EPSILONNET
GROUP OF COMPANIES

EPSILON NET
GROUP | SUSTAINABLE
DEVELOPMENT
REPORT
2021

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DEVELOPMENT
REPORT

20**21**

CONTENTS

A. EPSILON NET GROUP SUSTAINABLE DEVELOPMENT REPORT

This Sustainable Development Report is an overview of the activities and characteristics of EPSILON NET Group's companies, covering the period from 01.01.2021 to 31.12.2021 and refer to the non-financial indicators of the Group.

It is addressed to all the stakeholders of the Group and it is based on the standards of the ESG Reporting Guide 2022 published by the Athens Stock Exchange (ATHEX) in 2022.

For further clarifications or information regarding this report, you can contact the Investor Relations & Shareholder Services Department of the Group by calling +30 211 500 7000 or by email at the address ir@epsilonnet.gr.

Message from the Chairman of the Board of Directors - ESG Targets (A-G3)

" In the face of the great challenges that we are called to address collectively, such as climate change, social responsibility and proper business operations, it is necessary to align with the priorities and imperatives of the modern environment, empower society with new values, continue to operate responsibly, with long term value for the Greek business community and the society in which we operate.

In the EPSILON NET Group, we develop and we have incorporated sustainable development in our operations and in the vision we have for the future. A vision guided by our goal to highlight the power of participation, enhancing the quality of life for all, today and in the future. We analyze our social role and our moral mission, believing that the prosperity of businesses goes hand in hand with the prosperity of society.

The companies of our Group, by actively participating in new trends, systematize, collect and record all the data and elements that distinguish us as pioneers in various fields of society and Greek entrepreneurship. At the same time, we are continuously distinguished in important national and international contests, receiving important awards.

In this context, we make sure to actively participate as members in associations and federations such as:

- ΣΒΕ (Federation of Industries of Greece)
- ΣΕΠΕ (Federation of Hellenic ICT Enterprises)
- ΣΕΠΒΕ (Association of Information Technology Companies of Northern Greece)
- ΣΕBE (Greek Exporters Association)
- ΣΑΕ-ΕΠΕ (Association of SA Companies & Entrepreneurship)
- ΣΕΤΕ (Association of Greek Tourist Companies)

This first Sustainable Development Report of the EPSILON NET Group, highlights once again the philosophy of continuous development, provides information on how it is transformed and strategically aligned with developments in all the areas that determine our sustainability: operations, activities, services, actions and targets, short term and long term, in order to respond to the ever-increasing economic, social and environmental requirements.

In EPSILON NET we plan the future of our Group as a whole, our participation in Sustainable Development, the enhancement of our participation in society and in the national climate change policies. We participate actively in the creation of value in the Greek economy, Greek entrepreneurship and Greek society.

Our Group improves its financial performance every year, increases its environmental investments, upgrades its operational investments through the participation of its people in daily training functions, social contribution, the equal participation of both genders in all corporate functions, the enhancement of corporate governance. transparency and accountability procedures.. **"**

A1 ⟩ GROUP SUSTAINABILITY – STRATEGIC TARGETS

The growth rate of the EPSILON NET Group is the result of planning and strategic initiatives we adopted several years ago, having identified early the upcoming trends of the Greek economy and the international developments at the technological level.

Since 2013 we have started to invest in online applications, cloud, web and mobile technologies that enable remote working, simultaneously enhancing our organizational structures. Digital transformation was and remains an imperative, whereas the company received a significant boost from its listing in the Main Market of the Stock Exchange.

Said moves enabled us to take advantage of opportunities at the right time and expand. Another important fact is that the EPSILON NET Group is financially healthy, financing with its own funds its investment plan. It should be noted that the majority of our investments are made with our profits and that the company has negative net debt.

Following its listing in the Main Market of ATHEX two years ago, EPSILON NET made a series of acquisitions. Collaborations multiply the company's dynamics and strength. It started with the acquisition of Data Communication, followed by the acquisition of SingularLogic and the establishment of Epsilon SingularLogic, our central pillar in the business software and digital transformation of companies sector. Our main goal is to develop complementary products and services based on our strategy and the development of all-in-one solutions that correspond to multiple needs of companies.

There are very high expectations for high growth rates for the next three years. This is due to the fact that both the Government and private enterprises, also due to the multi-year financial crisis, significantly delayed to start their digital transformation process. Therefore, the growth margins are large as a result of this delay, whereas the need to adopt modern systems skyrocketed, also due to the pandemic.

Our Group, within a three-year horizon, plans to further expand outside Greece and enhance its activities in vertical markets, such as software for the tourism sector and the hospitality sector in general.

The overall strategic plan for our growth is based on three pillars, with investments for the creation of all-in-one solutions to the final customer, in the financial technology (FinTech) sector and in sectors were we already have a comparative advantage.

Outside Greece, the Group already has a presence in Romania and Cyprus, through subsidiaries, and in Bulgaria, Albania and Croatia, through partners.

Furthermore, it pursues new digital projects daily, mainly in the private sector, whereas with regard to the Public sector our presence is expanded through our partnership with Space Hellas in SingularLogic that has great expertise in that particular field.

2021 was a landmark year for the increase of the Group's figures, with a 132% increase of the Turnover.

Lastly, we created Epsilon College in the context of training of potential employees and users of our applications. Our goal is to train young people in IT. Moreover, we created greenhouses and incubators aiming to support startups and attract new executives. Lastly, we have proceeded to a systematic interconnection with university institutions and simultaneously we are creating our own innovation center in Thessaloniki.

A2 ⟩ SHORT TERM TARGETS 2022-2023

During 2021, the EPSILON NET Group continued the strategic business plan of its companies, while redefining the goals set during the previous year:

- Development of a new Corporate Governance model, based on the legal framework.
- Development of a long term ESG strategy that promotes the transformation, growth and sustainability of the Group's companies.
- Further investigation of the risks and opportunities as they emerge from the current business environment and climate change. The Group focuses on:

> ✔ human rights issues
> ✔ equality and diversity
> ✔ constant reduction of energy consumption
> ✔ constant reduction of the carbon footprint
> ✔ enhancement of the provided technology solutions that contribute in addressing environmental and social challenges.

- At the same time the Group systematically dealt and continues to deal with issues related to Human Resources Development and talent attraction, whereas particular emphasis was given to measures for the health, safety and wellbeing of our employees during the pandemic. Continuing our progress and our work we aim to create a fair and resilient society and contribute to a thriving economy.

The essential issues that will issues that will concern the Group for the next three years were determined at the initiative of the Management, issues that will be put in public consultation with our partners and shareholders, in order to constitute the base of the discussion we want to open, receive feedback, change and redirect. .

A3

CORPORATE RESPONSIBILITY IN THE EPSILON NET GROUP

The EPSILON NET Group, through the values that it stands for, grows and creates value, harmoniously combining actions for society, the employees and the environment with responsibility and sensitivity for people.

A4 ⟩ BUSINESS MODEL (A-G1)

EPSILON NET Group is a rapidly growing Group of companies, operating since 1999 in the IT, software applications development, online digital content creation and provision of integrated information sectors, and providing training in subjects related to tax and labor legislation and case law. The products of the EPSILON NET Group are trusted by more than 100,000 customers (accounting firms, businesses and independent professionals), and it has a continuously expanding network of more than 500 partners in Greece.

The business model we have adopted as EPSILON NET aims to achieve maximum performance through synergies between our Business Units and our subsidiaries, maintaining flexibility, competitiveness and implementing strategic moves, which will ensure a dynamic

response to the challenges of the constantly evolving market, mainly in the IT and high tech product sectors.

Our vision is to establish the Group as a point of reference in the IT sector at the national and international level, providing to every business unit modern software applications that will support their digital transformation and an optimal utilization of information to maximize their growth, as well as unlimited access to scientific information and knowledge, taking advantage of the capabilities provided by high technology.

Our mission includes monitoring developments in the information society and the IT sector, creating specialized and reliable products and high quality services, in order to comprehensively meet the needs of all business units.

Our values:

- **Reliability and High Quality of products:** In the current business environment that is rapidly evolving, businesses need technologically advanced and reliable software systems that provide innovative solutions and security.

- **Commitment to the Customer:** we do not establish simple formal business transactions but we build strong relationships of cooperation and trust with our customers.

- **Respect, Meritocracy & Equality:** we respect our people and our main concern is to ensure meritocracy, with particular emphasis on team work and cooperation, offering a pleasant work environment.

- **Continuous training and scientific documentation:** we encourage a continuous self-learning culture and we encourage all employees to participate in any activity that develops their skills and knowledge. We stand by our position on scientific documentation that governs every activity and function of the organization.

- **Smile and "passion":** They are sources of inspiration and creativity during the entire life of the company and the Group.

- **Optimism:** We treat every crisis as an opportunity and a new challenge, and with optimism we find solutions and improve.

- **Creativity:** With positive energy, inventiveness, passion for technology, we design and create products and services for every business, regardless of size.

- **Value Creation:** We create value for the Company's stakeholders and shareholders.

EPSILON NET Group activities are divided operationally in two sectors:

- **IT Sector,** the activities of which include:

  1. the development of hybrid technology platforms for the development of IT solutions (PYLON, Galaxy, etc.)

  2. the development of cloud technology applications (EPSILON SMART application)

  3. the development and sale of business software products

  4. the design and implementation of private IT projects

  5. the development of cognitive databases and tools for the discovery and mining of data (data mining)

  6. the provision of information services through various features provided in the e-forologia, Tax-Heaven portals

  7. the provision of specialized support on business software products to the end users thereof.

- **Training Sector,** the activities of which focus on:

  1. the development of online and asynchronous learning technological solutions

  2. the design of educational products and services

  3. the professional training of business executives and professionals

  4. the provision of undergraduate and postgraduate study programs in the field of economics through academic (Northampton University, National and Kapodistrian University of Athens) and professional organizations (AIA, Institute of Certified Public Accountants of Greece)

The training services are provided through two educational structures (owned by the Company in Athens and Thessaloniki), certified by the Ministry of Education and Religious Affairs.

Moreover, EPSILON NET has been certified by the Ministry of Education and Religious Affairs as a Lifelong learning center and as a College with the distinctive tile "EPSILON NET College".

We clarify that the company of the Group provides the training process, whereas the monitoring of the exams and final certification of students is performed by the collaborating academic or professional organizations.

Our comparative advantages:

- We provide integrated solutions that cover all the needs of the business, regardless of size and industry (All in One Solution).

- Significant investment in new technology (Hybrid Technology) in the previous 5 years that led to the creation of the Pylon platform and the software applications developed based on it.

- Development of modern applications in cloud environment (EPSILON SMART).

- Products that cover all businesses, regardless of size and industry (All in One Solution).

- Modern information and knowledge products and services that are combined efficiently with the software products.

- Provision of specialized training services for business executives that enable the participants to efficiently expand their knowledge on the changes at the tax and labor level and assimilate the knowledge.

- High level Management team.

- Management with vision and strategy.

- Commitment to corporate governance principles.

EPSILON NET S.A.

It operates in the IT (Epsilon Net Software), online digital content creation (Epsilon Net Network) and education sectors (Epsilon Net Training).

• Epsilon Net Software Business Unit: Operates in the provision of integrated software applications to businesses and accounting firms. 19 different products, integrated into three major production lines: Payroll and HRMS applications, applications for accounting firms and Enterprise Resource Planning (ERP) applications for businesses.

• Epsilon Net Network Business Unit: refers to the on-line creation of scientifically documented content with legal content on financial, fiscal and labor legislation. The reference points of these services are the www.e-forologia.gr portal and the Epsilon7 monthly subscription review in print and digital form.

• Epsilon Net Training Business Unit: Provides high level professional training and specialization through open or intracompany seminars and workshops. Furthermore, it has the exclusive to provide in Greece the AIA International Certification Titles (Association of International Accountants, one of the 6 recognized – certified organizations monitoring certified public accountants in Great Britain, present in more than 85 countries worldwide).

EPSILON SINGULARLOGIC S.A.

Provides cutting-edge and innovative design, development and implementation solutions through the Pylon and Galaxy platforms, creating added value for all businesses and important vertical markets. It is a leader in the Greek IT market, employing the most competent and trained staff in the industry and having specialized know-how in ERP, CRM, RETAIL, WMS, MOBILE, MIS systems and a certified and strong network of more than 500 partners. The company was established following the acquisition of SingularLogic by Epsilon Net and Space Hellas.

EPSILON HR S.A.

It is the leader of the Human Resources – Payroll Management sector, setting new standards in the IT systems market, following the acquisition of the products of the companies SCAN, Data Communication and Epsilon SingularLogic. It offers a unique portfolio of applications that highlights innovation and meets the needs of any business in the Greek market, regardless of size.

DATA COMMUNICATION S.A.

With 35 years of dynamic presence in the market and 3 technological generations of products in its record of achievements, it is one of the largest software producers in Greece. It is associated with innovative applications that drastically improve the operation of accounting firms. As a Microsoft Gold Partner it promotes and supports the entire range of the Microsoft Dynamics business solutions and at the same time and develops its own solutions and add-ons for vertical markets.

EPSILON HOSPITALITY S.A.

It specializes in the Hospitality and Food Service industries, offering products and solutions for hotels, tourist accommodations, food and beverage establishments and retail businesses in the tourism sector. It has a rich portfolio of products that combine Pylon and Galaxy with products and solutions of the companies Sysco S.A. & Hoteliga International Sp. z o.o.

HOTELIGA INTERNATIONAL Sp. Z O.O. | HOTELIGA S.A.

Its activities regard the development of software for the Hospitality industry, offering to hoteliers and owners of tourist accommodations of any nature, an easy to use and comprehensive platform for the online management of their businesses. There are two branches in Poland and Greece.

iQOM S.A.

A subsidiary of Epsilon SingularLogic and member of the Epsilon Net Group, providing integrated IT solutions. It specializes in the development of standardized retail business software, holding the first place in this field.

TECHNOLIFE L.L.C.

Its activities regard the provision of integrated solutions in the business software sector. It specializes in the implementation and support of ERP software applications, the development of specialized custom application, the installation and support of network systems and telecommunication networks. Its solutions cover almost the entire range of business activities.

SYSTEM SOFT S.A.

A subsidiary of Epsilon SingularLogic and member of the Epsilon Net Group. Active since 1995 its activities regard the provision of IT solutions for small and medium sized businesses of the private sector. Its activities include the sale of IT and network systems, the promotion of software application, the provision of software training and support services as well as the provision of technical support.

EPSILON SUPPORT CENTER S.A. | EPSILON SUPPORT CENTER ATHENS S.A.

They provide top level software support and development services in Northern and Southern Greece respectively with innovative integrated IT solutions, ensuring optimal support of Epsilon Net's network of partners. It consists of two Support Centers, one in Thessaloniki and one in Athens and it provides a high quality of services, rapid processing and know-how.

PROFESSIONAL COMPUTER SERVICES S.A.

Provides integrated vertical solutions for the financial and insurance sector, for 30 years. It offers solutions like Wealth Management, Mutual Funds, Pension Administration, Fund Distribution, Brokerage and Corporate Acts. It operates in foreign markets, such as Luxemburg, Romania, Bulgaria, Cyprus, Serbia, Turkey, Poland, Kenya and Malta.

During fiscal year 2020 the EPSILON NET Group of companies expanded further, acquiring the following companies:

HOTEL AVAILABILITIES S.A.

British company specializing in the development and sale of Channel Manager systems for hotels and tourist accommodations. It has developed the Hotel Availabilities Channel Manager cloud solution, which is interconnected with a large number of channels (Hotel Availabilities Channel Manager, etc.), more than 65. At the same time, it provides smart features to the hotel manager, aiming to a specialized approach for each channel.

BOOKONLINENOW P.C.C.

Its activities regard the development of online booking systems (booking engine) for hotels and tourist accommodations, developing one of the most advanced online booking systems in the world. Furthermore, it provides integrated services and innovative tools to increase direct bookings and maximize sales.

EPSILON SINGULARLOGIC CYPRUS LTD

EPSILON SINGULARLOGIC CYPRUS LTD with registered offices in Limassol, Cyprus, in direct collaboration with all the companies of the EPSILON NET Group, aims to promote and support the group's applications currently installed in the market of Cyprus and promote new software applications destined to said market.

HOTELONCLOUD LIMITED

Provides integrated technological solutions for hotels.

It constitutes the main strategic partner of BookOnlineNow abroad, in Europe, Africa, Middle East, South-East Asia and Latin America markets. The company's solutions/services also include the provision of Digital Marketing services and tools to increase direct bookings from the hotel's website.

TAXHEAVEN S.A.

Tax and accounting information portal, providing comprehensive information and training products and services, on line Data Base Systems and peripheral IT applications for businesses and accounting firms.

EPSILON CSA S.A.

Its activities regard the development of software for the Retail Sales and pharmaceutical warehouse sector. It holds a leading position in the pharmacies sector, since most computerized pharmacies in Greece use its software. It has extensive know how and a large network of partners in Greece.

DIGITAL 4U S.A.

It operates in the Digital Market sector, offering multiple services to its clients and covering the entire range of online promotion, based on their individual needs. It has extensive experience in the creation of e-shop/e-Commerce solutions, not only in the construction of e-shop/e-Commerce solutions but also in promotion, providing a full range of solutions.

A6 SIGNIFICANT DISTINCTIONS 2021
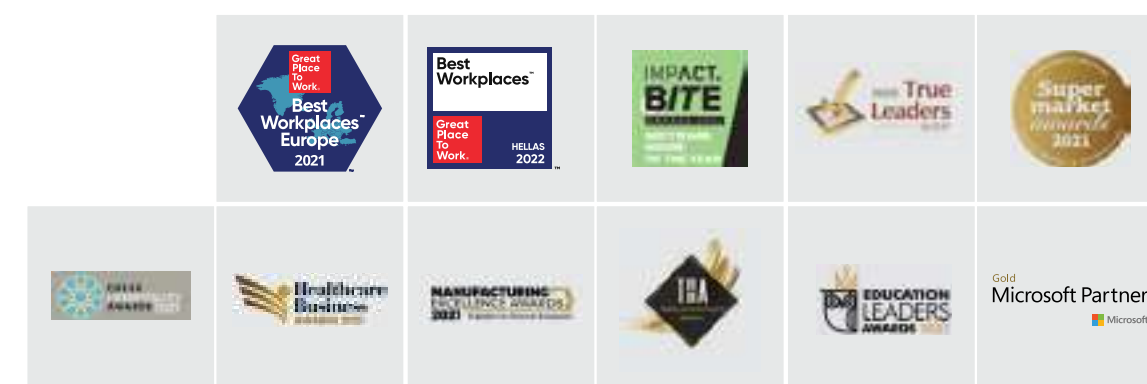
The Group's awards epitomize its growth, its technological superiority and its human-centered culture. They constitute a recognition of the corporate vision, the daily effort and the overall progress in the field of IT & business.

- Best Workplaces Europe 2021 | 31st place in the medium-sized enterprises category.
- Great Place to Work | Great Place to Work Best work environment for businesses of 250 employees or more.
- Business I.T. Excellence Awards | Software House of the Year, Significant Investment Activity, Software Packages ERP | CRM | Supply Chain, Systems Integration, Business Model Digital Transformation, Human Resource Management, Distance Learning, New Innovative Product Introduction | Service (Epsilon Smart), Specialized applications in business sectors, ERP Systems.
- True Leaders 2021: ICAP "True Leader".
- Supermarket Awards | Digital Technologies and Systems.
- Greek Hospitality Awards | Silver Award - Best Hotel IT, Web & Telecoms Supplier.
- Digital applications to support the Health professional.
- Manufacturing Excellence Awards| Utilization of technologies in production.
- Travel and Hospitality Awards | hoteliga - Management Platform of the year 2021.
- Education Leaders Awards | Best Working Environment.
- Microsoft GOLD Partner | Gold Cloud Platform Partner | ISV | Software Solutions.

B. SUSTAINABLE DEVELOPMENT

PREAMBLE

Sustainable development constitutes a global priority that mobilizes governments, civil society and businesses to adopt new practices. Following the establishment of the Sustainable Development Goals (SDGs) by the United Nations a new perception has been formed regarding the role of companies. An increasing number of companies are measure, report and manage risks and opportunities related to sustainable development.

The environmental, social and governance factors, known as ESG Factors are being rapidly incorporated in the operation of businesses and the institutional framework of capital markets. The term "ESG" refers to environmental, social and governance related issues that may affect the ability of a company to create value in the long term.

The EPSILON NET Group participates in the new initiatives that are developed, aiming to record the ability of the Company's companies to create value and establish effective long term strategies.

We create long term and sustainable value for all our Social Partners, contributing to the Global Sustainable Development Goals and the respective national priorities. This report on the Group's sustainable development issues is our first and refers to 2021. It is a first attempt to record the characteristics of our Group that existed in the previous years and for the first time are systematically incorporated in a non-financial reporting text.

B1 〉 SUSTAINABILITY REPORT – GOALS (A-G3)

2021 was a crucial year that emphatically brought to the surface the elements of change and transformation attempted at a global level. At the same time, the developments put our country in a different path and created new challenges.

The shadow of the pandemic continued to determine our moves, created new circumstances and conditions of business operation, whereas at the same time some of

the consequences of the climate change became tangible, with huge disasters caused all over the planet. The future, as we envisioned it as a possibility before the pandemic, is now here and determines the new reality we must face prudently and responsibly. The circumstances are further aggravated by the war in Ukraine, altering significantly the constant under which we operated during the years of the pandemic

B2 〉 SIGNIFICANT ISSUES 2022-2023-2024

E

1. Innovation with emphasis on digital transformation and a neutral carbon footprint.
2. Enhancement of the initiatives for an increased utilization of an energy mix from renewable sources.
3. Further augmentation of the car fleet with hybrids and electrics.
4. Further support of employees in remote work for the reduction of commuting related pollution.

S

1. Work environment that promotes health and safety.
2. Continuous development of our people.
3. Work environment free of discrimination and exclusion.
4. Positive impact on society, the economy and the areas we operate.
5. Contribution in circular economy through efficient management, recycling and resource recovery.
6. Reliable and sustainable supply chain .

G

1. Good governance, transparency and business ethics.
2. Strengthening of the structures and policies for individual harassment conduct, complaints, etc..
3. Enhancement of the participation of women in management positions and further decrease of pay gap.
4. Enhancement of the communication with shareholders and private and institutional investors.

B3 〉 THE GROUP'S FIGURES AT A GLANCE (FISCAL YEAR 2021)

In summary

- 13 Companies
- +930 Employees
- +40 Products
- +100.000 Customers
- +500 Partners

Human Resources

- Employees 932
- Women ➜ 47%
- Men ➜ 53%
- 39% aged under 38
- 77% aged under 50
- 13,266 training man-hours
- 19.3 average training man-hours per employee (20,9 ➜ 10% higher salary | 18,8 ➜ 90% lower salary)
- 271,524€ in staff training
- 395.4 average training cost per employee.

Our sales

- 44.93% ERP
- 22.22% Accounting
- 19.04% HR
- 11.47% e-Invoicing, Smart Platform
- 2.34% Educational Services

Financial Figures

2021	
Revenue	
€50,51m	+132,80%
EBITDA	
€15,09m	+188,33%
EAT	
€10,78m	+221,86%

Taxes and contributions

- €16.17 million

Our Financial Activities based on Taxonomy

In the context of the provisions of the EU Taxonomy Compass the Group, correlating its economic activities to the activities included in the regulation on the European taxonomy system (https://ec.europa.eu/sustainable-finance-taxonomy/), has established that its eligible activities under the taxonomy are activities "62.01 - Computer programming activities" an activity of the "Information and Communication" sector and "85.5 – Other education" an activity of the "Education" financial activity sector. Said categories, that regard climate change mitigation and adaptation goals include the Group's activities related to:

1. designing the structure and content of, and/or writing the computer code necessary to create and implement:

- systems software (including updates and patches)
- software applications (including updates and patches)
- databases
- web pages

2. customizing of software, i.e. modifying and configuring an existing application so that it is functional within the clients' information system environment

3. general continuing education and continuing professional education and training for any profession, or self-development purposes.

The data on percentage of the turnover, the capital and operational expenses of the Group related to the financial activities eligible for the taxonomy is presented below:

	TURNOVER	%	CAPITAL EXPENSES (CAPEX)	%	OPERATIONAL EXPENSES (OPEX)	%
ELIGIBLE	50,506,358.53€	99.99%	1,727,809.35€	100%	38,480,029.08€	99.01%
NON ELIGIBLE	4,918.04€	0.01%	0.00€	0%	34,892.16€	0.09%
TOTAL	50,511,276.57€	100%	1,727,809.35€	100%	38,514,921.24€	100%

B4 〉 SUSTAINABILITY POLICY (C-G4)

Sustainable development refers to a form of development policy that aims to meet the financial, social and environmental needs of society in a manner that ensures long term, medium term and most importantly long term prosperity. It is based on the assumption that development must correspond to up to date needs, without endangering the prosperity of future generations. In practice this entails creating the conditions for a long term economic growth, simultaneously ensuring the protection of the environment.

The goal of establishing policies in the context of sustainable development is to create value that fulfils the social and environmental commitments and responsibilities of the Company by achieving the vision of corporate excellence.

The Sustainable Development approach regards the EPSILON NET Group, its people (Management – Employees) and all other stakeholders. It is disseminated and adopted by the Group's companies, increasing their competitiveness and aims to create value to the benefit of all stakeholders.

In the context of the current Sustainable Development Policy we commit to:

- continuously develop the Company and the Group's Company's, develop the business model and create economic value for shareholders and stakeholders;
- adopt mechanisms to interact with and understand the expectations of shareholders and monitor their effectiveness;
- respond to the expectations of the stakeholders (employees, vendors, customers, shareholders, social organizations, business community, institutional and financial bodies, etc.);
- follow the Group's principles and values;

- ensure business ethics and regulatory compliance;
- monitor the implementation of the internal sustainable development regulations, policies, procedures and instructions at all levels of the Company's and the Group's activities;
- with regard to the environment, to pursue the provision of optimal services, with a view to its protection;
- with regard to society, to support local communities with actions that contribute to addressing local issues and their concerns and expectations;
- with regard to the market, to continuously improve the offered products and services;
- with regard to customers, to establish not just formal business transactions but strong relationships of cooperation and trust;
- with regard to the products, technologically advanced and reliable software systems that provide innovative solutions and security.

B6 ⟩ IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT POLICIES

- **Materiality Principle:** We recognize and discuss material issues that reflect our significant financial, environmental and social effects and influence the decisions of our Social Partners.
- **Social Partners Participation Principle:** Through an opened and structured consultation we seek to build quality relationships of trust and cooperation with our Social Partners, in order to mutually contribute in Sustainable Development.
- **Accountability Principle:** We fulfil our commitment to transparency and regular information to all our Social Partners, by annually publishing the Sustainable Development Report regarding our non-financial performance.

B5 ⟩ SUSTAINABLE DEVELOPMENT POLICY

The Group's Sustainable Development policy aims to create long term and sustainable value for employees, society, shareholders and other groups of Social Partners. It is implemented through three inextricably linked key principles that regard the **Environment**, **Society** and good **corporate Governance** and Operation.

Sustainable Development is the driving force through which the Company aspires to remain competitive over time, face modern challenges and, by developing the appropriate partnerships, to contribute to a new efficient development model free of social exclusions, as established in the international level with the Global Sustainable Development Goals.

B7 ⟩ SUSTAINABLE DEVELOPMENT MONITORING (C-G2)

EPSILON NET maintains the responsibility of monitoring the faithful implementation of the Sustainable Development Policy through its competent staff members, with the aid and participation of the control mechanisms at its disposal and with the methodology it has designed. The overall monitoring of EPSILON NET's sustainable development framework is conducted by the Company's Board of Directors.

C. ENVIRONMENT

Climate change is a reality that created recurrent and multifaceted crises that we are called to address as a global society. We, as an environmentally and socially sensitive Group, assume our part of the responsibility, striving to contribute to the solutions that address crucial challenges, with the main goal of sustainable consumption.

C1

DIRECT EMISSIONS (C-E1), INDIRECT EMISSIONS (C-E2), ENERGY CONSUMPTION AND PRODUCTION (C-E3)

In the context of addressing climate change, the Company has established best practices adopted by all employees of the Group. Initially and with regard to heating management, we behave as follows:

1) We have set a constant temperature in the thermostats of the central air conditioning units of our buildings (Sygrou – Melission – Pylaia) as follows:

- During the winter season a constant temperature of 22°C
- In the summer season a constant temperature of 24°C

This practice is based on the fact that an increase of one degree in heating or cooling increases energy consumption by approximately 5-10%.

It should be noted that the other buildings of the subsidiaries do not have central cooling-heating but operate with independent splits.

2) Turn off all computers and screens when employees leave (excluding the units that must operate at all times) since the devices continue to consume energy when in standby mode.

3) The facilities department in the Group's buildings ensures that all lights are turned off when the personnel leaves, while during the day it monitors areas from which employees or visitors have left.

4) Furthermore, we aim at two more actions which can effectively contribute:

a. Establishment of a regular maintenance schedule for the autonomous air conditioners and central heating/cooling units, because their good operation reduces energy consumption.

b. Replacement of light bulbs with economical ones, which consume up to 5 times less energy than conventional ones and also guarantee a longer life.

In 2021, the total emissions of the fossil fuel consumed by the company vehicles and facilities of the Group's companies amounted to 116.61 tons of CO2, whereas the CO2 emissions arising from the consumption of electricity amounted to 183.74 tons.

One of our goals is the gradual replacement of part of the conventional vehicles with hybrids, making our fleet more environmentally friendly.
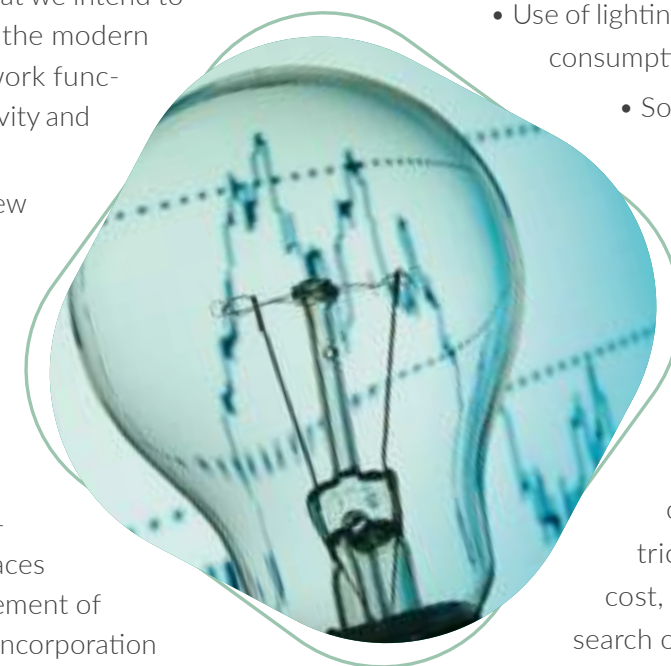
Realizing the needs arising from climate change and through specific directions and encouragement to the personnel of the companies, we try and reduce energy consumption. The imminent relocation of the company to a new, modern building, that we will report below, is added to this effort.

As already known, our new offices will be located in an existing building that we intend to radically renovate, with all the modern specifications that affect work functions, environmental sensitivity and energy saving.

We intend to include our new building in the projects that will stand out in the city of Thessaloniki, incorporating the most modern mechanical and architectural design. The goal of the architectural design will be the aesthetic and functional upgrading of building spaces combined with the improvement of the work environment, the incorporation of new technologies and the reduction of energy consumption.

We aim to create a green building with high standards. Indicatively we believe that our design will include:

- Creation of indoor and outdoor bicycle parking spaces and configuration of changing rooms.
- Planting of the surrounding area to improve the microclimate.
- No Smoking signage.
- Energy-efficient glazing.
- Configuration of a central collection area for recyclable materials and infrastructure on each floor.
- Use of materials with a low energy footprint.
- Use of paints and coatings with low emissions of volatile organic compounds, as well as glues, sealants, floors, false ceilings, walls, thermal and acoustic insulation with the same properties.
- Infrastructure for electric car chargers in parking areas.
- Use of suitable faucet products with very low water consumption.
- Office lighting and air conditioning control system with presence sensors.
- Parking lot lighting control system with sensors.
- Use of lighting fixtures with very low energy consumption.
- Solar Water Heaters.
- Electricity consumption meters for climate control, lighting and sockets.

Furthermore, in the context of reducing indirect greenhouse gas emissions (CO2, NOx, etc.) originating from the burning of fossil fuels to produce electricity and reducing the energy cost, the EPSILON NET group is in search of a partner in order to participate in a program for the purchase of energy produced by a photovoltaic park. The main goals of our actions are the reduction of our environmental footprint and our increasingly active participation in the global clean energy revolution.

Moreover, remote work is expanded even after the end of the mandatory implementation of the measure.

The Group's companies, addressing the environmental issue in a holistic manner, indirectly intervene to the employees' fuel consumption by preventing them from moving to and from the company, simultaneously reducing their energy consumption.

C2 〉 WASTE MANAGEMENT (A-E3), EFFLUENT DISCHARGE (A-E4)

In view of their activities, the companies of the EPSILON NET Group are not included in those that cause a significant impact to the environment or create a large volume of waste or effluent.

However, the Group, realizing the importance of environmental protection, has taken specific actions to improve its environmental performance, even through its partners.

In this context we prepared a frame agreement for e-recycle (device recycling program) with a hardware vendor.

With this partnership we contribute to the reduction and better management of e-waste, calculated –worldwide - in tens of millions of tons annually, of which less than 20% is recycled.

The minimum effluent discharge is sought to be performed under green management terms, through a tonner recycling program and recycling of all lead batteries through authorized companies. Moreover, at the fleet maintenance level, partner vehicle lease companies recycle old batteries when they are replaced.

C3 〉 WATER CONSUMPTION (SS-E3)

The total volume of the water consumed in the facilities of the EPSILON NET Group companies amounted to 1,839.11 cubic meters, according to the invoices of the local water and sewerage companies.

However, monitoring climate change developments as an active player, the Group's Human Resources Management raises the awareness of all employees and attempts to establish a sustainable and careful consumption practice, whereas it examines the solution of installing water flow control proximity sensors.

C4 〉 CLIMATE CHANGE RISKS AND OPPORTUNITIES (A-E2)

The foregoing leads us to understand that climate change does not create only risks but also presents many opportunities. Therefore, we implement a series of initiatives in order to address the risks arising from climate change. The Group takes action aimed to upgrade and improve the building stock and technological infrastructure.

Some of these initiatives include:

i) the installation of a system for the measurement of consumed energy;

ii) the replacement of light bulbs with new LED ones;

iii) the installation of automatic light operation system in common areas.

D. SOCIETY

D1⟩ OUR STRENGTH IS OUR PEOPLE

The 8 national and 3 international awards for the wok environment demonstrate our long term and continuous effort towards a work culture that respects everyday life but also constitutes fertile ground for the achievement of the employees' goals.

By providing tools, training, support, safety and guidance, the daily goal is that everyone, as a team, is enabled to achieve high goals and continuous development, with common passion and vision! With respect to everyone's uniqueness and following the equal opportunities policy, the EPSILON NET Group in 2022 intends to proudly

sign the Diversity Charter (**https://www.epsilonnet.gr/content.aspx?id=5992&mID=3,15**).

The commitment to work values is reflected in the smile, will and pride of the Group's employees, keeping them a united team with common dreams.

The EPSILON NET Group of companies is an equal opportunity employer and is committed to its employees to make every possible effort to protect the value of respect of diversity. The Group's policy is to ensure equal employment opportunities with no discriminations based on race, color, religion, religion, age, gender, sexual orientation, national origin, citizenship, disability, personal status, trade union activity, pregnancy (including illegal discrimination based on legally protected pregnancy/maternity leave), retired status or any other characteristic protected by law.

D2⟩ FEMALE EMPLOYEES (C-S2),

FEMALE EMPLOYEES IN MANAGEMENT POSITIONS (C-S3), EMPLOYEE TURNOVER RATES (C-S4), GENDER PAY GAP (A-S3), CEO PAY RATIO (A-S4), VARIABLE PAY (A-G4)

The EPSILON NET Group provides equal opportunities to all employees or prospective employees, pursuant to its policies. There is no discrimination at any level, including diversity related matters or unequal treatment in employment due to age, gender, sexual orientation, religion, etc. The principle of respect is fully supported, the professional development of women is encouraged and equal opportunities in pay and professional development are provided.

Our anthropocentric approach is demonstrated in practice, since in 2021 the Group started consultation with relevant Non-Governmental Organizations in order to sign the Diversity Charter. At the market level the charter may function as a means to commit to prevent discrimination and apply the principles of equality, equal opportunity and diversity.

In 20020 and 2021 the employees per company were distributed as follows:

COMPANY	MALE	FEMALE	TOTAL	MALE%	FEMALE%
ENET	140	142	282	49%	51%
ESLG	218	181	399	55%	45%
EHR	52	35	87	60%	40%
DATA	38	29	67	57%	43%
PCS	15	19	34	44%	56%
IQOM	17	8	25	68%	32%
SYSOFT	6	8	14	43%	57%
ESC	6	5	11	55%	45%
TLIFE	6	7	13	46%	54%
TOTAL GROUP 2021	**498**	**434**	**932**	**53%**	**47%**
TOTAL GROUP 2020	**309**	**254**	**563**	**55%**	**45%**

During fiscal year 2021 there were significant changes in the Group's figures, therefore we do not provide data for previous years in order to avoid unequal comparisons.

Per type of contract & area for 2021:

HUMAN RESOURCES	MALE	FEMALE	TOTAL	MALE%	FEMALE%	TOTAL%
ATHENS	280	220	500	-	-	-
PERMANENT	276	216	492	99%	98%	98%
FIXED TERM	4	4	8	1%	2%	2%
THESSALONIKI	196	200	396	-	-	-
PERMANENT	190	185	375	97%	93%	95%
FIXED TERM	6	15	21	3%	8%	5%
PROVINCES	22	14	36			
PERMANENT	21	13	34	95%	93%	94%
FIXED TERM	1	1	2	5%	7%	6%
GROUP	498	434	932	-	-	-
PERMANENT	487	414	901	98%	95%	97%
FIXED TERM	11	20	31	2%	5%	3%

Per education level for 2021:

EDUCATION	MALE%	FEMALE%	TOTAL %
PRIMARY	0%	0,52%	0%
SECONDARY	19.26%	23.06%	21%
TERTIARY	65.66%	65.28%	65%
POST GRADUATE	15.08%	11.14%	13%
TOTAL	100%	100%	100%

Per age group for 2021:

AGE GROUP	MALE%	FEMALE%	TOTAL
<30	5,9%	8,3%	14,3%
30 to 50	32,9%	30,5%	63,5%
50+	14,1%	8,1%	22,2%
TOTAL	53%	47%	100%

New hires per location for 2021:

NEW HIRES	MALE	MALE%	FEMALE	FEMALE%	ΣΥΝΟΛΟ
ATHENS	41	23%	41	23%	82
THESSALONIKI	35	20%	43	24%	78
PROVINCES	11	6%	8	4%	19
GROUP	87	49%	92	51%	179

Furthermore, the EPSILON NET Group encourages the professional development of women, providing equal opportunities in pay and promotion matters. Women employed in management positions are as follows:

GROUP	FEMALE	in management positions
2021	47%	25%
2020	45%	21%

With regard to employee departures during 2020 & 2021, the picture of all the companies of the EPSILON NET Group is recorded in the 2 tables below, cumulatively and in detail per departure reason:

YEAR	VOLUNTARY	NON-VOLUNTARY
2021	8%	1%
2020	11%	1%

DEPARTURE REASON	2020	2021
OTHER	3	-
TERMINATION	5	2
EXPIRATION OF CONTRACT	5	3
RETIREMENT	1	3
VOLUNTARY	52	70
TOTAL	66	78

The gap between the average basic salary of men and women during fiscal year 2021 is presented in the table below.

2021		
GENDER PAY GAP	MEN	WOMEN
31%	27.762	19.168

The ration of the table below refers to the ratio between the total annual remuneration of the CEO and the median total earnings of the employees of a company.

CEO PAY RATIO
9:1

CEO	OTHERS (median)	RATIO:
180.000	20.492	8,78401

Variable pay was nil in 2021.

D3〉 EMPLOYEE TRAINING (C-S5), EMPLOYEE TRAINING EXPENDITURE (A-S2)

In the context of the dynamic environment of new technologies, IT and digital transformation of enterprises where we operate, we ensure continuous training of our people, providing them with the opportunity to develop skills related to the subject matter of their job.

During 2021, €271,524 were invested for 13,266 man-hours of training. This is an important investment because it aligns with our conviction that lifelong learning and further training of our people constitutes a key component of addressing the increasing number of modern challenges.

D4 ⟩ HUMAN RIGHTS POLICY (C-S6)

The EPSILON NET Group supports and promotes human rights, inside and outside the Group and demonstrates its commitment by implementing responsible practices in the workplace.

The Group's activities are conducted in an ethical and lawful manner in compliance with the legal and regulatory requirements. With respect to human rights, employees and external partners are treated in accordance with the key principles of this Human Rights Statement, whose goal is to prevent unethical behaviors related to human rights.

D5 ⟩ HUMAN RIGHTS STATEMENT

The EPSILON NET Group is fully committed to its responsibility to respect human rights. The observance of the highest ethical standards in the entire range of its activities constitutes an integral part of our values and ethical principles, as described in the Business Ethics Code.

Our internal documents, including the Business Ethics Code and the policies and procedures we develop,

reflect the commitment of our Group to respect human rights. This commitment is governed by the key principles of our culture and follows a wide range of international standards which we adopt, such as the UN Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization. We strongly support said conventions in our work environment, in all the companies of the Group.

As a Group we believe in the fundamental dignity of each person and their right to live and work in safety, without fear of oppression or coercion. Our regulations, with the Business Ethics Code and the Human Resources Policy, underline the responsibility, the integrity and the decision making based on our principles and set our standards with regard to the performance of our business practices, ethically and consistently with our moral values.

Said principles and standards guide our interactions with colleagues, customers and stakeholders, suppliers, society, communities and our shareholders. Examining our obligations as a Group with an extensive presence and customer base, we incorporated in the Business Ethics Code corporate policies and procedures that establish how said principles should be put into practice:

- **Equal employment opportunities and anti-discrimination:** The Group is committed to create a work environment that promotes personal and professional development and full utilization of the abilities of its employees, regardless of age, nationality, disability, national origin, ancestry, race, religion, gender, sexual orientation, gender identity and/or expression, genetic information of other protected minority status. Discrimination based on any of the aforementioned classes is prohibited.

- **Prevention of harassment:** The Group condemns all work, sexual, online or other form of harassment against any employee by any person, including other employees, fixed-term employees or interns, contractors, suppliers, customers, carriers or visitors.

- **Diversity and inclusion:** The Group is committed to maintain a work environment that values diversity, equality and inclusion. The employees are expected to respect each other, the customers, the suppliers and any other party that collaborates with us, regardless of any professional, work or interpersonal differences and the extent of the differences.

- **Data Protection:** As specified in the Business Ethics Code and applicable policies and statements on privacy and confidentiality, the Group respects the privacy rights of persons in accordance with the applicable legal framework and uses personal data in accordance with the provisions of the applicable institutional framework, exclusively for business and work related purposes.

- **Protection from retaliation:** The complainant is provided protection and any form of retaliation or vindictiveness against employees or persons that reported concerns, requested guidance or collaborated with an investigation is prohibited. Every employee that retaliates is subject to disciplinary measures.

- **Work standards:** The Group is committed to provide a fair, supportive and inclusive workplace. This commitment includes compliance with applicable laws on working conditions and rights in the jurisdictions we which we operate. The Group complies with the laws on the establishment of professional associations and employee representation. Forced labour or activities that support human trafficking are strictly prohibited.

- **Health and safety:** Employees and other individuals that work in or visit our facilities are expected to always maintain safe and healthy work conditions and comply with the published operating practices

and procedures, as defined and indicated as appropriate. The Group also maintains insurance policies for individual traveling in the context of performing their job and takes enhanced measures for the prevention of the spread of epidemics or pandemics.

- **Remote work:** All the aforementioned principles and practices also apply in periods of crisis, when new circumstances and conditions require the adaptation of our employees to new ways and working conditions, e.g. remote work. Under these circumstances we ensure that all the aforementioned principles are applied and implemented, providing, when required, all the necessary resources for the performance of the duties of the employees.

- **Contribution to the community:** We acknowledge our impact on the communities in which we operate and we are committed to collaborate effectively with the stakeholders in said communities in order to ensure that we listen, learn and take into consideration their opinions and needs during the performance of our business activities. We contribute if required and when deemed useful and necessary we participate in a dialogue with the interested parties on human rights issues related with our business activities.

1. Scope and implementation

The Group consistently pays attention to the manner in which its business activities may affect human rights and is not involved in activities or relations that present clear indications of human rights violations.

The governance, prevention and management measures we adopt place particular emphasis in the following activity areas:

- respect of human rights of employees and society
- prevention of human rights violation in our business relations with customers, suppliers and partners.

In order to ensure an effective implementation, we are committed to provide to all employees mandatory training on the Human Rights Statement, on an annual basis.

1.1. Employees

The Group aims to be an "employer of choice" for current and future employees (best working places). The human rights aspect in this context is very extensive and includes, inter alia, the prohibition of forced and child labour, the commitment to fair remuneration and work hours, ensuring the freedom of association, equality, respect and freedom to act.

In general, our approach is based on the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization and the applicable labour laws of the various jurisdictions in which we operate. The Group, inter alia, is committed to the following standards:

1.1.1. Health and wellness

We preventively address, using modern employee assistance tools, the psychosocial risks that lead in low productivity and high rates of absenteeism and presenteeism. There are provisions for a modern prevention and protection system in the workplace, aiming to continuously ensure health and safety at the workplace.

By raising health and safety awareness and providing direct and indirect access to medical care to its employees, the Group contributes to the reduction of occupational accidents and work-related diseases.

1.1.2. Personal data protection

According to applicable law, the personal data of employees are considered sensitive data and therefore require special protection during handling, processing (including storing and deletion), transfer, disclosure and/or notification of said data.

All individuals processing personal data of employees are obligated to be aware of, comply with and apply the internal and external regulations on data protection.

The handling of employee personal data complies with the respective laws on the protection of individuals with regard to personal data processing and the free circulation of said data, the national provisions on the protection of data and the relevant laws.

1.1.3. Diversity and inclusion

The Group commits to provide equal employment and promotion opportunities to all employees. respecting the rights of minorities and women, without discriminations.

All employees are evaluated based on their performance (evaluated based on specific conduct and target indicators related to work) and understand and support the sincere, fair and corrective feedback of their managers and colleagues.

In accordance with the Business Ethics Code, we commit to treat everyone with dignity and respect, regardless of the position and work conditions.

1.1.4. Remuneration

Remuneration consists in fixed monthly salary, benefits and variable pay based on performance linked to profitability and other business performance and targets, at the individual and operational level.

The Group provides and is committed to continue to provide, a fair and comprehensive remuneration framework that ensures dignified living and to remunerate employees competitively for the industry and local job market, in accordance with applicable labour laws. Moreover, efforts are made to attract and retain talented executives.

1.1.5. Freedom of Association

The Group complies with all applicable laws, rules and regulations on collective agreements, bargaining and the freedom of association, as well as with international conventions, like conventions 87 and 98 of the International Labor Organization (ILO).

1.1.6. Forced labour and child labour

The Group has zero tolerance for child or forced labour in all its business activities, in and out of the country.

1.2. Customers

In order to detect, prevent and mitigate negative effects on human rights, we have incorporated human rights subjects (e.g. work practices, forced labour, children's rights, employee and community health and safety, etc.) in the environmental and social due diligence procedures and we ensure their implementation.

Our customers operate in all sectors of the economy, including sectors where the risk of negative impact on human rights can be high. In this context, we seek to understand the environmental and social risks associated with a customer or transaction, as we do for every financial risk.

Furthermore, due diligence is supplemented by direct interaction with the customers and external tools/databases that are available to support the risk assessment process, examining the collaboration with independent experts, when necessary.

1.3. Suppliers

A supplier is an entity that does not belong to the Group and provides products and/or services.

We make efforts to collaborate with suppliers whose human rights policies and practices are in line with ours. Suppliers are expected to respect the human rights of their employees, provide equal employment opportunities to all and to not tolerate discrimination or harassment.

Our partner suppliers and their supply chains are expected to comply with all applicable laws and regulations of the jurisdictions, countries and areas where they operate, and especially labour law, e.g. to avoid forced or child labour, to comply with workplace health and safety regulations and to provide a fair remuneration and insurance to employees.

Wherever feasible, we maintain long term relations with our suppliers. If a partner fails to comply with applicable laws and regulations and/or our requirements, we insist on improvements, following notice, and we reserve the right to terminate the relation if our standards are not met or if any identified deficiencies are not addressed.

1.4. Complaint mechanisms and reports

The Group seeks to engage in meaningful consultation with interested parties in the context of a human rights due diligence process and encourages all interest parties to contact the organization in the event that they have clear evidence of non-compliance with the relevant procedures, in an effort to prevent or avoid any
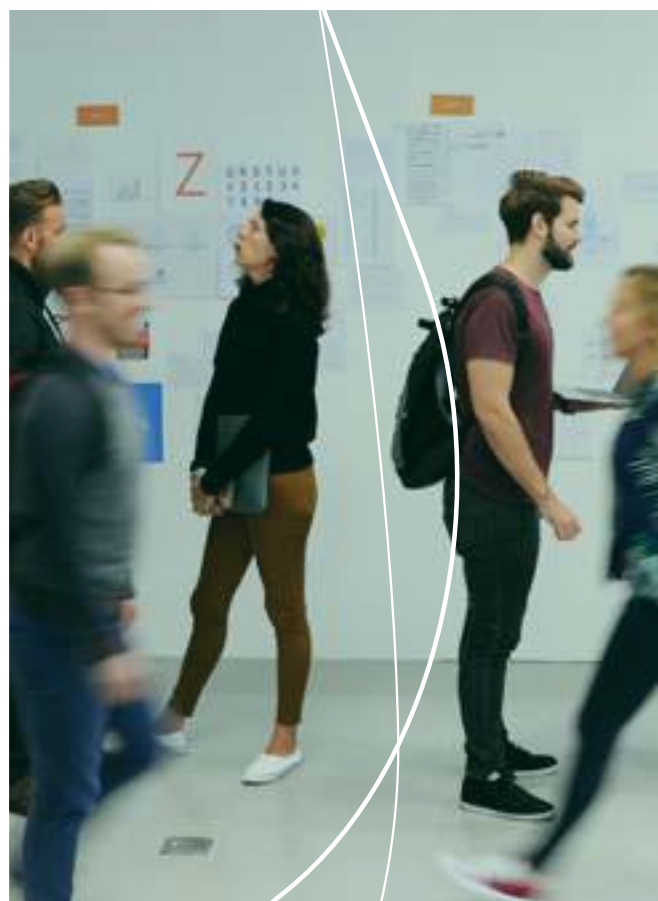
harm to human rights or involvement in human rights issues in general.

Our customers and the public may contact us or submit complaints at the email address info@epsilonnet.gr in order to be examined by the competent departments.

All complaints, including those related to human rights, are initially processed in accordance with the complaint receipt and examination procedure

D6 COLLECTIVE BARGAINING AGREEMENTS (C-S7)

In 2021 98% of the EPSILON NET Group employees was covered by the Collective Bargaining Agreement. Furthermore, no complaint or grievance related with forced labour issues has been recorded by the employee complaint management systems of the Group..

CBA	YES	NO
2021	98%	2%

D7 STAKEHOLDER ENGAGEMENT (C-S1)

The social sensibility and focus of our Group is not limited to the internal environment of its companies. We systematically discuss and cooperate with the Stakeholders, that are determined based on the impact of our business activity. We have proceeded to accurately map them and record our relationship with them. Stakeholders belong either to the internal environment of the Group (shareholders, employees, commercial network) or exist and operate in the external environment, Greek and international (regulatory authorities, mass media, local government, suppliers, partners, customers, central government, academic community, NGO).

Our Group is a living cell of the Greek Society and Economy and an integral part thereof. The interaction with our stakeholders is not a formal obligation but an activity of crucial importance and growth for the public, directly interested in our products or not.

Stakeholders	Two way communication	Priorities – Dialogue subjects
Shareholders	• Participation in investment forums • Scheduled Shareholder Meetings • Targeted Communication	Economic Development / Results, Management, Investment Plan, Strategic Options, Socio-economic Developments

Highlight:

In June 2021 we participated in the Hellenic Exchanges roadshow in the context of the 10th Greek Investment Forum in New York. We had the opportunity to discuss with 71 different investment funds and 112 fund managers in the USA, stimulating our extroversion and strengthening the trust of the international investment community towards our Group

Stakeholders	Two way communication	Priorities – Dialogue subjects
NGOs/Civic Organizations /Collective entrepreneurship associations	• Partnerships • Support • Meetings	Education & Volunteering, Health & Safety, Environment, Social Contribution

Highlight:

In 2021, despite the long period during which the measures for the prevention of the spread of the COVID-19 pandemic affected physical presence, our employees participated in voluntary blood donations and voluntary donations to the "The Smile of the Child". Furthermore, following an extensive round of discussions at the Group level and the respective maturity of the matter, we set the goal to collaborate with KEAN and sign the diversity chart in 2022.

Stakeholders	Two way communication	Priorities – Dialogue subjects
Commercial network	• Communication System • Trade conferences • Meetings with Sales Managers • Continuous provision of Information & Support	Corporate Governance, Transfer of Knowledge & Best Practices, Initiatives to Support Needs of Local Communities, Training on New Products & Services, Customer Service, Recycling, Goals and Environmental Awareness

Highlights:

Despite the huge difficulties of the new conditions of the COVID-19 pandemic and the difficulty of providing updates to the partners of our network, we continued to communicate frequently, providing training on the applications of our companies, seminars and presentations of important issues on market conditions and their relation to our products

Stakeholders	Two way communication	Priorities – Dialogue subjects
Academic community	• Support to Scientific Programs • Training course in collaboration with domestic and foreign institutions • Provision of software to domestic educational institutions.	Education, Innovation, IT, Accounting and Payroll Applications, CRM Applications

Highlight:

In the contest of our social and material contribution, the EPSILON NET Group enthusiastically supported the country's educational structures. In particular, it provided to 150 University Departments, Schools, Liberal Studies Centers, Vocational Training Centers, Legal Persons in Private and Public Law, 58 different software programs, for the purposes of direct training and practice of students.

Furthermore, we are able to communicate with the following stakeholders:

Stakeholders	Αμφίδρομη Επικοινωνία	Priorities – Dialogue subjects
Central/Local Government	• Meetings • Participation in Conferences /Seminars	Internet Security, Economic Development, Environment, Investments in Technology & Infrastructure, Support of Local Economy, Social, Cultural & Educational Institutions
Customers (Individuals – Companies)	• Customer Satisfaction Surveys • Customer Service Center • Online Communication • Complaints Hotline	Technical Issues for Products & Services, Quality of Service Telecommunication Charges
Mass Media	• Press conferences • Meetings • Press Releases & Presentations	Management, Financial & Commercial Results Regulatory Issues, Quality of Service, Infrastructure, Technology & Innovation, Social Contribution, Environmental Performance
Suppliers	• Business Visits • Continuous Updates & Support	Procedural Issues, Financial Issues, Timely Delivery, Safe Delivery Conditions for Employees
Regulatory Authorities	• Participation in Consultations • Participation in Research • Participation in Conferences	Network Infrastructure & Investments, Regulatory Obligations, Quality of Services & Servicing, Market - Competition, Business Continuity Issues
Employees	• Employee Opinion Survey • Internal Communication /ESS • Event Organizing • Benefits/ Training	Education, Health & Safety, Equal Equal Opportunities for Professional Development

D8 ⟩ SUPPLIER ASSESSMENT (C-S8)

EPSILON NET's supplier management has been enhanced with feedback on the conduct of each supplier to any department requesting the collaboration. Said feedback is continuous and is the result of a continuous and permanent assessment of the suppliers.

The Procurement Department relies on a specific assessment policy that examines the quality of the provided services and the financial offers. The assessment is part of the EPSILON NET Group's effort to continuously improve its products and services.

Before being included in the list of approved suppliers all new suppliers are assessed in terms of financial data (balance sheets, creditworthiness) and in terms of qualitative elements or elements of strategic importance. A review of said partnerships is conducted regularly in order to examine the validity of and update supplier data and to ensure their sufficiency.

D9 ⟩ PRODUCT QUALITY AND SAFETY (SS-S1)

We achieve our business goals within the framework of our policy *(https://www.epsilonnet.gr/content.aspx?id=4650)* opting for standard ISO 9001:2015 as an organizational, operation and documentation system, pursuing continuous improvement at all levels.

The key elements of the operation of the EPSILON NET Group companies are:

• Excellent internal organization of the company, with increased efficiency and performance;

• Monitoring of developments in the IT industry in search of new technology products in competitive prices from reliable suppliers, aiming to transfer the competitive advantages to customers;

• The commitment to accurately gauge and meet the customers' needs;

• The management's commitment to implement the ISO 9001:2015 standard;

• Excellent customer service.

For the aforementioned purposes the company prepares every year an action plan, setting the targets and the strategies for their achievement for the following years.

D10

LABOUR LAW VIOLATIONS - DATA SECURITY AND PRIVACY FINES (SS-S4 | SS-S5)

No monetary fines were imposed during the year as a result of legal proceedings related to labour law or data security and privacy violations.

D11

HEALTH AND SAFETY PERFORMANCE (SS-S6)

100% of the group's employees, employed with fixed term or permanent contracts, part time or full time, participates in the occupational health and safety management system. There were no incidents related to the indicator during the year (0%).

D12

CUSTOMER SATISFACTION - CUSTOMER GRIEVANCE MECHANISM (SS-S8 | SS-S9)

Excellent customer service constitutes an integral part of our mission. In this context we implement practices according to which we strive to receive feedback in order to intervene effectively with a willingness to self-improve where necessary.

An automated invitation to participate is sent daily to a random 30% sample of the customers that contacted the company (in the context of their support) and based on the replies we identify any cases that faced a problem with one of our services.

We do not examine this procedure only at the short term phase when the resolution of an issue is concluded. The results are reviewed and analyzed as a whole by company executives who draw conclusions regarding trends that emerge for our products from customer service.

E. GOVERNANCE

Corporate Governance aims at the responsible operation of the Group, the sustainability of its companies and the safeguarding of the interests of Shareholders and Stakeholders. EPSILON NET determines the strategy and develops the general directions, policies and principles that govern the operation of all subsidiaries. The company is structured in a manner that facilitates decision making and implementation in the context of the Group's strategy.

The EPSILON NET Group, following a decision of its Board of Directors taken on July 16, 2021, adopted the Hellenic Corporate Governance Code (HCGC) issued on June 2021, and decided the replacement of the then applicable Corporate Governance Code.

The HCGC has been prepared by the Hellenic Corporate Governance Council that is a recognized body in accordance with article 17 of Law 4706/2020 in combination with decision 916/07.06.2021 of the Board of Directors of the Capital Market Committee. The Hellenic Corporate Governance Code is adapted to Greek law and business reality and has been prepared based on the "comply or explain" principle, thus including matters that go beyond existing laws and rules.

E1 ⟩ BOARD COMPOSITION (C-G1)

The Board of Directors is responsible for the management and representation of the company, the management of its assets and the pursuit of its purpose in general. It deliberates in all matters related to the company, within the scope of the corporate purpose, excluding those that pursuant to the law or the articles of association fall under the exclusive responsibility of the General Meeting.

The Company's Board of Directors consists of individuals that meet the moral and reputation requirements and has a sufficient number of members and an appropriate composition that reflects the knowledge, skills and experience required for the performance of its duties, in accordance with the business model, the strategy and the sustainable development goals of the Group.

The Company ensures that the members of the B.o.D. are aware of and understand the corporate governance regulations of the Company, as established by Law, the Corporate Governance Code and the Business Ethics Code it implements.

The composition of the Board of Directors was established in the decision of the General Meeting dated 30/06/2021 as follows:

- **MICHOS IOANNIS,** *Chairman and CEO, Executive Director*

- **MANIS PANTELEIMON,** *Vice Chairman, Independent Non-Executive Director*

- **ANAGNOSTOU VASILIKI,** *Deputy CEO, Executive Director*

- **KOUTKOUDAKIS IOANNIS,** *Executive Director*

- **PRASSAS VASILEIOS,** *Executive Director*

- **MICHALOPOULOS PASCHALIS,** *Executive Director*

- **GRIMPELAS ANDREAS,** *Executive Director*

- **DASKALOPOULOU AIKATERINI,** *Non-Executive Director*

- **KARAMPINAS ELEUTHERIOS,** *Independent Non-Executive Director*

- **KOMNINOS NIKOLAOS,** *Independent Non-Executive Director*

The term of office of the members of the Board of Directors is four (4) years and the Chairman and CEO is an executive member of the B.o.D.

The Company ensures diversity and adequate representation of genders in its Board of Directors and in general it ensures equal treatment and equal opportunities as well as a collection of a wide range of skills and qualifications between the members of the Board of Directors.

Of all the members of the Board of Directors, 40% are non-executive members, 30% are independent & non-executive members & 20% are women.

During 2021, the Board of Directors met fifty-eight times. The participation rate of the members in these meetings was 92%.

During the meetings of the Board of Directors regarding the preparation of the Company's financial statements or with an agenda that included items the approval of which required a decision of the General Meeting with qualified quorum and majority in accordance with Law 4548/2018, the Board of Directors had quorum and the meeting was attended by at least two independent, non-executive directors.

The operation of the Board of Directors is supported by two Committees: The Audit Committee and the Remuneration & Nominations Committee, which were established in the meeting of the Board of Directors dated 30/06/2021.

E2 > THE COMMITTEES

The Board of Directors of EPSILON NET has two committees:

Audit Committee

The Audit Committee is a Committee of the Board of Directors, consists of three (3) non-executive members of the B.o.D., of which two (2) are independent and meet the independence requirements of article 4 of Law 3016/2002 and article 9 of Law 4706/2020.

The members of the Audit Committee are appointed by the Board of Directors and the Chairman of the Committee is elected by its members and is an independent non-executive member of the B.o.D. The term of office of the Audit Committee members is the same as the term of office of the members of the Company's Board of Directors. The Audit Committee conducted six (6) meetings during 2021.

The main responsibilities of the Audit Committee are the following:

- Monitoring of the statutory audit of the individual and consolidated financial statements of the Company;
- Monitoring of the financial reporting procedure;
- Monitoring of the effectiveness of the company's internal control, quality assurance and risk management systems;
- Provision of general directions to the Internal Control Department with regard to the scope of the work and the activities to be audited;
- Receiving information on a regular basis with regard to the progress of the Internal Control Department's work.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee consists of three (3) non-executive members of the B.o.D., of which at least two (2) are independent and meet the independence requirements of article 4 of Law 3016/2002 and article 9 of Law 4706/2020.

The Remuneration & Nominations Committee conducted six three (63) meetings during 2021.

The members of the Remuneration & Nominations Committee are appointed by the Board of Directors. An independent non-executive director is appointed as Chairman of the Committee. The term of office of the Remuneration & Nominations Committee members is the same as the term of office of the members of the Company's Board of Directors.

The main responsibilities of the Remuneration & Nominations Committee are the following:

- Submits proposals to the Board of Directors regarding the Remuneration Policy;
- Submits proposals to the Board of Directors regarding the remuneration that fall within the scope of the remuneration policy;
- Examines the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors;
- Identifies and suggests to the Board of Directors persons suitable to be appointed as members of the Board of Directors.

The following regulations are followed for the correct governance of the Group:

- Audit committee bylaws;
- Remuneration & Nominations Committee bylaws;
- New Company bylaws;
- Code of ethics and professional conduct

E3 > MATERIALITY (C-G3)

We discuss with Stakeholders or their representatives, without exclusions or discriminations and we recognize that they have a direct impact and influence on our sustainable development. During the materiality assessment process, we communicate with the Stakeholders in order to determine the most important issues concerning our business activity but also to register the response to their needs, concerns and expectation. .

EPSILON NET interpreting the guidelines and following an assessment of the materiality by the Board of Directors, provides the following table of material issues.
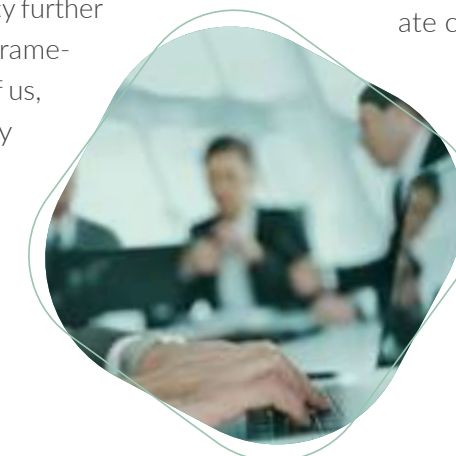
Material Topics	Limits within the Company	Limits outside the Company
Personal Data Protection	Company Shareholders Commercial Network	Regulatory Authorities NGOs / Civic Organizations Central Government / Local Government Customers (Individuals - Businesses) Academic Community Mass Media
Employee Health & Safety	Company Employees Shareholders Commercial Network	NGOs / Civic Organizations Mass Media
Secure Use of New Technologies	Company Employees Commercial Network	Regulatory Authorities NGOs / Civic Organizations Central Government / Local Government Customers (Individuals - Businesses) Academic Community Mass Media
Anti-corruption	Company Employees Commercial Network	Regulatory Authorities NGOs / Civic Organizations Central Government / Local Government Customers (Individuals - Businesses) Academic Community Mass Media
Prevention of Discrimination	Company Employees Commercial Network	NGOs / Civic Organizations Mass Media
Diversity and Equal Opportunities	Company Employees Commercial Network	NGOs / Civic Organizations Mass Media
Quality of Service	Company Employees Commercial Network	Customers (Individuals - Businesses) / Mass Media
Profitability	Company Shareholders	Mass Media
Procurement Practices	Company Commercial Network	Customers (Individuals - Businesses) / Suppliers

We envisage a renewed emphasis on consultation with Stakeholders in the next period, as part of our broad participation and close collaboration with Stakeholders.

E4 > BUSINESS ETHICS POLICY (C-G5)

Upon establishing the commitment to follow our principles and values, we deemed it necessary to reinforce the Internal Regulatory Conduct System at all levels, implementing a series of rules to be observed and respected at all levels.

The observation of the Ethics Policy further enhances the common principles framework that must be followed by all of us, regardless of sector and hierarchy level. It is an element that determines our corporate culture and ensures the health development of the Group and its members. It encourages behaviors based on business ethics and conduct best practices, compliant with applicable law on human rights, work conditions, environment and anti-corruption matters.

Its purpose is to provide decision making guidance in cases where dilemmas arise regarding the appropriate conduct and management of issues related to the principles and rules of business conduct.

We pursue compliance with the business ethics and conduct principles adopted by our Group for its relations with all our partners (e.g. supplier's and other external partners).

E5 > DATA SECURITY POLICY CUSTOMER PRIVACY (C-G6 | SS-S2)

The Management of EPSILON NET is committed to manage Information Security Management issues with the same responsibility and dedication it demonstrates to all the functions of the company. We believe that in this manner we maximize the benefits gained from the company's operation, for our customers and employees.

The regular operation of the organization and the performance of its activities absolutely depends on the unimpeded function of its IT systems and the security of the information they process.

The ever-increasing emergence of factors that can lead to a breach of Information Security and an interruption to the regular operation of the Organization makes it imperative to adopt best practices and measures in order to limit the probability of their occurrence.

For this reason, the Group has established an Information Security Policy that includes and describes:

- The technical security measures and the techniques followed for the protection of equipment, software, data, telecommunications and the proper use of the equipment and confidential information by the users;
- The organizational-administrative measures regarding the roles and responsibilities of employees and external partners;
- The physical security measures in the Organization's facilities.

The Information Security Policy was reviewed in 2028 in order to include full compliance with the European General Data Protection Regulation (GDPR) and complies with the international standard ISO 27001:2013. The Management provides its full support to the Information Security Management System in accordance with the aforementioned standard and in consultation with the employees it is committed to establish objective purposes and targets which will be reviewed regularly in order to always meet the specifications it has set.

The proper and secure operation of the Group's IT systems is based in the Group's 2 Data Centers in Pylaia, Thessaloniki and Melissia, Attica, that are ISO 27001:2013 certified.

The Group invests in new equipment of the latest technology and in modern software in order to ensure to the maximum extent the secure and uninterrupted operation of the computer systems. A comprehensive Business Continuity Plan has been prepared to ensure the Group's Business Continuity, which, in addition to the Group's 2 Data Centers, also provides for the use of Microsoft Azure cloud computing resources. To this end the Group has procured the required resources in Microsoft Azure.

The table below presents a brief image of the results of the implementation of the Information Security Policy in 2021, combined with the relevant targets for 2022.

2021 Targets	2021 Results	2022 Targets
Systems availability exceeding 99%	100% availability	Systems availability exceeding 99%
Protection against external cyber-attacks that can attack the Group's systems	No data breach incidents	Protection against external cyber-attacks that can attack the Group's systems
Creation of a new integrated ERP operation infrastructure for the Group's companies	Procurement of new modern equipment and installation and configuration of Galaxy ERP in the Datacenter of Melissia, Attica	Use of the new modern IT system by all the companies of the Group.

Furthermore, in 2021 there were no instances where user data was used for secondary purposes or requested by government or law enforcement authorities and no relevant fines were imposed.

E6 > BUSINESS ETHICS VIOLATIONS (A-G2)

In 2021 there were no financial losses attributed to business ethics violations. .

2021 Targets	2021 Results	2022 Targets
Zero incidents of corruption, unfair competition, anti-competitive behavior, antitrust and monopolistic practices. Full compliance with legislation and regulations in a social and environmental context. Enhancement of communication and training on anti-corruption policies and procedures.	Achieved 100%	Zero incidents of corruption, unfair competition, anti-competitive behavior, antitrust and monopolistic practices. Full compliance with legislation and regulations in a social and environmental context.

E7 > WHISTLEBLOWER POLICY (SS-G1)

The compliance with the letter and above all the spirit of the laws, institutional and monitoring rules and principles and market best practices constitutes an integral part of the corporate culture of EPSILON NET.

The Group has developed a Policy against Violence & Harassment in order to ensure that all its employees are able to work in an environment free of violence, unlawful harassment, discrimination and retaliation and will make every reasonable effort to ensure that the persons bound by the Policy are familiar with it and are aware that any grievance related to a violation of the Policy will be appropriately investigated and resolved.

The Policy categorically states that all forms of discrimination, violence and harassment during work, either related to or arising from it, are strictly prohibited.

In the context of this Policy, we encourage the reporting of all perceived incidents of discrimination, violence, harassment or retaliation, regardless of the identity or the position of the perpetrator and a procedure for the receipt & examination of complaints is established. Appropriate mechanisms for the performance of an unbiased, fair, prompt, thorough and objective investigation have been created on the basis of this Policy.

The complaints regarding conduct that constitutes a violation of this Policy are accepted in writing (anonymously or not) and are promptly and thoroughly investigated. The investigation may include personal interviews with the parties involved and, if necessary, with persons that may have observed the denounced conduct or may have other relevant information.

All evidence collected, in any form, is kept in a relevant file in compliance with the provisions of Law 4624/2019 and the Personal Data Protection Policy.

At a later stage we expect consultation and adoption of the European directive on Whistleblowing. In this event the applicable procedure may change.

E8 > CRITICAL RISK MANAGEMENT (SS-G2)

Risk management requires the determination of objective purposes that constitute the basis for the recognition of the most significant events that may affect the Company, the assessment of the relevant risks and the response of the Group's companies.

The risks from a fire in the building, risks created by an earthquake and risks created by other similar emergency situations are recognized as such. The foregoing is entered in the risk log.

The EPSILON NET Group of companies has established volunteer safety teams consisting of Group employees who receive specialized and continuous training in order to be able to respond to emergency situations and provide aid in said circumstances.

Moreover, in addition to the foregoing, the Group's Operations Department has prepared emergency instructions that have been notified to all employees working in the buildings of EPSILON NET Group companies, in order to maintain a high level or readiness and effectiveness in emergency response.

The instructions notified to employees are the following:

- Building evacuation instructions
- Instructions in case of earthquake
- Instructions in case of fire
- Instructions in case of flooding or leak
- Instructions in case of telephone threat

The Group, in the context of assessment, did not identify any critical risks related to accidents and emergencies that could cause significant environmental and external impact.

E9 > SYSTEMIC RISK MANAGEMENT (SS-G3)

Risk Management preparation is coordinated by the Group's Audit Committee. The four most important risks identified at the Group level during the most recent Risk Management review are the following:

- Changes to the Business Model
- IT Security
- Shortage of specialized personnel
- Negative change in the activity of major technology providers.

EPSILON NET
GROUP **SUSTAINABLE
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REPORT**

20**21**

EPSILONNET
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