

2021 SUNLIGHT GROUP
ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT



Share the Knowledge
Lead the Change



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Lampros Bisalas
Chief Executive Officer, Sunlight Group

Letter from the CEO

GRI 102-14

At Sunlight Group we develop the next generation of innovative batteries and energy storage systems for various industries and applications, with a strong focus on Environment, Society and Governance (ESG).

Our ESG strategy and commitments are an integral part of our current operation and future aspirations. Aspirations that we shall accomplish via sustainable growth across our activities in the development and production of lead-acid and lithium-ion energy storage solutions, while also exploring other technologies as a true technology-agnostic company.

Sunlight Group is a top producer of motive power batteries, which –as reflected in the present report– are developed and manufactured with environmental and social consciousness, and under robust corporate governance. And we shall continue developing innovative and sustainable energy storage solutions, aiming to become a global leader in the sectors we excel – industrial mobility, leisure mobility, and ESS. Short-term targets include ramping-up our annual lead-acid production capacity to 9 GWh and lithium-ion assembly capacity to 2.4 GWh by 2023. To achieve those targets, we invest greatly in infrastructure, human resources, and Industry 4.0 tools and applications to offer the best and greenest products.

Yet our goals go beyond that. We see ourselves at the forefront of energy developments. Hence our significant investment in establishing a prototype pilot line for the production of lithium cells in our Xanthi industrial complex. The success of this line will enable Sunlight to sustainably produce lithium cells for batteries and energy storage systems on European soil at an industrial giga-factory scale – a key objective of EU and global strategies towards energy transition and building “greener” supply chains.

Our vision is to produce energy solutions that will preserve our planet from climate change; to create and promote an inclusive and safe workplace for our employees; and to lead the change in an ethical manner.

To achieve our vision, in 2021 we developed Sunlight Group's ESG strategy setting key targets that will help us become a benchmark in the industry and true enablers of an all-electric future. A goal that will support EU and worldwide targets for energy transition and climate neutrality by 2050.

Sunlight Group's ESG targets also include zero waste to landfill, constantly improving working standards, and sharing common practices, values and culture within the company and with our peers in the sector and other industries.

As regards the Environment,

we are committed to innovating and delivering sustainable energy solutions. Circular economy and sustainability lie at the heart of our business, and we have streamlined and integrated our processes to reduce our footprint:

- › Our lead-acid products are manufactured with 80% recycled lead, the majority supplied by our own Recycling Plant in Komotini.
- › We have increased our waste recycling rates by 17% compared to 2020.
- › For 2021, GHG scope 1 emissions for Sunlight were 8,631 tn CO₂e, scope 2 emissions were 30,295 tn CO₂e and scope 3 emissions were 3,095 tn CO₂e.

Society-wise,

we embrace and foster inclusivity and diversity within our teams, support our people and the local

communities in which we operate, and empower young talent:

- › In 2021 our workforce reached 1,301 employees, 28% more than in 2020.
 - » The proportion of the female workforce was 42%, considering that women cannot work in the more labor-intensive manufacturing stages of lead-acid cells and batteries.
 - » Hiring rates increased by 2.9 times in 2021 compared to 2020. Out of the new hires, 37% were under 30 years old, as we aim to attract and retain young talent.
- › The Health & Safety (H&S) of our employees is an absolute priority for Sunlight.
 - » We diligently monitor the most relevant H&S indicators, including lead concentration in workers' blood.
 - » For 2021, Lost Time Injury Frequency Rate (LTIFR) was on average 0.98 in our Xanthi and Komotini units.
 - » During the Covid-19 pandemic we took immediate measures to ensure the health and safety of our people, building a safe working environment across our facilities.
 - » In 2021 we increased training hours in H&S issues by 1.4 times compared to the year before.
- › Supporting our local communities is integral for us. In 2021 we implemented several Corporate Social Responsibility (CSR) initiatives and increased our relevant monetary contributions to €101,700 – doubling the respective 2020 output.
- › We are keen to identify the leading teams of tomorrow. Which is why in 2021 we launched two programs to empower the next generation of

professionals:

- » "RiSE to the Challenge": a paid training and employment graduate program in new generation lithium technologies.
- » ReGeneration Academy on Production Engineering, powered by Sunlight: an employment and training program for young graduates of Polytechnic Schools and STEM.

Governance

is of paramount importance for Sunlight because the way we achieve results is just as important as results themselves. We have always upheld that responsible companies conduct business with the highest standards of corporate governance and ethical behavior. This responsibility permeates our entire Group and governs our relations with customers, investors, partners, suppliers, employees, and authorities. To support that commitment, **we have added international experience to our Board of Directors (BoD) and Executive Committee, creating a strong leadership team.**

Sunlight is a leading technology company and provider of integrated energy storage solutions, with state-of-the-art manufacturing and production facilities. The integration of ESG strategies and targets is key aspect of our operation, of our commitment to "Share the Knowledge, Lead the Change", and our goal to reach the top of our industry.

About this Report

GRI 102-45 | GRI 102-48 | GRI 102-49 | GRI 102-50 | GRI 102-51 | GRI 102-52 | GRI 102-53 | GRI 102-54

This Report is the first Environmental, Social and Governance (ESG) Report of Sunlight Group Energy Storage Systems Industrial and Commercial Single-Member Societe Anonyme. We aim to be transparent on current risks and opportunities related to ESG issues, facilitate engagement, interaction and communication with our stakeholders and the general public.

The issue refers to the financial year from 1st January 2021 to 31st December 2021. For a number of quantitative information, data over the recent three years (2019-2021) are presented to help identify the company's multi-year trajectory.

The report has been developed in accordance with the Global Reporting Initiative (GRI) Standards: "Core option". Also, to meet industry specific needs and requirements the Report includes indicators from 2019 Nasdaq ESG Reporting Guide.

The previous edition was the Corporate Social Responsibility (CSR) Report published in 2019. Compared to the previous CSR Report, the information provided concern only Sunlight Group and its business activities and not Olympia Group. Also, the information for 2021 Report refers to the Group's facilities in Xanthi, Komotini, Italy, Romania, and USA.

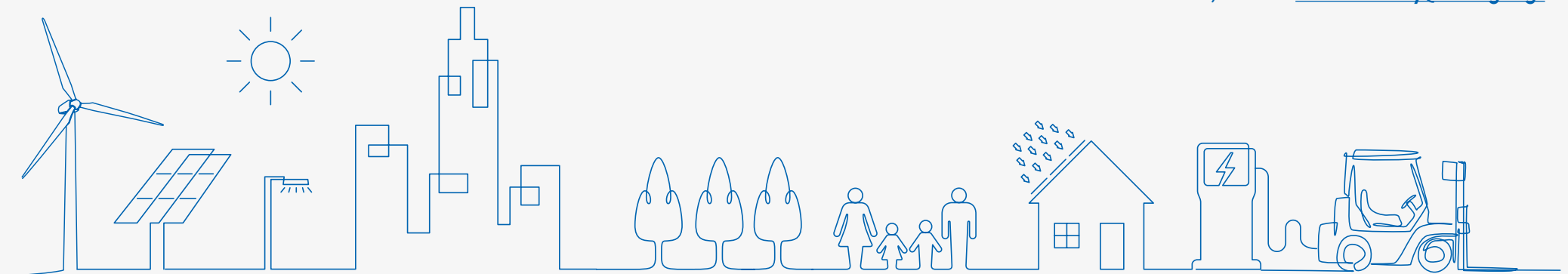
The 2021 ESG Report was prepared with the scientific advisory support of PwC Greece.

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1.

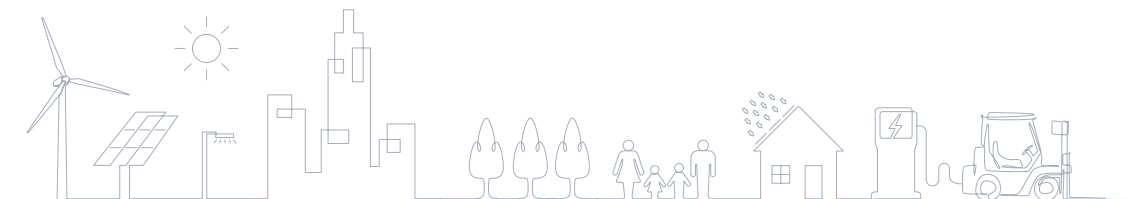


Our Company

Who we are

GRI 102-1 | GRI 102-2 | GRI 102-3 | GRI 102-4 | GRI 102-5 | GRI 102-6 | GRI 102-9 | GRI 102-10

Founded in 1991, Sunlight Group is a member of Olympia Group, and among the leading technology companies in the energy-storage system sector, specializing in industrial and advanced energy storage solutions.



Sunlight is a member of the Olympia Group, an international investment group.



is an international investment group with a presence in eight countries, operating in sectors such as energy storage, retail and telecommunications.

For more information, please follow the link.

A rapidly growing global business with Greek roots, Sunlight exports its lead-acid and lithium-ion products to more than 100 countries worldwide.

Sunlight Group headquarters is in Athens, Greece. The company develops technologically advanced energy storage solutions that enable industries such as renewables, transport, logistics, and shipping to boost their transition to net zero emissions. We specialize in designing, developing, and distributing the next generation of energy storage products for industrial and off-road applications, with a particular focus on Research and Development (R&D), including environmentally conscious and energy efficient innovations.

The Group's industrial complex in Xanthi, northeastern Greece, is the core production facility and state-of-the-art manufacturing operation, supporting the company's dynamic growth. The Group also owns a lead-acid battery recycling plant in Komotini, while in the context of international expansion and growth, two battery

assembly hubs have been established the recent past years in Verona, Italy and North Carolina, United States (US). The Group also operates sales offices in Italy and Romania. As our ambition is to strategically expand our business activities, we acquired 70% of Technoform, a Kilkis-based company that designs and manufactures state-of-the-art moulds and components.

In addition, we also proceeded with the acquisition of PBM S.R.L., an established global leader in the production of battery chargers and industrial electronics, and the acquisition of 51% of the share capital of A. Müller GmbH, a German company with 30+ years of experience in the wholesale trade of batteries, power supply systems, charging technology and accessories. We have also established sales offices in Spain to strengthen our presence in that market as well.

In terms of the structure of our supply chain we did not implement any significant change during 2021. We ensure a vertical production to secure quality within our value chain.



Vertical integration securing our supply chain

Today, the Group is active in the sectors of industrial mobility, leisure mobility, and Energy Storage Systems (ESS).

Industrial mobility

Years of experience in producing integrated and innovative off-road motive power solutions for the global Material Handling and Logistics sectors.

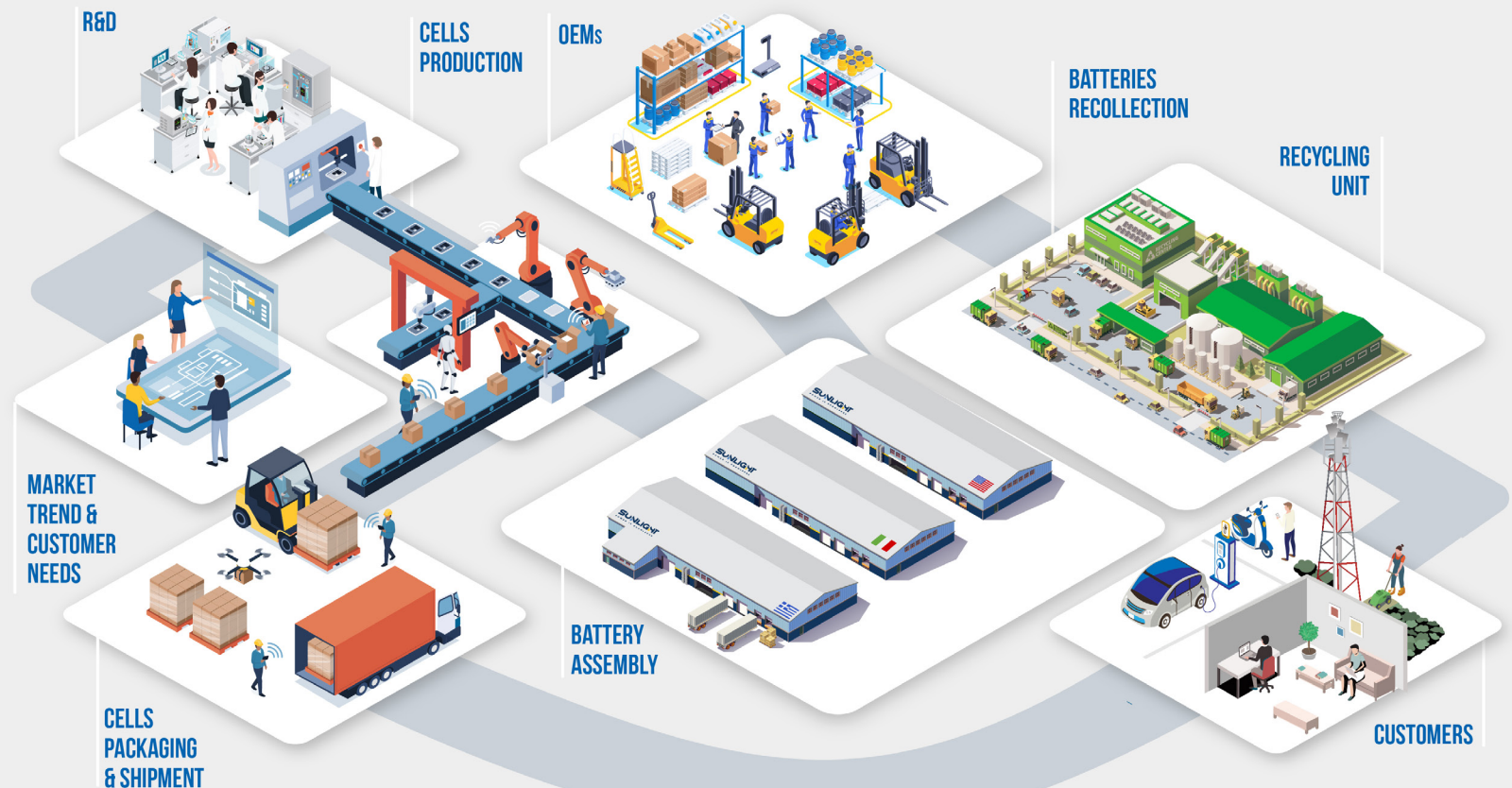
Leisure mobility

Lithium-ion batteries brought to the forefront of leisure mobility applications, as Sunlight's R&D hubs develop advanced and innovative products

ESS

Developing sustainable and cutting-edge solutions for energy storage systems, by applying extensive expertise in batteries technology.

For more information about our industrial facilities and sales offices please visit our site. [🔗](#)



Our mission, vision and values

GRI 102-16

Our Vision

Sunlight's **vision** is to power the world through knowledge and become a source of empowerment. Regarding ESG, we aim to share the knowledge and lead the change by:

- › driving the transition to an all-electric future
- › applying the circular economy business model across our value chain
- › promoting equality and diversity at the workplace
- › creating innovation hubs that foster creativity and empower young minds
- › developing and implementing initiatives to support our local communities
- › complying with the highest governance standards and applying best practices

Our Mission

Our **mission** is to tirelessly pursue knowledge through data and insights and turn it into innovation that serves our customers and improves people's lives.

Our Values

Innovation

We innovate every step of the way. Our minds are set on creating a bright and sustainable future.

Agility

We are agile thinkers. Our approach and processes address contemporary demands to consistently develop better, cost-effective, and sustainable products.

Integrity

We nurture long-term relationships that are open, honest, and firmly based on trust. Our transparent decision-making aims at benefiting our people, our customers, and the communities in which we operate.

Value Creation

We are here to create true value for our customers, our partners, our employees, and our shareholders. We give our best to help people thrive and enjoy powerful collaborations to achieve something greater than the sum of our parts.

Data-Driven

We harness the power of data and translate knowledge into solutions to make life better for everyone.



Our operations

Our history demonstrates a vision towards sustainability from the beginning of our business activities. Key milestones are presented in the timeline below:

1991 Acquisition of the battery manufacturing plant located in Neo Olvio, in Xanthi, by GERMANOS S.A.



1995 Design and production of environment-friendly (without mercury) dry cell batteries using Zinc-Chloride technology.

2000 Commencement of vertical production of submarine and OPzS/OPzV industrial type batteries.

2001 Installation of the first interconnected photovoltaic station in Greece on the island of Crete, with installed power of 168 kWp.

2002 Design of a new closed-type lead industrial batteries (VRLA) production line.

2008 › Development of a new production line for lead-oxide batteries.
› Installation of specialized systems in the Xanthi manufacturing plant's production areas, resulting in electricity savings.

2010 Expansion of the factory, supply chain and transportation management center in Xanthi.



2014 › Launch of Sunlight Recycling, a state-of-the-art lead-acid battery recycling plant in Komotini.
› Establishment in the Xanthi factory of a dust return screw system, allowing the dust's reuse in production and installation of a system for the air transport of lead oxide, resulting to reduced air pollutants in the factory's work environment.



2016 Launch of the Green Mission as Sunlight Recycling's initiative.

2017 › Investment in state-of-the-art battery assembly unit in Xanthi.
› Becoming the first company in Greece certified with ISO 37001, with regard to issues of compliance and anticorruption.

2018 › Operation of a new assembly hub in Verona, Italy (Sunlight European Battery Assembly – SEBA) in order to better serve the Sunlight Group partners.
› Sunlight Group absorbs Sunlight Recycling, attaining better synergies.

2019 Operation of the rebuilt manufacturing facility in Xanthi.

2020 Establishment of Sunlight Batteries USA and construction of the US-based assembly plant.



2021 Xanthi's manufacturing capacity doubled to reach 3.6 million motive power cells on an annualized basis.

The subsidiaries of Sunlight Group*

GRI 102-2 | GRI 102-6 | GRI 102-7

A global
manufacturer of
industrial and
advanced Energy
Storage Systems



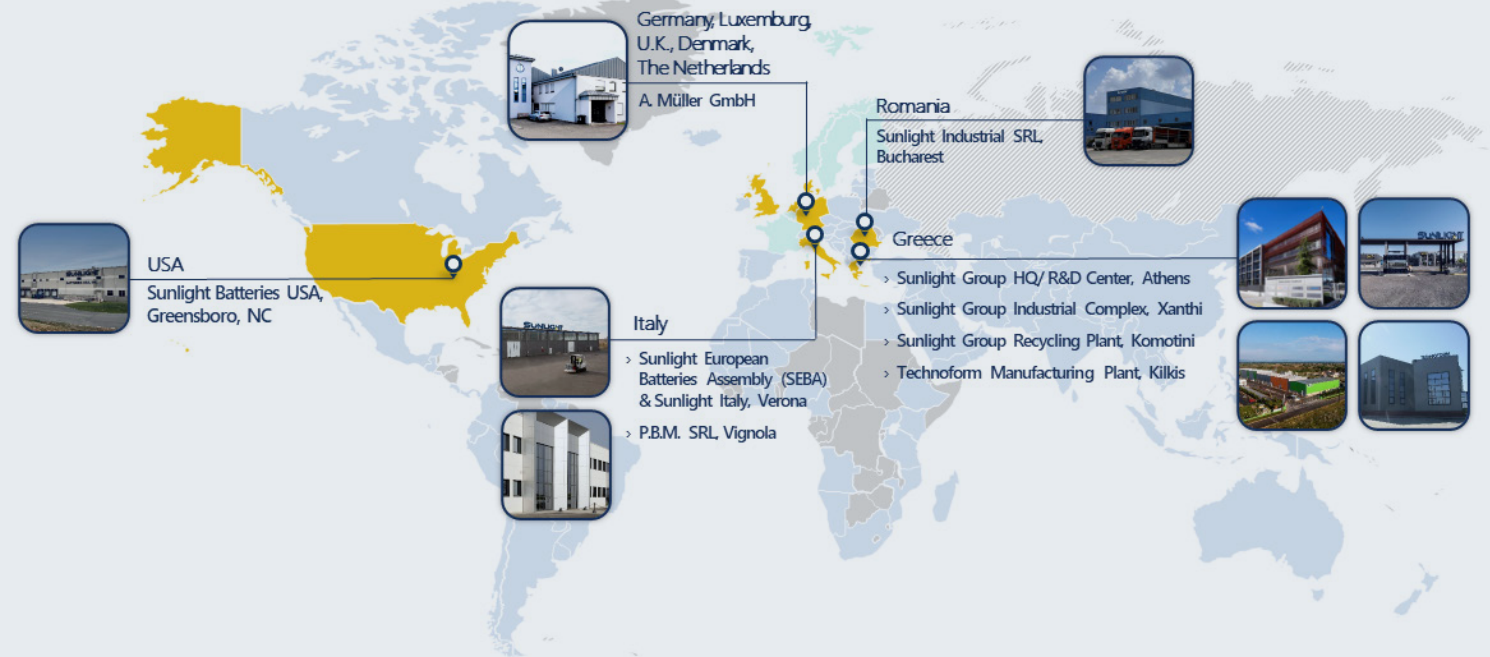
Presence in
113 countries



6 manufacturing plants
in Europe and the US



30+ years of experience
in the energy storage sector



The Board of Directors

GRI 102-18

As of 15 July 2022, Sunlight Group's
Board of Directors consists of:



Gordon Riske,
Chairman of the Sunlight
Group BoD & Independent
non-Executive Director



Lampros Bisalas,
Sunlight Group CEO &
Executive BoD Member



Francis Wang,
Independent Non-Executive
Director



Michel Govaert,
Independent Non-Executive
Director



George Tsourapas,
Independent Non-Executive
Director



Dr. Peter Lamp,
Independent Non-Executive
Director

Governance structure

GRI 102-18

Sunlight Group has the following BoD committees, to ensure optimal delegation of responsibilities, actions and decision-making.

Board of Directors

Sunlight Group Board of Directors



Compliance Committee

M. Govaert (Chairman)
G. Riske (Member)
G. Tsourapas (Member)



Remunerations & Nominations Committee

G. Tsourapas (Chairman)
M. Govaert (Member)
G. Riske (Member)



Audit Committee

M. Govaert (Chairman)
G. Riske (Member)
G. Tsourapas (Member)



Internal Audit

Executive Committee

Group CEO & Acting CCO Lampros Bisalas



CEO Sunlight USA

Todd Sechrist



Group CFO

Carlo Crosetto



Manufacturing Executive Director

Konstantinos Paspalas



CTO

Nikos Tsiouvaras



Group Human Resources Executive Director

Vassilis Gavroglou



Group Legal Affairs & Compliance Executive Director

Vassiliki Gallou

Policies

We have set policies to ensure fair and good governance within our organization. Most of our policies are at a Group level to ensure the Group's compliance in legal and institutional frameworks and the incorporation of good practices within its operations.



Conflict of interest
policy



Harassment and
violence policy



Conflict minerals
policy



Code of Conduct



Donations and
sponsorships policy



Gifts and hospitality
policy



Quality policy



Health and safety
policy

International initiatives

GRI 102-12

We support the ten (10) principles of the United Nations Global Compact (UNGC) in the areas of human rights, labor, environment, and anti-corruption. Within the next financial year we intend to formally endorse this initiative, as we have not yet obtained a signatory label from UNGC. Moreover, in 2021, we participated for the first time in the EcoVadis assessment to promote transparency of our sustainability practices. EcoVadis enables us to continuously improve our performance by providing practical insights into the key sustainability issues applicable to our industry, reliable ratings, and global benchmarks.

Bodies and Associations in which Sunlight Group participates

- › Hellenic Federation of Enterprises (SEV)
- › Association of European Automotive and Industrial Battery Manufacturers (EUROBAT)
- › Institute of Energy for South-East Europe (IENE)
- › Batteries European Partnership Association (BEPA)
- › International Lead Association (ILA)
- › Green Mission
- › Integrated Collective System for the Waste Batteries Management in Greece (COMBATT)
- › American-Hellenic Chamber of Commerce
- › Italian-Greek Chamber of Commerce
- › German-Greek Chamber of Industries and Commerce

Accolades and awards

GRI 102-13



Most Innovative Use
of Technology in HR



Most Effective
Recruitment Strategy



Hellenic Innovation Award
for Business Growth (over
100 employees)



Extrovert Manufacturing
Activity



Research & Development
(R&D)



Safety Awards Program for health
and safety at the workplace



Use of
Technology



Infrastructure
Upgrade &
Modernization/
Work Health and
Safety Invention



Environmental Management for
medium and large companies

Financial performance



GRI 103-1 | GRI 103-2 | GRI 103-3 | GRI 102-7 | GRI 201-1 | GRI 102-48

In 2021, the global economy showed signs of recovery, along with improvements in international trade, employment, and incomes. Since the pandemic of Covid-19, the overall industry for motive power and energy storage system applications showed positive signs in terms of growth, enabling Sunlight Group to reach €271.9 million in consolidated sales.

Driven by upward trends in both quantities produced and prices, the consolidated turnover stood at €271.9 million vs €176.9 million in 2020, up by a significant 53.7%.

EBITDA stood at €24.1 million in 2021 vs €19.2 million in 2020, up by €5 million (26%), while EBIT stood at €15.3 million vs €11.8 million in the previous financial year.

The table summarizes key financial data for the Sunlight Group:

Direct economic value generated and distributed			
Economic value			
	2019	2020	2021
Direct economic value generated (€)			
Revenue	173,090,509	176,904,670	271,903,159
Economic value distributed (€)			
Operating costs ^[1]	132,902,655	140,511,698	227,719,208
Employee wages and benefits	23,225,188	26,222,294	34,765,671
Payments to providers of capital ^[2]	5,042,280	4,107,121	4,328,591
Economic value retained (€)			
Direct economic value generated	173,090,509	176,904,670	271,903,159
Economic value distributed	161,170,123	170,841,113	266,813,470
Total	11,920,386	6,063,557	5,089,689

For more information regarding our financial performance please visit our site. [🔗](#)

[1] Operating costs were retrieved from 2021 Financial Statement and include, (a) Change in inventories and cost of sales, (b) Goods transport expenses, (c) Depreciation & amortization, (d) Taxes – charges, (e) Premiums and (f) Other expenses.

[2] Payments to providers of capital were retrieved from 2021 Financial Statement and include, (a) Interest on loans and (b) Factoring interest & commission.

2021 ESG update

Why is sustainability important for Sunlight Group?

Our vision, as well as our business strategy, are closely linked with the sustainable development of our Group and are driven by technological innovation and commitment to a carbon-free all-electric future. Our core business activities are developed to empower electrification of the European economy and the US market utilizing Renewable Energy Sources (RES). In addition, through our circular business model we aim to produce sustainable energy products that will drive the decarbonization of the market.

We acknowledge that batteries and energy storage systems play a core role in the energy transition. And as we aspire to become a global leader in our sector, we are committed to positively contributing to this transition.



Our ESG strategy

Following the global demand for sustainable development in our sector, in 2021 we developed our Environmental, Social and Governance (ESG) Strategy. Through our ESG strategy we aim to address global challenges and align our business operations with the sustainable development agenda, both to reduce risks from the external environment and to maximize long-term opportunities and growth.

Our ESG vision is to **produce energy solutions** that will **preserve our planet** from climate change; to **create and promote an inclusive and safe workplace** for our employees; and to **lead the change** in an **ethical manner**.

Through this ESG strategy Sunlight Group aims to:

- › become climate neutral.
- › contribute to zero waste.
- › improve labor standards, knowledge, and skills.
- › share common practices, values, and culture through its operations.

Climate change

40% reduction of scope 1 and 2 GHG emissions by 2030, **climate neutrality** by 2050.

ENVIRONMENT

Produce energy solutions that will **preserve our planet** from climate change

Circular economy

- › **85%** of recycled content of lead by 2030.
- › **100%** of batteries with passport by 2024.

Employees wellbeing

Achieve and maintain an average **85%** on the wellbeing section of the annual employee satisfaction survey by 2025.

Sustainable procurement

Integrate ESG in supplier evaluation process by 2023.



GOVERNANCE

Lead the change in an **ethical manner**

ESG Transparency

Participate in reputable ESG frameworks and indexes by 2023.

SUNLIGHT
POWER IS KNOWLEDGE
ESG TARGETS



SOCIETY

Create and promote an inclusive and safe workplace for our employees

Gender diversity

- › **40%** of female representation in managerial positions by 2025.
- › Obtain equal pay certification by 2024.

Employees training

50% increase in training hours per employee by 2023

Setting sustainability goals

Our approach to sustainability is aligned with the Sustainable Development Goals (SDGs) of the United Nations. The SDGs are 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all”.

The SDGs were developed by the United Nations to provide a global framework that incorporates a broad range of specific global issues that should be addressed.

Our aim is to contribute equally in the Environmental, Social and Governance (ESG) pillars having as a basis the alignment to the SDGs. Sunlight Group supports environmental goals (7, 12, 13, 15), social goals (1, 3, 4, 5, 8, 10, 11) and governance-related goals (16, 17).



Sustainable products and participation in innovative projects

The markets for both lead-acid batteries and lithium-ion technologies drive sustainable and efficient use of batteries for applications related to electrification of transportation, as they offer considerable advantages in high energy intensity, performance, longer cycle life, low self-discharge etc.

Taking advantage of the new opportunities this environment has created, we aim to continuously improve existing and develop new products that align with our vision towards sustainability. Our innovative energy storage solutions drive e-mobility applications in off-road transportation, while our circular business model presents a benchmark for the industry.

Following that, we have expanded our product range with lithium-ion batteries, for industrial and leisure mobility (Sunlight Li.ON FORCE, Sunlight ElectroLiFe) and for the Energy Storage Systems industry (Sunlight Li.ON ESS). As part of our digitalization initiative, we also create “smart” Battery Monitoring and Management Systems operating via cloud-based platform (GLocal, KnoWi). Meanwhile, we are developing new and innovative solutions for large-scale energy storage systems to meet the need for uninterrupted supply in large and small on- and off-grid electricity supply facilities. Finally, we are implementing a strategic collaboration with the Greek Independent Power Transition Operator (ADMIE) for the installation of a pilot storage system at the Thiva High Voltage Substation.

For more information about our innovative solutions please visit our site. [🔗](#)

The role of batteries in powering the blue economy

Case Study

International Maritime Organization's goal is to reduce the total annual greenhouse gas emissions within maritime sector by at least 50% by 2050. Acknowledging that, our Research & Development hubs focus on developing lithium-ion technologies that will provide the best-in-class solution for the industry. The maritime market stimulates interest in vessel electrification and charging infrastructure in ports.

As we understand that the cost of batteries continues to reduce and offshore and maritime sectors aim to decarbonize their operations and supply chains, collaborative efforts will help deliver electrification solutions.



For more information, please visit our site. [🔗](#)

X-FLEX project

Case Study

We are proud for our contribution to X-FLEX project, part of the Horizon 2020 EU Framework Program, which focuses on the creation of a more stable, secure, and sustainable “smart” energy grid, that will be efficient and effective under all weather conditions (including extreme conditions). X-FLEX stands for “integrated energy solutions and new market mechanisms for an eXtended FLEXibility of the European grid”.

The project started in October 2019 and its completion date is within 2023. It aims to increase energy self-efficiency and self-consumption, support novel market actors to generate new and eco-friendlier business opportunities, promote “smart” grid solutions and Virtual Energy Network synergies, and reduce energy costs.

For more information, please visit our site. [🔗](#)

2021 ESG Company Snapshot



ENVIRONMENT

80%

recycled content
in lead used in our
operations

17%

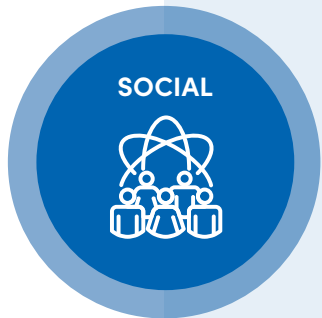
increase of
waste recycling
compared to 2020

32%

decrease of bundles
of paper purchased
from 2019 to 2020

100%

of water is recycled
and reused at
Komotini unit



SOCIAL

27%

increase of employees
compared to 2020

75%

increase of women
in total workforce
compared to 2020

5.6 times

more spending on
trainings compared
to 2020

57%

increase of average training
hours per employee from
2020 to 2021

1.3 times

more H&S
trainings than
in 2020

x2

our total CSR
spending compared
to 2020



GOVERNANCE

100%

compliance with laws and
regulations in environmental,
social and economic areas

100%

protection of customer data in
terms of leaks, thefts, or losses
of data

3.



2021 Stakeholder Engagement

GRI 102-40 | GRI 102-42 | GRI 102-43 | GRI 102-44 | GRI 103-1 | GRI 103-2

At Sunlight Group we highly value the opinion of our stakeholders. To this end, we have developed mechanisms and tools to foster active means of communication. Our key priority is to understand and respond proactively to our stakeholders' needs and expectations.



Stakeholder Engagement

The table summarizes our approach to stakeholder engagement.

For the purpose of the materiality assessment, we have categorized stakeholders into internal and external stakeholders. As internal stakeholders we have considered our employees and as external we have included creditors, the government, customers, shareholders, suppliers, distributors, professional associations, Non-Governmental Organisation (NGOs) and other advocacy groups, the local community, academia (University, Research centers etc.) and Media.

STAKEHOLDERS	KEY TOPICS FOR DISCUSSION	COMMUNICATION CHANNELS / FREQUENCY OF ENGAGEMENT
Employees Customers Shareholders Creditors Suppliers Distributors Central and Regional public administration Local communities Professional associations Non-Governmental Organizations (NGOs) and other advocacy groups Academia (Universities, Research centers, etc.) Media representatives	› GHG emissions › Energy management in the Headquarters and in the plants › Material sourcing and efficiency › Biodiversity & land use › Water management › Battery recycling › Waste management › Health & Safety and wellbeing › Labor management › Diversity and inclusion › Community relations and engagement › Sustainable supply chain › Ethical business conduct and culture › ESG transparency & disclosures › Product design & lifecycle management › ESG goals, evaluation and rewards	› Stakeholder survey / Once per year › Regular meetings › Annual Sustainability Report › Site visits/ audits › Training sessions

Materiality analysis process

GRI 102-46 | GRI 102-47 | GRI 103-1 | GRI 103-2

The materiality analysis was conducted based on a three-step approach:

1. Identification of relevant issues:

- › Conduction of an analysis according to **global standards, frameworks** (Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB)), **ESG rating and index** (Morgan Stanley Capital International (MSCI)).
- › Recognition of 16 material issues of the company and categorization of them into the ESG pillars. The below graph summarizes the relevant issues.

Environmental



GHG emissions

Water management

Energy management in the
Headquarters and in the plants

Battery recycling

Material sourcing and efficiency

Waste management

Biodiversity & land use

Social



Health & Safety and wellbeing

Community relations and
engagement

Labor management

Sustainable supply chain

Diversity and inclusion

Governance



Ethical business conduct and
culture

Product design & lifecycle
management

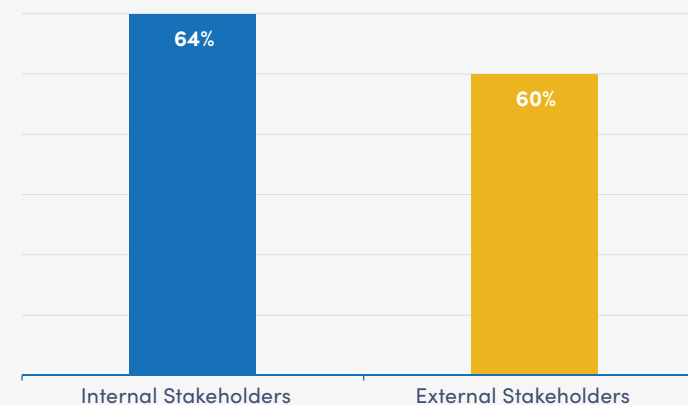
ESG transparency & disclosures

ESG goals, evaluation and rewards

2. Stakeholder survey

- › Distribution of electronic questionnaires to internal and external stakeholders.
 - › For each of the material topics presented in the survey, we requested stakeholders to rank it on a scale from 1 (Not important) to 5 (Of fundamental importance).
 - › Provision of a two-week response timeframe for completion.
- The summary of the response rates is shown below:
- › 39 responses out of 61
 - › 84 responses out of 140

Stakeholder engagement response rate



3. Analysis of the survey results

- › Review of the assessment results and alignment validation with Sunlight Group's objectives.
- › Development of the "Materiality matrix", combining the input of both internal and external stakeholders.

Materiality Matrix

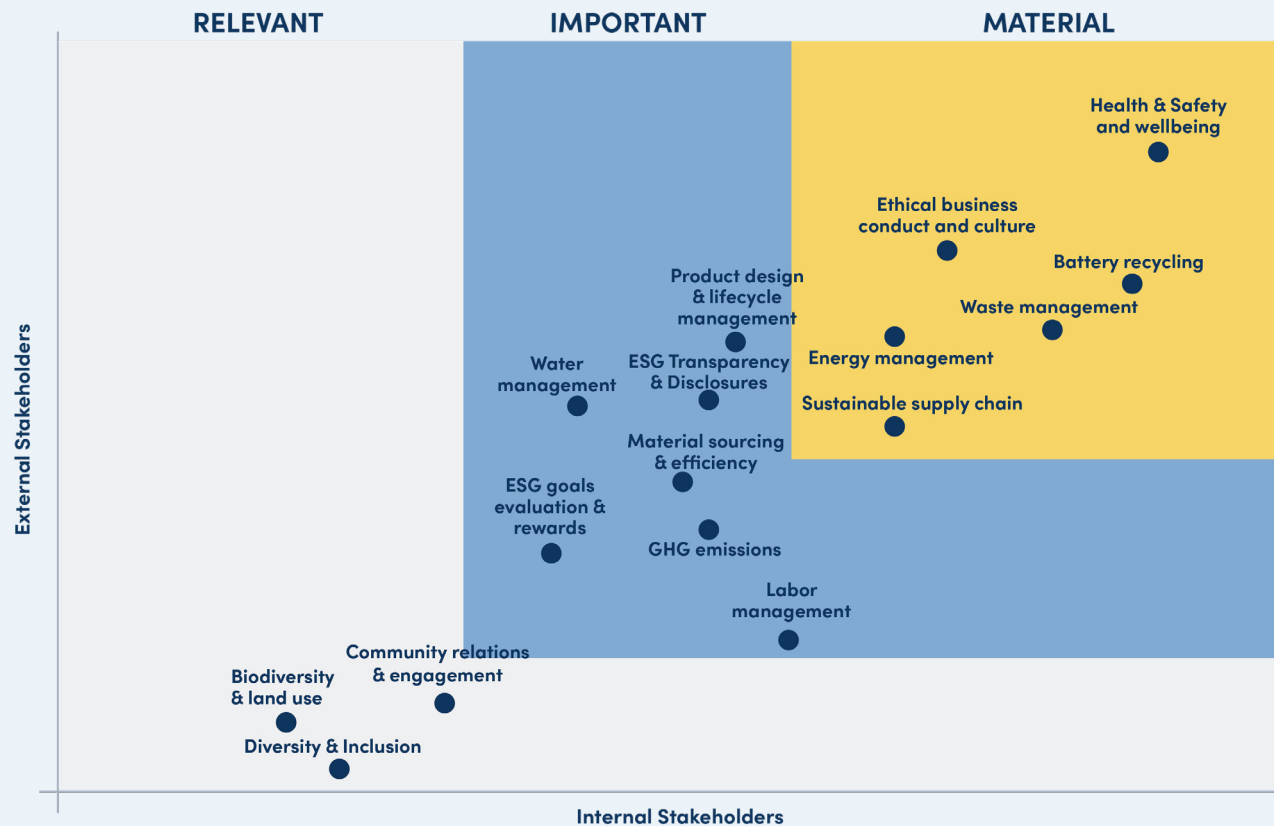
The matrix that follows, illustrates the prioritization of each material issue according to internal and external responses on the extent that the sustainability issue could potentially impact our business and vice versa. As it is highlighted in the yellow box the material issues with the greatest importance for our Group include health, safety and wellbeing, ethical business conduct and culture, battery recycling, waste management, energy management and finally, sustainable supply chain.

We also asked our stakeholders to evaluate on a scale from 0 to 3 three questions related to sustainability. Presented below are relevant questions and answers provided by the stakeholders.

Firstly, we requested our stakeholders to evaluate the importance of education, knowledge and R&D for Sunlight Group. Both internal and external stakeholders consider that this issue is very important for the Group.

We then asked our stakeholders to evaluate the potential impact of climate change (i.e., wildfires, floods, heatwaves) for the Group. Both groups find this impact moderate for Sunlight's business continuation.

Finally, we inquired our stakeholders about their opinion on the importance of ESG involvement going forward. Both our stakeholder groups consider it of having growing importance.





Environmental Stewardship



We are deeply committed to protecting the environment. Being part of a carbon-intensive industry, we acknowledge the challenges of climate change and our share of responsibility to act now. For this reason, we have set a strategic goal to become climate neutral by 2050.

Our steps towards sustainable growth include monitoring key performance indicators related to the environment, applying an Environmental Management System in accordance with the requirements of ISO 14001:2015 for both the main production and recycling plant, and implementing actions to reduce our carbon footprint.

GRI 102-11



TOP PRIORITIES



**PROTECTING
BIODIVERSITY**



**MANAGING
CARBON EMISSIONS**



**CONTRIBUTING TO
CIRCULAR ECONOMY**



**MONITORING
CONSUMPTION**



**PROMOTING
ENERGY REDUCTION**

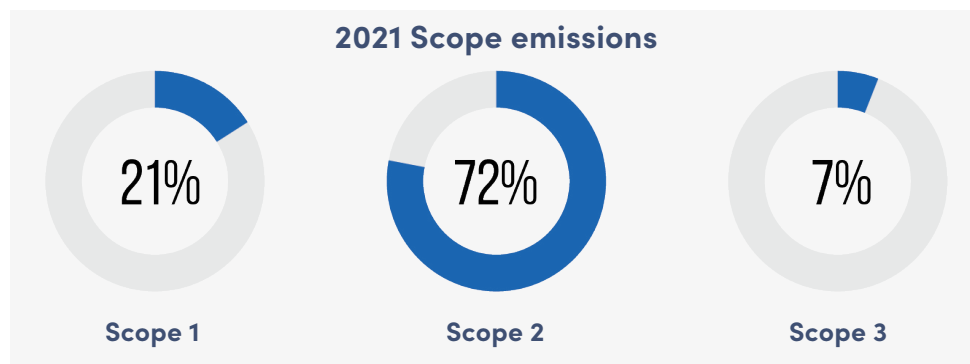


Managing carbon emissions

GRI 103-3 | GRI 305-1 | GRI 305-2 | GRI 305-3 | Nasdaq E1.1, Nasdaq E1.2, Nasdaq E1.3

Since 2020, we have been measuring and auditing scope 1, 2 and 3 Greenhouse Gas (GHG) emissions for our premises in Greece and Italy. Scope 1 emissions represent the emissions from natural gas^[3], liquefied petroleum gas (LPG)^[4] and diesel^[5] consumptions and from the use of refrigerant gases. Scope 2 emissions count emissions from location-based electricity consumption and Scope 3 indirect emissions reflect to emissions from personnel transport via leased and privately owned vehicles and buses.

In 2021^[6], Scope 1 emissions were 8,631 tn CO₂e. In addition, Scope 2 emissions were 30,295 tn CO₂e, and Scope 3 emissions were 3,095 tn CO₂e respectively.



Although we have intensified our business activities and expanded our revenue significantly (+53.7%) we have managed to keep total GHG emission at the same levels as in 2020. While Scope 1 emissions increased by 11% and Scope 3 by 41%, we have achieved to decrease our Scope 2 emissions by 5%, compared to the previous year. Despite our rapid growth, we are committed to tackling climate change, setting a goal of climate neutrality by 2050. To achieve this ambitious target, we are currently developing a robust action plan that will lead us through this transition in the following years.

[3] Including consumption from rotary kiln, refinery, steam production, water heating, spaces heating

[4] Including consumption from lead smelting furnaces, plate drying, domestic water & space heating, forklift

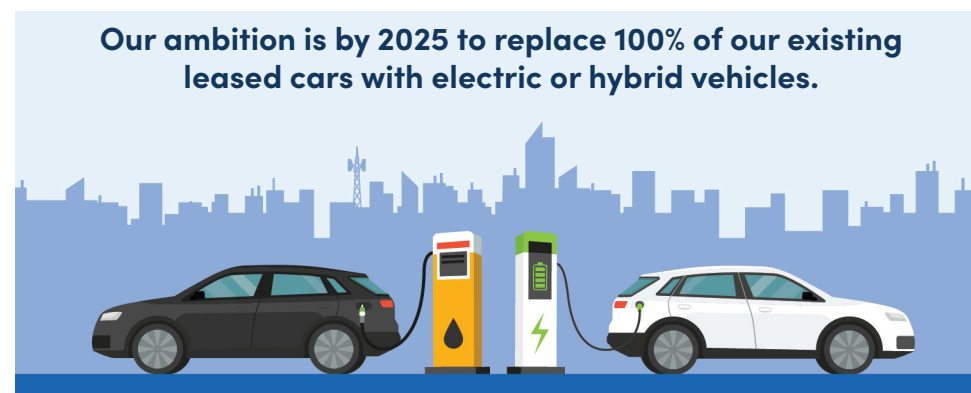
[5] Including consumption from generators, forklift, and vehicles (trucks), machinery, processes

[6] Data included only Xanthi, Komotini and SEBA units.

Promoting energy reduction

GRI 103-3 | GRI 302-1 | Nasdaq E3.1, Nasdaq E4

We implement a series of measures to optimize energy use and ensure energy reduction. We promote electromobility in our corporate fleet and to this end we have installed more than 10 Electric Vehicle (EV) chargers in our premises – specifically at our Athens Headquarters and the Xanthi manufacturing unit. Also, we encourage employees eligible to acquire a corporate vehicle, opt for electric or hybrid ones. Hence, in 2020, 6% of our total corporate fleet was electric or hybrid and in 2021 this percentage increased to 9% respectively.



Regarding electricity, in 2021 the total consumption for Sunlight was 71,577 MWh, 35% higher than 2020. Even though we are expanding and intensifying our business activities in the production stream, we are carefully monitoring our electricity consumption to balance our overall environmental footprint. Also, it must be noted that the total energy consumption in 2020 concerned only Xanthi, Komotini and Italy areas, while the consumption in 2021 also includes the US unit.

In addition, natural gas is only consumed in the Komotini unit, and in 2021, natural gas consumption was 1,655,411 Nm³, 18% higher than in 2020.

Contributing to circular economy

GRI 103-3 | GRI 306-1 | GRI 306-3 | GRI 306-4

The nature of our business activities, that are mainly industrial, contributes to waste production. We have managed to utilize at a maximum the recycling opportunities, increasing on an annual basis our recycling rates. Moreover, we already apply a dedicated circular economy business model and through this

model we have established Sunlight Recycling, the first industrial recycling unit in Greece certified by the EU Eco-Management and Audit Scheme (EMAS). Our Recycling unit enables us to meet more than 50% of our total needs in lead for our production with our own-recycled lead.



“Meanwhile, while we are rapidly developing our production processes, we maintain the percentage of recycled content of lead to a minimum of 80%.”

Photo: The Furnace, Komotini Plant

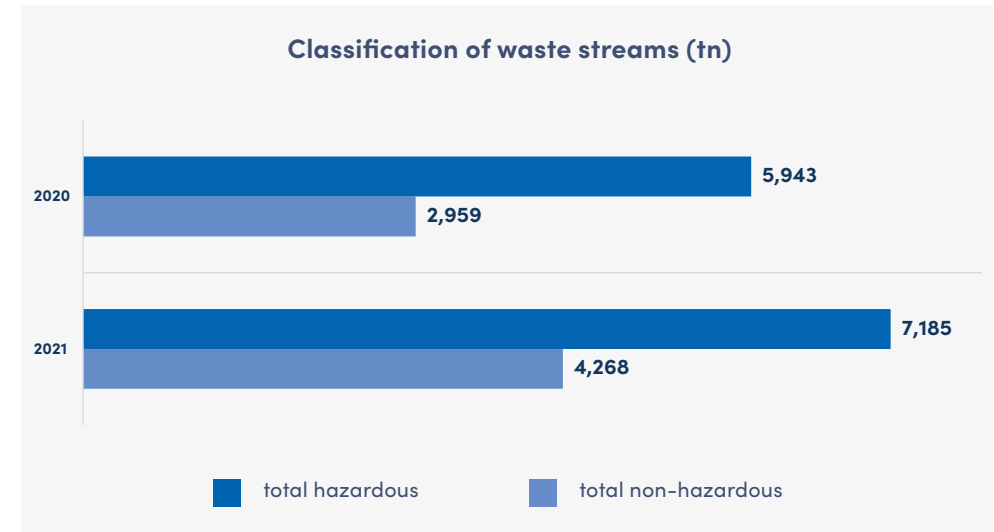
In addition, to further improve our waste management processes and records we have classified three waste production streams: diverted from landfill, recycled, and disposed. The total waste produced in Xanthi and Komotini units and in Italy assembly unit was 11,942 tn.



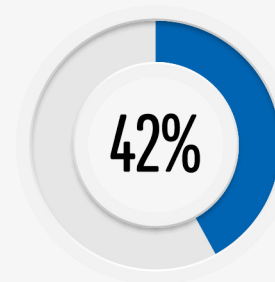
*The discrepancies through the years at Xanthi and Italy are due to gradual increase in production activities.

To effectively monitor waste production per stream we measure our waste per material, i.e., gypsum, municipal waste, slugs, plastics hazardous. Moreover, we classify waste categories as hazardous and non-hazardous to appropriately manage them.

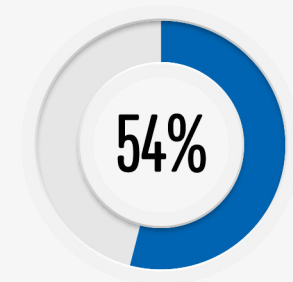
In 2021, the amount of hazardous waste produced at the Xanthi and Komotini units was 7,185 tn and we managed to recycle 54% of this amount, increasing this percentage by 27% compared to 2020.



**% of hazardous
waste recycled in
2020**



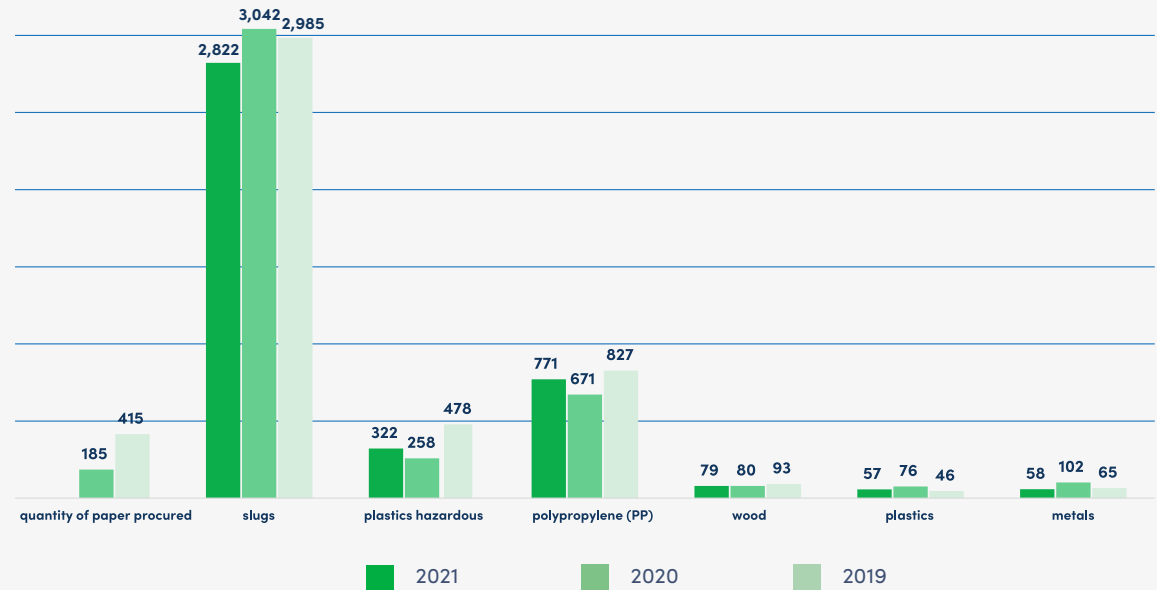
**% of hazardous
waste recycled in
2021**



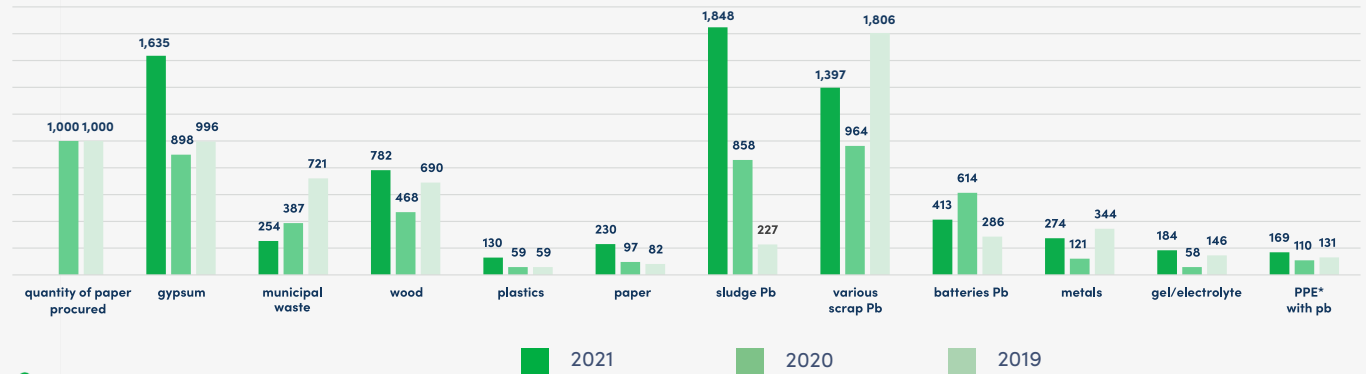
The graphs illustrate the main waste streams (hazardous and non-hazardous) in Xanthi and Komotini.

Since 2019
we recycle almost
47% of total waste
and in 2021 we
increased that rate
by **17%**.

Komotini main waste streams (tn)



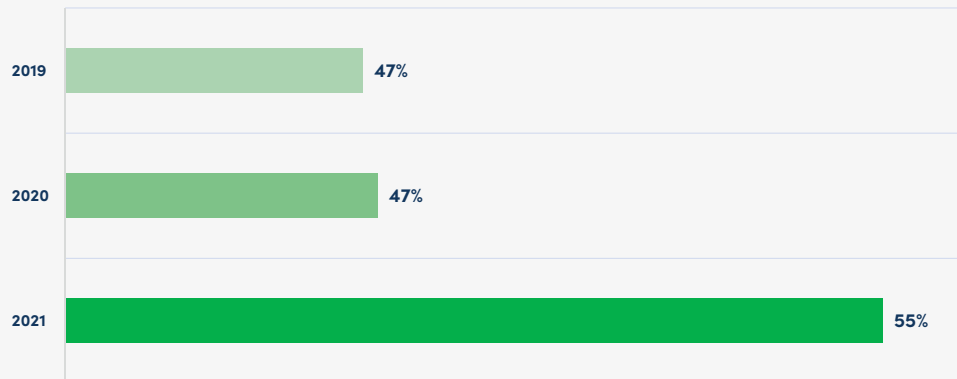
Xanthi main waste streams (tn)



*PPE stands for personal protective equipment

Regarding our recycling rates in Xanthi and Komotini, since 2019 we have managed to recycle almost 47% of total waste, with 2021 being the first year that we increased that rate by 17%.

**Percentage of increase in the recycled rates
(Xanthi and Komotini)**



In addition, as part of our efforts to reduce waste, we monitor the paper bundles used at our Xanthi and Komotini plants. As we have observed there has been a steady decrease over the last three years. More specifically, a 32% decrease between 2019 and 2020.

We make sturdy efforts to monitor, control and reduce produced waste in our Headquarters in Athens. We have categorized waste into two main streams: single-use plastics and paper, and we have conducted an inventory audit to specify the avoidable single-use plastics that are extensively utilized in our offices – such as bottles, utensils, plates, and straws.

As our US offices were integrated into our group in 2020, we are currently establishing processes to effectively monitor our waste volumes. As a start, to promote the circular economy model in our US offices we supplied all employees with refillable water bottles to minimize the use of Styrofoam cups. Our next initiative involves providing coffee mugs to employees to keep in their cupboards and thus completely eliminate Styrofoam cups. We will also implement a recycling program for cardboard.

Green Mission environmental initiative

Since 2016, we have been running the Green Mission environmental initiative, with the goal to raise awareness not only in our industry but also in the market regarding proper recycling of lead-acid batteries. We aim to motivate more than 14,000 Greek companies that produce and/or manage sufficient quantities of lead-acid products. Throughout the years the initiative has achieved to:



Gather
>4,800tn of
lead batteries.



Contribute to the
reduction of CO₂
emissions.



Enhance energy
savings almost to
13,150 MWh.



Secure
70 member
companies.



Establish **66**
Green Spots in
15 cities

To endorse even further the circular economy model, in 2021 we initiated the planting of two trees for each tn of batteries recycled in the unit via the Green Mission initiative. This corresponds to the planting of more than 2,000 trees for the 1,000 tn of lead-acid batteries collected and recycled in the Komotini recycling plant. The trees are expected to annually absorb ca. 44,000 kg of carbon dioxide and return about 234,000 kg of oxygen to the environment.



>2,000 trees for every
tn of batteries



>14,000 companies
are motivated by the
initiative

Case Study



Monitoring water consumption

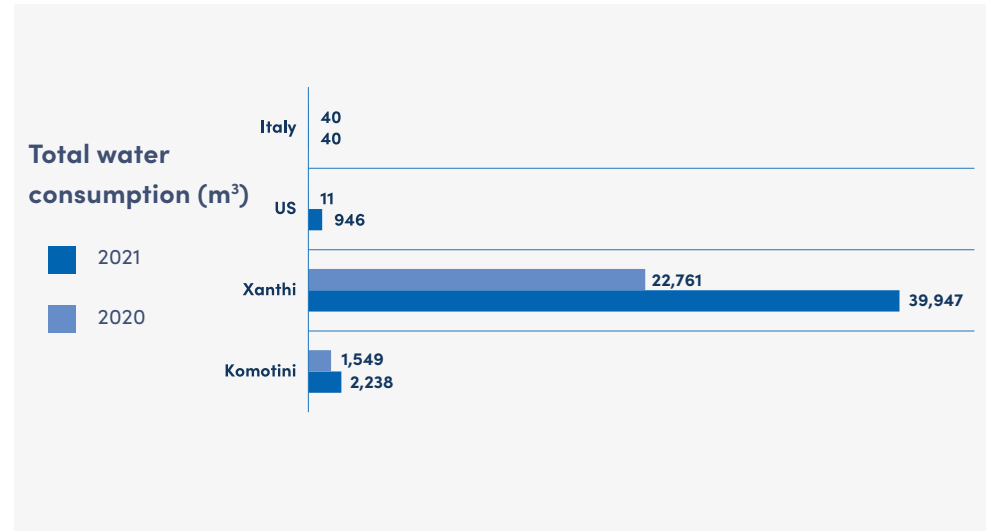
GRI 103-3 | GRI 303-5 | Nasdaq E6.1

We are closely monitoring water consumption in the Xanthi, Komotini, US and Italy units. We comply with the provisions of the Thrace Water Department Management Plan for the River Basin and thus, the effluent of Wastewater Treatment units is led in the water receiver, according to the specifications of the environmental conditions' approval/license.

In Komotini, we use water from the industrial area water supply network, and we take measures to reduce water consumption, including the utilization of water recirculation and leak detection systems.

Moreover, in the US none of our wastewater is included in our water discharges. Water discharged goes to the water treatment facility and wastewater is handled through our environmental waste management vendor.

The graph below summarizes water consumption for 2020 and 2021 in Xanthi, Komotini, US and Italy units. In 2021, total water consumption was nearly 43,170 m³ compared with 2020 that was 77% lower. The increase in water consumption is due to the intensification of production in 2021 and the increase in water needs, specifically at our production unit in Xanthi.



At Komotini we recycle and reuse 100% of the water within the plant, achieving zero discharge of liquid waste into the environment.



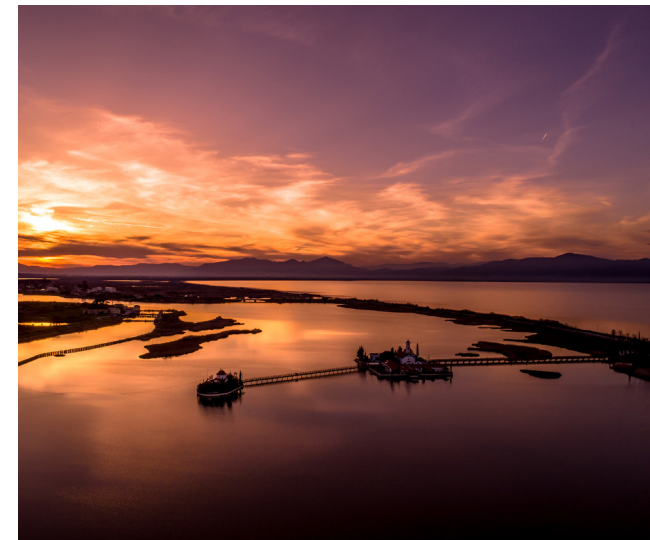
Protecting biodiversity

Sunlight Group has established the production plant in the area of Neo Olvio, in an “Eco-development area” of the National Park of “Eastern Macedonia and Thrace”.

The factory has been operating at the installation site since 1977 and respects the environmental operating limits set by Greek legislation, in accordance with the Ramsar Convention on Wetlands of International Importance and the Natura 2000 Network. In the area of our production unit there are no special flora and fauna species as the area is characterized as “permanently irrigated land”. We are strictly implementing all the essential actions to ensure the prevention of degradation of the natural environment, and we are continuously trying to minimize our environmental impact.

At Komotini, the unit is located in an area designated as an Industrial Area, an organized reception area for processors and businesses.

However, we perform frequent checks and follow several formal procedures to monitor soil pollution from our business activities. Finally, in the US and Italy areas, we do not operate near a protected zone. Specifically, Italy assembly line is located within an industrial area.



Our 2022 targets

To monitor our environmental performance and initiate the transition to climate neutrality by 2050, we have set short term targets at a Group level.

Area	2022 target
Climate change	Provide environmental awareness training to employees focusing on climate change mitigation and adaptation.
Circular economy	Ensure 80% recycled content of lead Maintain waste recycling rates above 47%.
Water consumption	Maintain 100% of water recycling and reuse rate at Komotini unit

Through our operations we are committed to protecting biodiversity, securing the natural environment, and conserving wildlife.

5.

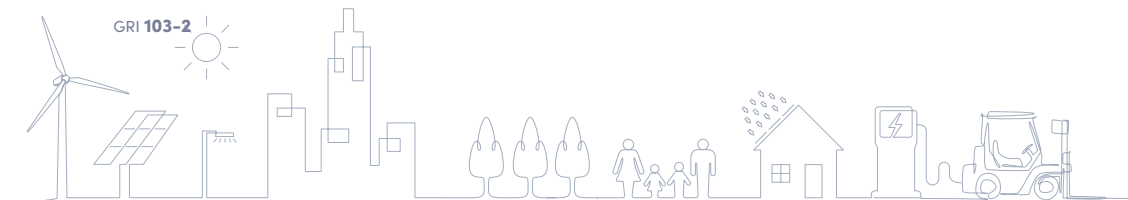


Social inclusion

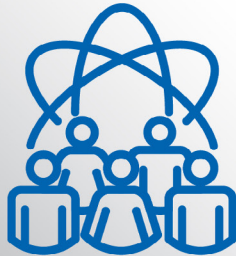


Our aspiration is to provide our people an inclusive environment, while engaging with the communities we operate. Sunlight Group strongly supports a culture where employees can share different experiences and perspectives, showcase their potential, innovative ideas and personality. We have established specific initiatives to secure our workforce's health, safety, and wellbeing. In parallel, supporting the local communities is an imperative part of our corporate responsibility and to this end we have been involved in a significant number of initiatives. Additionally, we are taking action to enhance sustainability in our supply chain, by setting formal procedures and processes for our major suppliers.

GRI 103-2



TOP PRIORITIES



CARING FOR OUR PEOPLE



ENHANCING RESPONSIBLE & SUSTAINABLE SUPPLY CHAIN



COMMUNITY ENGAGEMENT



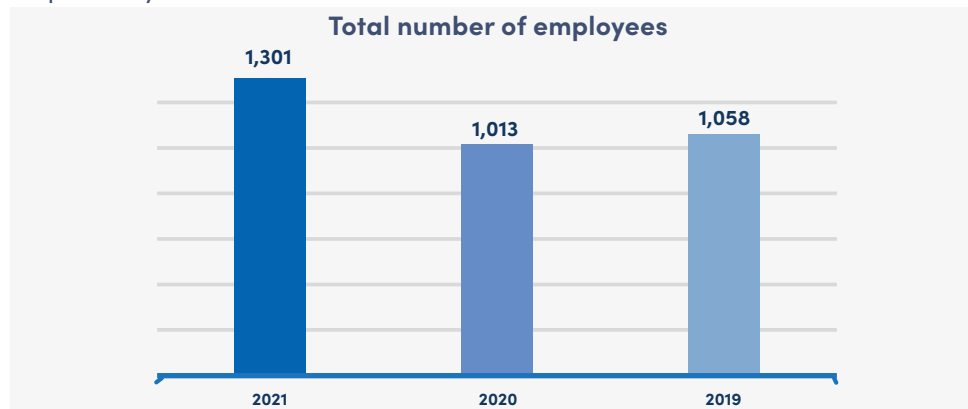
Caring for our people

GRI 103-3 | GRI 102-8 | GRI 405-1 | Nasdaq S4.1, Nasdaq S4.2, Nasdaq S4.3

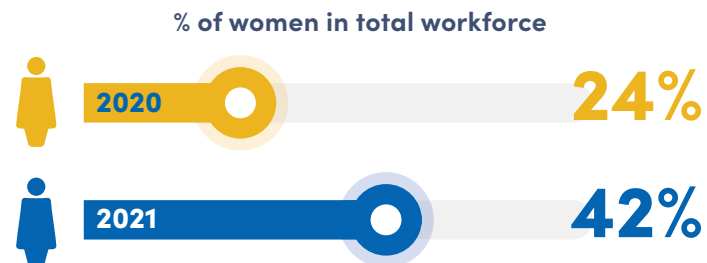
Diversity and Inclusion

We recognize the need for diversity and inclusion in our industry and we intend to further diversify our employment pool in the upcoming years, aiming to hire and retain people from diverse backgrounds, and with different experiences and skills. All data presented in this chapter refer to employees of Sunlight Group including Headquarters, Xanthi, Komotini, Italy, Romania, and USA.

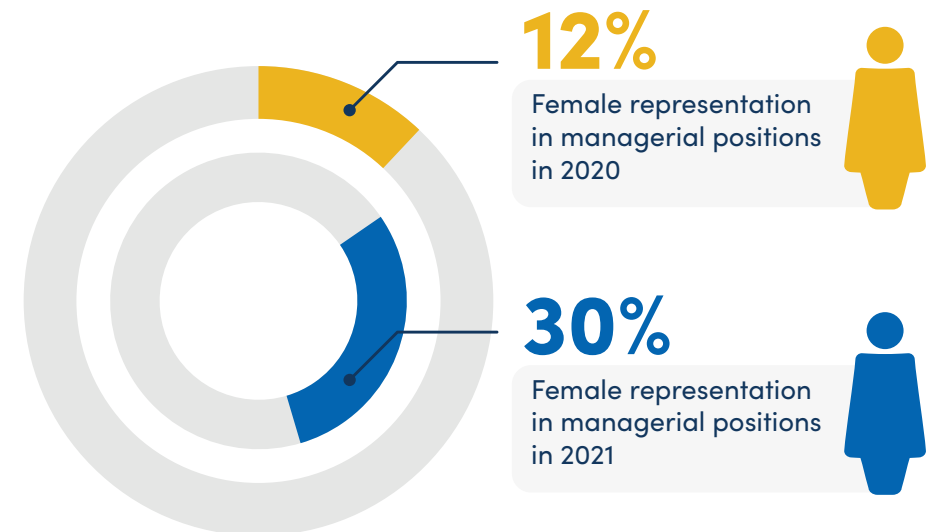
As the figures below highlight, in 2021 our workforce comprised 1,301 employees, 28% more than 2020 and 23% more than 2019. From those employees, 1,050 men were in entry- and mid-level positions and 174 women respectively.



From those employees, taking into account the labor-intensive lead production in which women cannot work for precautionary reasons, the percentage of women in the company, presented an overall 75% increase.



Moreover, regarding female representation in managerial positions, in 2020 12% of the total of managers, senior managers and directors were women. This figure more than doubled in 2021, as female representation in managerial positions reached 30%.



Finally, to diversify our workforce we are actively hiring employees from local communities. During the three-year period from 2019 to 2021, the percentage of local employees^[8] has been maintained above 80%.

[8] Individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation.

Labor management

GRI 102-8 | Nasdaq S5.1

Considering employment contracts, the figures below summarize the number of our employees with permanent and temporary contracts by gender. In 2021, nearly all our employees were in permanent contracts, similar to 2020 and 2019 respectively.

	2021	2020	2019
Total number of employees with permanent employment contract - men	1,113	882	948
Total number of employees with permanent employment contract - women	187	129	108
Total number of employees with temporary employment contract - men	0	0	0
Total number of employees with temporary employment contract - women	1	2	2

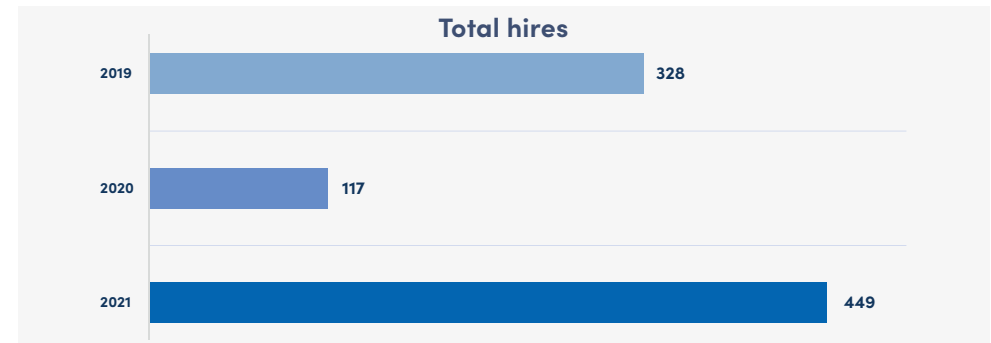
Besides, nearly all our employees were in full-time positions in 2021, as in 2020 and 2019 respectively. The table below summarizes the figures of total full-time and part-time employees per gender.

	2021	2020	2019
Total number of full-time employees - men	1,113	882	948
Total number of full-time employees - women	185	126	107
Total number of part-time employees - men	0	0	0
Total number of part-time employees - women	3	5	3

New hires

GRI 401-1

We don't compromise when it comes to recruiting the best talent. We aim to build teams with innovative thinkers with strong backgrounds, in-depth expertise, holistic approaches, and growth mindsets. Regarding our new hires, in 2021 Sunlight Group hired 449 employees in total, 2.8 times more than in 2020. Additionally, 18% of our total hires in 2021 were women showing a similar trend compared to 2020, when the same figure was 20%.



Moreover, in 2021 37% of employees hired were under 30 years old, 53% were between 30 and 50 years old and 11% were above 50 years old. In 2020 on the contrary, 25% of employees hired were under 30 years old, 64% were 30-50 years old and 11% were above 50. Those figures demonstrate our focus to recruit young talents.

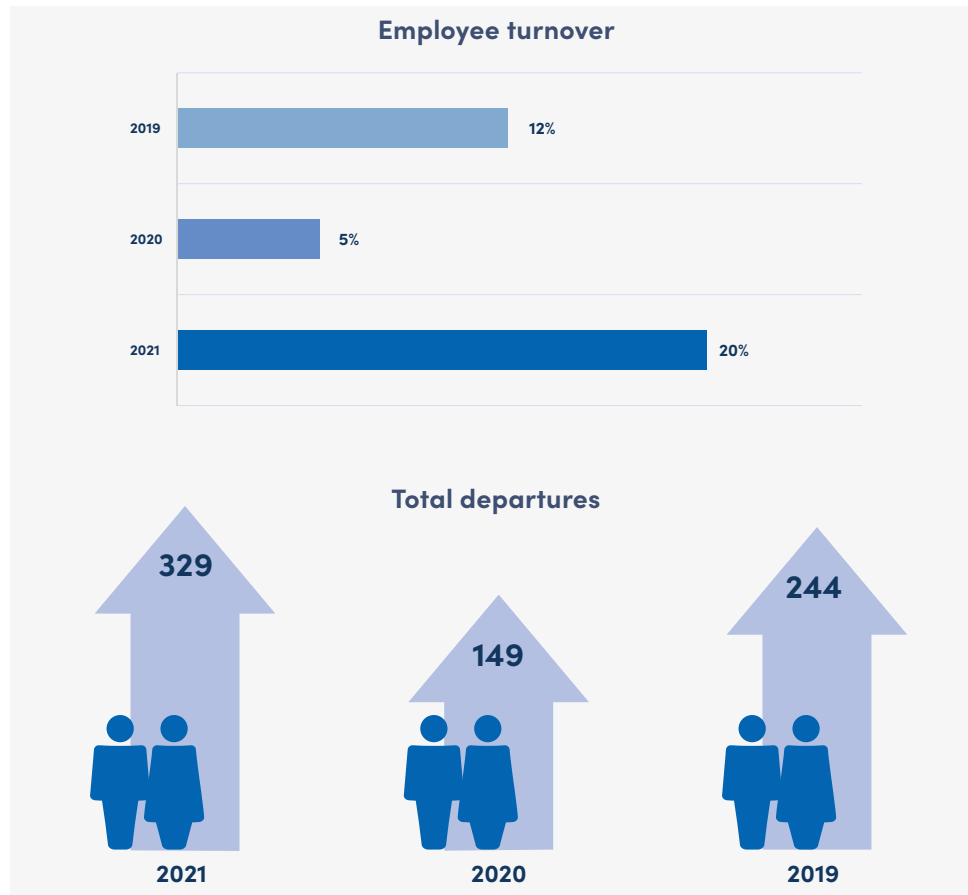
The table below shows the trend of total hires per gender and age.

	2021	2020	2019
Total hires (> 30 years old)	164	29	108
Total hires (30 - 50 years old)	239	73	186
Total hires (<50 years old)	46	12	34
Total hires men (> 30 years old)	135	23	103
Total hires men (30 - 50 years old)	191	58	170
Total hires men (<50 years old)	42	9	33
Total hires women (> 30 years old)	29	6	5
Total hires women (30 - 50 years old)	48	15	16
Total hires women (<50 years old)	4	3	1

Employee turnover

GRI 102-8 | GRI 401-1 | Nasdaq S3.1

Our turnover rate, in 2021 was on average 20%, compared to 2020 that was 5%. Moreover, total departures in 2021 were 329; 35% more than 2019. To ensure that we will balance this rate at the lowest level, we have implemented a set of actions. We have launched a dedicated Employee Engagement Survey to acquire feedback from our employees and have set an action plan to increase their health and safety and wellbeing. Moreover, we have developed a series of initiatives to increase their engagement, enhance a cohesive culture, and promote an employment path of continuous development and effort recognition.



The retention rate at Sunlight Group, shows that more women tend to stay in the company than men, as we constantly strive to create an inclusive environment for both genders. Specifically, for the three-year period (2019-2020) on average 91% of staff who left were male.

The table below shows the trend of total departures per gender and age.

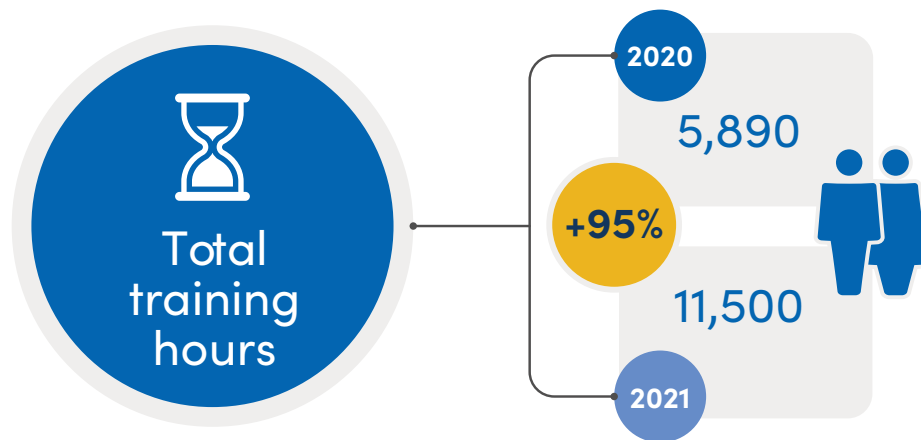
	2021	2020	2019
Total departures (> 30 years old)	111	49	83
Total departures (30 - 50 years old)	178	81	139
Total departures (<50 years old)	40	19	22
Total departures men (> 30 years old)	104	47	79
Total departures men (30 - 50 years old)	157	71	131
Total departures men(<50 years old)	38	17	20
Total departures women (> 30 years old)	7	2	4
Total departures women (30 - 50 years old)	21	10	8
Total departures women (<50 years old)	2	2	2

Employee trainings

GRI 103-3 | GRI 404-1 | GRI 401-3

Sunlight Group employees benefit from continuous learning opportunities, as we invest in development and training plans to meet individual needs. We have also established several upskilling and reskilling programs for our employees, such as health & safety courses, negotiation skills, business, English etc. Also, we offer eligible personnel the opportunity to participate in a mini-MBA training to encourage them to further develop their managerial skills and business tactics.

In 2019 the total training hours were 1,219, this number increased in 2020, to 5,890 hours of training, and even further in 2021, reaching a total of 11,500 hours for the entire Group. Regarding training hours per employee, we have managed to increase this figure in 2021 by 57% compared to 2020, aiming for a further increase in 2022^[10].

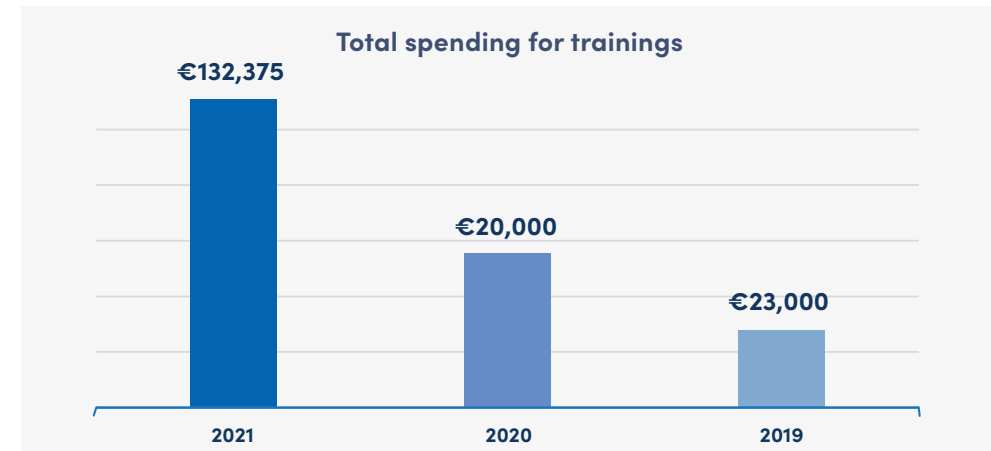


Average training hours per employee

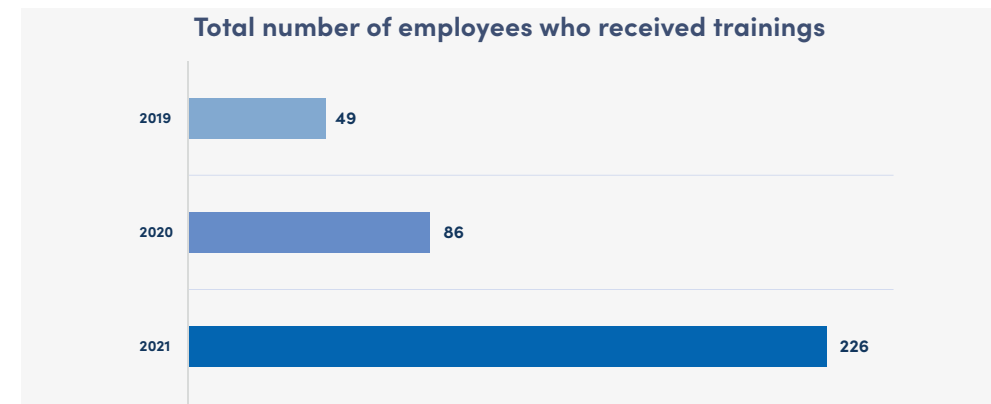


[10] The data refer to the regions of Greece, Italy, Romania and US.

In regard to monetary spending for employees' trainings, in 2021 we spent 5.6 times more than in 2020, aiming to provide our personnel more constructed development programs.

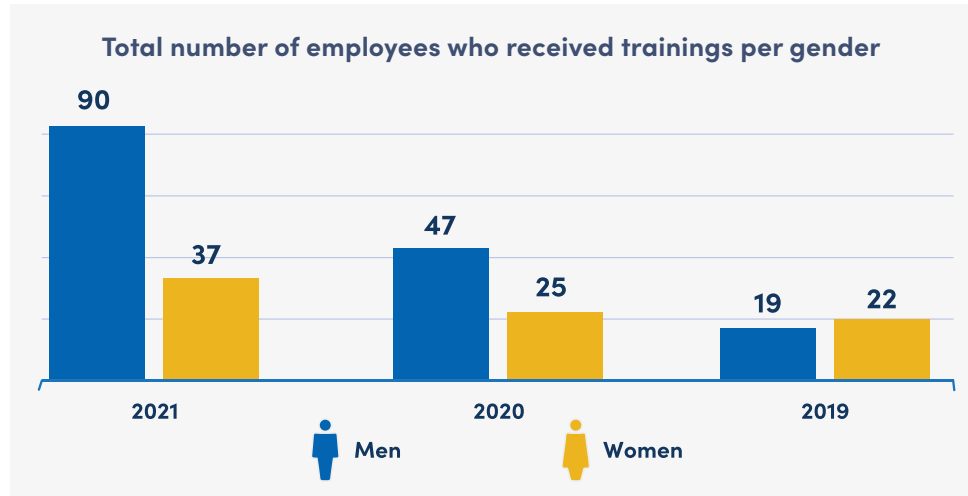


Our target is to annually increase the participation of employees in training programs, and we are proud to have succeeded in the implementation of our target: in 2021, we provided trainings to 226 employees, 1.6 times more than in 2020 and 3.6 times more than in 2019^[11].



[11] The data refer to the regions of Greece, Italy and US.

Recognizing the need to enhance gender diversity in employees' trainings, we measure training participation by gender in our Headquarters. We aim to halt any differences in gender participation by establishing mandatory trainings according to employees' level, position, and responsibilities.



Management of talent is equally important to human capital development at Sunlight Group. We offer our employees annual performance and career evaluations to understand employees' interests, professional aspirations, but also their satisfaction, motivation and values.

Since 2019, almost 80% of total employees received regular performance and career development review. Most importantly, an equal percentage of men and women (~80%) has received an evaluation throughout the three-year period.

Health, safety, and wellbeing

GRI 103-3 | GRI 401-2 | GRI 403-1 | GRI 403-5 | GRI 403-9 | Nasdaq S7

At Sunlight Group we highly consider health, safety (H&S) and wellbeing as critical aspects for employees' retention, productivity, morale, and engagement. To ensure H&S, in operations we monitor the most relevant H&S indicators including lead concentration in workers' blood. At the same time, we provide our employees with training programs and incentivize them with financial rewards to eliminate accidents in the premises. All our employees are obliged to wear protective equipment before entering in the units as a precautionary measure and to boost a no-accident culture.

Sunlight Group implements a Health & Safety Management System based on the Occupational Health and Safety Assessment Series (OHSAS) 18001 standard.

Additionally, Sunlight Group is a member of EUROBAT, the association of European automotive and industrial battery manufacturers. As a member of this association, we systematically implement actions to safeguard the monitoring of accidents, the level of employee exposure to lead and the day-to-day working conditions.

In the event of Covid-19 pandemic, we took immediate actions to ensure H&S in the working environment. During 2021, we carried out more than 800 Covid-19 detection tests and we took the following emerging measures:

EUROBAT

ASSOCIATION OF EUROPEAN AUTOMOTIVE AND INDUSTRIAL BATTERY MANUFACTURERS



Emerging measures



Established the use of masks in all company premises, units and offices



Limited physical presence in offices at 50% of capacity and initiated the use of virtual remote communication tools



Performed daily temperature checks



Implemented a Covid-19 Case Management Protocol & Continuous Training



Performed weekly disinfection in offices and common areas



Installed special partitions in open space offices



Developed a Covid test app for travelers (employees and guests)

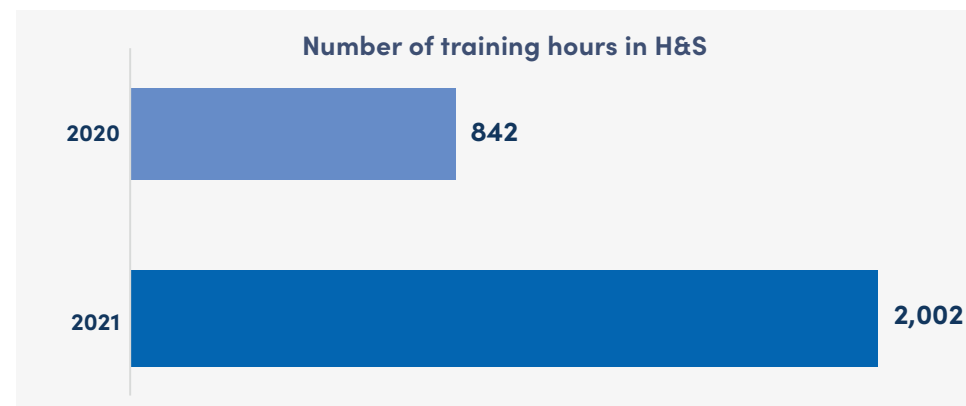


Established additional employee transport coaches to keep social distancing

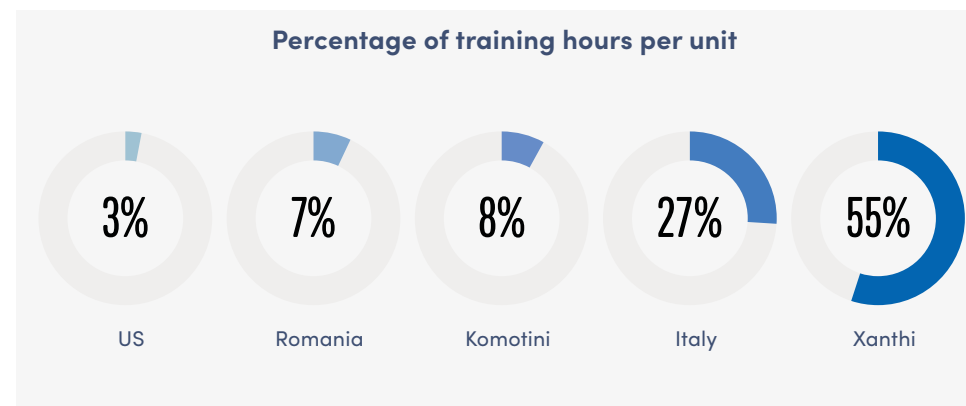


Created a Covid-19 Risk Management Policy

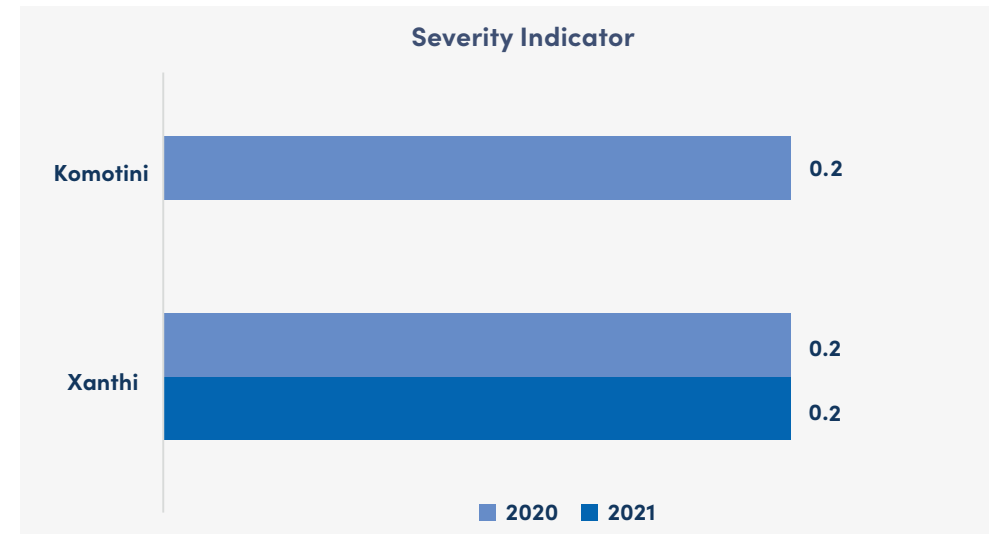
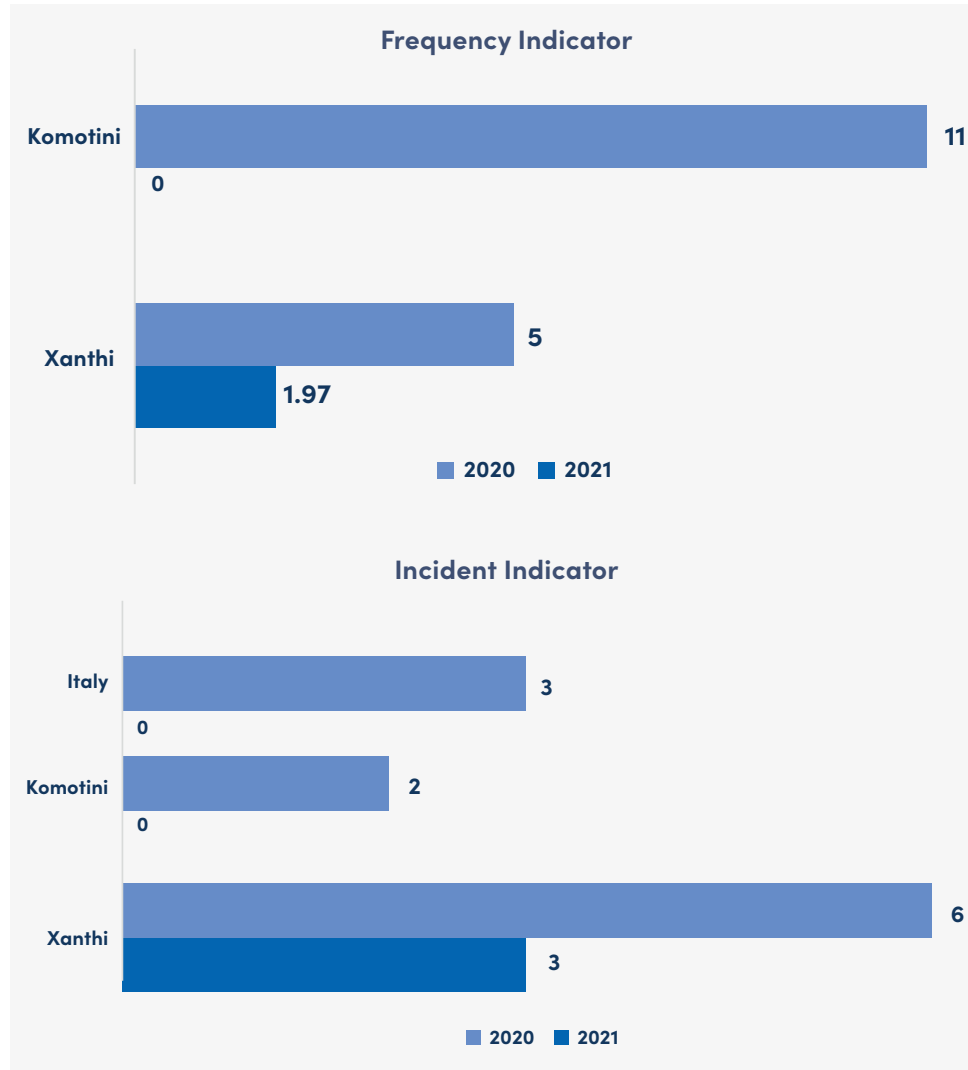
To ensure that our employees participate in H&S programs, we monitor total training hours and participation per industrial unit. In 2021, a total number of 201 employees participated in H&S trainings in Xanthi, Komotini, Italy, Romania, and USA units. At the same time, the total number of training hours in 2021, was 2,002 hours, 1.4 times more than in 2020.



As the requirements for H&S awareness are more extensive in the production unit, we provide our employees who work in Xanthi more training programs on H&S. Specifically, 55% of the total training hours in Sunlight Group relate to specific training in the Xanthi unit.



Regarding H&S indicators, we calculate Lost Time Injury Frequency Rate (LTIFR), the Incident Indicator and the Severity Indicator. The average LTIFR for the Group, which refers to Xanthi and Komotini units was 0.98 in 2021. In addition, in 2021, Incident Indicator was on average 2 for Xanthi, Komotini and Italy units and the Severity indicator was 0.1 for Xanthi and Komotini units.



Wellbeing of our employees and benefits provided to full-time employees and part-time employees

To ensure wellbeing for our employees we provide them with several benefits. All of our employees are covered by medical and life insurance plans.



Community engagement

Part of our philosophy is to support the local communities in which we operate. Over the past years we have been involved in a series of initiatives to support youth education in Komotini and Xanthi areas and to fund innovative projects at the national universities of Northern Greece. In 2021, we have adopted a dedicated Sponsorship and Donation policy to categorize our community related projects, aiming to offer a more comprehensive approach towards our contribution to society.

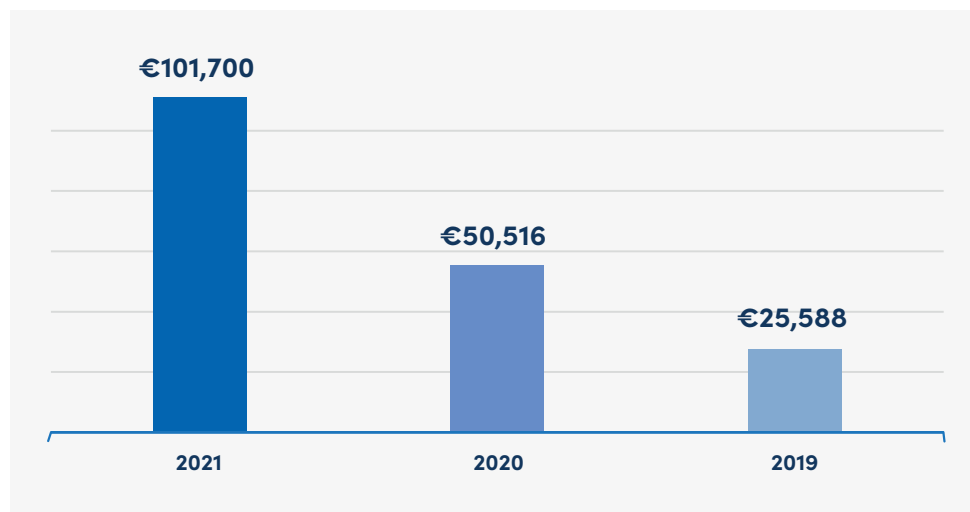
The three key pillars for our community projects



Based on those pillars we have grouped our Corporate Social Responsibility (CSR) initiatives for 2021.

Category	Sponsorships / Donations	Description
Education and Vocational Training	Democritus University	Students Formula Racing Team
	MIT Enterprise Forum (MITEF)	Sponsorship of the Annual Start-ups Competition
	Together for Children	Donation of equipment for schools in Evros, Greece
	Xanthi Church High School	Donation of equipment (projectors)
	Metropolis Xanthi	Support of nursing home
Local Community Support	Reception and solidarity center for Athens community (KYADA)	Donation of office equipment
	Treedom	Donation of 360 fruit trees to support livelihood in developing countries in Latin America and Africa continents
	We4All	Donation to support reforestation initiatives in Athens and Northern Greece (2,000 trees)
	Democritus 7th Half marathon & 39th Athens Marathon,	Participation
Urgent Needs / Support to Emergency Services	Xanthi Fire Station	Donation of 2 defibrillators
	Xanthi brigade	Donation of batteries

In terms of our CSR spending, we have increased monetary contributions significantly over the past years. In 2021, we have doubled the spending compared to 2020, and we have tripled it compared to 2019.



Enhancing responsible and sustainable supply chain

At Sunlight Group, we recognize that sustainability in our supply chain is fundamental to our long-term growth. To this end, prior to entering in an agreement with our suppliers, agents, customers or other partners we conduct a due diligence to ensure full knowledge on the clauses of our Code of Conduct.

As part of our ESG strategy, we are taking further steps to secure sustainable procurement. We have set a target to integrate ESG issues into supplier evaluation by 2023, and since then we have committed to update our Code of Conduct with ESG criteria, train specific supplier groups on ESG issues and develop a scoring and monitoring system for suppliers' evaluation.

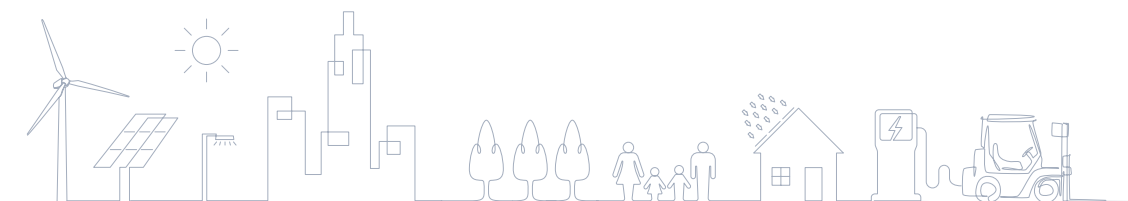
Our 2022 targets

Our targets focus on providing a better working environment for our employees, ensuring sustainability in our supply chain and supporting local communities. The following table summarizes our 2022 targets.

Area	2022 target
Health & Safety	› Introduction of a mandatory H&S induction for all employees regardless of location and level. › Establishment of H&S induction training to all new employees within their 1st week of employment in the company.
Wellbeing	› Training of 100% of employees across all operational areas. › Monitoring of wellbeing actors by adding a wellbeing section in the employee's satisfaction survey. › Creation of a wellbeing committee.
Trainings	› Creation of a Training committee. › Development of trainings to enhance ESG awareness.
Sustainable procurement	› Setting of criteria in the Code of Conduct related to ESG performance of suppliers and sharing of Code of Conduct with new and existing suppliers.
Local community	› Establishment of a Volunteering committee to encourage employees' participation in activities.



Commitment to Good Governance



It is in our culture to act with integrity and apply ethical behavior in our daily business activities. We have mechanisms in place to ensure that our employees act ethically and that our cooperation with external partners are conducted with respect for our values and ethical conduct.

We ensure a compliant workplace by:



SETTING POLICIES



IMPLEMENTING ETHICAL BUSINESS CONDUCT & CULTIVATING ETHICAL CULTURE



SECURING DATA PROTECTION



Ethical business conduct and culture

GRI 103-3 | GRI 206-1 | GRI 406-1 | GRI 307-1 | GRI 412-1

We are committed to secure ethical behaviors in the areas of competitive behavior, compliance with regulations, policies and procedures, anti-bribery, anti-corruption, whistleblowing, harassment incidents etc. At Sunlight Group we follow a strict anti-harassment culture, and we expect all employee to follow. In 2021, the Group reported an incident of sexual harassment, and as we have zero tolerance for actions related to such issues, we proceeded with the immediate dismissal of the employee in question.

In 2021, we established a dedicated Compliance Committee to monitor the development of the Group's Code of Business Conduct (released in February 2022) and ensure compliance with individual policies and procedures.

In addition, in 2020, a whistleblowing platform was created for all companies of Olympia Group, including Sunlight Group. At the same time, we have established trainings for our employees regarding ethical behavior.

To demonstrate compliance and anti-bribery management the Group's units in Greece and Romania hold the ISO 19600 for Compliance management systems and ISO 37001 for Anti-bribery management systems.

Apart of our employees, we aim to ensure regulatory compliance in our supply chain. To this end, we have distributed questionnaires to specific categories of suppliers, committing them to comply with anti-corruption rule.

The highlights of our performance are illustrated here:



Zero incidents of non-compliance with laws and regulations in environmental, social and economic areas



Zero legal actions pending or completed during 2021 regarding anti-competitive behavior and violations of anti-trust and monopoly legislation



Zero number of operations that have been subject to human rights reviews or human rights impact assessments

Our policies

Nasdaq **S6** | Nasdaq **G6.1**

To prevent all forms of corruption, we have in place an anti-corruption and anti-bribery policy. This policy enables us to effectively communicate our anti-corruption culture to our employees. We have also developed policies related to (i) preventing and addressing violence, (ii) harassment at the workplace and (iii) gifts & hospitality.

Data protection

GRI **103-3** | GRI **418-1** | Nasdaq **418-1** | Nasdaq **G7.2**

Cybersecurity and data protection are critical business aspects that require safeguarding. In 2021, we liaised with external advisors to develop and implement a General Data Protection Regulation (GDPR) Compliance Project for all the companies of the Group.

Moreover, we have developed mechanisms for protecting employees' personal data. A Privacy Notice for employees' and for candidates' personal data processing was developed and launched and privacy related clauses were included in all employment contracts.

The highlights for data protection include:



- › number of substantiated complaints received concerning breaches of customer privacy.
- › number of identified leaks, thefts, or losses of customer data.

Our 2022 targets

Our targets in the area of corporate governance aim to develop a management system to raise employee's awareness and embed an ethical culture across all levels and operation areas. Our 2022 targets are presented in the following table.

Area	2022 target
Ethical business conduct	› Establishment of ethical policies and procedures (anti-bribery, anti-corruption, non-discrimination and human rights, whistleblowing and non-retaliation policy). › Release of the Code of Conduct › Training of 100% of employees on ethic related issues.

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Glossary

Term	Description
CSR (Corporate Social Responsibility)	Refers to practices and policies undertaken by corporations intended to have a positive influence on the world.
EcoVadis	Assessment that covers a broad range of non-financial management systems including Environmental, Labor & Human Rights, Ethics and Sustainable Procurement impacts.
ESG (Environmental, Social and Governance)	Stands for the holistic definition of sustainability and refers to the three central factors typically used in evaluating the value creation and impact of a company.
EU (European Union)	International organization governing common economic, social, and security policies.
GDPR (General Data Protection Regulation)	Regulation in EU law on data protection and privacy.
GHG (Greenhouse gas) emissions	Emissions of various gases that contribute to greenhouse effect. GHG emissions are mainly measured in carbon dioxide (CO ₂) equivalent.
GRI (Global Reporting Initiative)	International independent standards organization that helps companies understand and communicate their impacts on sustainability issues such as climate change, human rights and corruption.
Health & Safety (H&S)	Processes and procedures intended to prevent accident or injury in workplaces.

Term	Description
Morgan Stanley Capital International (MSCI)	Rating that measures a company's management of financially relevant ESG risks and opportunities.
Nasdaq ESG Reporting Guide	Global ESG reporting guide for public and private companies.
Renewable Energy Sources (RES)	Natural resources that produce energy and are replenished at a higher rate than consumed. RES include wind, solar, aerothermal, geothermal, hydro, ocean energy sources and biomass.
Research and Development (R&D)	Set of innovative activities in developing new services or products and improving existing ones.
STEM (Science, technology, engineering, and mathematics)	Abbreviation used to group together academic disciplines. It has implications for workforce development and progression.
Sustainability Accounting Standards Board (SASB)	ESG guidance framework that sets standards for the disclosure of financially material sustainability information by companies to investors.
United Nations Global Compact (UNGC)	Non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.



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