reduce turnover of employees at 15%
6. Become EcoVadis Platinum

(long-term)

1. Monitor CO₂ for all operations and products
2. Reduce CO₂ emissions by 20% by 2030
3. Remain EcoVadis Platinum

The company is ISO 14001 Certified, so annual inspections ensure environmental performance. Additionally, the company holds Ecovadis gold status, annual evaluation that ensures sustainability performance and reporting.

VARIO is a member of Global Compact. The sustainability goals will align in the coming years, at the moment are more ISO 14001 oriented.

All the referred sustainability objectives have been prioritized and underlined in the Action Plan for 2022-2025 and are in line with the Sustainable Development Goals (SDG5, 8, 10, 12, 13, 17). VARIO always promotes more and more to all of its people, partners, supplies and customers worldwide, sustainable solutions and products.

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

Sustainability is of great importance throughout VARIO's complete value chain. When the company refers to its value chain, they mean the full range of needed activities for providing products and services in the market - from the supply of products and their adoption in the product range to the final disposal to customers.

VARIO is a wholesale company with environmental protection-related policies and provides products and services aimed at different business sectors, focusing on the tourism industry. The overall activity of the company is to identify new and innovative products related to paper products, cleaning items, catering consumables, hotel amenities, detergents etc. VARIO collaborates with responsible suppliers who take care of environmental standards in the production process and VARIO cares for responsible consumers who are looking to get more out of the products VARIO provides them, contributing to a circular economy.

The value chain includes a variety of companies around the world. VARIO takes reasonable measures to preserve the environment through responsible practices of minimizing environmental impact of its activities and comply with all legislations.

VARIO engages relevant stakeholders during its activity: suppliers, customers, employees. VARIO believes its suppliers and partners are its long-term partners and therefore decisions and dialogues are developed in joint interests and vision.

Even as a wholesale company without manufacturing premises and corresponding effects, VARIO continuously visualizes the positive and negative economic and environmental aspects of its activity. Not only that, but VARIO always focuses on energy consumption of its suppliers and customers, raw materials, process of production and the product distribution optimization through bundling orders.

Sustainability plays a crucial role: From procurement, via internal processes, to its customer relationships:

Product Management: VARIO cooperates with all business partners to improve social and environmental aspects. Its product range already includes many environmentally friendly products, recyclable, reusable and compostable products, with sustainable packaging that follows environmental and social criteria and having environmental certifications.

Consequently, VARIO has found out that 1 out of 2 products in its range is eco-friendly. Therefore, VARIO has created an eco-friendly category in its e-shop in order to raise awareness among its customers. VARIO seeks suppliers that use renewable energy throughout their production processes and have set net zero targets for their emissions. Undeniably, these methods are going to reduce the environmental impact during the product life cycle assessment. As it has been mentioned many of its products are accompanied by significant eco- certifications (such as FSC, Ecolabel, CO₂ Neutral label).

As it concerns the packaging of its products, VARIO emphasizes recyclable and reusable packaging, and VARIO promotes dispensers instead of small plastic bottles.

Procurement: When selecting suppliers compliance with its standards and principles is required. More specifically, as Sustainability Strategy for 2022-2025 underlines, Code of Conduct should be accepted by suppliers. Moreover, VARIO is interested in responsible suppliers that respect fair working conditions and safety working environments which are tracked by Code of Conduct. Code of Conduct sets VARIO's principles for cooperation with suppliers.

In fact, strategic suppliers (68% of suppliers that come through INPACS Network) are committed to Code of Conduct (signature of strategic supplier is mandatory). This percentage is significant for us as it reflects the rate of 92% of annual turnover. VARIO has set a goal for all strategic suppliers to have an effective EcoVadis Scorecard with a minimum score of 45/100 in order to monitor the risk of non-compliance with VARIO standards and principles. VARIO expects dialogue and cooperative improvement towards the Sustainable Development Goals through partnerships with suppliers.

Logistics: VARIO supports bundling orders, through "1 Pallet Project", a scenario by which VARIO strives for CO₂ saving. the customer is going to plan massive orders for less packaging. Furthermore, VARIO proposes to 3PL Logistics Partner to track their energy consumption and to separate the total waste so that the quantities of plastic are identified and recycled.

Products and Services: Company's cooperation with customers is continuous and does not end when they purchase their products from VARIO. The company seeks long-term partnerships and recognizes sustainable solutions for their demands. VARIO proposes waste management for products selected from the VARIO range, aiming at a circular economy. VARIO communicates the emerging EU Proposal for a Regulation on packaging waste from 2030 in order to prepare customers for reduced consumption and to achieve product differentiation as a competitive advantage.

The value chain is certified and controlled through the certification process according to ISO 14001:2015, and ISO 9001:2015, quality and environmental management systems, so that any issues can be identified.

VARIO promotes dialogue with customers for more sustainable alternatives for products and bundling orders that lead to reduced waste and lower energy consumption. Bundling orders is just one small thing that makes a big difference in distribution. VARIO provides an INPACS' calculation tool for promoting reusable containers, which underlines the saving of cost and CO₂ emissions.

VARIO focuses on its sustainable value chain and ensures that the company can positively contribute to sustainable development and create sustainable corporate relationships.

VARIO's sustainable performance as a wholesale company depends on the progress of all its supply chain members. That is why it is important to cooperate with suppliers who set

sustainability criteria in their production process avoiding huge amounts of carbon dioxide. VARIO aims at product life extension for creating circular economy concepts. In this concept, VARIO seeks partnerships with waste management companies, and educates customers about sustainable products and related training to turn waste into another form of new and reusable materials, fighting for closing the loop.

Sector Supplements

Not applicable

Not applicable

Not applicable

Not applicable

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

VARIO's values describe its responsibility towards suppliers, customers, workforce and environment, and constitute the core of its corporate partnerships and determine its activities. VARIO recognizes responsibility for ensuring health and safety throughout the supply chain.

Responsibility for sustainability lies with the company's participation in INPACS Sustainability Committee. VARIO has a responsible person for sustainable reporting that defines the sustainability strategy in internal coordination.

The Management Team, in cooperation with INPACS, is accountable for examining the whole sustainability strategy and topics of Sustainable Development. It also regularly reviews and defines the risks and opportunities and the policies that are adopted. Company reports on sustainability material topics and informs its stakeholders for the Sustainability Report. A follow up on the performance towards sustainability targets is conducted annually and disclosed towards stakeholders in Annual Conferences. Through the Sustainability Report VARIO aims at promotion of dialogue with internal and external stakeholders and provides a strategic direction for the sustainability of the business, based on the experience gained and the training on sustainability that have been developed by INPACS Sustainability School.

In order to ensure its sustainability strategy for 2022-2025 VARIO implements programs, initiatives and policies that reflect its values and define Corporate Social Responsibility (CSR), voluntarily integrating social and environmentally-friendly objectives into its operations. Company's sustainability strategy is guided by a continuous performance improvement Action Plan. The Action Plan sets out annual priorities and commitment whose progress is regularly evaluated. Moreover, Action Plan plays a crucial role in defining and validating commitments to social responsibility, environmental management, governance, human rights, working conditions and sustainable economy.

Social Responsibility:

- Health and Safety of suppliers, customers and employees
- Fair Working Conditions
- Protection of Human Rights
- Anti-Corruption

VARIO abides by its human rights commitments with regard to transparency, quality of service, preserving the rights of employees, environmental protection and safeguarding cultural heritage.

Environmental Responsibility: VARIO has set environmental and social responsibility as a main core of its business and commercial operations, bearing always in mind to make fair use of all resources.

At the same time, all operations of VARIO are certified by ISO 9001:2015 and ISO 14001:2015, which refer to management system and quality.

VARIO communicates progress in sustainability and promotes dialogue with INPACS, in order to achieve all targets that have been set in accordance with Strategy.

As part of responsibility VARIO would like to mention that VARIO has committed to align the 10 recognized Principles with focus on Human Rights, Labor, Environment and Anti-corruption. UNGC states that businesses have a responsibility to:

- Avoid causing or contributing to adverse human rights impacts through operations and to address such impacts when they occur
- Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts

Furthermore, current legislative, political and regulatory developments in the banking environment are monitored, analyzed and channeled.

Corporate Sustainability Ratings and Awards

VARIO tracks on an annually basis its sustainability performance of VARIO: EcoVadis score rating 2021: **67**

VARIO supports clear and transparent communication of products and services through every channel of promotion.

People, partners, suppliers and customers belong to the supply chain, and the company shares with them, in the spirit of cohesion, internally and externally, values that guide daily commitment: trust, responsibility, innovation, sustainability throughout the supply chain.

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

The Management Director of VARIO has adopted the following policies to promote its efforts to strengthen Sustainable Development and Corporate Responsibility strategy through rules and procedures.

Sustainability policy

It reflects principles and practices of corporate governance that have been adopted with priority in environmental protection, excellent working conditions, corporate social responsibility and cooperative improvement.

Annual Sustainability Report

VARIO since 2021 publishes a Sustainability Report aimed at providing complete information to all stakeholders - workforce, partners, customers, suppliers and local community about company's business performance, in areas of sustainable economic, environmental and social development. Annual audits and submission of Sustainability Reports ensure that the level of development and efforts regarding the environment,

society and governance are monitored and evaluated by the EcoVadis evaluation platform of CSR. VARIO, in 2021, received the Gold Award for its quality of CSR management system and has launched its next evaluation in early 2023.

Environmental policy

Environmental policy outlines the objectives and principles of VARIO in terms of environmental management requirements. Company recognizes its obligations towards the environment. That is why VARIO is committed to continued compliance with all environmental legislation, in every part of the company's operation. The procedural guidelines according to standards of ISO 14001:2015, define responsibilities for environmental sectors and are adapted on a regular basis with impact on the environment, contributing to continuous improvement of processes.

Code of Conduct for Suppliers

This Code brings together fundamental principles and values that VARIO follows as a company and that should guide all actions and decisions of suppliers as well. It sets standards of conduct that should motivate all suppliers. Code of Conduct is the official basis for compliance with regulations and thus contributes to compliance with sustainability standards. VARIO has adopted the INPACS Code of Conduct that underlines principles for the environment. Cooperation with suppliers requires that suppliers develop products and services that contribute to reducing the use of energy, water and further raw materials throughout their life cycle. Not only that but cooperation also requires that suppliers select environmentally-friendly raw materials, protecting life on land and water (place a high value on biodiversity). Since 2021, a significant percent of suppliers, a rate of 92% of annual turnover, agree with Code of Conduct.

Code of Ethics for Employees

The Code of Ethics aims to summarize the principles that govern internal operation and to clarify behavior towards colleagues, suppliers, partners, third parties and general attitude towards society and environment. Code of Ethics also clarifies principles and values, while at the same time ensuring that all of us respect the same basic regulations of ethics by creating a common framework for their management.

**The above business document is provided during a new colleague's recruitment*

Quality Policy

The company operates in purchase and resale of professional equipment (washroom, paper products, detergents, cleaning tools, catering supplies, personal protective equipment, etc.) and has developed and certified by Quality Management System based on ISO 9001:2015. Company complies with all legislations, in every area of its operation. It also meets applicable requirements arising from requirements and needs of stakeholders and requirements of legislation. Through ISO 9001:2015 VARIO continuously improves the quality management system and monitors - evaluates critical parameters and processes to ensure the quality of its services and products.

Health & Safety Policy

VARIO recognizes its responsibility towards the Environment, Health and Safety of its workforce and people affected by its activities. Also, aware of its responsibilities towards its stakeholders, VARIO is committed to internationally recognized health, safety and environmental standards. VARIO is acting in a morally and socially responsible manner with ambition to avoid negative impacts, enhance positive impacts and contribute to sustainable development. VARIO ensures a working environment consistent with the principles of protection of human rights, working hours within the requirements of legislation, without discrimination and other matters of negative pressure on employees. This policy applies to all activities of VARIO, its principles apply to all employees.

Privacy Policy - GDPR Policy

VARIO complies with Security in Personal Data Protection Management. Through the Personal Data Protection Policy for protection of individuals with regard to processing of personal data, the company declares that all personal data have been collected with the consent of employees, customers, suppliers, partners and the principles of personal data protection are respected.

VARIO Employee Handbook

Employee Handbook is a short guide aimed at facilitating employee integration in VARIO and describes useful information for their placement in its various processes. This Handbook is complementary to the applicable legislation, the contracts of employment and in conjunction with Code of Conduct adhered to by VARIO, it is binding on each employee of the company.

**The above business document (VARIO Employee Handbook) is provided during a new colleague's induction*

Based on VARIO business model and strategy, current rules and practices are established and documented in the integrated administration system in the form of manuals, responsibility diagrams, monitoring and control mechanisms, correction and prevention rules.

7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

VARIO's Responsible Department for Sustainability monitors various performance indicators as well as quality data using a database of the company's Departments. VARIO tracks and publishes indicators related to essential sustainability issues that concern its operations. More specifically, indicators related to the activity of all Departments are recorded and measured, with the aim of providing sustainable solutions to customers and partners, as well as to the local market.

In more detail, sales rate of the environmental certified products (i.e. EU Ecolabel, FSC, Nordic Swan, Ok compost, VEGANOK, etc.) is monitored. It is important to measure the consumption of paper, in offices and in cooperating warehouses, including recycling, plastic consumption, hazardous waste etc. The use of energy of corporate cars, electricity from headquarters and water consumption are monitored annually and reduction targets are set. From this data, the company issues an annual report on greenhouse gasses according to the greenhouse gas reporting standard (KPIs).

In addition, in the context of sustainability, employees' data (how many jobs are for women and how many are for men), fixed-term or open-ended contracts, part-time or full-time employment, age, duration of employment, and management posts are monitored. Indicators also include data on accidents at work, corruption issues, training hours for workforce, employment relationship and experience, etc. The customer service Department records daily customer complaints with the aim of resolving and eliminating them, contributing to creation of trust relationships between VARIO and its customers. The IT Department records employees training on fraud issues and safe use of systems and whether there are security incidents.

Therefore, VARIO aims to record:

- environmental performance (total energy consumption - fuel, electricity consumption, water consumption, amount of office and warehouse consumables that have been consumed or recycled)
- social performance (equal opportunities for all employees, health and safety, accidents, training hours, issues relating to safe use of systems)
- governmental performance (incidents of corruption, compliance with Legislation)

Data quality supervision is ensured through internal and external audits for ISO certification (ISO 9001:2015 and ISO 14001:2015). In addition, company applies the following information systems to monitor progress of performance indicators:

- BI and Dynamics NAV, which is a business software in the category of ERP (Enterprise Resource Planning) that covers functional areas.

Key Performance Indicators (KPIs) shall be redefined at the end of each year on the basis of annual performance of each indicator and in comparison with the initially defined objective.

Moreover, VARIO from 2023 adopts and implements the German Sustainability Code, responding to requirements of the 20 criteria, publicizing its performance in environmental, social and governance topics.

VARIO is committed to supporting and actively implementing the 10 Principles of UNGC in the sectors of Human Rights, Labor, the Environment and Anti-Corruption, and to publishing an annual Report on its progress in the referred areas.

VARIO aims to ensure a responsible and sustainable business operation and to enhance dialogue with all stakeholders.

Key Performance Indicators to criteria 5 to 7

Key Performance Indicator GRI SRS-102-16: Values

The reporting organization shall report the following information:

a. A description of the organization's values, principles, standards, and norms of behavior.

As a signatory of the UN Global Compact, VARIO has committed to observing the 10 Principles and following the principles of the International Labour Organization (ILO). Accordingly, VARIO respects and supports the protection of human rights, commits to fair and safe working conditions, environment, acts in accordance with laws and promotes open social dialogue.

The values, principles, standards and norms of behavior are included in the VARIO Code of Conduct and Code of Ethics. Ethics in governance is promoted in all management categories. All employees are trained to the Code of Ethics (Conduct). This is also guide by the Ten Principles of the United Nations Global Compact Company's vision is "To help our customers and partners to be pioneers in matters of sustainability and sustainable development".

Environmental aspects and indicators are monitored every month by a specific company record. Responsible person for sustainability collects data every month from the respective Departments and submit relevant records. All data is communicated to the Management Department in order to review and set targets and environmental programs.

Monitoring indicators for the year 2022 and their comparison with 2021 are following:

| | 2021 | 2022 |
|---|-----------------------------|-----------------------------|
| Total CO₂e emissions of VARIO | 127.41 tn CO ₂ e | 184.40 tn CO ₂ e |
| CO₂e per employee | 3.11 tn CO ₂ e | 3,55 tn CO ₂ e |
| Suppliers assessed to EcoVadis | 25 | 25 |
| GPA EcoVadis Rating of Strategic Suppliers | 56.8 Silver Medal | 68.5 Gold Medal |
| Total Working Days | 253 | 251 |
| Total number of employees trained in sustainable development % | 100% | 100% |
| Number of recorded "sustainable incidents or penalties" | 0 | 0 |
| Partners Satisfaction Survey NPS | 76 NPS | 72 NPS |
| Customer Satisfaction Survey cNPS | - | 56 |
| Contribution or sponsorships to political parties since the establishment of VARIO in 2004 | 0 € | 0 € |
| Employee participation in CSR activities | 8 | 8 |

Product Marketing Team Monitoring Indicators:

| | 2021 | 2022 |
|---|------|------|
| Percentage of products with environmental certification of total sales % | 32% | 35% |
| Percentage of product eco-friendly of total sales % | 56% | 68% |

HR Team Monitoring Indicators:

| | 2021 | 2022 | | |
|---|-------|--------|--|--|
| Number of employees | 40 | 50 | | |
| Telecommuting for employees % | 50 | 0 | | |
| Men among all employees % | 40 | 46 | | |
| Women in total employees % | 60 | 54 | | |
| Women in managerial positions/ roles % | 50 | 50 | | |
| Total working hours | 84,48 | 99.264 | | |

| | | | | |
|---|--|---|--|-------------------|
| (40 employees x 7,040 hours per year) | (40 employees x 7,040 hours per year) | | | |
| Lost Working Hours % | 128 | 0 | | |
| L.T.I. (Lost Time Injury) % | 0,15 | 0,7 | | |
| Total number of overworking hours | 168 | 412 | | |
| Total Hours of Overtime Employees | 0 | 0 | | |
| Total Employee Self Tests (covid19) | 404 | 0 | | |
| Total Employee Rapid Tests (covid19) | 14 | 18 | | |
| Vaccinated employees % | 91% | 92% | | |
| Number of training hours per employee | 16,2 hours | 17,5 hours | | |
| Total number of employees trained in anti-bribery issues % | 85% | 92% | | |
| Number of recorded "corruption incidents" | 0 | 0 | | |
| Employees Turnover | 0,2 | 0,17 | | |
| Employee Matters | | | | |
| Level of satisfaction with working environment | - | A commitment survey and an evaluation will be carried out | | |
| Fuel consumption | 17.000 lt for diesel and 6.445 lt for gasoline | 20 corporate cars | 8.557,04 lt for diesel 8.389,04 lt for gasoline | 23 corporate cars |
| VARIO Office Noise | <65Db(A) | No excessive noise levels were found in the building | No excessive noise levels were found in the building | |
| VARIO Office Lighting | 300-500 Lux | 300-500 Lux | The level and characteristics of the illumination are completely satisfactory. | |
| Thermal comfort | Normal | | No thermal comfort problems were found in the building during the study. The building has adequate air conditioning. | |

| Number of employees | Employee's | | 2021 | 2022 |
|-------------------------------|------------|--|--------------------|------|
| | Age | | | |
| | 18-34 | | 13 | 18 |
| | 35-54 | | 25 | 31 |
| | 55+ | | 2 | 1 |
| Employment relationship/ role | | | Working Experience | |
| | | | | |
| | 0-10 years | | 13 | 19 |
| | 10+ years | | 27 | 31 |

Customer Service Team Monitoring Indicators:

| | 2021 | 2022 |
|--|--------|--------|
| Total number of consignment notes | 20.829 | 31.542 |
| Recorded number of customer complaints | 190 | 365 |

Sector Supplements

This KPI is not yet measured as we not ready

This KPI is not yet measured as we not ready

This KPI is not yet measured as we not ready

This KPI is not yet measured as we not ready

8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

VARIO's philosophy is based on its workforce, a fundamental pillar for creating added value for the company. Sustainable and proper management of Human Resources is a part of the corporate culture for maintenance of competent people who stand for VARIO's purpose and values.

Company creates a healthy work culture that focuses on professional growth and development, continuing education, and motivation that empowers the entrepreneurship of employees and motivates them to achieve their goals. VARIO's target is to ensure that its employees are paid fairly and consistently on the basis of a competitive total remuneration package.

VARIO recognizes its people (workforce) as one of the most material issues related to the company's operation, Sustainable Development and the integration of relevant parameters across the range of sustainability criteria. Employees informed of the company's awareness of Sustainable Development and Corporate Social Responsibility are going to communicate through various and different communication channels (e.g. questionnaire, meetings, training) their ideas and proposals for material topics that VARIO should prioritize. Through training methods, employees have the opportunity to express their views on safety issues and how working conditions can be improved.

Achievement of Sustainable Development Goals is not rewarded or encouraged by the incentives or remuneration schemes of managers and employees. VARIO sets targets for sustainable development and each member strives to achieve common goals.

Sustainability targets are specified in the VARIO Sustainability Report.

VARIO adheres to the 10 Principles of the United Nations Global Compact (UNGC), which include Human Rights and Labor Principles, on issues related to: Health and Safety, Equal Opportunities and Anti-Corruption, Freedom of Association, Elimination of Discrimination in Respect of Employment and Occupation, Effective Abolition of Child Labor, Work-Life Balance.

Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Remuneration policies

The reporting organization shall report the following information:

- a.** Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
 - i.** Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
 - ii.** Sign-on bonuses or recruitment incentive payments;
 - iii.** Termination payments;
 - iv.** Clawbacks;
 - v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.
- b.** How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

VARIO appreciates the valuable contribution of its employees to its upturn. In accordance with VARIO's remuneration policy, all members gain the same benefits depending on their position. All workforce takes advantage of a common bonus system with a vision to strengthen the sense of occupational safety: \

Benefits for Employees:

- Annual corporate trip (as bonus)

VARIO organizes annual corporate trips for its employees, during which there are no presentations or seminars, and targets only for employees' entertainment.

- Bonus scheme for workforce

Company from 01.01.2023 establishes an additional one bonus salary for all people for achievement of individual and corporate goals

- Additional health care and life insurance
- VARIO products and services
 - Free VARIO products. This supply is given in April, September and December -

Additional 35% discount for purchases in the total product lists

- Benefits/ Allowances for children

- Allowances for book purchases at the beginning of school year, allowances for nursery, allowances for summer camps and

- Other benefits
- Marriage allowance - Ticket Restaurant Cards - Multi-year engagement with VARIO (anniversary gifts for 6, 12 & 18 years)
- Initiative for Recommendations
 - Gifts for colleagues who help, through a recommendation, the sales team to achieve a sale
- VARIO Blood Bank
 - VARIO are member of the National Blood Donation Center in Greece and the VARIO employees donate blood 1-2 times per year
- Voluntary participation in a pension scheme
- A working environment providing ecological solutions for daily operating needs and reducing single-use plastics
- Integrated program for recycling consumable materials in the offices to reduce the waste and protect the environment
- Stimulation and participation in seminars, training programs, CSR activities for society and environment
- Ability to work from home (telecommuting)

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio

The reporting organization shall report the following information:

a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

This KPI is not yet measured as we are not ready. This is expected to be measured in 2024 or 2025.

Sector Supplements

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

VARIO engages in open dialogue with its stakeholders, who belong to either its internal or external environment. Stakeholders are recognized for developing the sustainable management system and their requirements for sustainable development and climate action are always considered and involved in the value-creation process.

As main stakeholders VARIO identifies people that have a direct impact on activity or are affected by it. VARIO's stakeholders are employees, customers, suppliers, shareholders, local community representatives and state agencies. Communication aims to identify challenges and needs of the stakeholders while building trust in VARIO. The 3PL company, our suppliers and our clients are the most important stakeholders. The stakeholders have been identified by conducting the stakeholder mapping with our consultants. This is aligned with GRI Disclosure 102-40.

VARIO recognizes and accepts the influence of stakeholders, both in sustainability strategy and in the overall development of the company and seeks open dialogue with them, beyond discrimination and exclusion. This systematic interaction is an essential precondition for long-term cooperation and VARIO'S sustainable operations.

VARIO ensures that partnership is transparent and cooperates closely with different groups of Stakeholders to implement a sustainable procurement and provide customers with circular economy solutions. Stakeholders have a key role in shaping services and support effort for implementation of sustainable partnerships. The following table represents VARIO key stakeholders' group, the key topics that concern them, as well as the channels through which the company communicate with:

| Key Stakeholder Groups | Key Topics of Interest | Communication | Communication Channels |
|------------------------|--|--|--|
| Employees | They are interested in company's sustainability performance, safe and healthy working environment, development of effective employee relations | Communicating with a view to better achieving corporate goals while improving working conditions. Dialogue for creating equal opportunities and harmony between personal and professional life. Attracting young talented managers | Emails Meetings Events Webinars Social Media |
| Customers | Interest in the products properties, raw materials and energy footprint of products and | Communication of corporate responsibility activities, eco-friendly and reusable products, sustainability tips, promotion of responsible | Direct communication through sales team and customer service support Emails Social Media |

| | | | |
|--|--|--|---|
| | services and excellent collaboration | products and services. Creating credential database | |
| Suppliers | Interest in sustainable procurement, EcoVadis certification and employment and economic value | Update on sustainability issues. Promote solutions and select responsible products and services. Suppliers seek to ensure a long-lasting cooperation | Meetings Emails Conferences Webinars Social Media |
| Shareholders | Interest in the sustainability of company, the maintenance of its good reputation and its development. Climate Change Employment and economic value | Update on sustainability issues and interest in company's profitability and integration of new and innovative products and services in range | Annual Report Website Conferences Social Media |
| Local Community Representatives | Interest in positive carbon footprint of company and contribution to climate change | Communication on the corporate social responsibility activities of company, corporate performance and culture. Creation of responsible relationship with local community | Discussions Announcements Newsletter Social Media |
| State Agencies | Prosperity for the society and the local communities Climate Change Responsible Operation of companies with vision of corporate social responsibility is the lever of sustainable economic growth and social welfare | Obligation to apply legislation. Regulatory compliance Implementation of EU environmental legislation and laws concerning health and safety | Announcements Newsletter Social Media |

At the same time, VARIO participates in the United Nations Global Compact (UNGC) and commits fundamental responsibilities in areas: Human Rights, Labor, Environment, Anti-corruption. By participating in UNGC, VARIO expects dialogue for sustainability perspectives on an international level.

Additionally, in 2022 VARIO conducted its 1st customer satisfaction survey (Customer Engagement Survey 2022), in which topics for sustainability, environment and sustainable procurement were developed. VARIO considers impacts across the value chain through the involvement of customers in activity. Thus, surveys enable cooperative improvement. Company's customers expect high quality and flexibility to any requirements that come up.

Furthermore, every year, an Annual Partners Conference takes place, in order for all partners and suppliers to get in touch, exchange ideas and create relationships that lead to a successful and sustainable business. During the Annual Conference, VARIO organized a satisfaction survey for partners for measuring the quality and effectiveness of products and services and taking into account the feedback of partners.

The Conference gives company the opportunity to introduce corporate performance and to announce new collaborations as well as upcoming product range, with sustainable prospects. The target is to discuss with partners and share new ideas and projects.

VARIO always strives for effective corporate governance, as a part of sustainable development, as a contributor to improvement of its performance and creation of trust among its stakeholders.

For reporting year 2022, efforts for sustainable development received international attention and recognition. INPACS is asking for VARIO's policies, Code of Conduct, Environmental Certifications of products and EcoVadis Rating for VARIO's performance to corporate social responsibility.

National and European regulations for sustainability, enhance the demand for reusables disposable products for food by customers and the general public. Customers need to reduce their carbon footprint and choose more circular activities. VARIO is always aware of new and upcoming regulations and expands its product range with eco-services and sustainable solutions. Not only that, but VARIO also invests in new supply principles, with the goal of a circular economy and zero waste management system.

As a family business, employees wish for a safe working environment with responsible employers who care for environmental and social protection.

In interacting with different stakeholder groups VARIO sets priorities for sustainable operations. Stakeholders are essential for VARIO's development and directions-finding for innovative solutions.

Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

- a.** Key topics and concerns that have been raised through stakeholder engagement, including:
 - i.** how the organization has responded to those key topics and concerns, including through its reporting;
 - ii.** the stakeholder groups that raised each of the key topics and concerns.

Various surveys are in place and customer satisfaction. This is monitored through the ISO 9001 Certification.

Sector Supplements

This KPI is not yet measured as we not ready.

Not applicable

Not applicable

Not applicable

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

Continuous development based on the principles of sustainable development has a significant impact on business model, reputation and ability of VARIO to achieve its objectives and embodies an essential criterion for its stakeholders as well.

Company's target is to promote responsible business activity, with immediate and effective adaptation to market challenges, and foster innovation. The significant levers for the company's sustainable performance and innovation continue to be the effective shaping of a range of ecological products and services, as well as advising clients throughout the supply chain.

Company is aware of social and environmental effects of its products which have been identified and recorded, as part of the environmental management system process. As VARIO doesn't produce the products it is only checking their certification, SDS and TDS. Its target is to increase the number and the percentage of eco-friendly products. During the sales meeting with clients VARIO is presenting the environmental characteristics of the products of its range.

Offering a wide range of top-quality product solutions and representing the recognized brands in the world, VARIO can successfully meet the specific needs of each customer and partner. Through close cooperation with all suppliers, VARIO is constantly looking for sustainable solutions that create the greatest possible added value for customers and provide multiple benefits.

VARIO recommends certified, environmentally friendly products and solutions that reduce the use of plastic and carbon footprint. At the same time, VARIO proposes solutions to customers in order to reduce their waste and promote a circular economy. Moreover, VARIO introduces them to partnerships with environmental management programs. For example, customers are provided with mini bottles for hotel amenities, making a great use of plastic. On this basis, the company replaces the plastic mini bottles with recycled plastic bottles and directs them to collect all plastic bottles that will be gathered by recycling companies in order to recycle them, providing innovative, sustainable alternatives. Thus, customers realize the need to give their waste a second life. Moreover, as a key account strategy VARIO strongly recommends to customers reusable dispensers for hotel amenities, which can be refilled, reducing the use of plastic.

At the same time, VARIO provides a solution to the problem of small and repetitive orders of customers, which cause an increase of greenhouse gas emissions. More specifically, the company has created the "1 Pallet Project" according to which VARIO recorded greenhouse gas emissions from customers' orders, in order to make them aware to proceed to bundling orders. This project will also support them to plan their needs in advance. Bundling orders will lead to a reduction of CO₂ emissions from product

distribution. In addition, VARIO has established a system for online ordering and invoicing in order to avoid paper consumption at headquarters. The constant optimization of the ordering process contributes to an increase of VARIO's efficiency, in particular with regard to the design of product distribution.

In order to promote innovation, the company continuously invests in new product categories. Furthermore, it provides an integrated approach to reduce its carbon footprint throughout the value chain, that is why its range includes carbon neutral products, as well as products derived from the use of renewable energy sources.

At VARIO, the quality of products is among the main priorities. VARIO is committed to continuously improving its environmental performance while respecting the environment, legislations, its employees, its customers, its partners and society in general, with the main aim of creating a safe working environment, along with the reduction of total carbon footprint.

Key Performance Indicators to criteria 10

Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.
(Note: the indicator should also be reported when reporting to GRI SRS)

We are a small company, so we don't report on this. We don't own an asset, our offices are rented.

Sector Supplements

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

Criteria 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

By development of an environmental management system according to ISO 14001:2015, VARIO recognizes its responsibilities and obligations towards the environment and society. At the same time, it systematically tracks its carbon footprint in accordance with Greenhouse Gas Protocol (GHG) Guidance.

Company's environmental policy is focused on energy savings and water conservation through the development of a system for monitoring natural resources consumption, on management of solid waste generated, and on constant training of the management team and workforce on environmental issues. Regular trainings force people to be aware of effective usage of natural resources. VARIO continues to improve the ecological profile of products. Furthermore, the company promotes deliberately recycled, ecological, biodegradable, compostable and even recyclable products.

VARIO supports the principle of 4R with a variety of solutions:

Reduce: Reducing the use of plastic Reuse: Reusable products
Replace: Replacement of disposable plastic with natural alternatives
Recycle: Waste Segregation

At the same time, company defends the principle of "The 7-Rs for you: Right product, Right time, Right place, Right amount, Right quality, Right cost, in a Responsible way"

VARIO's headquarters is located in Athens, its offices cover a space of 1,350,00 m³ and are used by 37 non-sales representatives. Company does not track emissions caused by distribution of products. It does not even track data on employee commuting, but it does record commuting of sales team (Emissions from leased vehicles) and has adopted three electric cars in its fleet, which contribute to reducing greenhouse gas emissions.

The main source of greenhouse gas emissions comes from business travel (increasing number of flights).

As a wholesale company, VARIO mainly uses the following natural resources:

- Energy consumption (lighting, air condition)
- Water consumption
- Fuel consumption (diesel and petrol) for sales activities
- Consumption of paper in offices
- Consumption of cardboard and plastic in warehouse
- Total flights serving corporate purposes

KPIs:

Energy consumption (lighting, air conditioning)

Total energy consumed in 2022 in Company's investment properties was as follows:

| | 2021 | 2022 |
|---------------------------------|--|---|
| Total energy consumption | 1.590,85 kWh 759,46 kg CO ₂ e 0,76 tn CO ₂ e | 1.997,45 kWh 872,15 kgCO ₂ e 0,87 tn CO ₂ e |

Water consumption Regarding the annual water consumption for 2022 from Company's premises, the volumes were as follows:

| | 2021 | 2022 |
|--------------------------------|---|---|
| Total water consumption | 256.67 m ³ 0,52 m ³ per employee/ per year | 188 m ³ 0.31m ³ per employee/ per year |

Paper consumption

| | 2021 | 2022 |
|--------------------------------|---------------|---------------|
| Total paper consumption | 25,996 sheets | 30,000 sheets |

Total flights for corporate travel

| | 2021 | 2022 |
|--|---|---|
| Total flights for business travel | 119 flights 35,70 tn CO ₂ e emissions by air travel | 406 flights 121,80 tn CO ₂ e emissions by air travel |

Fuel consumption (diesel and petrol) for sales activities

| | 2021 | 2022 |
|---|--|--|
| Fuel consumption (diesel and petrol) for sales activities | 20 corporate cars 14 tn CO ₂ e for petrol 43 tn CO ₂ e for diesel Total: 57 tn CO ₂ e | 23 corporate cars 18 tn CO ₂ e for petrol 22 tn CO ₂ e for diesel Total: 40 tn CO ₂ e |

Waste from warehouses Consumption and segregation of cardboard (from warehouse) / Consumption and segregation of plastic (from warehouse):

| | 2021 | 2022 |
|--|-----------|----------|
| Cardboard consumption (utilization: recycling) | 10,500 kg | 7,680 kg |
| Plastic consumption | 7,650 kg | 3,340 kg |

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

Environmental protection is an important prerequisite for operations throughout the supply chain. Company aims at a sustainable business model with a responsible use of natural resources. Furthermore, it implements the ISO 14001:2015 Environmental Management System, by which it focuses on preventing and minimizing its environmental impact through appropriate measures and targets to continuously improve its performance. Additionally, through ISO 14001:2015, the company has established and publishes performance indicators related to the Environmental Management objectives. All performance indicators are communicated internally to the company's management and externally to its stakeholders.

Global energy crisis and rising prices of raw materials, remind us of the significance of making the most efficient use of natural resources. At the same time, the EU Circular Economy Action Plan represents the protection of the environment and resource efficiency. Hence, VARIO strives to adopt this Plan in company's activity promoting waste management. In this context, in order to integrate sustainable goals into business activity and undertake activities for reducing carbon footprint, VARIO sets coordinated actions.

Control of internal management procedures for natural resources focuses on electricity consumption, business travel and distribution of VARIO products.

- Today, VARIO has proceeded to replace all electric lighting equipment. All lamps have

been replaced by LED lamps

- Company has proceeded to purchasing (via leasing) of 3 electric cars for its fleet, seeking to reduce carbon dioxide emissions
- Adoption of sustainable products in VARIO's product range: VARIO selects suppliers that are aware of sustainable development, produce eco-friendly products, commit to carbon neutrality and prefer renewable energy sources for their production. The goal is for products to be recyclable, compostable, so as to ensuring the most effective waste management. This will make it easier for the consumer to manage the product after use (e.g. the company is aware of responsibility towards consumers and proposes waste management programs to them)
- Company's operations and products do not come from hazardous materials
- VARIO cooperates with suppliers who share the same values as ours and this is confirmed through Code of Conduct for suppliers
- VARIO focuses on continuous trainings and awareness for employees and partners on environmental issues
- VARIO informs customers about environmental characteristics of products
- VARIO promotes products with environmental certifications and provide sustainable solutions, and 1 out of 2 products in VARIO'S product range is environmentally-friendly

VARIO, in the framework of its Sustainability Strategy (2022-2025), foresees and sets targets for responsible management of resources. In addition to the company's fundamental goal to reduce greenhouse gas emissions, VARIO has also defined measures within the environmental management system, which are monitored as part of its continuous improvement process.

VARIO takes into account the following measures:

- Reduce energy consumption Reduce energy consumption in offices and warehouses, measure annually electricity and thermal energy consumption, so that targets can be raised for improvement and reduction.

- Water resources management

Water resources management is very important for us, thus, VARIO aims to protect the available resources and overexploitation and records annual consumption and set reduction targets.

- Responsible Supply Chain: Procurement Policies VARIO introduces products with environmental certifications and invests in new products that are climate neutral. Also, the company provides sustainable solutions for bundling orders.

- Increasing quantities of materials collected for recycling Recycling bins are placed in offices by types (paper-plastic), encouraging workforce to adopt eco-friendly habits for environmental protection

- Reduce waste

VARIO aims to reduce paper and plastic consumption both in offices and warehouse and in 2022 and put a compost bin in office, in order to compost food waste scraps

- Business travel management
- Trainings for partners-customers

VARIO seeks for continuously informing and educating partners on Sustainability Regulation

- Trainings and raising employees' awareness

VARIO strives to keep employees informed and educated about sustainable development

VARIO sets reduction targets for greenhouse gas emissions: target for 20% reduction in 2030

Significant risks arising from VARIO activities in relation to resources and the environment can vary depending on the industry and specific operations. Here are some examples of VARIO risks:

- Supply Chain Risks (For example, these risks include unethical labor practices, or reliance on suppliers in politically unstable regions, which can impact both the environment and the business's reputation.

- Waste Management (For example, these risks include significant amounts of waste generation during our operations

Key Performance Indicators to criteria 11 to 12

Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

- non-renewable materials used;
- renewable materials used.

We are not a producer, we are a 3PL company. Therefore it is not possible to measure this indicator. We are measuring the percentage of eco label products / total number of products and the percentage of sales of eco label products

Key Performance Indicator GRI SRS-302-1: Energy consumption
The reporting organization shall report the following information:

- a.** Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.
- b.** Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.
- c.** In joules, watt-hours or multiples, the total:
 - i.** electricity consumption
 - ii.** heating consumption
 - iii.** cooling consumption
 - iv.** steam consumption
- d.** In joules, watt-hours or multiples, the total:
 - i.** electricity sold
 - ii.** heating sold
 - iii.** cooling sold
 - iv.** steam sold
- e.** Total energy consumption within the organization, in joules or multiples.
- f.** Standards, methodologies, assumptions, and/or calculation tools used.
- g.** Source of the conversion factors used.

KPIs:

VARIO, in the framework of Environmental Management, has established, monitored and disseminated through the implemented Management Systems, environmental performance indicators. The recording of VARIO's carbon footprint is monitored on an annual basis and for 2022 the following were measured:

| | 2021 | 2022 |
|--|---|---|
| Fuel consumption (diesel and petrol) for sales activities | 20 corporate cars 14 tn CO ₂ e for petrol 43 tn CO ₂ e for diesel | 23 corporate cars 18 tn CO ₂ e for petrol 22 tn CO ₂ e for diesel |

| | 2021 | 2022 |
|---------------------------------|---|---|
| Total energy consumption | 1.590,85 kWh 759,46 kgCO ₂ e 0,76 tn CO ₂ e | 1.997,45 kWh 872,15 kgCO ₂ e 0,87 tn CO ₂ e |

| | 2021 | 2022 |
|--|--|---|
| Total flights for business travel | 119 flights 35,70 tn CO ₂ e emissions by air travel | 406 flights 121,80 tn CO ₂ e emissions by air travel |

| | 2021 | 2022 |
|--|-----------------------------|-----------------------------|
| Total CO₂ emissions of VARIO | 127.41 tn CO ₂ e | 184.40 tn CO ₂ e |
| CO₂e per employee | 3.11 tn CO ₂ e | 3.55 tn CO ₂ e |

Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

The reporting organization shall report the following information:

- a.** Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b.** Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.
- c.** Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d.** Standards, methodologies, assumptions, and/or calculation tools used.

Energy is measured by adding the various invoices.

The aim is to reduce the energy consumption by 20% by 2030.

By telecommuting regulation (due to COVID 19), data for greenhouse gas emissions were unstable and not based on daily operations. For the first time, VARIO reports the normal operating conditions and is going to set reduction goals for 2030.

Key Performance Indicator GRI SRS-303-3: Water withdrawal
The reporting organization shall report the following information:

- a.** Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
 - i.** Surface water;
 - ii.** Groundwater;
 - iii.** Seawater;
 - iv.** Produced water;
 - v.** Third-party water.

- b.** Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
 - i.** Surface water;
 - ii.** Groundwater;
 - iii.** Seawater;
 - iv.** Produced water;
 - v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.

- c.** A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
 - i.** Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids);
 - ii.** Other water ($> 1,000$ mg/L Total Dissolved Solids).

- d.** Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

KPIs:

| | 2021 | 2022 |
|--------------------------------|--|--|
| Total water consumption | 256.67 m ³ 0,52 m ³ per employee/ per year | 188 m ³ 0.31m ³ per employee/ per year |

Key Performance Indicator GRI SRS-306-3: Waste generated
The reporting organization shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and how the data has been compiled.

KPIs:

| | 2021 | 2022 |
|--------------------------------|---------------|---------------|
| Total paper consumption | 25,996 sheets | 30,000 sheets |

| | 2021 | 2022 |
|--|-----------|----------|
| Cardboard consumption (utilization: 100% recycling) | 10,500 kg | 7,680 kg |
| Plastic consumption | 7,650 kg | 3,340 kg |

Sector Supplements

Not applicable

Not applicable

Not applicable

Not applicable

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Climate Change is an increasingly pressing environmental and societal issue, which is directly linked to Greenhouse Gases (GHG) highly linked to companies operations. For that reason, some stakeholders have already started to require us to take active and proactive actions, including the calculation of carbon footprint and the adoption of new eco-friendly strategies to mitigate emissions and tackle climate change.

Towards this direction, and in line with the societal requirements, VARIO has proceeded with the calculation of its carbon footprint since 2021. More specifically, the company has selected all data from every department related to its direct and indirect emissions.

VARIO reports carbon emissions with the calculation of Scope 1, 2, and 3 (not full analysis). Scope 1 (direct) emissions concern the combustion of fuel at the company's facilities and due to transportation by vehicle fleet. Scope 2 (energy indirect) emissions concern the energy consumed within the company in the form of electricity and Scope 3 (indirect) emissions include total corporate flights, and waste. More specifically, VARIO is a wholesale company and has no manufacturing production. VARIO supplies all products of that range and provides them in the Greek market. Thus, the use of natural resources is limited. Company's impact on the environment is mainly for business travel purposes (due to company's activity and geographical characteristics of Greece -many islands- that VARIO needs to serve and communicate with clients-partners across the country, but also abroad), for reasons of taking the products from suppliers and their distribution to customers, and for reasons of energy supply in offices.

VARIO's main priorities:

1. Transportation of sales team for customer services
2. Fuel consumption
3. Water consumption
4. Office equipment
5. Business Travel

Optimizing environmental impact particularly in these areas has been achieved within the environmental management system. A significant part of CO₂ emissions comes from business travel and the distribution of products (which are not included in greenhouse gas emissions report this year). A lower proportion of CO₂ emissions comes from transportation of employees that drive corporate cars. Data for the calculation of greenhouse gas emissions in Scope 1, 2 and 3 have been collected from all VARIO's departments and from 2023, will be recorded by Responsible person for sustainability topics. Also, all data are collected through their own measurement systems. The emission

factors used to calculate carbon dioxide equivalents have been derived from energy mix of suppliers for energy consumption and from Greenhouse Gas Protocol (GHG) factors. All members of VARIO believe they have a responsibility towards the environment and this responsibility translates into a debt to society and future generations.

VARIO is committed to:

- minimizing the impact of VARIO's operations on the environment
- spreading the philosophy of environmentally responsible attitudes to employees, their families, and to the wider public
- caring for safe management of expired or corrupted products (such as gloves and cosmetics)
- systematically controlling energy and water consumption in order to apply practices to limit them
- recycling all packaging to transport products from warehouse (3PL partner)
- 20% reduction of total carbon emissions by 2030

These commitments integrate sustainability goals with business operations and financial planning, emphasizing the importance of reducing carbon emissions as part of the overall business strategy.

Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions

The reporting organization shall report the following information:

- a.** Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
- b.** Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ or all.
- c.** Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- d.** Base year for the calculation, if applicable, including:
 - i.** the rationale for choosing it;
 - ii.** emissions in the base year;
 - iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

KPIs:

| Allocation | Emissions by category | [t CO ₂ e] | % Share |
|------------|---------------------------------|-----------------------|------------|
| Scope 1 | Heating consumption | 0,00 | 0% |
| | Fuel consumption in the company | 19,42 | 11% |
| | Gas leakage (refrigerant) | 0,00 | 0% |
| | Scope 1 | 19,42 | 11% |

Key Performance Indicator GRI SRS-305-2: Energy indirect
(Scope 2) GHG emissions

The reporting organization shall report the following information:

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.

b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.

c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

d. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

| | | | |
|---------|-------------------|------|----|
| Scope 2 | Power consumption | 0,87 | 0% |
| | District heating | 0,00 | 0% |
| | Scope 2 | 0,87 | 0% |

Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions

The reporting organization shall report the following information:

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.

b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

e. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

g. Standards, methodologies, assumptions, and/or calculation tools used.

| | | | |
|---------|---|---------------|------------|
| Scope 3 | Purchased goods and services | 13,93 | 8% |
| | Production resources / assets | 0,00 | 0% |
| | Fuel and energy related emissions | 5,01 | 3% |
| | Waste generation / waste water in the company | 0,38 | 0% |
| | Business trips | 121,80 | 66% |
| | Upstream transportation and distribution | 22,99 | 12% |
| | Scope 3 | 164,10 | 89% |

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.
- b.** Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c.** Base year or baseline, including the rationale for choosing it.
- d.** Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e.** Standards, methodologies, assumptions, and/or calculation tools used.

By telecommuting regulation (due to COVID 19), data for greenhouse gas emissions were unstable and not based on daily operations. For this year, VARIO reports the normal operating conditions and is going to set reduction goals for 2030. Therefore, there are not GHG emissions reduction, but company commits to it for 2030.

VARIO is committed to:

- 20% reduction of total carbon emissions by 2030

Sector Supplements

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

This KPI is not yet measured as we not ready.

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

Employees are absolutely vital to company's successful and sustainable activity. The Company recognizes and respects labor rights as an inalienable part of human rights in general. It has since 2022 embraced the principles of the UN Universal Compact (UNG) for the defense of human rights. Respect for human rights and the principle of equal opportunities govern all VARIO human resources management policies, procedures and practices, ensuring a working environment that accepts and incorporates the principles of equality.

Human Rights

1. Support, respect and protection of internationally accepted human rights within the company (internally) and in transactions with its suppliers, partners and clients (externally)
2. Undertaking concern to prevent human rights violations

Company promotes the fundamental principles of the Declaration for the Protection of Fundamental Labor Rights of the International Labor Organization (ILO)

In order to secure International Labor Organization (ILO) standards in the company, VARIO aims to create a healthy working environment, following strategies for the development and maintenance of human resources, while providing equal opportunities to all. In this way, VARIO is taking steps to protect employees and to enhance their employment and personal development.

VARIO has established a Code of Ethics, which aims to summarize the principles that govern internal operation and clarify behavior towards colleagues, suppliers, partners, third parties and general attitude towards society and the environment. The Code of Conduct also makes principles and values clear, while ensuring that VARIO observes the same basic rules of conduct by creating a common framework for their management.

In order to achieve this it is essential that company applies certain principles of business ethics and conduct. The basic principle of the Code of Conduct is that VARIO operates with responsibility, honesty and sincerity, always assuming the responsibilities of actions.

The company's Code of Ethics is going to strengthen the company's values in practice. At the same time, it reflects the VARIO Code of Conduct for its suppliers at international and national level, instructing them to display behavior that is in line with the highest legal and ethical standards. The Code of Ethics serves as a supplement to existing legislation and is binding on all employees of VARIO.

Respect for the fundamental rights of employees is an integral part of actions at VARIO. This includes the promotion of equal opportunities and equal treatment for every worker and interested party in VARIO, regardless of race, color, language of nationality, social origin, possible disability, sexual orientation, political or religious beliefs as well as gender or age. VARIO respects the dignity, privacy and personal rights of people. No one should be forced to work against his will or under the threat of punishment. VARIO does not allow any unacceptable treatment of employees, such as sexual harassment or discrimination to be tolerated and does not accept any behavior (including gestures, language or physical contact) that is threatening or abusive.

VARIO's Sustainability Strategy (2022-2025) is also based on Human Resources. All labor force policies are geared towards promoting health and safety at work.

Health and safety at work

The health and safety of employees, partners and clients is foremost and that is why VARIO implements procedures and instructions while systematically educating employees. VARIO ensures a working environment consistent with the principles of protection of human rights, working hours within the requirements of legislation, without discrimination and other types of negative pressure on employees. The goal is to achieve zero accidents or other types of health and safety-related malfunctions at work. In VARIO, legislative requirements are closely introduced and the safety technician is responsible for the compliance of measures, while training for fire safety is also being undertaken.

In particular, ergonomics, working environment, waste management and safety issues, fire safety and emergency regulations have been introduced for health and safety at work. For deliveries of products, through cooperating companies and warehouses, compliance with legislation is always requested, the use of ADR regulations where necessary, the delivery safely, while for chemicals the requirements set out by the REACH Directive are respected. Moreover, all specifications of products that VARIO receives from suppliers (Safety Data sheet - SDS, Technical Data Sheet - TDS) are always delivered to customers and are related to their safe management and guidance is provided. Waste management is strictly in line with legislation, with priority given to recycling and the company always receives, as VARIO, certifications from the relevant public or private authorities. Specific and hazardous waste is managed by licensed companies. Finally, VARIO asks partners to implement all the requirements of health and safety legislation, thereby offering sustainable and safe services to everyone.

VARIO operates nationally only, the German standards are not implemented, only ILO and national (local) legislation.

Freedom of Association

According to company's principles, values, policies and rules of operation, the right to freedom of association is not in any way prevented.

Education of employees

VARIO considers investment in continuing training of employees a part of company's strategy. Therefore, because of the importance of this issue, the company is implementing an integrated program for further training of employees. The main objective of this program is to continuously enrich professional knowledge, strengthen their skills and to upgrade their experience so that they can realize their work daily and in the long-term. In addition, every new colleague is trained by all Departments of VARIO, in various areas, in order to gain a holistic approach to the company's activity and product range.

Additional Benefits

VARIO appreciates the valuable contribution of its employees to its development. Thus, it offers several additional benefits and programs to them and their families to strengthen the feeling of job security. These additional benefits were also developed in Section 8 (Incentive Systems).

Privacy

Claims concerning violations of this Policy as well as the Complaint Procedure are treated as confidential. The relevant information is disclosed only to those persons who need to know it in order to investigate incidents, take necessary measures, or as required by law or to protect the safety of employees. The Personal Data of Employees processed by VARIO in connection with this Policy will be subject to the Privacy Notice for Contractor.

Complaints

Any concern or complaint of employee, whether related to him personally or to another employee, VARIO employees have the possibility to:

A. Either follow the following steps:

1. Discussion with the Manager concerned
2. Discussion with the Director- in general

B. Or fill in the "Complaint & Proposal Form" that is shared on the company's Intranet.

There are not material risks arising from the business activities, the business relations and the products and/or services that are likely to have a negative impact on employee rights.

For all matters, an Investigation and Resolution Team shall be established, considering all necessary measures to ensure an honest, fair, discreet and objective response to any emerging issue. Treatment of employees' complaints is the same for everyone regardless: gender, sexual orientation, color or race, religious or political beliefs, other factors such as language difficulties, age.

KPIs:

Company's monitoring indicators for the year 2022 are listed in the following tables:

| | 2021 | 2022 |
|--|--|---|
| Number of employees | 40 | 50 |
| Telecommuting for employees % | 50 | 0 |
| Men among all employees % | 40 | 46 |
| Women in total employees % | 60 | 54 |
| Women in managerial positions/ roles % | 50 | 50 |
| Total working hours (40 employees x 7,040 hours per year) | 84,48 (40 employees x 7,040 hours per year) | 99.264 |
| Lost Working Hours % | 128 | 0 |
| L.T.I. (Lost Time Injury) % | 0,15 | 0,7 |
| Total number of overworking hours | 168 | 412 |
| Total Hours of Overtime Employees | 0 | 0 |
| Total Employee Self Tests (covid19) | 404 | 0 |
| Total Employee Rapid Tests (covid19) | 14 | 18 |
| Vaccinated employees % | 91% | 92% |
| Number of training hours per employee | 16,2 hours | 17,5 hours |
| Total number of employees trained in anti-bribery issues % | 85% | 92% |
| Number of recorded "corruption incidents" | 0 | 0 |
| Employees Turnover | 0,2 | 0,17 |
| Employee Matters | | |
| Level of satisfaction with working environment | - | A commitment survey and an evaluation will be carried out |

| Number of employees | Employee's | 2021 | 2022 |
|-------------------------------|--------------------|------|------|
| | Age | | |
| | 18-34 | 13 | 18 |
| | 35-54 | 25 | 31 |
| | 55+ | 2 | 1 |
| Employment relationship/ role | Working Experience | | |
| | 0-10 years | 13 | 19 |
| | 10+ years | 27 | 31 |

VARIO did not carry out arisk analysis concerning the employements rights yet.

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

VARIO has traditionally implemented a people-oriented approach based on development of stable relationships with its employees. In this context, it always stands by the side of its people, supporting them and their families in every way.

VARIO's commitment to maintain a culture that aims at employee development is ongoing. VARIO invests consistently in people, focusing on continuing education, designing and implementing high value-added educational programs.

Company's operation, activities and success are based on its people. In order to grow and prosper, companies should ensure that employees are fairly paid, involved and receive all knowledge and skills they need to fulfill their potential, in a healthy and safe working environment.

Diversity & Inclusion

Respect for diversity is a fundamental value of VARIO. That is why the company is committed to developing and maintaining an inclusive working environment in order to create a sustainable society and a better future for next generations.

VARIO promotes gender balance, diversity and integration to be part of the company's corporate culture and respects the responsibility for performance indicators in terms of diversity and integration and ensuring that the company applies appropriate activities to achieve them.

VARIO sets a target to retain women employment at 51% level both in managerial positions and in general.

Positive Environment and respect for colleagues

Company prohibits any type of harassment of employees by colleagues. At offices, any offensive behavior towards an employee or abusive behavior regarding company's property is not acceptable, as detailed in the Code of Ethics that VARIO has adopted.

Policy against Discrimination, Violence and Harassment at Work

The company shows zero tolerance for Discrimination, Violence and Harassment. This Policy against Discrimination, Violence and Harassment at Work aims at creating and maintaining an environment of work, practices and procedures that are free from any type of Discrimination, Violence and Harassment. This Policy applies to all employees at the company "VARIO S.A.", regardless of their contractual status, including contract employees, independent services, paid employment, as well as employees undergoing training, including trainees and apprentices, volunteers, employees whose employment relationship has ended, and prospective employees.

Company takes very seriously any violation of this Policy. Any Employee and Partner found in breach of this Policy will be deemed to have breached the contract of employment or cooperation respectively and their contracts may be terminated. This Policy is not part of any individual's contract of employment or cooperation, and VARIO may review, modify, or withdraw this Policy at any time and without prior notice. This Policy falls under and must be read in conjunction with all other applicable policies and procedures of the company.

Business Ethics Policy - Anti Bribery Policy

Company has zero tolerance for corruption. VARIO complies with all laws in respective countries that operates and does not offer, promise, give, ask, agree, receive or accept bribes at any stage of activities and financial agreements. This policy applies to all people working at every level for VARIO, including high-level officials and management.

Fixed Remuneration

Fixed remuneration is the guaranteed income of employees and therefore ensures the appropriate standard of living for employees.

Employee Evaluation Program

Within the framework of the Sustainability Strategy, VARIO has developed an employee evaluation process called Performance Management & Development System. The procedure of this system concerns the assessment of workforce by the Manager and the Board and is carried out annually.

Objective of the Evaluation:

- Opportunity to discuss/feedback how to work and not just to review results
- Structured communication
- Opportunity for all employees to be oriented in the same direction

KPIs:

All provisions of relevant Legislation are complied with:

- Average hours of training per year per employee
- Discriminatory occurrences and corrective actions: To date, no relevant incidents have been noted/recorded

In the context of the implementation of the policy, staff may receive the following licenses in addition to the normal - according to the applicable law - license:

| Employee Leave of Absence | Total Days | Unpaid/ Paid |
|--|----------------------|--|
| Paternity Leave | 14 | Paid |
| For prenatal screening tests | No limit | Paid |
| For medically assisted human reproduction | 7 | Paid |
| Parental Leave | 4 months | Unpaid, 2 months granted by the local Labor Employment Office (OAED) |
| Absence for family reasons of a child's illness | Till 10 | Paid |
| Single-parent absence | 6 | Paid |
| Dependency Leave | 6 | Unpaid |
| Children's hospitalization absence | Till 30 | Unpaid |
| Absence of a force majeure clause | Till 2, 1 every time | Paid |

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Company focuses on qualified employees with competence, high skills and passion to work towards the company's goals.

Executive and Employee Training

VARIO strives to continuously develop executives and employees by providing innovative skills and development programs in collaboration with suppliers. For example, VARIO introduces training programs for new series of products or the range of detergents.

Through training programs, the company ensures the strengthening and promotion of employability of its people. In order to ensure a high level of continuous training and adaptation of employees to evolving requirements at work, training is offered by all departments. During training, employees learn to use the Company's tools, and use them. VARIO invests constantly in additional skills of employees.

VARIO sets a goal of 20hrs training per employee per year. This training is about professional development, sustainability and other social issues.

Age Range by Generation

The average age of company's employees varies between 35-54 years old. It is noted that in 2021, employees aged 35-54 were 25, while in 2022 they increased to 31.

Gender Balance in the Workplace

VARIO supports equal treatment of both sexes and equal opportunities. Thus, on average, in 2021 60% of total workforce was for female employees, which in 2022 decreased to 54%. In 2021, 40% of total workforce was for male employees, and in 2022, the percentage of male employees amounted to 46%. In fact, one out of two managerial positions belong to female employees.

VARIO has adopted an Employees Evaluation Program, which helps every employee and company to:

- Set clear priorities, aligned with all corresponding corporate policies
- Ensure objective performance evaluation criteria
- Introduce the concept of differentiation, based on individual's work performance
- Aims to continuous improvement, which can lead to a salary increase or advancement in career
- Know what the company expects from its role

There are not material risks arising from the business activities, the business relations and the products and/or services that are likely to have a negative impact on qualifications.

Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries
The reporting organization shall report the following information:

a. For all employees:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

a. For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.

KPIs:

Safety awareness is always a priority for VARIO, and safe working procedures should be understood and implemented daily by everyone working in the company.

There are not work-related injuries recorded for 2022.
0% work related injuries
0% recordable work-related ill health

Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.

b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

Not applicable to report on these processes until they are established and operational. The company is in the initial stages of implementing an occupational health and safety management system, and we do not have fully developed processes for employee participation and consultation yet.

Key Performance Indicator GRI SRS-404-1: Average hours of training

The reporting organization shall report the following information:

a. Average hours of training that the organization's employees have undertaken during the reporting period, by:

- i.** gender;
- ii.** employee category.

KPIs:

Company's monitoring indicators for the year 2022 are listed in the following tables:

| Number of training hours per employee | 16,2 hours | 17,5 hours |
|--|------------|------------|
| Total number of employees trained in anti-bribery issues % | 85% | 92% |

It is not possible to separate the training hours into gender and employee type categories due to practical limitations. To be precise, while categorizing training hours by gender and employee type is technically possible, it may impose practical challenges. Company may need to ensure accurate data collection, consistent categorization methods, and efficient data management systems. Additionally, small sample sizes within specific categories may limit the reliability and usefulness of the data for analysis and decision-making.

Key Performance Indicator GRI SRS-405-1: Diversity

The reporting organization shall report the following information:

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

KPIs:

Company's monitoring indicators for the year 2022 are listed in the following tables:

| | 2021 | 2022 |
|---|------|------|
| Number of employees | 40 | 50 |
| Telecommuting for employees % | 50 | 0 |
| Men among all employees % | 40 | 46 |
| Women in total employees % | 60 | 54 |
| Women in managerial positions/ roles % | 50 | 50 |

| Number of employees | Employee's Age | 2021 | 2022 |
|-------------------------------|----------------|--------------------|------|
| | 18-34 | 13 | 18 |
| | 35-54 | 25 | 31 |
| | 55+ | 2 | 1 |
| Employment relationship/ role | | Working Experience | |
| | 0-10 years | 13 | 19 |
| | 10+ years | 27 | 31 |

Key Performance Indicator GRI SRS-406-1: Incidents of discrimination

The reporting organization shall report the following information:

a. Total number of incidents of discrimination during the reporting period.

b. Status of the incidents and actions taken with reference to the following:

- i.** Incident reviewed by the organization;
- ii.** Remediation plans being implemented;
- iii.** Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
- iv.** Incident no longer subject to action.

0 incidents of discrimination during the 2022

Sector Supplements

Not applicable

Not applicable

Not applicable

Not applicable

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

VARIO supports the principles of the UN Global Compact on Human Rights, Labor, Environment and Anti-Corruption. The 10 Principles of the UN Global Compact help us to promote a framework of long-term business success. Protection of human rights for both employees and suppliers is a part of company's Sustainability Strategy (2022-2025). Company's target is that all employees and all suppliers, whether coming from INPACS Network or local community, must observe and operate with respect to company principles for human rights. These principles are analyzed in the Code of Ethics and the Code of Conduct for suppliers.

The company procures over 5,000 different codes (cleaning products, catering consumables, detergents, cleaning items et al.) from over 68 different suppliers annually. Products are not produced by the company and are strictly controlled before entering the warehouse.

In VARIO's offices, the protection of human rights is controlled through the following Management Systems: ISO 14001:2015 and ISO 9001:2015. Furthermore, the company is evaluated for its contribution to Labor and Human Rights by EcoVadis, which sets labor standards in particular with regard to prohibition of child labor and ensuring health and safety at work.

The aim of VARIO, through Sustainability Strategy, is to ask the 68% of its suppliers to carry out EcoVadis evaluation procedure as well. Already, through INPACS Network, 25 out of total suppliers are being evaluated for Corporate Responsibility Activities (CSR) and respect for human rights. So, VARIO has set a goal of evaluating more total suppliers in the coming years.

At the same time, VARIO has adopted and implemented Code of Ethics, in which employees' attitude and their labor rights are recorded. VARIO has also adopted from INPACS, the Code of Conduct, which is addressed to suppliers. This Code highlights human rights protection policies, in accordance with national and international laws and the International Labor Organization (ILO).

VARIO's Code of Conduct for suppliers is part of partnership agreements, whereby every supplier promises and will promise to respect the fundamental rights of workforce, prohibition of child labor and health and safety with regards to its supply chain.

The Code of Conduct for suppliers underlines priorities and principles for Labor and Human Rights. More specifically, as it concerns Human Rights, suppliers should respect the following:

2.1 Human Rights

Suppliers should respect the personal dignity, privacy and human rights of all its partners. The protection of internationally recognized Human Rights must be respected and supported by everyone. Suppliers should prevent complicity in human rights violations.

2.2 Embracing Diversity

Suppliers should encourage equal employment opportunities and equal treatment of its employees, irrespective of race, color, language, nationality, social origin, possible disability, sexual orientation, political or religious beliefs and gender or age.

2.3 No Harassment and Coercion

Suppliers should not tolerate an attitude (including gestures, language and physical contact) that is considered sexually harassing, threatening, abusive or exploitative.

2.4 Fair Working Conditions

Every supplier should ensure the right of remuneration and respect the legally defined maximum hours of work for the country.

2.5 Prohibition of Forced Labor

Supplier should not employ anyone against his will or force anyone to work.

2.6 Prohibition of Child Labor

Child labor is severely restricted. The term 'child labor' has the meaning attributed in the International Labor Organization (ILO) Convention.

2.7 Health and safety

- i. Suppliers should provide adequate safety measures to effectively protect their employees from accidents, chemical, biological, and physical hazards, as well as work-related diseases. This statement emphasizes the need for suppliers to create a safe working environment for their employees. Adequate safety measures may include implementing safety protocols, providing personal protective equipment (PPE), ensuring proper ventilation, and maintaining machinery and equipment in safe working condition. Additionally, suppliers are expected to offer appropriate training programs to their workforce to ensure they are equipped with the necessary knowledge and skills to handle potential hazards safely.
- ii. Suppliers should effectively identify and prevent all relevant hazards and emergency situations in the workplace, as well as ensure appropriate contingency plans, regular security training and response procedures.

Overall, these statements highlight the importance of proactive safety management and the need for suppliers to prioritize the health and well-being of their employees. By implementing adequate safety measures, providing training programs, identifying and preventing hazards, and establishing emergency response procedures, suppliers can create a safer work environment, reducing the risk of accidents, injuries, and occupational illnesses.

VARIO sets goals for the upholding of human rights by the company, any subsidiaries, and suppliers and service providers:

- Code of Conduct for suppliers
- Whistleblower Policy
- Diversity Policy
- 0 Accidents in the workplace
- Responsible Sourcing (Supply chain sustainability)

There are not material risks arising from the business activities, the business relations and the products and/or services that are likely to have a negative impact on employee rights.

Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings

The reporting organization shall report the following information:

a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

b. The definition used for 'significant investment agreements'.

No such investment

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews

The reporting organization shall report the following information:

a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

68% of our supply chain partners all over the world is monitored on the regular basis by our Code of Conduct for suppliers.

100 % of our own operations as well as our employees are monitored on a regular basis by our Quality Management

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening

The reporting organization shall report the following information:

a. Percentage of new suppliers that were screened using social criteria.

68% of our strategic and preferred suppliers all over the world is monitored on the regular basis by our Code of Conduct for suppliers.

VARIO operates in a jurisdiction where there are no legal obligations or regulations requiring social screenings of suppliers. Therefore, we do not report on this specific metric.

Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain

The reporting organization shall report the following information:

a. Number of suppliers assessed for social impacts.

b. Number of suppliers identified as having significant actual and potential negative social impacts.

c. Significant actual and potential negative social impacts identified in the supply chain.

d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.

e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

In 2022, VARIO developed a dedicated "Code of Conduct" for the suppliers, which sets out the Company's minimum expectations from its supply chain actors regarding issues related to responsible entrepreneurship and sustainable development. The Code is structured according to sustainability principles of INPACS and is aligned with the United Nations' Sustainable Development Goals. Thus, the Code of Conduct has been distributed to local suppliers, in order to endorse it and agree to work towards it. At this point it is worth noting that strategic suppliers have adopted and committed to the Code of Conduct through INPACS.

In fact, strategic suppliers (68% of suppliers that come through INPACS Network) are committed to Code of Conduct (signature of strategic supplier is mandatory). This percentage is significant for us as it reflects the rate of 92% of annual turnover. VARIO has set a goal for all strategic suppliers to have an effective EcoVadis Scorecard with a minimum score of 45/100 in order to monitor the risk of non compliance with VARIO standards and principles. VARIO expects dialogue and cooperative improvement towards the Sustainable Development Goals through partnerships with suppliers.

Our Code of Conduct covers various areas, such as labor practices, human rights, fair treatment of employees, diversity and inclusion and supply chain transparency. It communicates VARIO's expectations regarding responsible business practices and sets a standard for suppliers to meet. By setting clear expectations, conducting assessments, monitoring compliance, and promoting collaboration, the company ensures that its suppliers uphold social standards and contribute to positive social impacts within their operations.

Sector Supplements

Not applicable

Not applicable

Not applicable

Not applicable

Criterion 18 concerning SOCIAL MATTERS

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Vision for a prosperous, modern, competitive and climate neutral economy by 2050, highlights the critical need for a substantial transition of economy and business models towards a long-term value creation for society.

Sustainability Strategy focuses also on corporate citizenship. Company's cooperation with the wider society, and especially with neighboring communities is essential and multidimensional. It is based on donations of company's products and the goal for the coming years is to support the neighboring environment (neighboring schools or parks).

CSR activities with the support of company and its employees

All corporate values that govern CSR activities are based on the following decalogue:

1. VARIO treats people as the highest contributor to company's successful development
2. VARIO's main priority is professional satisfaction of employees, and balance between personal and professional life
3. VARIO respects nature and adopts a corporate culture that reduces carbon footprint
4. VARIO is committed to continuous compliance with all environmental legislation, in every area of its business
5. VARIO invests in promoting and enriching the series of ecological products
6. VARIO always aims to satisfy customers and build trusting relationships
7. VARIO chooses suppliers that share the same values with policies
8. In corporate culture the company promotes teamwork
9. VARIO applies guidance for all activities
10. Avoid complacency. VARIO strives for greener activities for procurement

Contribution to Society:

Second Hand Initiative

As a company, VARIO implements a circular economy initiative called "Second Hand Devices for a good purpose". This initiative aims to reuse all the devices that are being returned to us (e.g. defective devices, returned devices from facilities where the supplier has changed, devices that the company has proposed to be replaced by more modern and innovative systems). Once collected from technicians, the devices are cleaned, repaired, reinstalled and ready for use. Afterwards, VARIO donated and installed them to NGOs, schools, hospitals, nursing homes etc. and along with the devices the company donated all refills. Simultaneously, VARIO organizes on-site hygiene training on proper handwashing. Subsequently, the company helps in multiple ways the weakest parts of society and especially children and elderly people while at the same time reducing plastic consumption.

Additionally, in 2022, this initiative took place for "Chatzikiriakio Foundation". The "Chatzikiriakio Foundation" (www.xatzikiriakio.gr/en/chatzikiriakio/our-history) is a historic Child Protection Institution in Piraeus Greece, founded in 1889 and operating since 1904. For over a century the foundation has been providing comprehensive care and support to girls as young as 6 years old, whose families face social and economic difficulties and come from a variety of cultural backgrounds. It offers housing, accommodation, medical care, education, moral education, counseling and emotional support with the help of social employees and psychologists, educational and extracurricular activities, financial support to its students studying at universities, while occurring financially in cases of graduate students, who face chronic health problems and cannot work.

Wishing to contribute to the work of the "Chatzikiriakio Foundation of Child Protection", VARIO supports and offers in order to install multiple devices along with refills on their premises. At the same time, "hygiene experts" visited their premises in order to assist children in developing healthy habits and in understanding the benefits of handwashing. VARIO strongly believes that children are the future of world, so the company has to show them that "clean" hands may not be so clean after all and that washing their hands can prevent the spread of multiple diseases (including the Pandemic of Covid-19). Finally, VARIO's main ambition is to contribute to an even healthier, safe and sustainable environment for people and society.

- The Home Project Initiative

The company supports The HOME Project by donating books for children that face economic difficulties. More specifically, "The HOME Project" was set up to address the needs of refugee children whose families and lives are wrecked by war and persecution, empowering them to persevere and grow into active citizens. VARIO supports HOME Project's effort to provide children with a holistic network of child protection services and work towards an inclusive society where no child should grow up alone.

Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed

The reporting organization shall report the following information:

- a.** Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:
- i.** Direct economic value generated: revenues;
 - ii.** Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
 - iii.** Economic value retained: 'direct economic value generated' less 'economic value distributed'.
- b.** Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

Company does not report to direct economic value generated and distributed
Report EVG&D separately at country: Not applicable in VARIO
Greece does not mandate such reporting and VARIO operating is not obligated to provide country level disclosures. Generating country-level EVG&D data is challenging for our operations as it requires comprehensive data collection, verification, and standardization across our operations.

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

VARIO is a neutral wholesale company operating without donations or payments. As a company, VARIO is not politically involved and therefore is not a member of any political party. VARIO does not make donations to political parties/associations. This is also in line with the VARIO Code of Conduct which states:

Anti-corruption and bribery policy

All suppliers should not tolerate any form of corruption, including bribery and extortion, nor engage in it in any form. This shall also include any unlawful payment offers or similar allowances to national or international public officials or private sector decision-makers to obtain preferential treatment or influence their decision-making.

All following Legislations have been notable for 2022 for VARIO:

EU Directive 2019 on the reduction of the impact of certain plastic products on the environment

The EU Green Deal

Corporate Sustainability Reporting Directive (CSRD)

EU waste management laws: Pay-As-You-Throw (PAYT)

Greek Law No. 4808/2021: About adopting measures against violence and harassment in the workplace

Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions

The reporting organization shall report the following information:

a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.

b. If applicable, how the monetary value of in-kind contributions was estimated.

KPIs:

0,00 € political donations

VARIO supports the United Nations Global Compact (UNGC) with an annual subscription of 1,000€

Sector Supplements

Not applicable

Not applicable

Not applicable

Not applicable

20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

The key principle of the company is respect and compliance with the current proposals and regulations and with Sustainable Development Goals (SDGs).

More specifically, VARIO achieved the following during 2022:

SDG 5: VARIO promotes successful business equal opportunities for leadership at all steps of decision making.

More specifically, women participate in 1 out of 2 managerial and leadership positions. Furthermore, in 2022, VARIO included young employees under 35 years old in its workforce contributing directly to SDG 5. More specifically, in 2022, for employees under 35 years old the rate was 36%, for employees under 54 years old the rate was 62% and the rest 2% was for employees of 55 years old.

SDG 8: Protect Labor Rights and Safe and Secure Working Environments within Operations and along the Supply Chain

In 2022, VARIO developed a dedicated "Code of Conduct" for the suppliers, which sets out the Company's minimum expectations from its supply chain actors regarding issues related to responsible entrepreneurship and sustainable development. The Code is structured according to sustainability principles of INPACS and is aligned with the United Nations' Sustainable Development Goals. Thus, the Code of Conduct has been distributed to local suppliers, in order to endorse it and agree to work towards it. At this point it is worth noting that strategic suppliers have adopted and committed to the Code of Conduct through INPACS.

SDG 10: Reducing inequalities and ensuring no one is left behind are integral to achieving the Sustainable Development Goals

All employees irrespective of sex, skin color, origin, social background, disability, sexual orientation, political or religious beliefs as well as gender or age shall feel disability, sexual orientation, political or religious beliefs as well as gender or age shall feel included, as well as respectfully treated. VARIO treats its staff with dignity and respect.

SDG 12: Promote procurement practices that are sustainable, in accordance with national policies and priorities and make a contribution to the reduction of waste generation

In 2022, VARIO provided sustainable product solutions and educated the sales team through advices on environmental trends, environmental regulations and sustainable products in order to give customers the opportunity to reduce their plastic footprint and develop circular economy concepts. In addition to that, the company is determined to handle the supply chain responsibly, in order to reduce its carbon footprint. VARIO promotes bundling orders for customers, as a way to reduce its carbon footprint. Last but not least, a green agenda is strongly promoted for its products and specifically, 1 out of 2 of the products are eco- friendly.

SDG 13: Significantly Reduce Greenhouse Gas Emissions on Local, National and International Level to Combat Climate Change and its Impacts VARIO acts in order to supply new and more sustainable products and services. During 2022 VARIO offered more eco -friendly, reusable and compostable products, and the company calculated the benefits to approve to customers the value of waste management.

The individual responsibilities as well as the specific operational guidelines shall be specified by the integrated management system in order to ensure maximum legal certainty. The monitoring of compliance with the rules shall also be carried out at least annually through internal and external audits and through the following management systems ISO 14001:2015 and ISO 9001:2015.

In addition to that, VARIO publishes its Code of Conduct which presents a catalog of values and principles that governs its operations. Furthermore, it underlines the attitude that it expects from its suppliers. As well as VARIO's Code of Conduct contains a guideline on the prohibition of corruption and bribery.

Any illegal attitude may be reported. So far there have been no incidents of corruption in the company. The control to prevent corruption is carried out at all levels of operations,

from the relationships with suppliers, the legal control of the contract, the operation of the wholesale company, the monitoring of regulatory compliance, the continuous training of employees and partners and especially the responsibility of people to reveal any occasion that could lead to corruption.

Through policies VARIO focuses on anti-corruption practices:

- Compliance with applicable national and European Regulations
- Employee Handbook
- Cooperation with the suppliers

VARIO faces risks related to the actions of its business partners, suppliers who may engage in corrupt practices on behalf of the company. Due diligence and monitoring of third parties are crucial to mitigate these risks.

Moreover, there are some cultural and ethical challenges. More specifically, operating in regions or industries with different cultural norms and ethical standards can pose challenges for VARIO. Understanding and adapting to local expectations while maintaining compliance with anti-corruption policies is crucial.

To effectively address these risks, VARIO develops and implements anti-corruption and anti-bribery policies.

Code of Conduct and Code of Ethics have been structured and adopted by INPACS, in accordance with the 10 Principles of United Nations Global Compact (UNGC). VARIO commits to integrating these Principles into its Strategy in order to establish a culture of integrity.

Bribery and Corruption

The company criticizes all incidents of bribery and any corrupt or illegal business practice or activity. Moreover, VARIO does not accept/offer/promise gifts, facilities or cash exchanges or any other benefits to individuals or legal entities, as well as to civil servants with the aim of obtaining an unfair competitive advantage.

Fraud Detection & Prevention

The Company does not tolerate any fraud and is committed to the principles of transparency and integrity.

VARIO recognizes that suppliers play an important role in achieving mission. The company seeks stability in relationships with suppliers and partners which are based on mutual trust.

Compliance with legal requirements is indicated by quality and environmental management systems according to ISO 9001:2015 and ISO 14001:2015. The company targets monitoring is carried out on an annual basis as part of audits and inspections carried out by internal employees, external consultants and auditors.

In order to ensure safety in the handling of products and compliance with the law and to satisfy vision for responsible and sustainable procurement, VARIO has created and displayed all the Safety Data Sheets to customers.

Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption

The reporting organization shall report the following information:

- a.** Total number and percentage of operations assessed for risks related to corruption.
- b.** Significant risks related to corruption identified through the risk assessment.

In 2022, VARIO developed a dedicated "Code of Conduct" for the suppliers, which sets out the Company's minimum expectations from its supply chain actors regarding issues related to responsible entrepreneurship and sustainable development. The Code is structured according to sustainability principles of INPACS and is aligned with the United Nations' Sustainable Development Goals. Thus, the Code of Conduct has been distributed to local suppliers, in order to endorse it and agree to work towards it. At this point it is worth noting that strategic suppliers have adopted and committed to the Code of Conduct through INPACS.

The Code of Conduct establishes clear standards and expectations regarding ethical behavior, integrity, and compliance with laws and regulations. It provides guidance on acceptable conduct and helps suppliers understand their responsibilities in relation to corruption prevention.

Additionally, it raises awareness among suppliers about the risks and consequences of corruption. It helps in identifying relevant corruption risks by outlining specific behaviors, practices, and situations that are considered corrupt or unethical. It could provide examples of red flags or indicators of potential corruption activities, such as bribery, embezzlement, or conflicts of interest. This enables suppliers to report any suspicious activities they encounter.

All in all, the Code of Conduct provides a framework for monitoring and auditing the suppliers' compliance with anti-corruption policies. It includes periodic assessments, internal audits in order to evaluate the effectiveness of corruption prevention measures and identify areas for improvement.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption

The reporting organization shall report the following information:

- a.** Total number and nature of confirmed incidents of corruption.
- b.** Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c.** Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d.** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

| | |
|--|---|
| Number of recorded "corruption incidents" | 0 |
|--|---|

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
 - i.** total monetary value of significant fines;
 - ii.** total number of non-monetary sanctions;
 - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

KPIs:

During the reporting period, no incidents of corruption have been identified in both internal and external company operations and its supply chain.

No incidents of non-compliance with the applicable Legislation.

No legal case involving corruption or anti-competitive practices was brought.

Sector Supplements

Not applicable

Not applicable

Not applicable

Not applicable

Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

| Areas | Sustainable Code criteria | GRI SRS indicators |
|--------------------|--|--|
| STRATEGY | 1. Strategic Analysis and Action 2. Materiality 3. Objectives 4. Depth of the Value Chain | |
| PROCESS MANAGEMENT | 5. Responsibility 6. Rules and Processes 7. Control | GRI SRS 102-16 |
| | 8. Incentive Systems | GRI SRS 102-35 GRI SRS 102-38 |
| | 9. Stakeholder Engagement | GRI SRS 102-44 |
| | 10. Innovation and Product Management | G4-FS11 |
| ENVIRONMENT | 11. Usage of Natural Resources 12. Resource-Management | GRI SRS 301-1 GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)* |
| | 13. Climate-Relevant Emissions | GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5 |
| SOCIETY | 14. Employment Rights 15. Equal-Opportunities 16. Qualifications | GRI SRS 403-4 (2018) GRI SRS 403-9 (2018) GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1 |
| | 17. Human Rights | GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2 |
| | 18. Corporate-Citizenship | GRI SRS 201-1 |
| | 19. Political Influence | GRI SRS 415-1 |
| | 20. Conduct that Complies with the Law and Policy | GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1 |
| | | |

*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.