

Sustainability Report



2023

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MEL
CARTONBOARD MAKERS

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WE RECYCLE NATURE
THE FUTURE IS CIRCULAR

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Message from the Managing Director

GRI 2-22

The issuance of the Sustainability Report for 2023 comes at the end of one more year of challenges. During 2023, MEL coped successfully with the low trends in the market, together with energy costs remaining high. To meet with the new difficulties, MEL managed to bring its energy consumption down, through new investments and productions' fine tuning. This effort continued in 2024, with measures such as the ongoing reconstruction of the biomass boiler, in order to be able to be flexible in fuel. Our safety systems and procedures improve on a monthly basis, through intensive training and modernizing of our facilities. Moreover, two new decanters are planned to operate in 2024, minimizing significantly the sludge produced by the production process and the waste treatment plant as well for better handling of the de-inking unit.

By recycling and reusing more than 120,000 tons of paper annually and strengthening the circular economy model, MEL unquestionably ensures environmental balance and sustainability. In this context, we continue to implement practices based on the principles of circular economy and reuse of natural resources, in order to continuously reduce the environmental burden, focusing on reducing the use of fossil fuels consumed in the production processes and emphasizing the utilization of recyclable materials and the eco-design of our products. This year, the difficulties are increasing with the persistence of the global energy crisis, which is developing to this day into one of the greatest energy challenges of modern civilization. For this reason, our going Co-Generation plant that shall produce energy, steam and hot water, is under way and we hope it shall be in operation mode at the end of 2024.

MEL is pleased to publish an ambitious sustainability plan for 2024 and communicate our long-term sustainability goals described in this report. The report presents the main points of the mission and objectives and sets out the priorities of our focus on measurable goals that will be key in future developments. The points mentioned are of great importance to our industry and society in general and we hope that they contribute to the legacy of ecological heritage. The aim of this report is to capture the value that our group creates for our people, the market, the wider society and the natural environment. At the same time, we aim to construct a business model with socially and environmentally sustainable economic activities that will support sustainable development, highlighting the contribution of industry to the wider society. The report presents the corporate responsibility principles applied by MEL, in detail with all the actions and goals set for the coming years.

Undoubtedly, in an environment with new uncertainties arising due to geopolitical unrest, the high cost of fuel and the business challenges brought by the sharp increase in demand compared to the previous two years seem to significantly impact on our operations. Our primary goal is to bring all energy costs down in the most sustainable way. Finally, we aim to deal with the market turbulence by constantly improving the level of service and the quality of goods for our customers.

Dr. Dimitris Theocharis

Managing Director MEL-S.S.A.

About this Report

GRI 2-1, 2-2, 2-3, 2-4, 2-5

The present Sustainability Report marks the third report of MEL-Macedonian Paper Mills S.S.A., covering the period from January 1, 2023, to December 31, 2023, aligned with our financial reporting period. Published annually, our sustainability reports aim to transparently communicate our initiatives, progress, and impact to stakeholders, underscoring our commitment to environmental stewardship, social responsibility, and robust governance practices. This enables MEL to hold itself accountable for its commitments and to continue its tradition of transparent and comprehensive reporting. The scope of this report includes all sustainability activities and performance metrics exclusively for MEL-Macedonian Paper Mills S.S.A.. The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, while also considering the UN's 17 Sustainable Development Goals.

A materiality analysis was conducted and key sustainability issues were identified, that are relevant to our business and stakeholders. By engaging with employees, customers, suppliers, and community representatives, we ensured our reporting addresses the topics of greatest importance.

This report has not received external assurance and there have been no restatements of information in this report compared to the previous reporting period. For any questions regarding this report or the information contained within, please contact Ms. Anastasia Dimitraki via e-mail at adimitraki@melpaper.com or send a letter to our facilities in Kato Gefyra, 57011, Thessaloniki, Greece. This report was published on 20/12/2024 and can be accessed through our company's website, at <https://www.melpaper.com/en/sustainability-report>.



ESG Highlights

Environment

Electricity Consumption Decrease:

6%  compared to 2022

16% compared to 2020

100% of hazardous waste diverted from disposal

Society

0 work-related fatalities

0 cases of work-related ill health

3,525 total hours of training
(2022: 925)

16 hours of training per
employee (2022: 4)

Governance

0 human rights violations or discrimination incidents

33% Female members of the Board

About our Company

At a Glance



More than 120,000 tons of cardboard produced annually



Recycling of almost 50% of the paper collected nationwide



60 years of experience



Exports to 30 countries and over 290 customers



Who We Are

GRI 2-1, 2-6, 2-28

MEL - Macedonian Paper Mills S.S.A. (hereinafter MEL), a leading manufacturer of recycled packaging paper in Greece and a member of the Pak Group, is headquartered in VI.PA.THE., Kato Gefyra, Thessaloniki. We operate a state-of-the-art facility on 50,000 m2 of privately owned land within a larger 230,000 m2 area. Our facility has an annual production capacity of over 120,000 tons of coated cartonboard, supported by a skilled and dedicated workforce committed to maintaining high standards of quality and efficiency.

As part of the industry sector under the Global Industry Classification Standard (GICS), MEL is dedicated to sustainability by exclusively utilizing recyclable paper as raw material in its production process. Our commitment extends to optimizing energy efficiency, reducing water consumption, and implementing responsible waste management, thereby minimizing our environmental footprint. We continuously invest in innovation and advanced technologies to enhance the quality and performance of our products, meeting diverse packaging needs while promoting a circular economy. By aligning with global sustainability goals, MEL not only provides high-quality recycled paper but also actively contributes to reducing waste and conserving resources.

MEL actively engages with prominent industry associations, reflecting its dedication to collaboration, innovation, and the advancement of sustainable practices within the recycled packaging paper industry. By fostering strong partnerships with key organizations, MEL contributes to shaping industry standards, advocating for sustainable policies, and driving progress in environmental stewardship and energy efficiency. These memberships enable MEL to stay at the forefront of global trends, share best practices, and amplify its impact on the circular economy. This commitment to active participation underscores MEL's leadership and vision in promoting responsible industry growth. Our key affiliations include:

- Confederation of European Paper Industries
- European Carton Makers Association
- ProCarton
- Business and Industry Association (SEV)
- Association of Industrial Energy Consumers (EVIKEN)
- Union of Greek Industries (SVE)
- Union of Paper Industries of Greece (EVICHE) – chaired by MEL's Managing Director

Our History

1967: Headquarters moved to Northern Greece

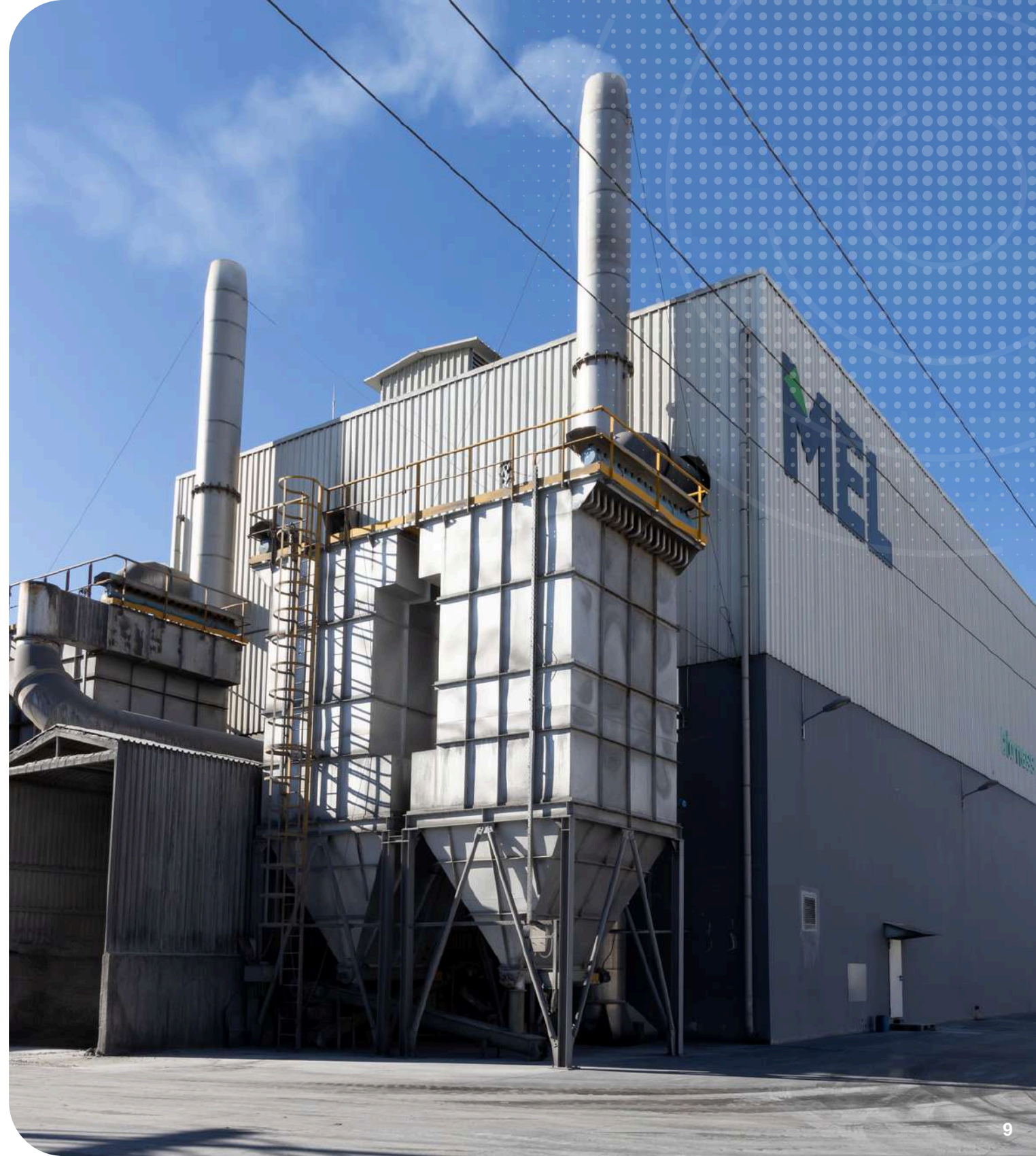
1998: Privatization

Today: MEL is a leading force in the recycled cardboard industry in Greece and the wider Balkans region

1964: Founding by Georgios Ladopoulos in Patras, Greece

1984: Change in ownership, with MEL coming under the control of the Business Reconstruction Organization (OAE)

2012: Pak Group B.V. becomes sole shareholder



About Pak Group

Our parent group is a conglomerate with a history of over a century, starting as the Mustafa Nevzat Pharmaceutical Laboratory in 1923. Led by Dr. Engin Pak, the founder of Pak Group, the laboratory grew to an industrial company in the 1950s, and the group continued adding numerous companies and operations along the years since. Today, it has expanded to over 130 countries and has a global reach with 19 distinct companies in various sectors.

Pak Group's diverse portfolio includes companies in the packaging industry such as Kartonsan, Intermat, Dönkasan, Selka, and MEL; in the food sector with As Gıda, Pak Gıda, Pak İhracat, Rompak, and Bellarise; in agriculture with Integro; and in real estate through Ece Ticari Gayrimenkul. Additionally, it includes holding companies like Pak Holdings A.S., Pinat Gıda Sanayi ve Ticaret A.S., and Asil Holdings A.S.

In the packaging sector, Pak Group holds a significant presence, owning 75% of Kartonsan, Turkey's leading carton board producer, and 70% of Intermat, a major flexible packaging producer in Europe. The acquisition of MEL has elevated the Pak Group to become the fourth-largest carton board manufacturer in Europe, increasing its annual production capacity to an impressive 360,000 tons.



Our Philosophy and Vision



Our Philosophy

At MEL, our philosophy is grounded in unwavering quality and responsibility across all facets of our operations. This commitment extends to the excellence of our services, the integrity of our relationships with employees and partners, and our proactive approach to corporate social responsibility. Our interactions and workplace dynamics are characterized by genuine respect and reciprocity.



Our Vision

MEL's vision, based on the principles of a circular economy, calls for leveraging all components of the supply chain to ensure sustainable development.

Our vision embraces the principles of a circular economy, aiming to optimize every component of the supply chain to achieve sustainable development. We are dedicated to operating with a high degree of social and environmental awareness, delivering our products and services through the application of best practices and resource conservation techniques, always with a deep concern for the environment.

Our Activities

GRI 2-6, 201-1

MEL serves over 290 customers across more than 30 countries, including Greece, Romania, Turkey, Italy, Egypt, Albania, Bosnia-Herzegovina, Hungary, Slovenia, Poland, Kosovo, Austria, Spain, France, the United Kingdom, Ireland, Morocco, Cyprus, Serbia, Bulgaria, Algeria, North Macedonia, Sweden, Portugal, Germany, Tunisia, the USA, Croatia, the Czech Republic, Panama, and Slovakia. We demonstrate a robust global presence while also bolstering the local economy and promoting sustainability.

Key Figures

Category	Amount (€)
Direct Economic Value Generated: Revenues	74,905,760
Economic Value Distributed: Operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments	76,707,249
Economic Value Retained: 'Direct economic value generated' less 'economic value distributed'	-1,801,489
Subsidy for investments made subject to investment law in 2016	2,137,800

It is worth noting that MEL has identified no significant indirect economic impacts, either positive or negative, during the reporting period.

Investments

GRI 203-1

MEL has made significant infrastructure investments to enhance operational efficiency, sustainability, and safety. Key developments include:

- Installation of electric/electronic equipment for harmonics control and energy-saving systems.
- Implementation of a new feeding system using woodchips for the biomass boiler.
- Progress on the BARRIER Project.
- Deployment of the Edge Control System for the wire section.
- Installation of a new feeding biocide system in the forming section.
- Construction of a new floor in the former section.
- Replacement of 10 medium voltage circuit breakers and the incoming breaker, integrated with PLC and SCADA monitoring systems.
- Upgraded fire detection system at the ready product warehouse.

Our Products

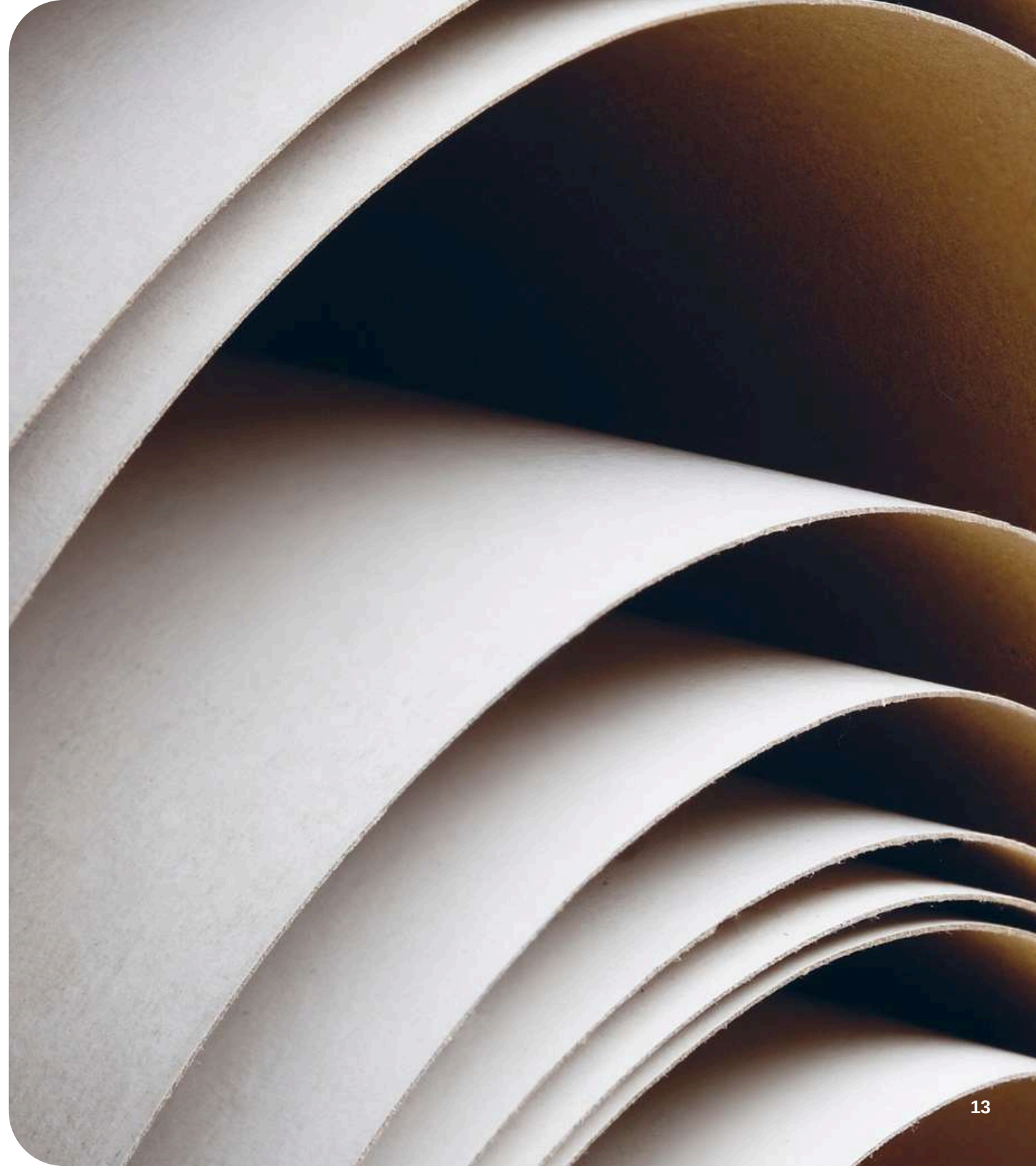
GRI 2-6

At MEL, we pride ourselves on offering a diverse range of high-quality cartonboard products designed to meet the evolving needs of our clients across various industries. Each product in our portfolio is carefully crafted to ensure superior performance, reliability, and sustainability.

MEL's product range includes GD, a fully coated White Line Chipboard (WLC) with a grey back; GT, a fully coated White Line Chipboard (WLC) with a white or Kraft back; and UT, an uncoated two-sided Kraft board. These products are designed to meet diverse packaging needs, offering both coated and uncoated options for various applications.

Below is a detailed overview of our key offerings, showcasing the unique features and applications that set them apart in the market.

- **GD:** Our Greyback Duplex Cartonboard features a fully-coated White Line Chipboard (WLC) with a grey interior. This durable cartonboard is ideal for a wide range of general packaging applications. Its reliability and versatility have made it a popular choice across Europe, particularly for packaging consumer goods where a quality printing surface is essential.
- **GT:** Our GT Cartonboard stands out with its pristine fully coated White Line Chipboard (WLC), with a white or Kraft back. This high-quality triplex board is especially suited for food packaging, meeting stringent safety and quality standards. It is also highly favored in the cosmetics and pharmaceuticals sectors, where both superior specifications and aesthetic appeal are crucial.
- **UT:** Our Uncoated two-side Kraft board is a standout product crafted at our state-of-the-art mill in Thessaloniki, Greece. This uncoated, double-sided kraft board represents a significant innovation in MEL's product offerings, meeting the growing global demand for sustainable, high-quality kraft solutions. With a uniform kraft texture on both sides, this board is designed for robust performance, excellent visual clarity, and seamless processing on production lines. Fully recyclable, the Kraft-Kraft board reflects our commitment to environmental responsibility and sustainable practices.



Our Supply Chain and Business Relations

GRI 2-6

Our supply chain encompasses a comprehensive range of activities that contribute to the creation and delivery of our high-quality paper products. From sourcing primary and secondary raw materials to ensuring top-tier services and support, each stage of our value chain is meticulously managed to maximize efficiency, sustainability, and value for our customers.

Upstream	Downstream
Suppliers - Primary Raw Materials	Local Customers
Suppliers - Secondary Raw Material	International Customers
Suppliers - Equipment and Spare Parts	Waste Management Services
Human Resource	Local Community
External Legal Advisors	
Instrument Calibration	
Construction Services	
Banks	
Security Service Providers	

Our supply chain is designed to be both efficient and responsible. It starts with the careful selection of primary raw materials—both recyclable and virgin paper—and extends to the use of secondary raw materials such as fuels, chemicals, and various operational components. When additional supplies are required, we first check existing stock availability. If secondary raw materials are not available, the relevant supervisor or department manager sets the specifications, and the supply department is tasked with sourcing the appropriate materials or services. All procurement processes are managed through an electronic request system that requires top management approval, ensuring oversight and alignment with our production program and sustainability goals. This structured approach to supply chain management supports the seamless operation of our value chain, reinforcing our commitment to delivering high-quality, sustainable products to our customers.

Community Support

GRI 3-3

At MEL, we believe that strong, vibrant communities are the foundation of sustainable progress. Our commitment to community support reflects our deep-rooted belief in making a positive impact where it matters most. By fostering resilience, encouraging collaboration, and addressing societal challenges, we aim to create lasting benefits for those in need. Through targeted initiatives and meaningful partnerships, MEL strives to uplift individuals and communities, promoting inclusivity and shared prosperity. This approach not only aligns with our values but also reinforces our role as a responsible corporate citizen, dedicated to advancing both human and societal well-being.

MEL is committed to supporting the community through targeted donations, focusing on relief efforts, social support, and organizational aid. Our contributions in 2023 include:

- Aid for organization "Storgi", helping provide aid and resources for vulnerable children in need.
- Support for organization "Estia Koritsiou", ensuring safe shelter and opportunities for young girls.
- Donations for flood victims in Thessaly, assisting with recovery and relief efforts.
- Relief for earthquake victims in Turkey, aiding their recovery and rebuilding efforts.
- Support for organization "Syllogos Gefyras", contributing to local community development initiatives.
- Contributions to the Union of Greek Lawyers, advancing legal, ethical, and educational programs.
- Support for the Consulate of Turkey, promoting international relations and diplomatic collaboration.

These efforts demonstrate MEL's dedication to addressing pressing challenges and fostering sustainable growth. We understand that our success is deeply intertwined with the well-being of the communities we serve. By actively engaging in these initiatives, MEL continues to uphold its responsibility to deliver meaningful change while ensuring operational excellence and enduring social support.

Sustainability at MEL

At MEL, we are deeply committed to Sustainable Development, integrating this commitment into all aspects of our business operations to positively impact our industry and the communities we serve. We strive to enhance our resource efficiency, reduce our carbon footprint, and implement responsible business practices that support environmental, social, and economic well-being. Our approach goes beyond meeting targets; we aim to lead by example, inspiring others to join us in building a more resilient and sustainable world for future generations.

We are dedicated to continuously transforming our practices and setting best practices across our organization, while aligning with global frameworks such as the United Nations' Sustainable Development Goals (SDGs), the European Green Deal, and the Paris Agreement. Our primary goal is to create long-term value for our stakeholders, driving meaningful progress towards a sustainable future and encouraging our industry to advance its commitment to sustainability.

- The European Green Deal, introduced by the European Commission in 2019, aims to transform Europe into a resource-efficient economy with zero net greenhouse gas emissions by 2050, including an intermediate goal of reducing emissions by 55% by 2030.
- The Paris Agreement, adopted in 2015, seeks to limit global temperature rise to well below 2 °C, with efforts to further restrict the increase to 1.5 °C. It also focuses on enhancing global capacity to adapt to climate impacts and provides support to countries that need it most.
- The United Nations' 17 Sustainable Development Goals provide a universal blueprint for achieving peace, prosperity, and sustainability by 2030, addressing critical areas such as poverty, health, education, and climate action.

Our Approach to Sustainability

MEL's sustainability efforts, actions, and commitments are guided by four key strategic priorities.

- **Environmental Responsibility:** MEL is dedicated to the better management of natural resources and the environmental control of its activities. This includes promoting the use of environmentally friendly raw and auxiliary materials that meet certified sustainability requirements, protecting the environment, preventing environmental accidents, and working to reduce the company's overall impact through green initiatives and financing. Robust monitoring and measurement processes ensure product quality and compliance with environmental standards at every stage of production.
- **Social Responsibility and Community Engagement:** MEL is committed to fostering a safe, healthy, and inclusive workplace that promotes the well-being of employees and communities. This includes prioritizing customer health and safety through rigorous quality control, ensuring customer satisfaction through continuous improvement initiatives, and engaging in ethical labor practices. We empower and develop a highly skilled workforce that actively contributes to the organization's improvement efforts and works to create a collaborative environment focused on innovation and employee engagement.
- **Innovation and Digital Transformation:** By gradually introducing new technologies, MEL enhances product quality, productivity, and operational efficiency. We invest in digital solutions to support sustainable growth, improve the competitiveness of our products in domestic and international markets, and reduce environmental impact. Regular assessments are conducted to measure the effectiveness and performance of our mechanical equipment, ensuring our commitment to innovation and continuous advancement.
- **Governance and Ethical Leadership:** MEL upholds transparency, accountability, and strong governance practices in all business operations. We ensure compliance with applicable laws and regulations, actively work to eliminate nonconformances, and maintain the highest ethical standards. Through these actions, we are dedicated to building trust with our stakeholders and reinforcing MEL's commitment to responsible, sustainable business practices.

Management of Sustainable Development Issues

GRI 2-12, 2-13, 2-14, 2-17

Under the direction of our Managing Director, MEL has focused on essential areas such as environmental management, quality assurance, workplace health and safety, and energy efficiency. To support the management of these critical issues, MEL has developed detailed manuals foundational to its Quality, Energy, Environment, and Health and Safety Management Systems. These manuals define the responsibilities of managers and supervisors, empowering each manager—whether in production, engineering, human resources, finance, or supply chain—to proactively oversee the impacts within their respective departments.

The Board of Directors holds the responsibility for reviewing and approving MEL's material sustainability topics, following a structured approach. The Board of Directors also holds the authority to adjust the control processes of the company and request modifications to reporting practices as needed, ensuring it receives the relevant information necessary to effectively guide oversight and strategic planning.

- **Highest Governance Body Oversight:** The Board reviews and approves all reported information, ensuring comprehensive oversight of the organization's material sustainability topics.
- **Document Approval Process:** Sustainability-related documents undergo preliminary review by the personal assistant of top management, followed by a thorough evaluation for approval or revision.
- **Training and Development:** Training documents are routed from the requesting department to HR and top management, aligning programs with sustainability goals.
- **Supply Chain Management:** For supply requests exceeding 1,000 euros, top management approval is required, with requests sent through the supply department for efficient processing.
- **Delegation and Efficiency:** Managers are authorized to approve documents and supply costs below €1,000 without further approval, streamlining processes while ensuring control over major decisions.

The highest governance body also delegates responsibility for managing MEL's impacts on the economy, environment, and people through established policies signed by the Managing Director, which guide actions toward sustainable practices. Each manager is accountable for overseeing these impacts within their designated area, strengthening the company's approach to addressing environmental, social, and economic factors.

A structured reporting process further reinforces MEL's commitment to sustainability by integrating it into decision-making across all levels. Senior executives and other employees provide monthly updates to the highest governance body on the organization's impacts, with additional reports submitted as necessary. Additionally, we facilitate participation in seminars that are conducted internally and externally and conferences to enhance the collective knowledge, skills, and experience of our highest governance body in sustainable development. This comprehensive framework ensures that sustainability is embedded within MEL's operations and underscores the company's dedication to responsible business practices.

Contribution to UN Sustainable Development Goals

MEL's primary objective is to create long-term value for the company and its stakeholders, as well as for the broader society and the environment. By integrating the United Nations' Sustainable Development Goals (SDGs) into our operations, we demonstrate our dedication to upholding social responsibility, championing environmental care, and promoting economic inclusiveness. We strive to implement the best available practices and sustainable initiatives, ensuring that our actions contribute to a more sustainable and resilient future for all.

MEL's contributions to the Sustainable Development Goals are outlined below.





Aiming to ensure the health and safety of our customers and employees, we follow all necessary procedures and regulations to maintain a safe and healthy working environment and to reduce the likelihood of accidents.



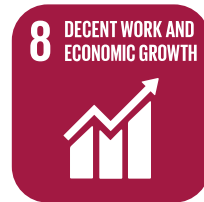
We strive to enhance the knowledge of our employees, providing them with learning opportunities, and we support educational initiatives in local communities.



Aiming to limit our impact to the local water network, we are sourcing water from our own wells. Also, we operate an in-house advanced biological wastewater treatment system, ensuring that the water we use is safely returned to the environment.



We are adopting energy efficiency practices in our production and office buildings, limiting our environmental footprint. Simultaneously, we are aiming at a transition towards renewable energy sources to reduce our reliance on traditional polluting and costly energy sources.



We provide training for our employees in best workplace practices, with the aim of enhancing efficiency and productivity. This approach is vital in maintaining high standards in the workplace and is part of our broader sustainability agenda.



As part of our strategy to improve product quality and adopt sustainable industrial processes, we are actively investing in state-of-the-art practices that are effective and sustainable.



In order to maintain a safe and respectful working environment for all employees, we implement a zero-tolerance policy towards discrimination and human rights violations, and to this end we have implemented a robust whistleblowing system.



We adopt circular economy principles, focusing on reducing waste generation and manufacturing recyclable products, we invest in community support initiatives and we support vulnerable social groups.



We are dedicated to offering products that are environmentally safe and recyclable, promoting eco-friendly production and consumption methods. We collaborate with partners who follow similar practices, ensuring a shared dedication to sustainable practices.



We are taking measures to protect the resilience of forests and freshwater ecosystems in our local area. Additionally, we are also actively engaged in supporting the global shift towards a low-carbon economy, working towards reducing our greenhouse gas emissions.



We take great care to reduce our impact on protected areas and ecosystems, focusing on conserving biodiversity, water resources, and other essential natural assets, and we are following sustainable practices within our operations.



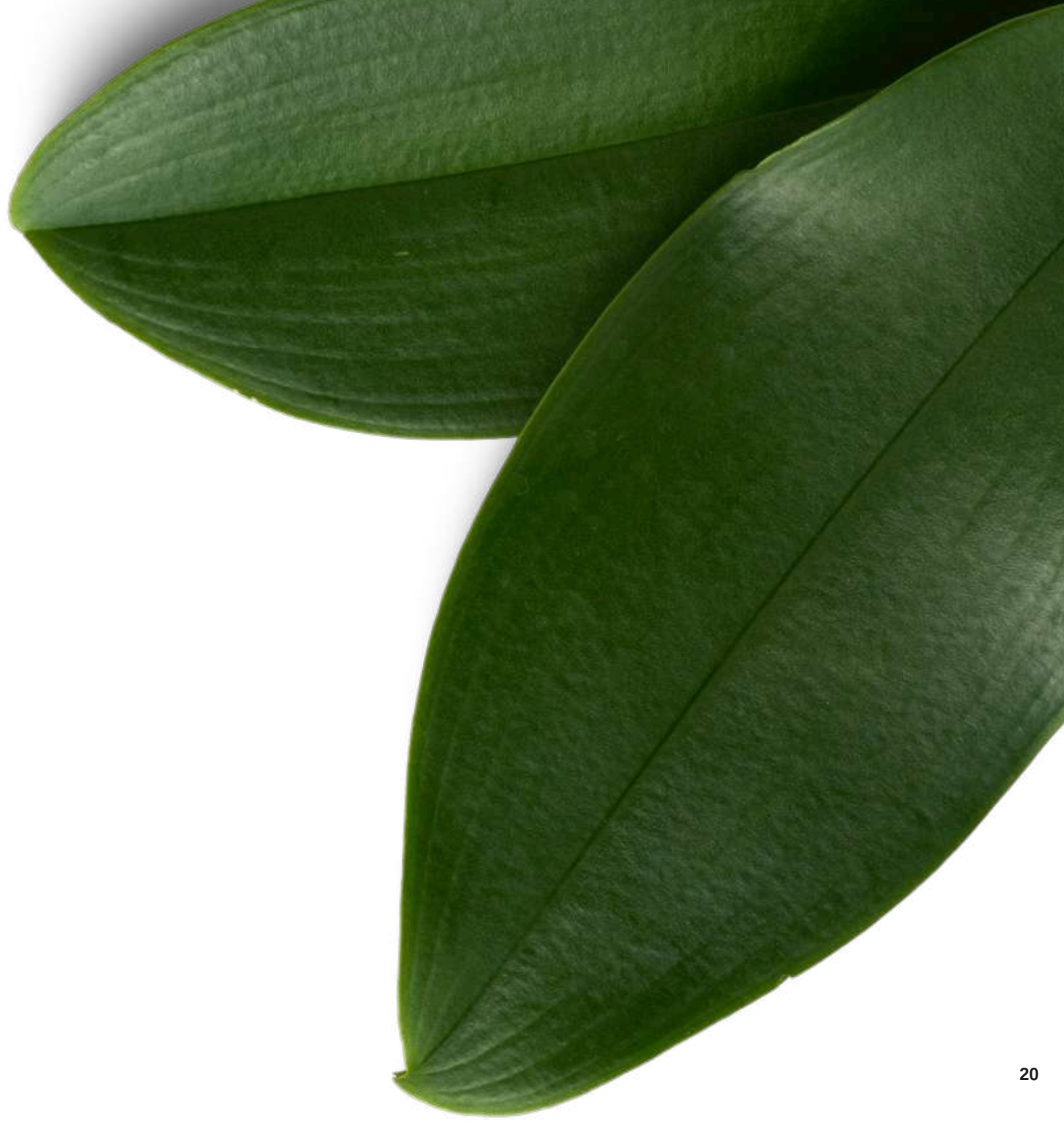
We are sternly against all forms of injustice, unlawful activities, and discriminatory practices, and we are dedicated to fostering peaceful, inclusive societies and maintaining transparent, accountable relationships with institutions at various levels. Furthermore, we implement robust measures to protect the security of data, and we transparently communicate our processes for handling clients' personal data.

Green Financing

As one of the first Greek companies to secure financing based on Environmental, Social, and Governance (ESG) criteria, MEL continues to reinforce its commitment to sustainable business practices and circular economy principles. Our business model is deeply intertwined with sustainability, forming the foundation of our financial strategy. Recognizing that any disruptions to our supply chain or deviations from our sustainability-driven model could impact financial stability, MEL views sustainability integration as essential. It is a core component of our green financing agreements and underpins our overall operational approach.

Green financing, however, introduces specific challenges tied to a company's ESG performance. Acknowledging these complexities, we have implemented a strategic approach to managing our environmental and social impacts. We are focused not only on meeting ESG standards but on continuously improving our performance in this area. This commitment is key to maintaining a strong credit rating and achieving favorable financing terms, thus allowing us to optimize our capital costs effectively.

Through the incorporation of ESG principles into our financial strategies, MEL is making a tangible contribution to sustainability while setting a high standard for responsible corporate finance in Greece. This approach underscores our dedication to both our financial resilience and our impact on the environment and society.



Stakeholder Engagement

GRI 2-29

At MEL, effective communication with our stakeholders is a cornerstone of our sustainability approach. We recognize that our stakeholders—those who directly or indirectly influence or are influenced by our activities—are integral to shaping our actions and practices. By actively engaging with them, we ensure that our strategies address both immediate challenges and long-term sustainability goals. Our stakeholders are categorized into two main groups: the internal environment, which includes shareholders, employees, and investors, and the external environment, comprising customers, suppliers and partners, state and regulatory authorities, unions and associations, banks, and the broader community.

Our stakeholders are presented in the following table and include suppliers of primary and secondary raw materials, local and international customers, human resources, waste management services, security service providers, the local community, external legal advisors, consultancy firms, instrument calibration services, construction services, banks, and suppliers of equipment and spare parts.

Employees	Suppliers and Partners
Shareholders	State and Regulatory Authorities
Investors	Unions and Associations
Customers	Banks

Understanding and integrating stakeholder perspectives is essential for MEL’s success in a dynamic and competitive business landscape. We prioritize ongoing evaluation and dialogue with our stakeholders to maintain alignment with our evolving business needs and sustainability objectives. This approach fosters mutual trust and constructive collaboration, which are vital for our agile and efficient operations.

To support this, MEL has developed dedicated communication channels tailored to each stakeholder group, ensuring clear, transparent, and effective interactions. Our communication efforts include various methods such as email, phone calls, in-person meetings, official memos, and updates via our website. These channels are designed to facilitate open dialogue, provide updates on our sustainability initiatives, and address stakeholder concerns in a timely manner.

For our external partners—including suppliers, legal advisors, consultancy firms, and security service providers—we emphasize proactive engagement and collaboration, aligning their efforts with our sustainability goals. MEL wants to engage with stakeholders on not only payment terms but also on general terms of collaboration, including safety measures. By notifying stakeholders of safety terms in our facilities through our official website, we ensure clarity on safety expectations and foster a more collaborative working environment. This commitment to clear communication strengthens our partnerships and enhances operational efficiency.

MEL’s commitment to stakeholder communication reflects our broader dedication to sustainable development. By ensuring that all voices are heard and considered, we not only strengthen our relationships but also enhance our capacity to make informed decisions that support the well-being of the environment, society, and economy. This comprehensive and inclusive approach to stakeholder engagement is key to our sustainability approach, reinforcing our role as a responsible leader in the industry.

Materiality Assessment

GRI 2-14, 3-1, 3-2

MEL integrates sustainability as a fundamental aspect of its corporate strategy, focusing on creating enduring value for its stakeholders. As part of this commitment, MEL conducts a materiality assessment to identify and evaluate the actual and potential positive and negative impacts of our operations, ensuring that our strategies are aligned with the most significant sustainability issues affecting our business and stakeholders.

This assessment was conducted in line with the updated methodology of the GRI Standards 2021, while also considering various other international standards and industry-specific assessment frameworks, including S&P Global Ratings, MSCI, SASB standards, the ATHEX ESG Guide, and the London Stock Exchange Guide.

The materiality assessment methodology followed a structured four-step process to align MEL's business strategies with sustainability priorities. Initially, we focused on understanding the business environment by examining how our business model and activities influence sustainability issues relevant to the company. This foundational step was essential for crafting targeted strategies and driving performance improvements. Next, in the impact identification phase, we systematically identified the positive and negative effects of MEL's business activities, whether they are existing or potential. This evaluation aimed to refine our strategies to amplify the beneficial impacts while mitigating any adverse outcomes.

In the third phase, impact assessment, we analyzed these effects in relation to the three core pillars of Environmental, Social, and Governance (ESG) criteria. To ensure inclusivity and gain a broader perspective, we engaged stakeholders through an anonymous online questionnaire. This strategic approach was pivotal in pinpointing the impacts stakeholders considered critical, thereby integrating their insights into the assessment process.

Finally, the prioritization and validation of material issues marked the concluding phase. Here, the impacts identified were ranked based on their significance, resulting in the selection of key issues central to the company's materiality report. This phase also involved a comprehensive evaluation of these critical issues, weighing their implications to ensure their alignment with MEL's strategic objectives.

By following this rigorous process, MEL was able to articulate a robust framework for sustainability, grounded in stakeholder input and a thorough analysis of its operational impact. The results of the materiality assessment were validated by the company's management, and the material topics are the following:

- Rational Use of Energy
- Management of GHG Emissions
- Water Management
- Waste Management
- Responsible Use of Raw Materials
- Employment
- Occupational Health and Safety
- Product Quality and Customer Satisfaction
- Community Support
- Regulatory Compliance and Business Ethics
- Customer Privacy & Data Protection

Monitoring Emerging Regulatory Developments

MEL strives to remain well-informed about the latest updates and requirements in the field of sustainability reporting. We have been closely monitoring recent and ongoing regulatory developments, including the double materiality perspective introduced by the Corporate Sustainability Reporting Directive (CSRD). Our aim is to be well-prepared and familiar with the forthcoming CSRD requirements and guidelines, such as those published by the European Financial Reporting Advisory Group (EFRAG). Accordingly, we are actively examining emerging developments, methodologies, and guidelines to integrate these considerations into our processes as part of our commitment to staying ahead of regulatory expectations.



Environment

At MEL, sustainability is a core value embedded in every facet of our operations. We are committed to reducing our ecological footprint by following environmentally friendly practices, from sourcing materials responsibly to using renewable energy sources. Our approach includes implementing advanced management strategies, continuously refining our processes, and striving for ongoing improvements in our environmental performance. Our aim is to build a culture of environmental responsibility, where every action we take supports our commitment to protecting the planet while achieving our business objectives. By prioritizing sustainable actions that protect local biodiversity and address challenges like climate change and resource depletion, we ensure that our decisions reflect a strong commitment to environmental stewardship.

MEL is committed to:

- Developing a robust framework that aligns with our sustainability vision.
- Implementing strategies and preventive measures to protect the environment.
- Ensuring compliance with all legal and EMS-related requirements for high environmental standards.
- Continuously improving our Environmental Management System to consistently enhance performance.

Our Approach to Environmental Management

GRI 2-23, 2-24

MEL proactively implements an effective environmental management system to minimize the negative impacts of its operations on the environment. Central to this effort is our Environmental & Energy Policy, which underpins our commitment to comply with applicable legislation and other relevant requirements. This policy extends across all facets of our production processes, forming the foundation of our strategy to reduce environmental impact and foster a global commitment to environmental responsibility.

To drive continuous improvement, we have implemented a robust Environmental Management System (EMS) aligned with the ISO 14001:2015 International Standard. This system reinforces our dedication to protecting the environment, preventing pollution, and responsibly managing natural resources. By integrating these principles into our business processes, we place environmental considerations at the forefront of our decision-making, ensuring that sustainability is embedded in every aspect of our operations.

The EMS plays a critical role in our cartonboard production and sales operations, ensuring that every stage—from raw material sourcing to final product delivery—meets stringent environmental standards. This approach not only reduces our ecological footprint but also enhances the overall efficiency and quality of our products. We actively engage with stakeholders on environmental and energy matters, demonstrating our dedication through transparent and responsible practices.

MEL's commitment to sustainability is fully embraced by our management team, who have integrated the Environmental & Energy Policy into our operational framework, driving efforts to enhance our environmental impact. Through proactive resource utilization, innovative waste management, greenhouse gas emissions control, energy conservation, and responsible water use, we aim to set a standard of excellence in environmental management. Our goal is to continuously adapt and evolve, meeting the challenges of a changing world while solidifying our reputation as a leader in environmentally responsible manufacturing.



Management of GHG Emissions

GRI 3-3, 305-1, 305-2, 305-4

The reduction of carbon emissions is a critical priority for MEL, reflecting our commitment to sustainability and environmental stewardship. Recognizing its significance, we place a strong emphasis on energy efficiency as a key strategy to minimize our energy consumption and lower greenhouse gas (GHG) emissions. By integrating energy-efficient technologies, optimizing our operations, and promoting sustainable practices, we aim to significantly reduce our carbon footprint. Additionally, we are utilizing renewable energy sources and engaging with our stakeholders to drive collective action toward a low-carbon future. As part of our commitment, we have measured and reported our carbon footprint in accordance with ISO 14064 standards, providing a transparent and standardized approach to quantifying and reporting our GHG emissions. Our approach not only supports our environmental goals but also aligns with global efforts to combat climate change, ensuring that MEL remains a responsible and forward-thinking organization. The following table presents the GHG emissions for Scopes 1 and 2 over the past two years, highlighting the direct and energy indirect emissions for the organization.

Year	Scope 1 Emissions (tCO2e)	Scope 2 Emissions (tCO2e)
2022	4,466	33,278
2023	7,563	31,142

The total amount of Scope 1 emissions in 2023 amounted to 7,563 tCO₂e, while the total Scope 2 emissions amounted to 31,142 tCO₂e. Due to a necessary modification on one of the two biomass boilers to enable the use of woodchips as fuel, our production facilities temporarily relied on fuel oil for energy production during the retrofit period, leading to an increase in our thermal energy consumption in 2023, and resulting in increased Scope 1 emissions. Nevertheless, Scope 2 GHG emissions were reduced by 3% in 2023 compared to 2022. Scope 1 emissions were calculated by using mass balance calculations, while Scope 2 emissions are calculated based on fuel consumption measurements and invoice numbers from our electric energy provider, following established standards and methodologies, with emission factors provided by the Greek Ministry of Environment and Energy. There were no significant changes in emissions that triggered recalculations of base year emissions. The GHG emissions are verified by the Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP), ensuring accuracy and compliance with relevant standards.

The GHG emissions intensity ratio for the organization remained steady, compared to last year, at 0.35 tCO₂e per ton of mix production. The intensity ratio was calculated taking into account the company's 2023 Scope 1 and 2 emissions.

Rational Use of Energy

GRI 3-3

At MEL, we are committed to responsible energy use as a cornerstone of our sustainability strategy. Our efforts to optimize energy efficiency, reduce emissions, and invest in sustainable energy sources demonstrate our dedication to minimizing our environmental impact while enhancing operational performance. Through strategic collaborations and substantial investments, we have implemented solutions that not only align with our goals of sustainable development but also contribute positively to the local community.

Our Energy Initiative

At MEL, we are committed to responsible energy use as a cornerstone of our sustainability strategy. Our efforts to optimize energy efficiency, reduce emissions, and invest in sustainable energy sources demonstrate our dedication to minimizing our environmental impact while enhancing operational performance. Through strategic collaborations and substantial investments, we have implemented solutions that not only align with our goals of sustainable development but also contribute positively to the local community.

Our vision entailed an investment of €2,000,000, fully funded by MEL, as well as the construction of a cutting-edge natural gas-fired power plant, representing a significant investment of €5,000,000, also financed from our resources. With a capacity of 8.8 MW, this plant not only generates power but also efficiently repurposes the heat from our manufacturing processes to create additional energy. This innovation enhances our production efficiency and is expected to increase our annual profits by at least €2,000,000.

The impact of this initiative reinforces MEL's reputation as a financially strong and forward-looking company. Additionally, it has a significant positive effect on the local community, providing thousands of residents in the surrounding areas with access to the natural gas network. The upcoming commissioning of our power plant marks the beginning of a new chapter in our energy production strategy, aligning with our commitments to sustainability, community development, and financial growth.

Managing our Energy Consumption

GRI 2-23

We recognize the critical importance of responsible energy use for both short-term operational efficiency and long-term sustainability. In alignment with this commitment, we have implemented an Energy Management System in accordance with the ISO 50001:2018 international standard. Key commitments of this policy include:

- **Continuous Improvement:** We strive to continuously enhance our energy performance by providing necessary information and resources to achieve our quantitative and qualitative energy objectives and targets.
- **Legal Compliance:** We ensure compliance with all applicable energy management laws and regulations.
- **Renewable Energy:** Where technically and economically feasible, we prioritize the use of renewable energy sources and encourage the procurement of materials and services with low energy and carbon footprints.
- **Climate Consideration:** Energy procurement and usage decisions consider climate change factors.

Acknowledging its environmental impact, MEL has made effective environmental and energy management a primary goal and priority. Our Environmental & Energy Policy is communicated to all relevant stakeholders within and outside the organization, while our Energy Management System applies to our production activities within the geographical boundaries of our facility in Kato Gefyra, Thessaloniki.



Energy Consumption Data

GRI 302-1, 302-3

For the year 2023, the total energy consumption for MEL's operations was 233,894.34 MWh; the table below presents the total energy consumption for the past years. As previously mentioned, the increase in our energy consumption during this period is attributed to the temporary use of fuel oil while one of the biomass boilers underwent modifications to support woodchip fuel.

Year	Energy (MWh)	Percentage Change
2020	240,219.10	N/A
2021	255,264.32	+6.07%
2022	226,752.96	-11.83%
2023	233,984.34	+3.14%

MEL's electricity consumption for the year 2023 was calculated to be 54,506 MWh, signifying a 6% decrease compared to 2022, and a 16% decrease compared to 2020. Moreover, MEL noted a 1% decrease in steam consumption compared to 2022. The electric energy values were given from official provider accounts and thermal energy and steam values were measured directly from our boiler room. The following tables present our energy consumption data in greater detail.

Year	2020	2021	2022	2023
Electricity (MWh)	64,117.29	65,499.79	57,788.80	54,506.00

Year	Steam Consumption (m ³)	Percentage Decrease
2022	207,435	N/A
2023	205,644	-1%

Fuel Type	Category	2023 Consumption (MWh)
Heavy Oil	Non-renewable	13,339.47
LPG	Non-renewable	16,755.39
Pellet + Wood Chips	Renewable	149,293.48

Category	2023 Consumption (MWh)	Percentage
Non-renewable	84,600.86	35%
Renewable	149,293.48	65%

Due to our improved energy efficiency and use of renewable energy sources, during the reporting period, we achieved significant reductions in the energy requirements of our sold products and services. Specifically, in 2023, 6% less electric energy was required for each ton of product.

The various types of energy sources for MEL as well as their amount of consumption can be found in the table below:

Type	Consumption
Electricity	54,506 MWh
Heating	179,478 MWh
Steam	205,644 tns
Total Energy	233,894 MWh

MEL's energy intensity for the year 2023 stands at 2.13 MWh per ton of mix production, a slight increase since 2022.

Year	Energy Intensity Ratio (MWh per ton of mix production)
2022	2.09
2023	2.13

The energy intensity ratio includes both electric and thermal energy. Electric energy is consumed for lighting, compressed air production for pneumatic systems, and movement of parts throughout the installation. Thermal energy is used for the drying process of the carton board, heat shrink of packaging machines, and heating of various departments including machinery, pre-production, and converting. This ratio exclusively uses energy consumption within the organization.

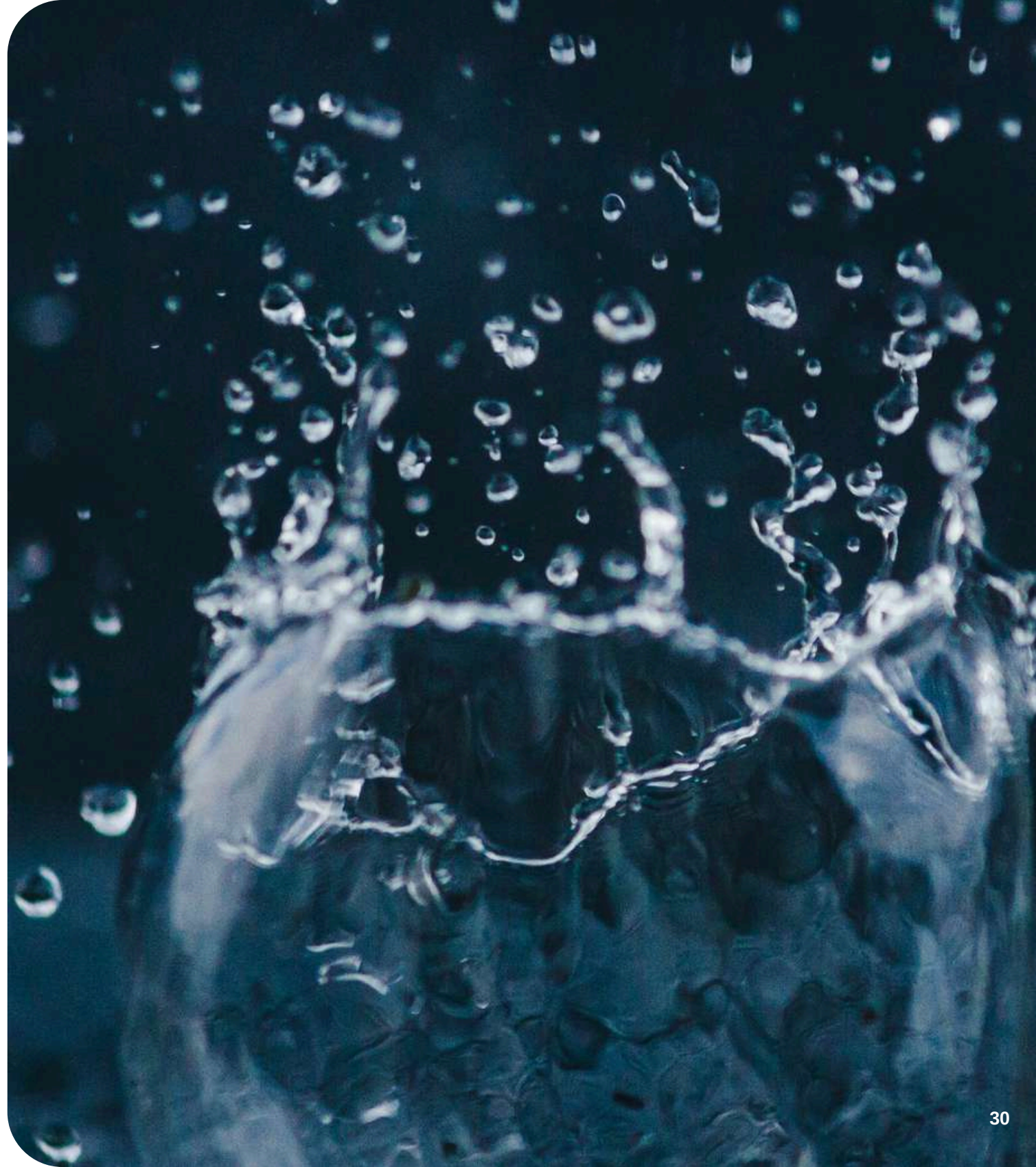


Water Management

GRI 3-3, 303-1

At MEL, we acknowledge the increasing pressure on our water environment and are committed to taking meaningful actions to reduce our impact. By integrating water management as a central element of our environmental strategy, we strengthen our dedication to promoting sustainable water resource management practices. We strive to optimize water efficiency, reduce consumption, and implement innovative solutions such as our state-of-the-art wastewater treatment plant to safeguard this vital resource. By continuously improving our processes, we aim to minimize our environmental footprint, ensure the responsible use of water, and contribute to the long-term sustainability of the communities and ecosystems in which we operate.

MEL's operations rely solely on freshwater, with no use of surface water, seawater, produced water, or third-party sources. The water we use is drawn almost entirely from private wells, reducing our reliance on public water systems. By tapping into private wells, we minimize the impact on local community water resources. This approach not only reduces our environmental footprint, but also aligns with our commitment to sustainable water management. In doing so, MEL supports the preservation of local ecosystems and helps safeguard water availability.



Apart from reducing the strain on shared community water supplies using private wells, MEL prioritizes water recycling over exclusive reliance on freshwater sources. This practice significantly reduces our environmental impact and dependence on freshwater. This is achieved through our wastewater treatment plant, established in 2004 and expanded in 2014, and which is located within our facilities. This wastewater treatment plant can cover not only our current needs, but also much larger production lines.

- Our wastewater treatment plant has a capacity of 17,000 m³.
- MEL uses non-resettable counters, ensuring that the annual pumped volume does not exceed 1,400,000 m³.
- The total investment in the plant is approximately €2,000,000.

To demonstrate our commitment to sustainable water management, the environmental terms for MEL's operations, approved by the relevant authority through an environmental assessment, establish strict limits for priority substances in discharges, based on best available techniques and corresponding legislation. MEL has fully complied with these regulations, with no non-conformities reported in 2023.

MEL's water-related goals and targets are guided by strict adherence to Environmental Terms Approval decisions.

Water Consumption Data

GRI 303-3, 303-4

All our water withdrawals were sourced solely from groundwater. In 2023, our total water consumption was 1,369,073 m³ (≤1,000 mg/L Total Dissolved Solids).

2020	2021	2022	2023
1,320,833 m3	1,355,883 m3	1,305,381 m3	1,369,073 m3

In 2023, MEL discharged a total of 328,577 m³ of water, all of which was directed to surface water sources. No groundwater, seawater, or third-party water was discharged or sent for use by other organizations. Of the total water discharged, none was classified as freshwater (≤1,000 mg/L Total Dissolved Solids), while the entirety of the discharge, 328,577 m³, consisted of other water with higher dissolved solid content (>1,000 mg/L).

The methodology used to measure water discharge follows the DCF, with all measurements conducted in compliance with the Decisions on Approval of Environmental Terms according to MEL's weighing system.

Waste Management

GRI 3-3, 306-1, 306-3, 306-4

We view effective waste management as a fundamental aspect of our environmental responsibility, and we acknowledge the critical role of a circular economy in overcoming modern environmental challenges. Our approach focuses on minimizing environmental impact and supporting a circular economy by utilizing advanced waste management techniques to preserve natural resources and raw materials. We are dedicated to repurposing or recycling all hazardous and non-hazardous waste, demonstrating our strong commitment to sustainability. By continuously refining our processes, we aim to further reduce waste generation and prioritize the prevention, reuse, recycling, and recovery of materials to significantly lessen our environmental footprint.

In 2023, MEL generated a total of 5,392 metric tons of waste. The composition of this waste included 4.69 metric tons of hazardous waste and 5,387.10 metric tons of non-hazardous waste. The organization did not experience any waste-related impacts during the reporting period. A comparison of the waste generation between 2022 and 2023 can be found below.

2022	2023
4,385 tons	5,392 tons

In 2023, MEL achieved a milestone in waste management by diverting 100% of its hazardous waste, totaling 4.69 metric tons, from disposal and instead recycling it through an alternative management system. Additionally, all our non-hazardous waste, amounting to 5,387.10 metric tons, was repurposed as raw materials for the production of alternative fuels. Only 0.1% of our total waste was classified as hazardous, referring mainly to Waste Lubricating Oils (WOL), which are recycled through an alternative management system. These efforts underscore our commitment to sustainable practices and our dedication to minimizing environmental impact through responsible waste management.



Responsible Use of Raw Materials

GRI 3-3, 301-1, 301-2, 301-3

At MEL, we recognize the essential role that responsible sourcing and the efficient use of raw materials play in our industry. We understand that raw materials are finite and therefore implement efficient material usage to optimize resource efficiency. By prioritizing the use of recycled and renewable resources, we not only reduce our environmental footprint but also support the circular economy, driving long-term value for our business and our stakeholders. We actively seek opportunities to lead in sustainability, fostering a culture of continuous improvement and responsibility in our supply chain and production processes.

- 156,286 tons of materials were used to produce and package our primary products and services during the reporting period, out of which 10,940 tons of non-renewable materials were used and 145,346 tons of renewable materials were used.
- During the reporting period, 98% of MEL's products and their packaging materials were reclaimed. This percentage was calculated by assessing the products that were returned as raw materials by our customers, compared to the total products sold within the same period.
- The final product is composed of 95% fibers and 5% coating, with 97% of the fibers being sourced from recycled materials and 3% from FSC-certified or controlled wood sources. Overall, the product contains 87.3% recycled content.

This increase in our use of renewable materials compared to last year highlights our strong commitment to sustainability and environmental stewardship.

The Life Cycle of Cartonboard

1. Collection and Transportation: Specialized trucks are used to collect and deliver recycled paper to our facilities.

3. Pulping Process: The pulping process involves adding water to the chosen paper in specialized pulpers to make it into a pulp that can be worked with.

5. De-inking: To efficiently get rid of any leftover ink, the clean pulp goes through a de-inking procedure.

7. Cartonboard Formation: After being prepared, these paper rolls are turned into premium recycled cartonboard that may be used in a variety of ways.

2. Paper Selection: We carefully choose the best paper for recycling, while adhering to strict quality requirements.

4. Purification: To get rid of contaminants like plastic, glass, and metal, this pulp is carefully filtered using centrifugal filters and pressure screens.

6. Production Readiness: After de-inking, the pulp is dried, dehydrated, and rolled into big rolls so that it may be processed further.

Recycling Potential: The fiber quality of our recycled paper does not deteriorate after up to seven recycling cycles.



Society

At MEL, our people and the communities we serve are central to our success, driving long-term value and fostering a culture of responsibility. Our goal is to create a safe and inclusive work environment, while also promoting best practices that benefit both our company and the local communities in which we operate. Beyond our primary activities of paper recycling and cardboard production, we prioritize sustainable business practices that balance our growth with social responsibility. By ensuring the health and safety of our employees, fostering trust-based relationships, and supporting equal access to social goods, we not only contribute to the well-being of our workforce but also to the prosperity and social progress of the communities we are part of.

Employment

GRI 2-7, 2-8, 3-3, 405-1

We acknowledge that our people are the foundation of who we are, and we believe that our human resources are a key competitive advantage in achieving strategic priorities and generating long-term value. By fostering an environment that not only ensures the well-being of every team member but also actively supports their growth and development, we create a workplace culture where our employees feel appreciated, listened to, and inspired to reach their full potential. We achieve this by offering our employees a variety of training programs, implementing equitable employment policies, and ensuring a secure environment.

In 2023, MEL employed a total of 214 employees. The table below shows the distribution of employees across different locations:

Location	Male	Female	Total Employees
Thessaloniki	195	17	212
Athens	1	1	2
Overall	196	18	214
Mobile Office Base	2	1	3

The table below shows the distribution of permanent employees and those in the Mobile Office Base across different locations:

Location	Male	Female	Total Employees
Thessaloniki	175	19	194
Athens	1	1	2
Mobile Office Base	2	1	3
Total	178	21	199

The table below presents the distribution of full-time employees in Thessaloniki and Athens:

Location	Male	Female	Total Employees
Thessaloniki	193	19	212
Athens	1	1	2
Total	194	20	214

Information regarding the employees of the company as a whole in 2023 is presented below:

Gender	Employees	Permanent Employees	Temporary Employees	Full-Time Employees	Part-Time Employees	Non-guaranteed hours employees
Male	196	196	0	196	0	0
Female	18	18	0	18	0	0
Total	214	214	0	214	0	0

Gender	Employees	Permanent Employees	Temporary Employees	Full-Time Employees	Part-Time Employees	Non-guaranteed hours employees
Male	91.50%	91.50%	0%	91.50%	0%	0%
Female	8.50%	8.50%	0%	8.50%	0%	0%
Total	100%	100%	0%	100%	0%	0%

The table below shows the gender distribution percentages across different groups within the organization's workforce:

Group	Male %	Female %
Governance bodies	90.91	9.09
Office team	53.12	46.87
Production/technical team	99.37	0.62



The table below displays the number and percentage of employees in each age group across different employee categories within the organization.

Age Group	Number of Employees	Percentage of Employees (%)
20-25	4	2%
25-30	15	7%
30-35	23	11%
35-40	35	16%
40-45	42	20%
45-50	41	19%
50-55	28	13%
55-60	26	12%
Total	214	100%

The table below outlines the various roles and the corresponding number of external workers collaborating with MEL:

Role	Number of Workers
Construction and Maintenance	38
Computer Services	8
Cleaning	1
Safety and Security	4
Environmental Management	6
Total	57

We compile data on these external workers using our HR systems, SAP HR and Scan HR, for monthly reporting. Data was compiled based on the number of active employees at the close of the year. Each external company providing services at our facilities is counted as a single unit, regardless of the frequency of their services or the number of workers they employ. This methodology helps us maintain a clear and consistent record of all external contributors to our operations.

Employee Mobility

GRI 2-7, 202-2, 401-1

MEL is committed to supporting our employees through various career transitions. Whether they are stepping into new roles, adjusting to technological changes, or responding to evolving business demands, we provide the essential guidance and resources to help them navigate these changes smoothly and successfully.

In our commitment to maintaining a stable workforce, our positions address permanent needs, resulting in consistent staffing throughout the year. In the event of a termination, we promptly fill the role with a new hire to ensure continuity. There have been no significant fluctuations in the number of non-employee workers both during and between reporting periods. Moreover, in 2023, the only change in our senior management team was the hiring of a Commercial Director.

During the reporting period, MEL recorded 13 new hires, all of which were in Thessaloniki, representing 6.07% of the total workforce. The below table shows the total number and rate of new employee hires during the reporting period, by age group:

Age Group	Number of New Hires	Percentage of Total New Hires
20-25	3	23.08%
25-30	0	0%
30-35	9	69.23%
35-40	1	7.69%
40-45	1	7.69%
Total	13	100%

The table below presents the total number and rate of employee turnover during the reporting period, categorized by age group. Of the total turnover cases, four were dismissals, two were retirements, and the remaining cases were voluntary resignations. All turnover cases involved male employees based in Thessaloniki.

Age Group	Number of Employees	Percentage of Total Turnover
20-25	1	8.33%
25-30	2	16.67%
30-35	2	16.67%
45-50	1	8.33%
50-55	3	25%
55-60	2	16.67%
60-65	1	8.33%
Total	12	100%

Equitable Compensation and Benefits

GRI 202-1, 405-2

At MEL, we are committed to fostering a fair and inclusive workplace where all employees are compensated equitably, regardless of gender. In line with our principles of transparency and equality, we continuously monitor and assess the remuneration of male and female employees across different roles within the company. The table below highlights the average salaries of male and female employees in permanent roles, technical positions, and administrative functions, along with the corresponding male-to-female salary ratios:

Position	Male	Female	Male/Female Ratio
Executive and Staff	3.075,99	1.952,63	1.58
Production/Technical Workers	1.594,76	1.608,08	0.99

In our company, we implement contracts and benefits that result in salaries exceeding the minimum threshold. Only in the case of hiring a worker without any additional benefits in their salary do we use the minimum wage as a baseline for compensation.

Collective Bargaining and Employee Rights

GRI 2-30

At MEL, collective bargaining agreements are key to ensuring fair treatment and safeguarding employee rights. Despite the inactivity of some contracts, we take into account the most recent active agreements. Based on these, we categorize our employees according to their job positions, and salary increases are built upon these agreements between the company and the employees' union. The only employees not covered by these agreements are company executives, who are compensated differently, with their responsibilities outlined in detail in their employment contracts. Generally, the contracts signed by MEL employees clearly detail their rights and obligations. The details of the notice period, along with the procedures for consultation and negotiation, are explicitly defined in our Operating Regulation.

Employee Benefits and Support

GRI 401-2, 401-3

Employees enjoy the same benefits across the organization. The only additional benefits provided with the signing of an open-ended contract include the company's medical program, the retirement plan, and the open-ended contract allowance. For senior executives, there are some distinct provisions, primarily involving the offer of a company car.

Parental leave is a crucial benefit that supports our employees in balancing family and professional responsibilities. The total number of employees entitled to parental leave, by gender, includes all employees eligible for childcare cases, provided that the spouse does not take leave. During the reporting period, 1 employee took leave for the birth of their child and returned to work after 14 days.

A further 25 employees took leave to cater to parental duties, comprising 6 women and 19 men. This included 24 employees who took leave for school performance updates, and 1 employee who took reduced hours. Since 2022 and until November 2024, one female colleague has been utilizing reduced hours based on our contract agreement.

Education and Training

GRI 404-1, 404-2

At MEL, an important priority is the professional growth of our employees. We are committed to continuously investing in the enhancement of their skills to improve their expertise and drive the company's growth. We have committed significant resources to fostering the professional growth of our team members. Our education and training programs are designed to enhance expertise, provide comprehensive training, and foster a corporate culture aligned with our company's goals.

We implement a training plan that is shaped by job descriptions, performance evaluations, and legal requirements. As a result, training sessions are conducted with the aim of continuous improvement and development of employees across all positions, including technical training, skill development, and expanding knowledge levels. During the reporting period, the organization's employees undertook a total of 3,525 hours of training. The total hours of training for male and female employees, as well as the total hours of training are presented below:

Gender	Training Hours	Percentage
Female	241	6.82%
Male	3,284	93.18%
Total	3,525	100.00%

Employee Evaluation and Performance

GRI 404-3

We recognize that the success of our organization is directly tied to the commitment and development of our employees. Our employee evaluation process plays a pivotal role in fostering a culture of continuous improvement, accountability, and engagement. By providing regular feedback, identifying strengths, and addressing areas for growth, we ensure that our workforce remains motivated and aligned with the company's strategic objectives.

In our company, the evaluation process applies to employees at all levels, including permanent and seasonal staff, ensuring that our workforce is assessed based on established procedures and informed about their performance. This evaluation process is integral to our operations, as it is closely linked to internal transfers, salary increases, benefits, and training opportunities. For the reporting year, 79.43% of our employees, were evaluated through our comprehensive performance and career development review process.

Category	Percentage of Total Employees
Female Employees	8,88%
Male Employees	70,56%
Total Employees Evaluated	79,43%



Occupational Health and Safety

GRI 2-23, 2-24, 3-3, 403-1, 403-6, 403-8, 403-9

As a company, our top priority is safeguarding the health and safety of all employees and partners, recognizing this as essential to our ongoing success and overall sustainability. We are dedicated to preventing accidents and illnesses by implementing comprehensive workplace safety practices. To achieve this, we continuously improve our Occupational Health and Safety Management System through regular assessments, employee engagement, and the integration of the latest safety standards and technologies, ensuring a culture of safety that empowers everyone to contribute to a secure and healthy working environment.

MEL's four key areas of focus for Health & Safety are:

- **Strong Leadership and Commitment:** Ensuring that safety is prioritized at all organizational levels.
- **Cultivating a Safety Culture:** Promoting a mindset of safety and responsibility among all employees.
- **Enhancing Safety Performance:** Continuously improving safety practices and monitoring through safety indicators.
- **Learning from Incidents:** Using insights from past incidents to implement actions and corrective measures for future prevention

During the reporting year, MEL recorded 13 work-related injuries across its workforce, while none of them was classified as high consequence. It is worth noting that no workers have been excluded from this disclosure. We implement a wide range of initiatives to cultivate a comprehensive culture of safety, keep employees informed and aim for zero accidents:

1. **Regular Medical Examinations:** Each year, MEL conducts thorough medical examinations tailored to the specific risks of each employee's role and their age. Our Human Resources department, in collaboration with the occupational health physician, ensures employees are promptly informed about their scheduled health assessments. Additionally, routine check-ups are conducted regularly to maintain a safe and healthy workplace. Our company also provides a medical program to all employees with advanced benefits for them and their families, as well as the ability to visit private hospitals and doctors in order to cover any medical issue that may arise.

2. **Occupational Risk Assessment Study:** MEL utilizes an Occupational Risk Assessment Study to identify specific risks associated with each employee's role. This Occupational Risk Assessment Study was initially established by an external partner, with a contract signed at that time. The responsibility for monitoring lies with the health and safety technician, who is subject to both internal and external assessments to ensure compliance with ISO 45001:2018 requirements.

3. **Occupational Health and Safety Policy:** MEL has a comprehensive Occupational Health and Safety Policy that adheres to all relevant national and European regulations, integrating the ISO 45001:2018 standard. The policy is designed to ensure a safe and healthy working environment, with a focus on continuous improvement and employee involvement.

4. **Occupational Health and Safety Management System:** MEL's Occupational Health and Safety Management System covers all aspects of the company's operations, ensuring full compliance with the latest health and safety standards. The company implemented the system to ensure Health and Safety requirements are met for both MEL's employees and external collaborators working on MEL's premises. MEL's management team is dedicated to using both quantitative and qualitative objectives to proactively enhance the system's performance.

4. **Occupational Health and Safety Committee:** MEL has an Occupational Health and Safety Committee in place that actively encourages staff to share ideas and suggestions, fostering a culture of shared responsibility and continuous improvement in workplace safety.

Identification of Work-related Hazards

GRI 403-2, 403-9

MEL recognizes that identifying work-related hazards is essential to maintaining a safe workplace and preventing potential risks, ensuring the well-being and security of all employees. Work-related hazards are determined according to the Occupational Hazard Report, and are based on three core pillars: assessing factors related to safety, health, and the organization and execution of work that may lead to physical or psychological burdens on employees; evaluating risks across regular and irregular activities, including those arising from incidents, accidents, and potential emergency situations; and identifying the sources of these risks to implement effective preventive measures.

The work-related hazards that pose a risk of high-consequence injuries are as follows:

- **unsafe use of power tools**
- **involvement in movement parts**
- **contact with electric current**
- **being carried away by a movement vehicle**
- **falling from height**
- **explosion/fire**
- **regular exposure to harmful factors**

To address work-related hazards, the following actions have been put in place:

- Ensure appropriate and adequate labeling according to the escape plan.
- Provide appropriate and adequate labeling in areas where there is an impact hazard at flammable materials, at moving parts, at moving walkways and platforms.
- Post directions for the proper execution of procedures.
- Indicate maximum weight limits on storage shelves.
- Reinforce fire safety equipment in flammable areas.
- Maintain continuous cleaning, checking, and restoration of floors and equipment to address any damages.
- Provide ongoing training for staff on machine operation and material storage.
- Ensure the availability of operational and emergency buttons at each job position.

Work-related hazards at MEL encompass not only risks to its employees but also extend to its visitors and external contractors. The identification of these hazards is a collaborative effort, involving the Committee of Health and Safety at Work as well as input from employees, whose firsthand insights contribute significantly to a thorough hazard assessment.

Risk assessments at MEL follow the ISO/IEC 51 standard, where each hazard's likelihood and potential severity are evaluated on a scale from 1 to 5. This systematic approach allows MEL to quantify and prioritize risks accurately, forming the basis for effective risk mitigation.

To eliminate or reduce hazards, MEL follows a hierarchy of controls:

1. Direct elimination of hazards wherever possible.
2. Substitution of processes with less hazardous alternatives.
3. Additional measures, such as applying technical controls and reorganizing work processes, implementing administrative controls to manage risks.
4. Using personal protective equipment (P.P.E.).

This structured approach underscores MEL's dedication to safeguarding the health and safety of all individuals on its premises.

Managing and Mitigating Occupational Health and Safety Impacts

GRI 403-5, 403-6, 403-7, 403-9, 403-10

MEL is committed to preventing and mitigating impacts on Occupational Health and Safety by implementing proactive measures and creating a resilient work environment that prioritizes the well-being of all employees and stakeholders.

The primary types of work-related injuries among employees include:

- injuries sustained during equipment cleaning
- injuries resulting from careless management of tools and equipment
- missteps

In order to avoid work-related injuries, the following actions have been put in place:

- All power tools must be well-maintained, either earthed or double insulated, and undergo regular inspections along with staff training on safe usage.
- Appropriate warning signs should be added, and all machines need to be equipped with suitable control and emergency buttons.
- Procedures involving machine interaction must adhere to the lockout-tagout (L.O.T.O.) protocols, and regular checks should ensure the machines are capable of automatic shutdown when bumpers are opened and that emergency e-stop buttons function properly.
- Doors on all electrical panels should remain closed or locked and marked with danger signs, ensuring that there are no obstacles preventing access.

- Only licensed personnel should use appropriate electrical equipment.
- Traffic regulations should be clearly marked, and vehicles must be equipped with audible and visual signals.
- Existing personal protective equipment (PPE) usage measures should continue, with exclusive machine operation reserved for properly licensed employees and ongoing training provided.
- Protective railings should be installed in workplaces, corridors, and platforms accessible to employees that are over 0.75 meters high.
- Ladders must comply with the EN 131 standard and feature non-slip treads, while staff should be well-trained.
- Unnecessary items should be removed from the site, and any essential items should be securely stored.
- Guidelines for proper tool storage after work completion should be followed, and floors must be kept clean at all times.
- Firefighting equipment should be reinforced as necessary, clearly marked for location, and portable fire extinguishers should be readily accessible, properly maintained, and serviced within the time frames defined by legislation.
- The use of personal protective equipment and continuous training is essential.

In the event of an incident, the Safety Technician, Occupational Doctor, and HR Manager promptly respond to the site to assess the situation and identify the source of the risk. Following this initial evaluation, the incident is formally documented, and the Safety Team—considering the Written Occupational Risk Assessment—determines the primary risk source and implements corrective actions. This process may also require additional internal inspections or updates to the Occupational Risk Assessment Study. Any relevant medical opinions or feedback from the Labor Inspectorate and other authorities are factored into the team's decision-making process.

To enhance workplace safety and ensure compliance with health regulations, we prioritized employee training throughout the year. During the reporting period, we conducted 12 training sessions focused on health and safety topics. These trainings were tailored to employees' specific roles and covered areas such as safe working at heights, working in noisy environments, proper use of protective equipment, fire safety, and first aid.

The primary types of work-related ill health experienced among employees were determined from a Written Occupational Risk Assessment, and include:

1. Musculoskeletal strains
2. Psychological factors, related to the organization and the execution of tasks

The actions that have been taken to mitigate such work-related illnesses include:

1. Selection of a work posture with less musculoskeletal strain.
2. The usage of the appropriate equipment to avoid such illnesses.
3. Continuous training in anxiety and stress management.

During the reporting period, there have been no instances of ill health caused by any of the work-related hazards. It is worth mentioning that no workers have been excluded from this disclosure. Our company offers all employees a comprehensive medical program that includes enhanced benefits for them and their families. Employees also have the option to consult with private hospitals and doctors to address their medical needs.

Moreover, MEL employs an occupational doctor who evaluates the work environments during each visit and conducts regular examinations of all employees. If anyone falls ill, they must see the doctor before returning to their position. Additionally, our Occupational Health and Safety Committee discusses essential improvement actions for our company.



Our Health and Safety Policy

GRI 2-23

MEL's Health and Safety policy is dedicated to creating a safe working environment for all employees, contractors, and visitors, with a goal of zero accidents.

The key aspects of the company's Health and Safety policy are:

- **Commitment to Safety:** Aims for zero accidents by creating a safe environment for all employees, contractors, and visitors.
- **Compliance with Standards:** Follows ISO 45001:2018 and national regulations, with a focus on continuous improvement.
- **Risk Management:** Prioritizes identifying and controlling hazards through regular assessments and proactive measures.
- **Employee Involvement:** Actively seeks feedback and participation from employees to promote a culture of shared responsibility.
- **Training and Education:** Delivers comprehensive safety training programs to enhance awareness and practices.
- **Continuous Monitoring:** Maintains high safety standards through regular internal and external safety audits.



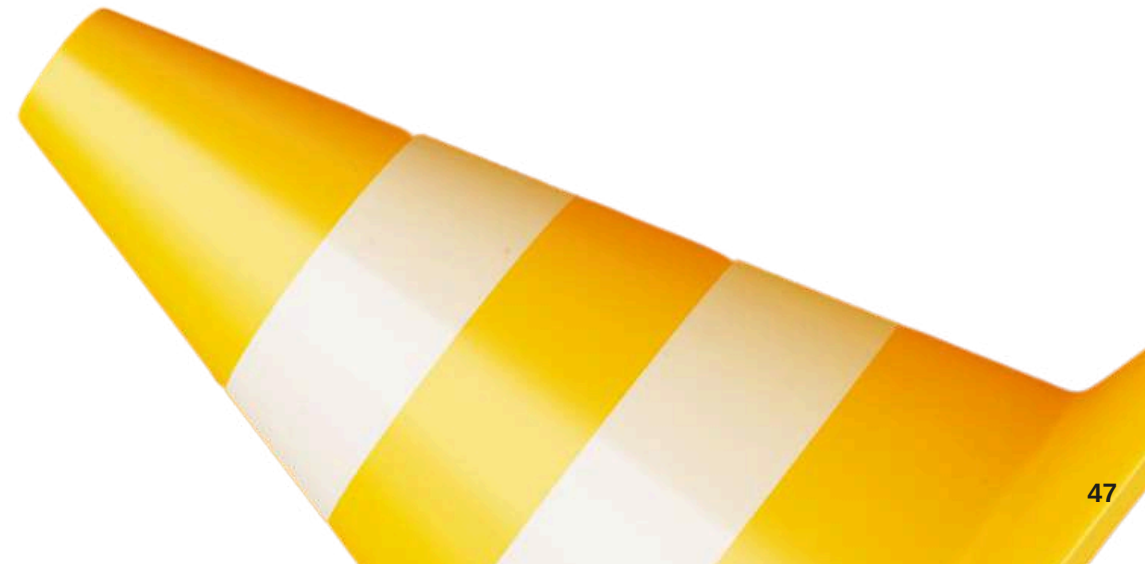
Occupational Health and Safety Committee

GRI 403-4

MEL's Occupational Health and Safety Committee demonstrates the company's dedication to fostering a collaborative and proactive approach to employee welfare. Comprising both employee and management representatives, along with a safety technician and occupational physician, the committee brings diverse insights into safety discussions.

- **Active Engagement and Consultation:** A balanced mix of workforce and management ensures a comprehensive approach to safety matters.
- **Regular and Strategic Meetings:** Quarterly sessions identify risks, discuss improvements, and evaluate safety measures, with suggestions communicated to management.
- **Transparency and Accountability:** A detailed registry of safety actions and strategic plans is maintained, and meeting minutes are shared with all relevant parties.
- **Focus on Ongoing Improvement:** Dedicated to addressing current concerns and planning for future safety enhancements, the committee supports a culture where every employee's safety is prioritized and valued.

The committee plays a crucial role in MEL's strategy to uphold and elevate health and safety standards through continuous collaboration and communication.



Management of Emergencies

GRI 2-23

MEL places a strong focus on emergency planning to maintain a safe workplace. The company actively identifies and manages risks to prevent or reduce negative impacts, preparing for emergencies like fires, earthquakes, floods, gas leaks, and chemical spills. Regular reviews of emergency plans ensure continuous improvement and alignment with health and safety management.

To prepare for all potential emergencies, MEL has implemented:

- A comprehensive Personal Protective Equipment (P.P.E.) policy, including tailored protective clothing, helmets, eyewear, and footwear, customized for different roles to maximize protection against injuries, contamination, and health risks.
- Specific safety measures in its facilities, such as:
 - Upgraded safety footwear based on job roles.
 - Fire safety and general safety rule training.
 - First aid training sessions.
 - Well-equipped rest areas for employee comfort.
 - Stocked first aid stations with defibrillators and medical supplies.
 - Pest control measures in the mill.
 - Training on safe computer use and ergonomics.
 - Specialized training for vehicle operators.
 - Preventive health measures, including vaccinations and regular medical check-ups, with additional screenings for employees over 40 or those working shifts.

MEL's comprehensive approach to emergency preparedness emphasizes the importance of safeguarding employee health and safety. By constantly refining its policies and practices, MEL aims to create a safe and adaptable work environment that meets the evolving needs and well-being of its employees.



Protection of Human Rights

GRI 2-23, 2-26, 406-1

At MEL, we support diversity. We employ individuals of various nationalities, as well as people with mobility challenges or disabilities that nonetheless allow them to be fully functional and productive. We recognize that every employee has the right to be treated equally and fairly, and that violations of these rights harm not only individuals but also the company and the surrounding community. To prevent such outcomes, MEL is dedicated to fostering a culture of respect, dignity, and inclusivity, where diversity is celebrated, and equality is a core principle. Employees are encouraged to express themselves freely, without fear of prejudice or discrimination. As a testament to our commitment, MEL has successfully maintained a record free from human rights violations or discrimination for the last four consecutive years, from 2020 to 2023.

To support these values, MEL has implemented a range of proactive policies to ensure a safe, transparent, and ethical work environment, with zero tolerance for workplace violence, harassment, or any form of human rights violations.

We take several proactive measures to ensure that the human rights of our employees are respected:

1. We have implemented a **Whistleblowing Policy** to provide a secure and confidential way for employees to report violations or unethical behavior.

MEL's Whistleblowing Policy establishes a clear process for reporting any unlawful or unethical activities, in line with EU Directive 2019/1937 and Greek Law 4990/2022. The policy protects individuals who report such violations from retaliation, ensures confidentiality, and promotes transparency within the organization. Employees can submit reports anonymously or confidentially via email, phone, mail, or in-person meetings, and all reports are thoroughly investigated to maintain a safe and ethical workplace.

2. We have established a comprehensive **Policy to combat Workplace Violence and Harassment**, in line with international and national regulations.

MEL's policy on combating workplace violence and harassment aligns with the International Labour Organization's Convention 190 and Greek Law 4808/2021. It prohibits all forms of violence and harassment, including sexual harassment, and aims to provide a safe work environment. The policy includes preventive measures, a clear reporting system, protection for victims, and training for all employees. It applies to all employees, contractors, trainees, volunteers, and those seeking employment within the company.

3. We have implemented a **Human Rights Policy** to ensure respect and dignity for all individuals across its operations.

MEL's Human Rights Policy is based on internationally recognized standards, such as the UN Universal Declaration of Human Rights, the UN Global Compact Principles, and relevant Greek laws. The policy commits to maintaining a workplace free from discrimination and harassment, protecting the rights to health and safety, fair working conditions, equal opportunities, privacy, family life, and collective bargaining. MEL aims to continuously improve working conditions and ensures employees can safely report any violations, emphasizing a respectful and inclusive work environment.

We adhere to a strict zero-tolerance policy towards any form of human rights violation. This guarantees that our stakeholders understand that our company operates on the principles of mutual respect and equality.

Product Quality and Customer Satisfaction

GRI 3-3, 416-1, 416-2

We are dedicated to delivering exceptional customer satisfaction with every product, and our commitment to continuously improving the quality of our carton board solutions has helped us build a strong reputation as a top provider in the industry. We achieve this through the careful selection of raw materials, ongoing refinement of our processing techniques, and rigorous auditing of supplier product specifications. We also invest in research and innovative practices to enhance product quality, always prioritizing the health and safety of our customers. By adhering to strict operational standards across all our facilities, we ensure that every product we deliver not only meets functional requirements but also sets new benchmarks for quality and safety, positively impacting the well-being of our clients.

During the reporting period, 100% of significant product and service categories had their health and safety impacts assessed for improvement. There were no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services. Additionally, there were no incidents resulting in fines, penalties, or warnings, nor were there any instances of non-compliance with voluntary codes. Furthermore, there were no incidents of non-compliance related to events from prior periods.

To ensure we meet customer expectations, MEL runs an annual Customer Satisfaction Survey to gather feedback on product and service quality. This survey allows us to assess customer needs and identify areas for improvement. The results are reviewed by the Quality Control department and presented to top management, as well as to the Claims team, who make decisions regarding the claims process. In addition, Area Sales Managers regularly visit customers to discuss potential challenges or needs, providing direct feedback to the company.



Quality Policy

GRI 2-23, 2-24

MEL is committed to complying with Greek and EU legislation, ensuring the health and safety of our employees, and maintaining an environmentally friendly approach. We have implemented mechanisms to identify and address potential risks and opportunities that could impact product compliance and customer satisfaction. Our Quality Policy is centered on designing, producing, and marketing paper products that fully meet customer requirements, uphold our rigorous internal quality standards, and comply with all relevant legal and regulatory obligations. Our commitment to quality is further reinforced by our adherence to the ISO 9001:2015 Quality Management System and the principles of HACCP, ensuring both the safety and hygiene of our products.

Our key objectives include strengthening our market position domestically and internationally, enhancing customer satisfaction, and ensuring product safety. We are committed to eliminating the root causes of non-conformities and minimizing their occurrence, as well as ensuring that all materials used meet strict specifications. We continuously monitor and measure product quality at every stage of production, providing a supportive work environment that fosters initiative, creativity, vigilance, and teamwork. Additionally, we prioritize maintaining a well-trained and experienced workforce to drive continuous improvement. Finally, we evaluate the effectiveness of our equipment and gradually introduce new technologies to enhance both quality and productivity.

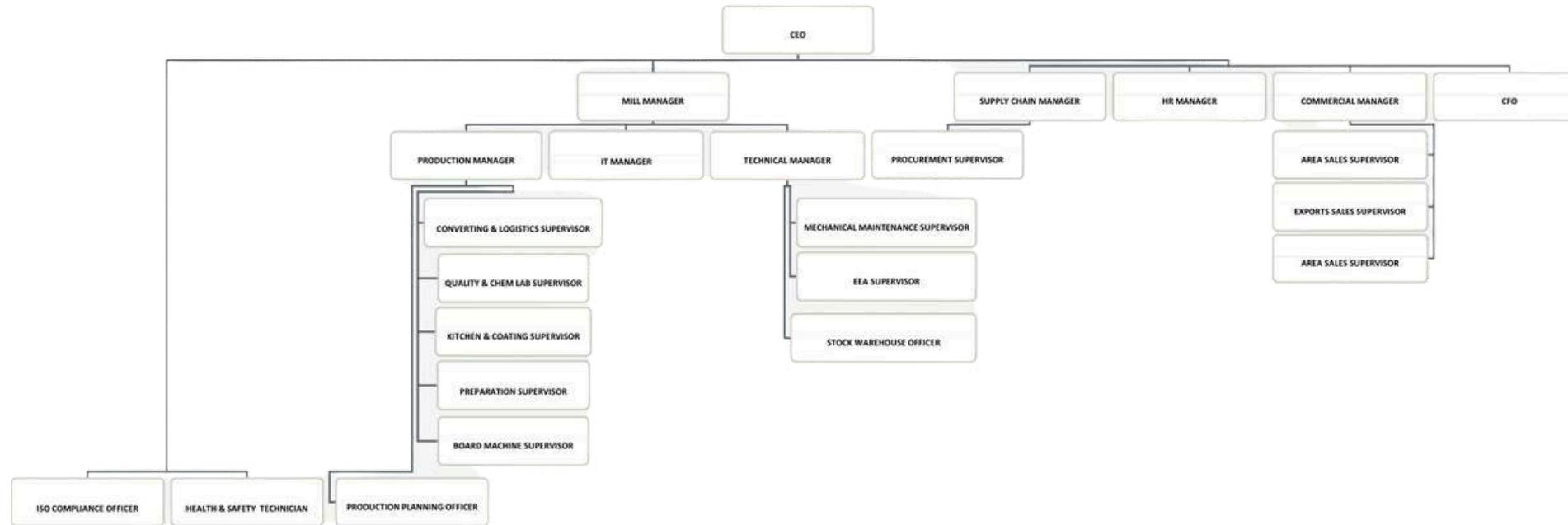
Governance

MEL is deeply committed to upholding the highest standards of governance and accountability as part of our dedication to responsible business practices. Our approach is built on a comprehensive framework of policies and procedures designed to manage the impacts of our operations on the economy, environment, and society. We prioritize transparency, ethical conduct, and continuous improvement across all levels of the organization, ensuring that our actions align with our core values and stakeholder expectations. Through robust governance structures, clear accountability mechanisms, and proactive stakeholder engagement, we strive to foster a safe, respectful, and inclusive workplace that not only meets regulatory requirements but also sets a benchmark for industry excellence in sustainable development and human rights protection.

Organizational Structure

GRI 2-9, 2-11

We believe that sustainable development is rooted in a strong and efficient organizational structure that guides our every action. Our structure is designed to promote transparency, accountability, and strategic decision-making across all levels of the company. The diagram below represents the organizational structure of MEL as of December 31, 2023:



The chairman of our company is also a senior executive in the organization, as well as the Co-Vice Chairman of Kartonsan Karton Sanayi. Kartonsan and MEL are both paper industries and they have a strong cooperation in order to cover customer's needs, as members under the same umbrella of PAK Group.

Our structure clearly defines roles and responsibilities at all levels, ensuring that every employee understands their part in MEL's success and is equipped to excel in their position. We prioritize high standards and best practices, which are essential to upholding our reputation for quality and integrity. Our organizational design also promotes open communication and collaboration across departments, fostering a connected work environment where ideas are freely exchanged, enhancing decision-making and problem-solving.

Board of Directors

GRI 2-9, 405-1

The Board of Directors strategically assigns responsibilities for managing the organization's varied impacts, defines the company's strategic direction, and oversees the management and control of its assets. It holds the crucial responsibility of developing the company's vision and strategic plan, which serves as the cornerstone for all operational activities. This includes setting strategic direction, approving budgets, and authorizing developmental projects that align with our overall objectives.

The Board of Directors at MEL consists of 9 members, comprising 6 male (67.7%) and 3 female (33.3%) members. These include a President, a Managing Director, and 7 additional members, with a balanced mix of executive and non-executive roles. The company is overseen by the Managing Director, who is appointed and monitored by the Board. As the primary decision-making body, the Board is responsible for steering MEL's impact on the economy, environment, and society.

The composition of the Board of Directors of MEL is as follows:

Name	Role
Süleyman Kaya	Chair
Dimitrios Theocharis	Managing Director
Mehmet İmregün	Member
Ünal Bozkurt	Member
Hatice Canan Pak İmregün	Member
Muzaffer Incekara	Member
Funda Duran	Member
Avraam Loutridis	Member
Emine Gökçek	Member

Role of Board of Directors and Highest Governance Body

At the highest level of our governance structure, the Board of Directors strategically assigns responsibilities for managing the organization's varied impacts, defines the company's strategic direction, and oversees the management and control of its assets. It holds the crucial responsibility of developing the company's vision and strategic plan, which serves as the cornerstone for all operational activities. This includes setting the strategic direction, approving budgets, and authorizing developmental projects that align with our overall objectives.

The highest governance body is also responsible for overseeing the company's due diligence and other essential processes that are critical for managing the organization's impact. This includes conducting monthly monitoring activities, which involve completing detailed reports and analyzing key performance indicators. These metrics support decision-making by guiding discussions where results are reviewed, and future actions are planned, including implementing improvements based on the insights gathered.

Additionally, top management holds the ultimate responsibility for reviewing operations and making necessary adjustments to ensure the company runs smoothly. This involves evaluating the outcomes of various processes and making decisions that align with MEL's mission of operating efficiently and sustainably.

Board of Directors Nomination and Evaluation Process

GRI 2-10, 2-18

The process of nominating members to MEL's Board of Directors reflects our commitment to transparency and robust governance practices. The process to becoming a member of MEL's Board of Directors begins with an internal screening process. Prospective candidates are required to submit their curriculum vitae (CV), detailing their qualifications, experience, and alignment with the company's values and strategic goals. This initial submission marks the start of a thorough evaluation that ensures only the most capable and strategically aligned individuals are considered for board positions.

Upon receiving applications, existing members conduct a detailed review to assess each candidate's potential contribution to the Board's collective expertise and decision-making capabilities. This step is critical to ensuring that the Board maintains a balanced and proficient composition. Following this review, a comprehensive report is prepared and presented to the shareholders at the General Meeting, where the ultimate decision-making authority rests. It is during this meeting that shareholders vote on the election of new board members, ensuring that the process remains democratic and transparent.

The selection criteria relate to the candidate's profile, with their skills and experience needing to meet the position's requirements. Additionally, the criteria are shaped by the company's strategic objectives for filling the role and the actions expected of the ideal candidate. The goal is to ensure that this individual will fulfill the company's needs and align with its strategic direction.

In line with best practices and national regulatory requirements, including Article 108 of National Law 4548/2018, the Board conducts a collective evaluation of its members at the end of each management term. This reflective evaluation involves the preparation of a detailed report assessing the Board's overall performance and contributions, which is subsequently presented to the shareholders. This process not only ensures accountability but also fosters continuous improvement within our governance framework.

Additionally, current Board members play an active role in recommending candidates for new directorial roles or replacements, adhering strictly to the company's statutes. This ensures that the nomination process remains robust, fair, and aligned with MEL's organizational ethos. We are dedicated to maintaining a nomination and evaluation process that is rigorous, transparent, and fully aligned with our values and strategic objectives, thereby upholding the highest standards of corporate governance.

Remuneration Policy

GRI 2-20, 2-21, 2-23

The Remuneration Policy is designed to ensure fair and competitive compensation, aligned with legal standards and the company's strategic objectives. We are committed to complete transparency and accountability, providing clear disclosures on the monthly fixed and variable pay, as well as termination payments, for members of our highest governance body and senior executives, in full compliance with legal requirements. Additionally, all remuneration and retirements benefits for senior staff are meticulously documented in the payroll and financial statements, adhering to our operational agreements. This approach reflects our commitment to responsible governance and maintains stakeholder trust.

To uphold fair labor practices, our remuneration policy is closely aligned with the performance and objectives of our senior executives. We particularly take into consideration their contributions to the economy, the environment, and the society, ensuring that their efforts toward sustainable growth and corporate responsibility are appropriately recognized and rewarded. To further demonstrate our commitment to fairness, all employees—including the highest-paid individuals—receive the same percentage increase in annual total compensation. However, in cases where performance evaluations result in personal increases, the percentage may vary. Salary adjustments may also be requested formally, with supporting documentation and a supervisor's evaluation submitted for approval and processing. We also gather stakeholder views on remuneration through evaluation and feedback processes.

The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees, excluding the highest-paid individual, is 1:12. When filling senior positions, we collaborate with relevant organizations to stay informed on market salaries and adjust our compensation practices to remain competitive. In general, the company tracks market data through surveys and reports, ensuring that compensation and benefits remain aligned with industry standards.



Governance and Accountability Framework

GRI 2-23, 2-25, 2-26

MEL is deeply committed to upholding the highest standards of governance and accountability as part of our dedication to responsible business practices. We prioritize transparency, ethical conduct, and continuous improvement across all levels of the organization, ensuring that our actions align with our core values and stakeholder expectations.

Our governance framework includes established policies such as the Supplier Code of Conduct, HR Policy, Report Management Policy, Anti-Violence and Harassment Policy, and Quality System 9001:2015 Policy, which specifically addresses customer complaints and ensures structured responses to any issues that arise. To manage grievances effectively, MEL has implemented procedure D142, outlining the process for handling customer complaints and measuring customer satisfaction. Employees can also express their grievances through the Occupational Health and Safety Committee, which meets every three months, further reinforcing our commitment to creating a safe and supportive work environment where concerns are addressed promptly and effectively. Grievance mechanisms for employees are also clearly described in our posted policies available on our official website, ensuring access to appropriate channels for raising and resolving issues.

All employees undergo relevant training programs at least once a year, ensuring they are well-informed about our policies. Notifications regarding relevant policies are also communicated to all stakeholders. The HR manager has been designated as the responsible individual for implementing both preventive measures and appropriate responses under the Violence and Harassment Policy. Additionally, the Supply Department is available to provide any necessary clarifications to suppliers to ensure adherence to our Supplier Code of Conduct. Finally, the Sales Department offers guidance on our General Trading Terms to facilitate their proper application.

As an ISO 9001:2015 certified organization, we are obligated to measure customer satisfaction through internal procedures, including feedback from annual customer satisfaction questionnaires and internal reviews conducted by the Quality Systems department. Training programs are conducted based on our Anti-Violence and Harassment Policy, focusing on preventive and corrective measures to address incidents of grievance. Employee feedback on training effectiveness is documented and reviewed by the HR department, with the HR manager regularly evaluating these preventive measures.

Critical concerns are communicated to the highest governance body through various channels, including online meetings, emails, and phone calls, ensuring prompt addressing of important issues. We implement comprehensive internal control systems grounded in proactive risk analysis and rigorous audit activities, developing policies and procedures to tackle workplace violence, harassment, health and safety issues, and other significant matters efficiently.

To enhance our commitment to transparency and accountability, we have established a robust Whistleblowing Policy in compliance with EU Directive 2019/1937 and Greek Law 4990/2022. This policy provides a secure channel for employees and stakeholders to report illegal or unethical behavior confidentially or anonymously, guaranteeing protection against retaliation while safeguarding personal data.

Regulatory Compliance and Business Ethics

GRI 2-27, 3-3, 205-3

At MEL, we uphold the highest standards of regulatory compliance and business ethics, reflecting our commitment to integrity and transparency in all our operations. During the reporting period, we are proud to report that we encountered zero instances of significant non-compliance with laws and regulations, demonstrating our proactive approach to ethical conduct and compliance.

Furthermore, there were no confirmed incidents of corruption reported, and no employees were dismissed or disciplined for corruption in. Moreover, there were no instances of contracts with business partners being terminated or not renewed due to violations related to corruption. Finally, the organization did not face public legal cases regarding corruption against itself or its employees during this period.

Conflicts of Interest

GRI 2-15

In 2023, MEL remained committed to maintaining transparency and integrity in all its operations by actively identifying and managing conflicts of interest. We strive to ensure that all employees and stakeholders conduct their activities in a manner that upholds our ethical standards and mitigates any risks associated with conflicting interests.

To ensure that conflicts of interest are mitigated and prevented, MEL has implemented robust and clear guidelines through our work regulations, procedures and policies. MEL believes that clear communication of these guidelines is essential for fostering a culture of transparency and accountability. To uphold these values, we ensure that they are consistently communicated at all levels, from our highest governance bodies to every member of our team.

MEL is also dedicated to maintaining transparency with its stakeholders, which includes mechanisms for them to report any concerns from their perspective. This includes communicating with skilled executives that address and resolve these conflicts in an effective manner. Moreover, an internal process is in place that documents any potential conflicts of interest, including those that arise from cross-board members. Regarding such matters, MEL is dedicated to preventing potential conflicts of interest by ensuring clear and timely communication.

We deal with cases of conflict of interest by carefully evaluating and examine the facts of each given situation. This allows us to adapt our collaboration strategies accordingly, which is key to maintaining healthy and productive relationships with all our partners.



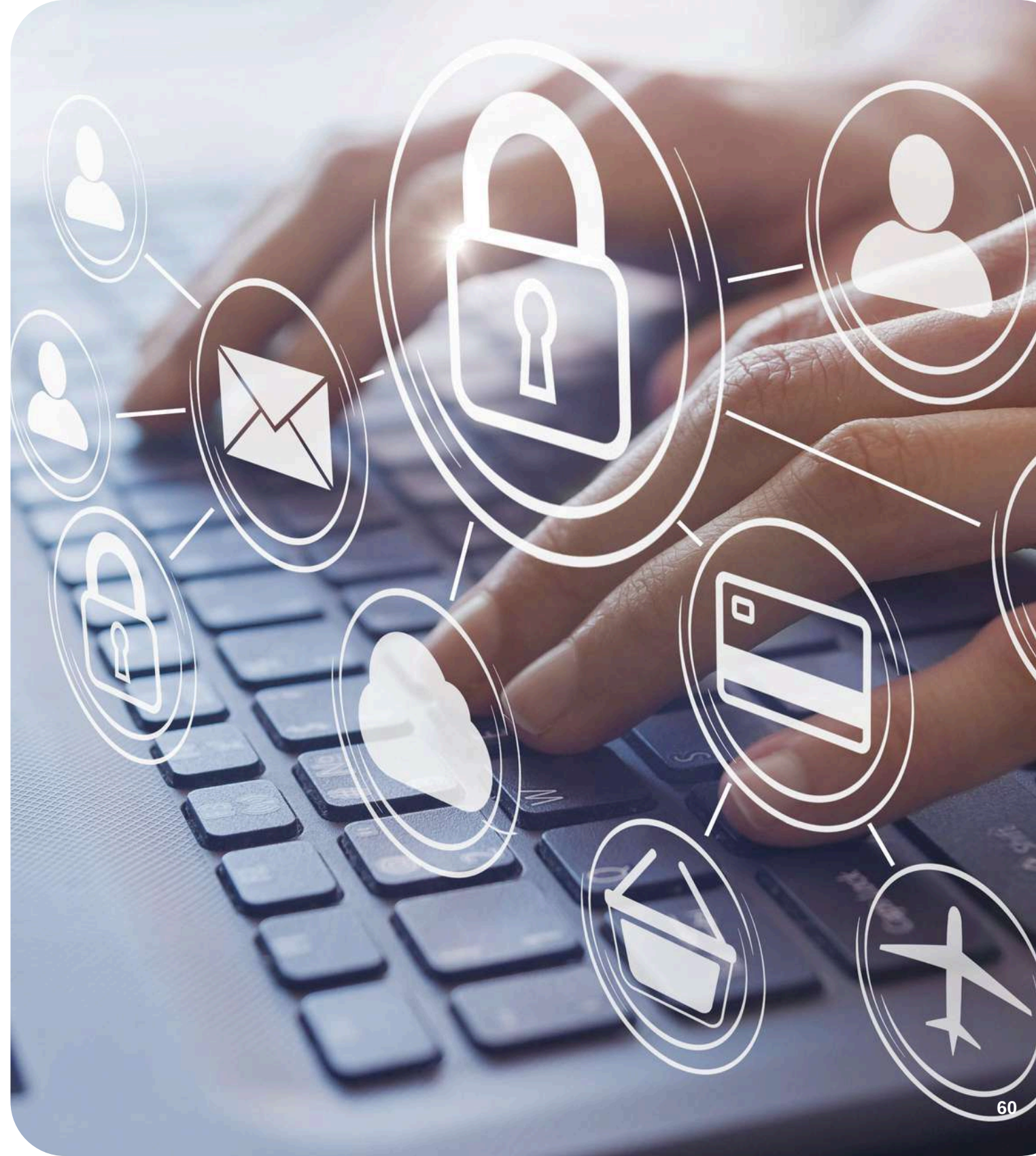
Customer Privacy & Data Protection

GRI 3-3, 418-1

At MEL, we prioritize customer privacy and are committed to safeguarding their personal data. We recognize that earning and maintaining the trust of our customers is essential to the long-term success of our business. As part of our ongoing efforts to ensure compliance and accountability, we continuously monitor and address any potential breaches.

As evidence of our dedication to protecting customer data, we are pleased to report that we received no substantiated complaints in 2023 regarding privacy breaches, whether from external parties or regulatory bodies. Furthermore, there were no incidents of data leaks, thefts, or losses. No breaches or complaints from previous years were carried over, underscoring our continued commitment to maintaining the highest standards of data protection and privacy for our customers.

MEL is fully committed to adhering to data protection regulations and upholds a zero-tolerance policy towards any breaches of data security. These measures ensure that our customers' personal data is consistently protected, fostering trust and maintaining the integrity of our operations.





GRI Table

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