

Sustainability Report

2020



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01 Introduction

- **Introductory Note**
- **Message from the Chairman**

Introductory Note

The Sustainability Report for the year ending 31 December 2020 is hereby presented by the Board of Directors of Cyprus Trading Corporation Plc (CTC or CTC Group or the Group). This report, which has been prepared by CTC (parent company), includes the subsidiary companies of the Group and accompanies the Group's annual financial statements. There are no separate Sustainability Reports by the subsidiaries.

The consolidated Sustainability Report of the Group includes the following companies:

CYPRUS TRADING CORPORATION PLC

Argosy Trading Company Ltd
Cassandra Trading Ltd
Artview Co. Ltd
CTC Automotive Ltd
CTC AutoLeasing Ltd

ERMES DEPARTMENT STORES PLC

C.W. Artopolis Ltd
Superhome Center (DIY) Ltd
Fashionlink S.A. *

WOOLWORTH (CYPRUS) PROPERTIES PLC

Cyprus Limni Resorts and Golfcourses Plc
Apex Ltd

** The information in the present Sustainability Report does not apply in its entirety to Fashionlink S.A. Where it applies, particular reference is made to the fact.*

Note: Since December 2020, HOB House of Beauty Ltd has ceased to be a member of CTC Group.

Message from the Chairman

2020 was marked by the Covid-19 pandemic, which resulted in unprecedented conditions. Our goals changed, placing the protection of the health of our people, our customers and our business partners at the top of our priorities. Our Group, reacting quickly and promptly, took a series of preventive measures upfront, which were meticulously implemented.

At the same time, our people had to deal with the immediate implementation of new operating methods, such as teleworking from home and teleconferencing and, in parallel, to face the new customer-consumer needs and expectations during the special market lockdown conditions. The upgraded use of technology and the flexibility and efficiency of our supply chain led to the effective management of this unpredicted and challenging situation.

It is important to note that the valuable contribution of our people has helped most of our operations to prove resilient to this crisis and to achieve operational results better than expected.

Superhome Center DIY, reacting quickly to the increased demand for DIY products launched its e-shop, which had a significant impact on maintaining the company's successful and profitable path. Pursuing the implementation of its strategic plan for further expansion, it opened a new store in Lakatamia, Nicosia, at the beginning of 2021. The increased demand for Argosy's products in the grocery retail sector covered for the losses incurred from the significant drop of the HORECA business due to the negative impact of Covid-19 on tourism. CTC Automotive enriched its world-known suppliers' portfolio with the French Michelin tyres and Total lubricants. Although the fashion retail sector has been hit the hardest by the pandemic, Ermes Group proceeded to

rebrand its department stores under the name ERA, a new concept for a unique customer experience, which will enable the company to successfully address the rapidly changing retail trends, with very encouraging results until today.

We have entered an ever-changing era with increased challenges. New consumer habits and needs, as well as the climate change, affect the way we operate as a business, but at the same time guide us in shaping our strategy. The diversity of operations of the CTC Group, the wide range of renowned products it handles, its market presence and customer service all over Cyprus, its structure and its management by competent and skilled professionals at all levels, allow us to face with confidence and optimism the challenges, and take advantage of new opportunities.

Having to face the multiple impacts of Covid-19 such as the health and safety issue, mandatory restrictions and lockdowns, dramatic drop in tourist arrivals, lack of liquidity in the market, as well as the changing consumer habits and needs, has prevented certain planned CSR actions from materializing. Nevertheless, at the beginning of 2021, we have conducted a new materiality survey among our stakeholders and updated the materiality issues of concern. Following that, we formulated our sustainability strategy based on five major pillars: Governance, Market & Products, Our People, Society, Environment, which are outlined in the following pages.

Demetris Demetriou, CTC Chairman
August 2021

02 **CTC and Business Sectors**

- **CTC Structure**
- **Brief History**
- **Vision, Values and Code of Business Conduct**
- **Strategic Direction**
- **Business Sectors**
- **Group Developments**

CTC Structure

Cyprus Trading Corporation Plc (CTC) is a leading Group, based in Cyprus, listed on the Cyprus Stock Exchange. N.K. Shacolas (Holdings) Ltd is the major shareholder with a controlling stake of 87%. It owns and controls a number of companies, each specialising in a specific industry. Three of them are also listed on the Cyprus Stock Exchange. CTC's diversity of operations, a key factor in the company's strength, is spread over five main business sectors:



DISTRIBUTION & LOGISTICS

Branded Fast Moving Consumer Goods, luxury cosmetics and fragrances

- Argosy Trading Company Ltd
- Cassandra Trading Ltd
- Artview Co. Ltd



RETAIL

Fashion, beauty, F&B, home improvement & DIY

- Ermes Department Stores Plc
- C.W. Artopolis Ltd
- Superhome Center (DIY) Ltd
- Fashionlink S.A.



AUTOMOTIVE & ENGINEERING

Passenger and commercial vehicles, heavy machinery, tyres, lubricants, photovoltaics, professional tools and lighting

- CTC Automotive Ltd
- CTC Autoleasing Ltd



PROPERTY DEVELOPMENT AND MANAGEMENT

Retail outlets, department stores, shopping malls, resorts, residential

- Woolworth (Cyprus) Properties Plc
- Cyprus Limni Resorts & Golfcourses Plc
- Akinita Lakkos Mikelli Ltd



INFRASTRUCTURE

Larnaka and Pafos airport terminal development and airport management

- Hermes Airports Ltd

Despite the diversity of activities, CTC remains effective in each category of investments and operations through an appropriate structure with autonomous teams of skilled professionals. Pursuing a strategy of alliances and partnerships with renowned international organisations has been fundamental to CTC's long-term success. The aim has always been a dynamic organization, able to create both economic and social value.

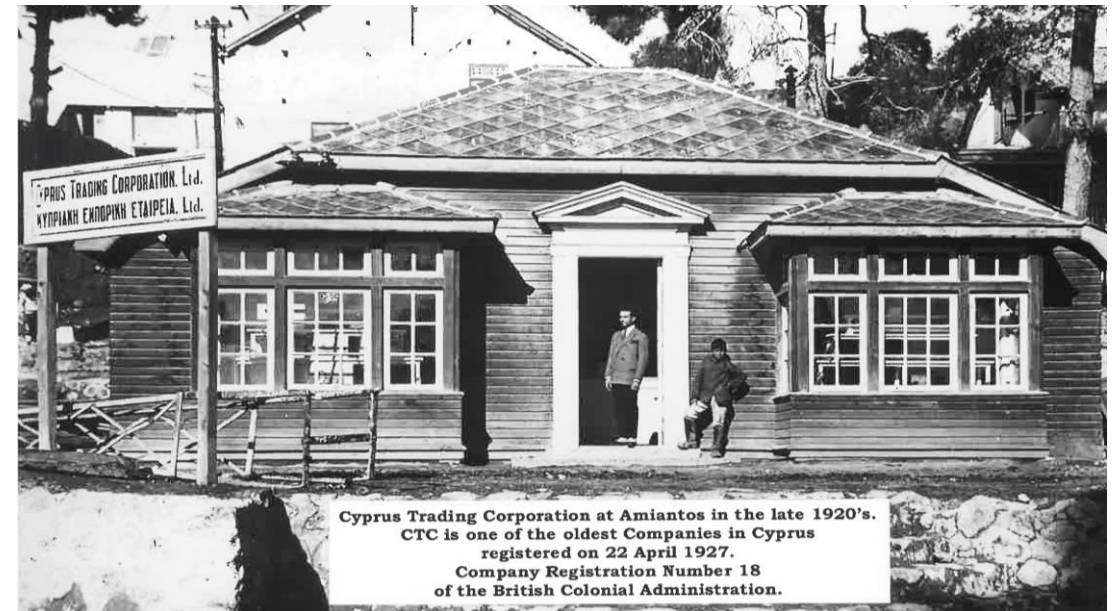
Brief History

CTC is one of the oldest active trading companies in Cyprus. It was registered in the British colonial government's Company Register on 22 April 1927, under the name Cyprus Trading Corporation Ltd, registration No. 18. In 1984, the company was bought by the Shacolas Group and gave its name to one of the Group's subsidiaries in 1989. In the same year, CTC was converted into a public company, and was listed on the Cyprus Stock Exchange on 29 March 1996. The majority shareholder today is N. K. Shacolas (Holdings) Ltd with 87%.

The history of CTC is directly linked to that of the Shacolas Group, which began operations in 1953 trading agricultural products. The Group thrived but suffered a major blow in 1974 due to the Turkish invasion. It was subsequently reactivated both in Cyprus and abroad and, through the establishment of new companies and the acquisition of others, became one of the leading and most diversified business organisations in Cyprus. It also had presence in England, Greece, Nigeria and Russia. In addition to its present commercial activities, CTC has also been involved, from time to time, in other sectors including insurance, telecommunications, the dairy industry, building materials, hosiery and paper processing, domestic appliances. Today, Cyprus Trading Corporation Plc is the parent company of subsidiaries operating in distribution and logistics, retail, automotive and engineering, property development and management. It is entrusted by many international suppliers to handle their well-known products in the Cyprus market.

On the initiative of its founder and first Executive Chairman, Nicos K. Shacolas, in 2000, the international consortium Hermes Airports Ltd was established to build and manage until 2031 the international airports of Larnaka and Pafos. CTC is the biggest Cypriot shareholder, with a stake of 11,34%.

Since the economic crisis of 2013, CTC has been implementing a deleveraging strategy to dispose mature investments and substantially improve its bank liabilities and liquidity, thus enabling the Group to further expand its core businesses.



Vision, Values and Code of Business Conduct

OUR VISION

To be leaders in all our operations and, in a spirit of partnership, to achieve continuous sustainable growth, enhancing value for customers, business partners, shareholders, our people and society.

OUR VALUES

- Integrity & Responsibility
- Respect
- Teamwork
- Effectiveness
- Continuous Improvement

CODE OF BUSINESS CONDUCT

The CTC Group's Code of Business Conduct (the Code) sets high standards of ethical and responsible business conduct, common principles and values, and determines how all its subsidiaries conduct their business. It is supported by policies and procedures that each employee should implement, thus protecting the reputation and interests of the Group, and shaping its culture.

The Code was completely revised, approved by the Company's Board of Directors and communicated to all employees in March 2021.

The Internal Audit Department is responsible for evaluating the compliance to the Code throughout the CTC Group.

Employees are encouraged to report any incident of non-compliance without fear of any repercussions.

Strategic Direction

The Board of Directors defines the Group's strategic direction, which is communicated to the Management of all subsidiaries. Based on this, each company forms its own strategy, defines key success factors, annual targets and budgets, which are approved by the Board of Directors. Following this, action plans and individual Key Performance Indicators (KPIs) are determined.

In March 2021, facing unknown ground and a questionable future, the following strategic direction had been decided:

1. Strengthen the Group's financial position

- Increase free cash flow generation.
- Increase profitability through improved margins and optimized cost base.
- Strict management of capital allocation.

2. Focus on growth of our core businesses

- FMCG – Argosy, Cassandra, Artview
- CTC Automotive
- Superhome DIY
- Ermes Fashion Retail

3. Enhance efficiency and effectiveness through investing in Human Capital

- Workflow optimization.
- Strengthen leadership qualities and capabilities.
- Transfer of knowledge.
- Target certification as a great employer.
- Talent management.

4. Exploit new opportunities for sustainable growth

- Digital transformation and innovation.
- Accelerate E-Commerce growth.
- Enrich further our portfolio with new green and healthy products.
- Follow targeted plan for energy saving and waste reduction.
- Constantly monitor customer satisfaction and experience.
- Listen to our Stakeholders and act upon their feedback.

Business Sectors

CTC operations are spread over five main business sectors through control of a number of companies presented here below in brief. Details can be found in www.ctcgroup.com

Distribution & Logistics

FAST MOVING CONSUMER GOODS (F.M.C.G.)

All operations relative to F.M.C.G. are based at the CTC National Distribution Centre (NDC), dealing mainly with: Food, Beverages & Household products, Tobacco, Cosmetics & Fragrances.



Food, Beverages & Household products

ARGOSY TRADING COMPANY LTD is the leading distributor to the grocery retail sector in Cyprus with a network reaching about 2000 outlets. It handles a portfolio of well-known international brands, most of which hold one of the top three positions in their respective category in terms of market share. Argosy is also a major supplier in the Food Service / HORECA business, directly servicing 1700 outlets.



Tobacco

CASSANDRA TRADING LTD is the importer and distributor of Philip Morris International cigarette brands and heated tobacco products. Cassandra is the leading tobacco distributor in Cyprus, covering directly more than 1800 outlets and managing the stand-alone IQOS stores.



Cosmetics and Fragrances

ARTVIEW CO. LTD is the importer and distributor of the Christian Dior fragrances, make-up and skincare in the Cyprus market. It also distributes and manages the Foreo luxury facial cleansing devices. Argosy, under contractual agreement, provides logistics, distribution and other services to the above brands, in addition to a wide portfolio of world-famous brands of luxury and premium cosmetics and fragrances.

Business Sectors continued

Retail



ERMES DEPARTMENT STORES PLC (Ermes) is the retail arm of the CTC Group. It is one of the most diverse retailers in Cyprus and is also listed on the Cyprus Stock Exchange.

It operates 63 stores, 5 of which in Greece, with over 60.000 sqm of retail space.

These comprise:

ERA Department Stores with Fashion, Beauty and Home departments



Fashion stand-alone stores: Armani Exchange, Navy & Green, Next, OVS, Springfield, Women'secret, Zako franchise stores

Beauty stores: Glow

F&B: Ergon Deli + Café, Ergon To Go, Venue Café

Home Improvement & DIY: Superhome Center

Business Sectors continued

Automotive & Engineering

CTC AUTOMOTIVE LTD deals with:

- **Vehicles:** Volvo saloon cars, Hyundai saloon cars and vans, Iveco vans, lorries, trucks and buses, Scania trucks and buses
- **Heavy machinery & photovoltaics:** Caterpillar earthmoving equipment, generating sets, marine engines, telehandlers, photovoltaics
- **Tyres:** Michelin, BF Goodrich, Riken
- **Lubricants:** Total
- **Professional tools:** Hilti
- **Lighting:** Philips, Philips HUE, interactPro, Wiz
- **Leasing:** passenger and light commercial vehicles



Business Sectors continued

Real Estate

WOOLWORTH (CYPRUS) PROPERTIES PLC, a company listed on the Cyprus Stock Exchange, is the property arm of the CTC Group. Owner of property in prime locations, Woolworth has been strategically involved in the development and management of projects such as shopping malls, department stores, retail outlets, resorts, residential. Its current assets include commercial property and plots of land for development in various parts of Cyprus.

CYPRUS LIMNI RESORTS & GOLFCOURSES PLC, a listed Company, is currently the owner of freehold land at the foothills of Troodos mountains, in the vicinity of Kinoussa village, Pafos district.



Infrastructure

HERMES AIRPORTS LTD is a consortium formed by a number of international and local companies to undertake the Cyprus government's 25-year contract for the construction and operation of Larnaka and Pafos airports, a BOT (Build, Operate, Transfer) project. Operations commenced on 12 May 2006 and will continue until 2031. The new Pafos and Larnaka airport terminals opened in November 2008 and 2009 respectively, offering world class facilities to millions of passengers annually. CTC is the biggest Cypriot shareholder with a stake of 11,34% and is represented at the Board of Directors.



Group Developments

Developments in 2020

- In January 2020 Ermes Group CEO resigned his position for personal reasons.
- The Annual General Meetings for 2019 scheduled to take place in February 2020 were postponed pending the completion of the DFAS agreement.
- Ermes Department Stores Plc rebranded its department stores to “ERA department stores” in March 2020.
- Coronavirus pandemic lockdown on 16 March 2020. Gradual reopening of stores started at the end of May 2020.
- Development of online business of Superhome Center (DIY) and Spar during lockdown.
- Store closures: Debenhams, Uber and Venue Café at the Mall of Engomi in Nicosia, Uber and Venue Café at the Mall of Cyprus in Nicosia, Next Pafos Bazaar, Wok to Walk in Larnaka and one IQOS store in Nicosia. It is noted, that in the case of closures, the Group policy is to transfer the employees involved, to other operations as far as this is possible.
- Next and OVS at the Mall of Engomi in Nicosia suspended temporarily their operations in March 2020, pending the renovation of the Mall.
- The pending DFAS transactions with the Bank of Cyprus and the Hellenic Bank were concluded in July 2020, resulting in further reducing the CTC Group liabilities by an additional amount of €119 million.
- On 1 November 2020 CTC Automotive Ltd announced the commencement of its collaboration with the Michelin Group to market the Michelin, BF Goodrich and Riken tyres in Cyprus.

Group Developments continued

Developments January–July 2021

- In February 2021, CTC Automotive announced the agreement with the French group TOTAL for the import, trade and distribution of TOTAL lubricants, in Cyprus.
- In February 2021, Mr. Marios Shacolas resigned his position as Executive Chairman and CEO of public companies Cyprus Trading Corporation Plc and Ermes Department Stores Plc. The Board of Directors of Cyprus Trading Corporation Plc and Ermes Department Stores Plc have appointed Mr. Demetris Demetriou, a long-standing senior executive of the CTC Group, as their Chairman. The General Management of Ermes Department Stores Plc has been undertaken by the Executive Vice Chairwoman, Mrs. Eleni Shacola. Mr. Christakis Charalambous replaced Mr. Demetris Demetriou as Chairman of the Board of Directors of Woolworth (Cyprus) Properties Plc.
- On 25th February, Superhome Center (DIY) Ltd opened its third store in Nicosia, and its sixth in Cyprus, at Lakatamia area, with a total space of 7.500 sqm.
- In March 2021, the Board of Directors of Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, appointed six of their members to form the CTC Management Board. Their task is to ensure and monitor the implementation of the strategy and decisions of the Boards of Directors, assess the risks and potential returns, overview the Group's operations and refer issues to the Boards of Directors.
- In March 2021, in the framework of Ermes strategy to rationalize its operations, the Era Central department store, in Nicosia, ceased operations and the building was handed over to the new owners for development.
- On 26th May 2021, the Annual General Meetings of the Shareholders of Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc for the years 2018 and 2019 were held via teleconferencing due to Covid-19 preventive measures.
- In June 2021, ERA Apollon department store closed temporarily to enable its full refurbishment.
- At the beginning of July 2021, the SPAR operations ceased following the decision of CTC Group not to continue its retail food and beverage operations, given that Ermes' sister companies Argosy and Cassandra are key suppliers of food and tobacco products to the retail trade. The SPAR store operations in Larnaka were sold.

03

Stakeholders and Sustainability Material Issues

- Methodology for Identifying Sustainability Material Issues
- Sustainability Strategic Pillars
- Measuring our Performance

Methodology for Identifying Sustainability Material Issues

The process of materiality analysis was carried out in accordance with the guidelines of the Global Reporting Initiative (GRI): Stakeholder Inclusiveness, Completeness, Sustainability Context, Materiality. For the preparation of our 2020 Sustainability Report, we have carried out, at the beginning of 2021, a materiality assessment which reviewed the material issues identified in 2017. A number of workshops were held, with the participation of employees from various companies and departments of the Group. This process was managed by specialist consultants on sustainability and corporate responsibility. Its stages are presented here below:



SUSTAINABILITY ISSUE IDENTIFICATION

We identified, grouped and ranked the Group Stakeholders. We reviewed and updated the existing material issues, taking into consideration current material issues for the Group, the business environment, Stakeholders' demands and expectations, social and environmental trends and constraints.



MATERIALITY ANALYSIS AND PRIORITISATION

We ranked the material issues, determining their importance for the Group and its Stakeholders. The findings were then confirmed by a survey among internal and external Stakeholders. Following this survey, material issues of a similar nature and impact were consolidated.



DEFINITION OF THE DESIRED STATE, STRATEGY AND OBJECTIVES

The most important materiality issues were clustered into five strategic pillars: Governance, Market & Products, Our People, Society, Environment. Based on our current state in relation to the material issues, we set objectives and goals to reach the desired state.



ACTION PLANS

We determined priorities and developed action plans for each sustainability pillar, which are being followed up and updated every year. These action plans are presented at the end of each section of this report. The Materiality, Strategic Priorities and Action Plans were approved by the Group Sustainability Committee and the Board of Directors.



SUSTAINABILITY REPORT

The Report is compiled and approved by the Group Sustainability Committee and the Board of Directors.

Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders

The table below presents the main Stakeholders of the Group, listed in no particular order, as determined by the methodology for the identification of sustainability material issues. It also shows the various channels of two-way communication.

Through constant communication with the Stakeholders, we adjust our corporate objectives and improve our products and services, responding at the same time to the needs and expectations of the society in which we operate.

Stakeholders	Two-Way Communication	CSR Issues
Employees	<ul style="list-style-type: none"> Training workshops and seminars HR surveys Internal meetings Annual appraisal and feedback meetings Events HR newsletter Announcements and emails 	<ul style="list-style-type: none"> HR Management, Performance and Motivation Health Safety & Well-being in workplace Education and Training Labour practices Data security and integrity Diversity and Equal Opportunity Human Rights Job Security Harassment and Bullying Technology & digitalisation

Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders continued

Stakeholders	Two-Way Communication	CSR Issues
Shareholders	Annual Reports Annual General Meetings Through Board Members appointed as Shareholder Liaison Officers Website Cyprus Stock Exchange Cyprus Securities and Exchange Commission Online platforms	Customer / consumer satisfaction HR Management, Performance and Motivation Financial performance Risk management Clear strategic direction Data security and integrity Compliance Community investment Economic impact on society Corporate governance Anti-money laundering Anti-corruption Green operations & products Climate change Waste management Energy management Technology & digitalisation Operational effectiveness & process standardisation

Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders continued

Stakeholders	Two-Way Communication	CSR Issues
Trading Customers	<ul style="list-style-type: none"> Meetings and continuous feedback Complaint management Sales Marketing, advertising, social media Customer satisfaction surveys Questionnaires Training 	<ul style="list-style-type: none"> Data security and integrity Technology & digitalisation Supply chain management Food safety Customer / Consumer satisfaction Quality of products and services Responsible marketing Anti-competitive behaviour Consumer health and safety Green operations & products Management of environmental issues
Consumers	<ul style="list-style-type: none"> Customer satisfaction surveys Complaint management Reward scheme Media and social media Advertising and promotional activities Sales monitoring Website 	<ul style="list-style-type: none"> Customer / Consumer satisfaction Quality of products & services Trading practices Consumer health and safety Data security & integrity Responsible marketing Green operations & products Management of environmental issues Technology & digitalisation

Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders continued

Stakeholders	Two-Way Communication	CSR Issues
Board of Directors	Meetings Questionnaires	Human Rights Anti-competitive behaviour Anti-corruption Anti-money laundering Financial performance Data security and integrity Technology & digitalisation Compliance Corporate governance Quality of products and services Health, safety & well-being in the workplace Responsible marketing Economic impact on society Community investment
Management	Internal meetings and announcements Annual appraisal and feedback meetings Training workshops and seminars Events HR surveys 180° Feedback system	Customer / consumer satisfaction Quality of products and services Human rights HR management, performance & motivation Financial performance Technology & digitalisation Health, safety & well-being in the workplace Consumer health & safety

Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders continued

Stakeholders	Two-Way Communication	CSR Issues
Suppliers	<ul style="list-style-type: none"> Meetings and continuous communication Training / support Questionnaires Business agreements 	<ul style="list-style-type: none"> Human rights Supply chain management HR management, performance and motivation Education and training Labour practices Anti-corruption Customer / Consumer satisfaction Green operations & products Technology & digitalisation
Society	<ul style="list-style-type: none"> Surveys Media and social media Announcements / press releases Website Events 	<ul style="list-style-type: none"> Labour practices Compliance Anti-money laundering Data security and integrity Technology & digitalisation Community investment Economic impact on society Anti-competitive behaviour Consumer health & safety Climate change

Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders continued

Stakeholders	Two-Way Communication	CSR Issues
Government	<ul style="list-style-type: none"> Official announcements Monitoring of laws and regulations Meetings and negotiations Inspections Letters Online platforms 	<ul style="list-style-type: none"> Compliance Economic impact on society Labour practices Anti-money laundering Anti-competitive behaviour Food safety Data security and integrity Technology & digitalisation Climate change Diversity and equal opportunity Harassment & bullying Health & Safety
Media	<ul style="list-style-type: none"> Daily media monitoring Press releases Press conferences / interviews Group media spokesperson Invitations to participate in group events 	<ul style="list-style-type: none"> Compliance Economic impact on society Community investment Labour practices Anti-competitive behaviour Data security & integrity Technology & digitalisation Trading practices Responsible marketing Anti-corruption Management of environmental issues

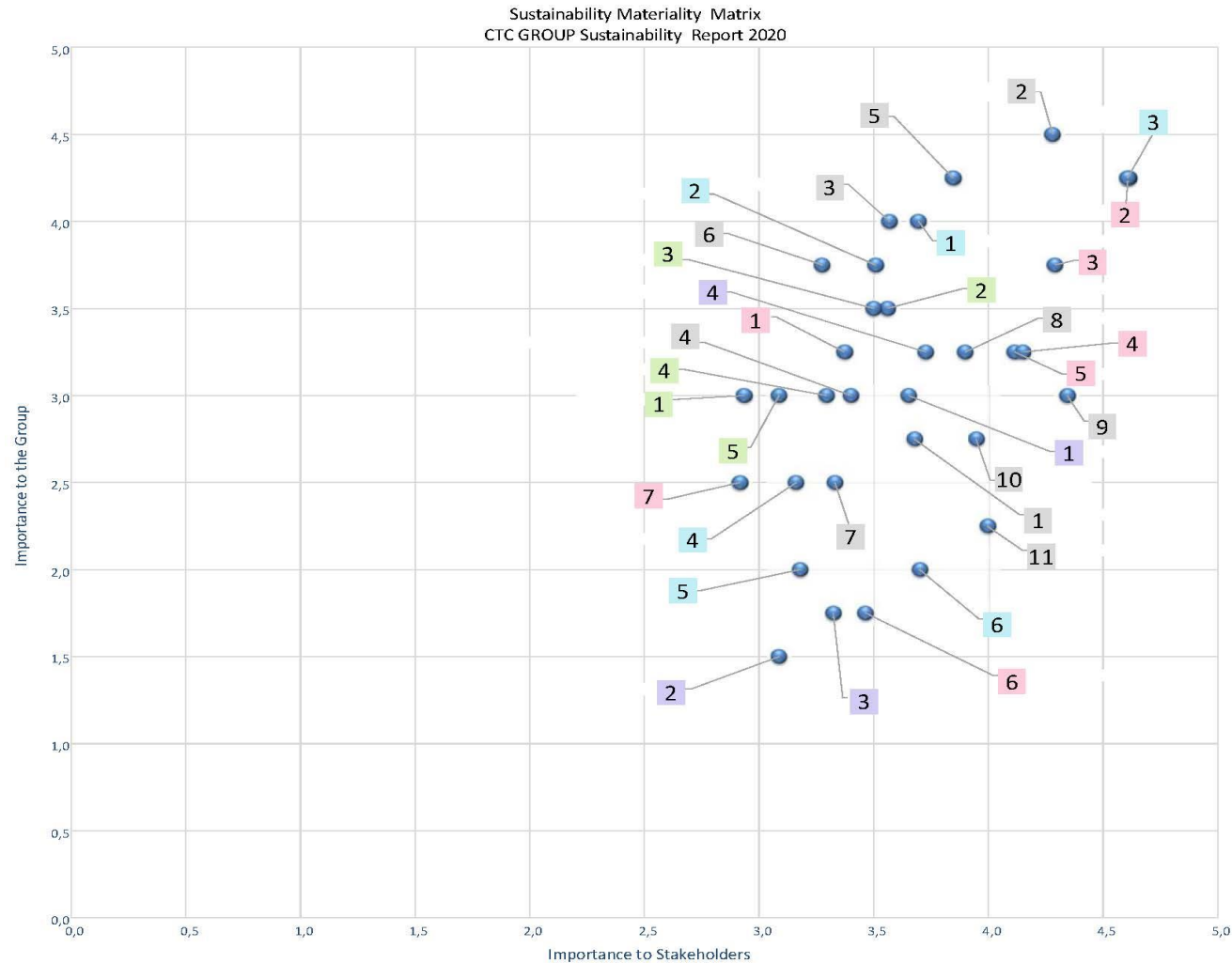
Methodology for Identifying Sustainability Material Issues continued

Communication with Stakeholders continued

Stakeholders	Two-Way Communication	CSR Issues
Associations and other organised bodies	<ul style="list-style-type: none"> Meetings Correspondence Website Announcements 	<ul style="list-style-type: none"> Compliance Economic impact on society Community investment Labour practices Anti-competitive behaviour Trading practices Food safety Management of environmental issues Customer / consumer satisfaction Anti-money laundering Health, safety & well-being in the workplace

Methodology for Identifying Sustainability Material Issues continued

Sustainability Materiality Matrix



This matrix determines the most important issues for the Group and for its Stakeholders.

Governance

1. Corporate Governance
2. Financial Performance
3. Trading Practices
4. Operational Effectiveness & Process Standardization
5. Technology & Digitalisation
6. Risk Management
7. Anti-corruption
8. Data Security & Integrity
9. Compliance
10. Clear Strategic Direction
11. Anti-Money Laundering (AML)

Market & Products

1. Supply Chain Management
2. Consumer Health & Safety
3. Customer/Consumer Satisfaction
4. Food Safety
5. Quality of Products & Services
6. Anti-Competitive Behaviour
7. Responsible Marketing

Our People

1. HR Management, Performance & Motivation
2. Education & Training
3. Health, Safety & Well-being in the Workplace
4. Diversity & Equal Opportunity
5. Job Security
6. Harassment & Bullying

Society

1. Economic Impact on Society
2. Community Investment
3. Human Rights
4. Labour Practices

Environment

1. Climate Change
2. Management of Environmental Issues
3. Green Operations & Products
4. Energy Management
5. Waste Management

Sustainability Strategic Pillars

The CTC Group sustainability strategy is summarised as follows:

- Five strategic pillars and issues covered as shown on this page
- Indicators that measure our performance
- Objectives, action plans and commitments




Governance

- Corporate Governance
- Financial Performance
- Trading Practices
- Operational Effectiveness & Process Standardisation
- Technology & Data Management



Market & Products

- Supply Chain Management
- Addressing Health & Safety
- Satisfying our Customers



Our People

- Managing our People
- Education & Training
- Health, Safety & Well-being in the Workplace



Society

- Economic Impact on Society
- Community Investment
- Human Rights



Environment

- Climate Change
- Management of Environmental Issues
- Green Operations & Products
- Energy Management
- Waste Management







Measuring our Performance

Implementation stage indicators

To assess our effectiveness, we have adopted performance indicators for each of our strategic pillars and issues with objectives, to enable us monitor our performance and progress.

In the following sections, we describe how material issues are managed and we note the main initiatives and actions we are planning to implement. The symbols in the table show the current stage of implementation.

The objectives and actions are regularly updated and adjusted.

Symbols indicating action implementation stage	
Symbol	Implementation Stage
	New commitment
	Commitment not started
	In progress
	Completed
	Ongoing commitment with no end date
	New due date






Measuring our Performance continued

UN Sustainable Development Goals





In 2015 the UN set up 17 Sustainable Development Goals (SDGs) to serve as a "blueprint to achieve a better and more sustainable future for all", by the year 2030. The relevance of our strategic priorities to these goals is shown in each of the sections that follow.






SDG Relationship Matrix

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
Relevance to Strategic Priorities							
	1.1 1.2			●			All employees of the Group are paid at least the salary provided by national labour laws.
	2.3		●		●		The Group selects suppliers and local products, including food producers, boosting agricultural productivity and local small businesses.
	3.8			●			<p>The Group offers its employees all the privileges they are entitled to by law, e.g. social security, breaks, annual leave, proper working hours, etc., ensuring access to quality basic healthcare services and access to medicines.</p> <p>The Group also offers attractive benefits and practices for all employees which contribute towards the creation of a positive and healthy working environment, taking into account work-life balance. An attractive benefits package is available to all employees, on either part-time or full-time basis.</p> <p>In addition to the benefits package, the Group also provides psychological support services to employees, or members of their families, if needed, free afternoon and flexible working hours.</p>
	4.3			●			The Group encourages its employees to obtain academic or professional qualifications at educational institutions and cooperates with universities. It provides seasonal training programs to its employees every year, giving access to affordable and quality technical, vocational and higher education, including university education. To this end, it has a special sponsorship scheme in place, by which course fees are partly or fully subsidised by the company. The Group also invests in the training of newly hired employees.





SDG Relationship Matrix

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
Relevance to Strategic Priorities							
	5.1 5.C	●		●			<p>Any form of sexism, racism, and discrimination is not tolerated by the Group, thus ensuring the enforcement and monitoring of equality and non-discrimination on the grounds of gender, giving in addition equal opportunities for promotion and recruitment.</p> <p>The Group implements equal opportunity in all its activities and safeguards the right of all employees to work in an environment free of any kind of discrimination, unequal treatment and harassment. A CTC Code Against Harassment and Sexual Harassment is also implemented overseen by an Equality Committee.</p>
	6.3 6.4					●	<p>Through the proper and responsible environmental management of the Group's liquid waste from its operations, the Group indirectly contributes to the improvement of water quality, reducing pollution and the percentage of raw wastewater it produces.</p> <p>The Group aims at the continuous reduction of water consumption from its operations, through water saving systems and awareness of staff and guests, ensuring that water consumption is sustainable, reducing the impact of water scarcity.</p>
	7.3		●			●	<p>Aiming to increase energy efficiency, the Group focuses on the creation of energy efficient buildings and the reduction of gas emissions, contributing to the global effort of organizations to improve energy efficiency.</p> <p>The Group is also offering a full range of residential, commercial and large-scale turnkey photovoltaic solutions, with cutting-edge solar modules.</p>




SDG Relationship Matrix

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
Relevance to Strategic Priorities							
	8.7 8.8			●	●		<p>The Group opposes child labour and does not employ anybody under the age of 16. It also avoids cooperating with suppliers who employ minors. With regard to the sourcing of products from third countries, an on-site visit takes place before any agreement is signed, in order to ensure that working conditions are acceptable.</p> <p>Protecting labour rights and promoting safe and secure working environment for all employees is a priority of the Group. Health & Safety measures are taken for the protection of all members of staff and visitors on Group premises. Employees are also systematically trained to minimize any risks.</p>
	9.4		●	●		●	<p>Aiming to increase the efficiency of resource use and the adoption of clean and environmentally friendly technologies, the Group seeks to upgrade its infrastructure and retrofit its facilities to make them sustainable, creating more energy efficient buildings, to continuously reduce the consumption of chemicals, to reuse and to use printing paper more efficiently as well as upgrading the lighting to LED, which have a longer lifespan.</p> <p>Also, the Group promotes green and sustainable products in the market, such as a full range of residential, commercial and large-scale turnkey photovoltaic solutions, LED Lighting, electric cars, clothes made of sustainable materials, such as recycled fibres or organic cotton / linen / wool fibres which are produced without the use of harmful chemicals, pesticides and insecticides and reduced water consumption.</p>

SDG Relationship Matrix

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
Relevance to Strategic Priorities							
	10.2	●		●			<p>The Group promotes equality, considering all candidates regardless of race, religion, culture, gender, skin, sexual orientation, age or disability, language and background.</p> <p>Regarding harassment and sexual harassment, an updated CTC Code Against Harassment and Sexual Harassment was published in 2018. Furthermore, an Equality Committee was set up comprising members at Group and company level, with the purpose to address all forms of discrimination and harassment.</p>
	11.6					●	<p>The Group contributes to the overall reduction of the environmental impact of cities, paying particular attention to air quality, through the reduction of carbon dioxide emissions, and its waste management, through recycling. The Group’s fleets mostly consist of low-emission and lower fuel consumption vehicles, ensuring efficient fuel consumption and general reduction of GHGs, as well as compliance with relevant environmental legislation.</p>
	12.5 12.6	●	●			●	<p>In order to contribute towards achieving the environmentally sound management of chemicals and all wastes throughout their life cycle, the Group implements environmental policies. It also ensures the purchase of products which meet quality, safety and health criteria, as well as the proper management of the waste generated.</p> <p>Non-conforming products and waste created in the warehouses of the Group (e.g. packaging) are handled through the application of the waste hierarchy approach, giving top priority to preparing waste for re-use, recycling and recovery.</p> <p>The Group is implementing a sustainability strategy, has established a sustainability governance committee, and is publishing a sustainability report according to global standards.</p>

SDG Relationship Matrix

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
Relevance to Strategic Priorities							
	13.3					●	<p>In addition to professional and personal development, the Group upgrades the training programs it provides to raise the awareness of its employees on climate change and environmental management.</p>
	16.2 16.5 16.6 16.7	●		●	●		<p>(16.2) The Group respects the rights of the children and complies with international laws on child labour, contributing to the end of abuse, exploitation, trafficking and the fight against all forms of violence and torture of children.</p> <p>(16.5) The Group complies fully with the relevant law on preventing and combating money laundering. At the same time all actions relating to bribery and corruption are strictly prohibited at every level.</p> <p>(16.6, 16.7) CTC is listed on the Alternative Market of the Cyprus Stock Exchange (CSE). Through the CTC Code of Business Conduct, all employees commit to apply the highest possible standards of transparency and ethical business conduct and not violate relevant laws and regulations. CTC Group applies voluntarily the Corporate Governance Code in order to safeguard the shareholders' best interests.</p> <p>The Group places great emphasis on giving equal opportunities for promotion and does not tolerate any form of sexism, racism and discrimination ensuring an inclusive business environment.</p>

04 Sustainability Strategic Pillars

- Governance
- Market & Products
- Our People
- Society
- Environment

Governance



Corporate Governance



CTC is listed on the Alternative Market of the Cyprus Stock Exchange (CSE), where the adoption of the Corporate Governance Code is not compulsory. However, the Board of Directors, recognising the importance of having proper and prudent management, as well as continuous safeguarding of the Shareholders' interests, has adopted voluntarily the Corporate Governance Code. The Code is also applied by the CSE listed subsidiaries of CTC, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc. The Board of Directors is responsible for ensuring that the Corporate Governance Code is adhered to.

The various committees of the CTC Board of Directors are presented here below in brief. Additional information is available in the Annual Financial Statements of CTC and its subsidiary Groups, Ermes and Woolworth.

All three of these public companies are governed by their own Board of Directors and have their own relative committees, which are presented in the section "Management Report on Corporate Governance" of their Annual Reports.

Board of Directors

CTC is governed by a 9-member Board of Directors, four of whom are executive and five are non-executive. Two are independent. There are seven men and two women. At every Annual General Meeting, one third of the members of the Board of Directors with the longest period of service, as well as those appointed after the last Annual General Meeting, resign, with the right to be re-elected.

Management Board

In March 2021, the Board of Directors of Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, appointed six of their Directors to form the CTC Management Board. Its main task is to ensure and monitor the implementation of the strategy and decisions of the Boards of Directors, to assess the risks and potential returns, to refer issues to the Boards of Directors and to overview the Group's operations.

Board Committees

Members of the Board of Directors also form the following committees:

- **Nominations Committee**

Responsible for recommending to the Board of Directors, new Board members for appointment.

Corporate Governance continued



- **Remunerations Committee**

Responsible for submitting recommendations to the Board of Directors regarding the content and level of the Executive Directors' remuneration, as well as the terms of the relevant employment contracts. Non-Executive Directors' remuneration is determined at the Annual General Meeting.

- **Audit and Risk Committee**

Responsible for matters relative to the services provided by the External and Internal Auditors. These include confirmation of Auditors' independence, matters relating to accounting treatments, review of significant transactions that may lead to conflict of interest, preparation of the Management Report on Corporate Governance with the help of the Compliance Officers responsible for the Code. It also identifies and reports critical enterprise risks to the Board and oversees the monitoring of these risks for the benefit of the shareholders.

The Internal Audit Department, in the context of its independence, reports directly to the Audit and Risk Committee on administrative and operational matters. It assists the Group to achieve its objectives by applying a systematic and structured methodology in order to assess and improve the Risk Management and Internal Control Systems. It also monitors compliance with the Corporate Governance Code by each company.

Other Committees

In addition to the above, the following committees exist at Group level:

- **Group Finance Committee**

Responsible for monitoring and evaluating the financial and cash flow situation of the Group companies and the effective management of their financial resources, for maintaining contacts with the financial institutions with which they cooperate, for implementing International Financial Reporting Standards and for monitoring tax-related matters.

- **Central Recruitment and Remunerations Committee**

Responsible for the recruitment and remuneration of senior management, as well as the monitoring of the implementation of recruitment and remuneration policies and procedures regarding all other employees. Its purpose is to ensure that the Group employs and retains the best human capital possible relevant to its business needs and to maximise its potential.

- **Central Purchases and Procurement Committee**

Responsible for implementing policies and procedures for non-operational purchases by the Group, ensuring the greatest value for money in all transactions. It promotes transparency and trust in the Group's relations with business associates, reinforcing at the same time corporate governance.

Corporate Governance continued

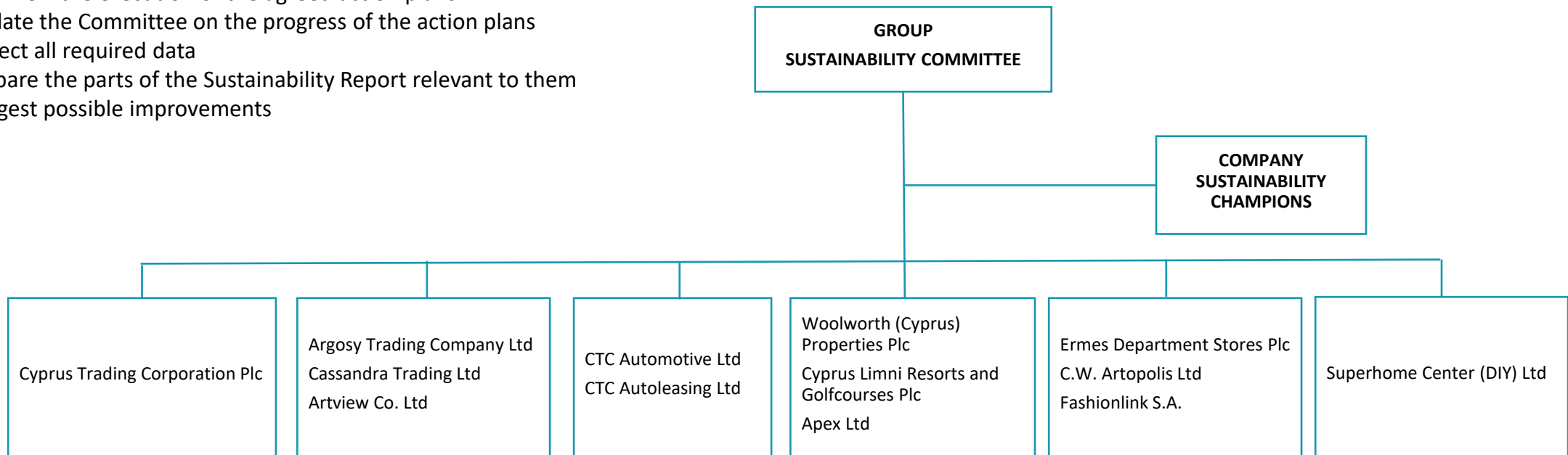


Sustainability Governance

The Management Board of CTC and the Group Sustainability Committee have the overall responsibility for the development and implementation of strategy.

At company level, the Sustainability Champions in collaboration with each company's top management are responsible to:

- Promote sustainability strategy aiming to create the relevant culture
- Overview the execution of the agreed action plans
- Update the Committee on the progress of the action plans
- Collect all required data
- Prepare the parts of the Sustainability Report relevant to them
- Suggest possible improvements



Financial Performance



2020 was a difficult year for the Group with reduction in sales performance of 6.6% because of Covid-19 pandemic, control measures and lockdowns of operations. However, the Group with its diversified operations has managed to weather the downturn. When retail operations were closed and consumers were very wary of socializing, FMCG operations have seen a significant uptick in performance. DIY retail business has also fared well and increased its sales performance as consumers stayed at home and were seeking home improvements. Lastly, the support measures provided by the Government of Cyprus have significantly helped to ease the impact of Covid and maintain job positions during this difficult time.

In addition, in 2020, the Group has managed to complete the last leg of its deleveraging through disposal of properties as per its agreement with Bank of Cyprus and Hellenic Bank and has achieved a further debt reduction of €77m, with an additional €40m to follow upon completion of certain conditions. As a result of these transactions though, the Group has parted with income from these properties of about €2 million.

Despite the above, and following the completion of the agreement with Bank of Cyprus, CTC Group reported a profit of €20.4m in 2020.

More details can be found in the CTC Annual Financial Statements.

Trading Practices



We always aim at the leading position of the business sectors that we are active in. We believe in a free market and healthy competition. We operate with integrity and responsibility in line with ethical business practices and comply with the rules and regulations of the country and the relative policies and procedures of the CTC Group. The CTC Code of Business Conduct guides our actions, while we also adopt the high standards of business practices of a great number of renowned multinational suppliers with whom we cooperate.

CTC Group applies voluntarily the Corporate Governance Code in order to safeguard the shareholders' best interests (see page 37).

Anti-Money Laundering (AML) and Anti-Corruption

Through their financial departments, CTC companies comply fully with both the letter and the spirit of the law on preventing and combating money laundering. All actions relating to bribery and corruption are strictly prohibited at every level.

Responsible Marketing

CTC Group implements practices for transparency, ethics and responsible advertising and carries out its promotions in an honest and unambiguous manner. It also contributes towards the creation of the relevant culture through our participation in the relative Bodies (see page 44).

Anti-Competitive Behaviour

We apply the principles of fair competition and comply with the Protection of Competition laws and regulations. We do not collaborate with competitors with the intention of restricting the free market.

Compliance

The Group Internal Audit Department is responsible for monitoring compliance with the laws and regulations, Group policies and procedures and the CTC Code of Business Conduct. It acts independently and reports, on both administrative and operational matters, directly to the Audit and Risk Committees of the Group's listed companies.

Legal issues are handled by both in-house and external legal advisors. Compliance with the Code of Corporate Governance is monitored by the appointed Compliance Officers.

Employees are encouraged to report suspicious cases and concerns without fear of repercussions.

Trading Practices continued



Risk Management

Covid-19 Crisis

The Covid-19 pandemic began to show its first signs around the world at the end of 2019. With the start of the new year, the problem was exacerbated and in March 2020 a lockdown was imposed in Cyprus, which had a catalytic impact on people's daily lives, the economy and the society at large. Preventive measures are still in force today, as the problem continues, and the duration of the pandemic is still unknown.

Reacting quickly, as required by the emergency conditions, a crisis management team was formed to assess the coronavirus pandemic and a Group emergency Covid-19 plan was drafted. Our primary concern was to protect our employees, customers and collaborators, and to safeguard our business continuity.

Our Group took a series of preventive measures, upfront, even stricter than the provisions of the government health protocols, which were meticulously implemented, coordinated by the Human Resource Department in collaboration with the Health & Safety Officers.

The crisis management team closely monitored the situation and views were constantly exchanged with the Cyprus Employers and Industrialists Federation and the Cyprus Chamber of Commerce & Industry.

IT Departments had to face the challenge of unprecedented high demand for technological support to employees due to working from home, teleconferencing, and customers' higher expectations for online shopping.

Control Mechanisms

CTC implements mechanisms to identify and evaluate operational, financial and technological risks, through Corporate Governance, the Audit and Risk Committee, Internal Audit, the Code of Business Conduct, the Authority Levels Matrix, policies and procedures.

It is important to note that the Group engages in diverse activities, operations and investments and deals with a large number of associates and suppliers, consequently spreading risk.

Potential risks are identified, assessed and evaluated annually. Management develops contingency plans to minimise their impact. The Group delegates and coordinates essential risk management duties to various functions within the organization in order to achieve an effective risk management system:

- The operational managers of each company are responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis, in an effort to mitigate risk which might derive from the goals and objectives of the company.
- The Chief Financial Officer of each company monitors financial risks and reporting issues, and facilitates and monitors the implementation of effective risk management practices by operational managers.
- The Internal Audit function provides an independent and objective assessment of all the elements of the risk management and internal control system.

Trading Practices continued



The Group maintains an Internal Control System to ensure the greatest possible protection of shareholders' investments and Group assets. The Internal Audit Department, in collaboration with the Management of Group companies, identifies, records and prioritizes the risks relating to the three main groups of CTC: Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc.

The results of this exercise are presented to the Audit and Risk Committee of each company, on an annual basis, as part of the formulation and approval of the annual audit plan.

The main risks of the Group are:

- Significant reliance on foreign suppliers
- A highly volatile retail sector
- Fluctuations in real estate prices
- Uncertainty in the tourism sector
- Financial risks

- Other non-financial risks relating to operations, compliance, legislation and loss of reputation
- Risks arising from the economic environment in Cyprus where the Group mainly operates
- Intense competition
- Lack of liquidity in the Cyprus market
- Environmental risks
- Political risks
- Health & Safety
- Delays in the Supply Chain

The Group implements procedures through the committees listed below, with the aim of reducing operational risks as noted in the section on Corporate Governance (p. 38):

- Group Finance Committee
- Central Purchases and Procurement Committee

Trading Practices continued



Membership in various Bodies and Associations

- Cyprus Employers and Industrialists Federation - Board of Directors member.
- Cyprus Chamber of Commerce & Industry (CCCI).
- District Chambers and Business Associations linking Cyprus to other countries, under the auspices of the CCCI. Board of Directors member of Nicosia Chamber of Commerce & Industry (NCCI).
- Intercontinental Group of Department Stores (IGDS), the biggest department store association in the world.
- Efficient Consumer Response (ECR) Cyprus - One of the founder members, with the aim of improving cooperation among retailers, suppliers and manufacturers for the provision of better and more competitive products to consumers.
- Cyprus Advertising Regulation Organisation (CARO) which relates to implementing practices for transparency, ethics and responsible advertising.
- CSR Cyprus, a non-profit, non-governmental organisation for Corporate Social Responsibility, member of CSR Europe.
- Also, among others: the Cyprus Union of Retail Businesses, the Cyprus Commercial Representatives Association, the Cyprus Land & Property Owners Organization, the Cyprus Advertisers Association and the Motor Vehicles Importers Association.



Photo shooting of members of staff at Group premises, featuring clothes from Era Dpt Stores, for the 2021 annual calendar.

Operational Effectiveness & Process Standardisation



The Management Board of CTC defines the Group strategy, which is communicated to the Management. Based on this strategy, the Management of each company specifies annual targets and budgets, following a common procedure which is completed with the approval of the Board of Directors. These consequently determine the individual Key Performance Indicators (KPIs) of employees.

Given the diversification and size of the Group, the standardisation of processes and written policies and procedures are very important in achieving optimum operational effectiveness. Over and above each company's own processes, there are common procedures, policies and manuals that are implemented by all companies of the Group, such as the Authority Levels Matrix, the HR Manual and the Code of Business Conduct.

The following services exist at Group level benefiting all Group companies:

- Financial
- Legal
- Human Resources
- Public Relations
- Property Management Technical Services
- IT infrastructure and network
- Internal Audit

At company level, procedures are constantly assessed and updated in line with prevailing circumstances. For example, at Ermes Department Stores Plc, the operational processes relative to the rebranding of the department stores have changed at the beginning of 2020. At Superhome Center (DIY) Ltd, work on standardising and improving procedures has been almost completed. At Argosy Trading Company Ltd, a number of processes and procedures were updated during the implementation of the new ERP Dynamics NAV 2018 and BI solution.

CTC GROUP ISO CERTIFICATIONS	
ISO Standard	Certified Companies
22000:2005 Food Safety Management System (in the process of upgrade) 22000:2018 Food Safety Management System	C.W. Artopolis Ltd Argosy Trading Company Ltd
9001:2015 Quality Management Systems	CTC Automotive Ltd
14001:2015 Environmental Management Systems	Argosy Trading Company Ltd

Technology & Data Management



Technology & Digitalisation

We are constantly investing in new technologies, upgrading our IT systems, aiming to increase our efficiency and productivity, provide better service to our suppliers, commercial customers and consumers, as well as ensure our infrastructure security.

In order to better utilise the technologies available in today's constantly changing world, the Group has partnered with Microsoft in implementing cloud technologies which will gradually enable it to digitise its processes, significantly reduce the use of paper, increase responsiveness and speed of communication, allow self service of employees and other stakeholders in communicating and getting information quickly.

Significant investments in security infrastructure and solutions have been implemented aiming to improve our security policies and strengthen adherence to international standards and minimise cyber threats. Next generation perimeter firewalls have been implemented during the year with the ability to scan and analyse network traffic for faster and preemptive threat recognition. In addition, we continue to educate all employees on how to be alert for cyber security best practices and organisation security policies.

As electronic security threats continue to be on the rise and as the Group implements its digital transformation process, a need has been identified where, with the use of Artificial Intelligence, potential malicious code and software will be automatically scanned and potential threats shall be automatically quarantined and isolated to protect further contamination.

We are planning the implementation of Data Encryption on all Databases for our business applications to further protect the personal data of our customers and business associates and eliminate any unauthorised access on data, outside our protected data center environment.

Technology & Data Management continued



Data Security & Integrity

Through specific procedures, CTC Group has always been enforcing Personal Data Protection measures. Following the implementation of the General Data Protection Regulation (GDPR), which came into force in May 2018, actions were taken in an ongoing process towards full compliance. Efforts to raise awareness on personal data protection issues have been reinforced throughout the Group. In this context a Data Protection Officer (DPO) was appointed.

The Group also hired specialist consultants in both legal and IT matters, for the purpose of recording and assessing personal data collection, management and storage processes. As a result, gaps were identified and an action plan was put in place, which was completed in 2019. Training on personal data protection was received by all employees through a specially produced video.

A GDPR Committee was appointed to monitor the assessment and compliance project. The Committee, composed of representatives from all the key related Group functions (Finance, Legal, Human Resource, IT, Internal Audit), holds regular meetings on issues relating to personal data protection. Furthermore, the team was reinforced with an employee who, on a full time basis, managed the implementation phase of the action plan in liaison with company representatives across the Group and assists in the drafting / implementation of policies and procedures.

The procedure for dealing with customer complaints on personal data protection was one of the first to be put into place. Since the enforcement of the GDPR, inclusive of the year 2019, the companies of the Group have not been subject to any fine or other penalty in relation to a data breach.

Action Plan – Governance



ISSUE	OBJECTIVE	ACTION	TIMETABLE	PROGRESS
Trading Practices	<ul style="list-style-type: none"> Full compliance with legislation and regulations 	<ul style="list-style-type: none"> Continuous employee training on laws and regulations related to their duties 		
Operational effectiveness and process standardisation	<ul style="list-style-type: none"> Evaluation and improvement of current procedures and standardisation of common processes across the Group 	<ul style="list-style-type: none"> Recording of procedures at the Superhome Center (DIY) Ltd 	<ul style="list-style-type: none"> 2018/19→2020 	
	<ul style="list-style-type: none"> Clear and effective communication of strategy 	<ul style="list-style-type: none"> Supervision of the ways of communicating the Group strategy, as stated in the KPIs setting procedure 		
Technology & Data Management	<ul style="list-style-type: none"> Continuous upgrading of the Group IT infrastructure with the aim of maximizing security and productivity 	<ul style="list-style-type: none"> Creation of a Group Energy Efficient Data Centre in accordance with the latest technological specifications and requirements Centralisation of the Group IT systems Creation of a Disaster Recovery Site Certification with ISO 27001 standard for Data Security Management Implementation of Office 365 system in all companies 	<ul style="list-style-type: none"> 2017/21 2019/21→2022 2019/22 2019/21→22/23 	
		<ul style="list-style-type: none"> Implementation of Data Encryption of Databases Implementation of threat analysis and self containment using Artificial Intelligence Implementation of new ERP Dynamics NAV 2018 and BI solution at Argosy Trading Company Ltd Upgrading of salesforce automation and new mobile handhelds at Argosy Trading Company Ltd 	<ul style="list-style-type: none"> 2018/19→2021→2022 2019/21→2022 2019→2022 2021 2021 	

- New Commitment
- Commitment not started
- Completed
- In progress
- Ongoing commitment with no end date
- New due date

Market & Products



Photo shooting of members of staff at Group premises, featuring clothes from Era Dpt Stores, for the 2021 annual calendar.

Supply Chain Management



Managing the social, environmental and financial impact of the supply chain is a business practice that is being recognized as a fundamental aspect of corporate responsibility. The management of sustainability issues concerning the supply chain is key to maintaining brand integrity and Group reputation. Covid-19 pandemic lockdowns brought about new consumer habits and demands. Our supply chain has proved flexible and ready to manage effectively unpredictable and challenging situations.

Procurement Policy

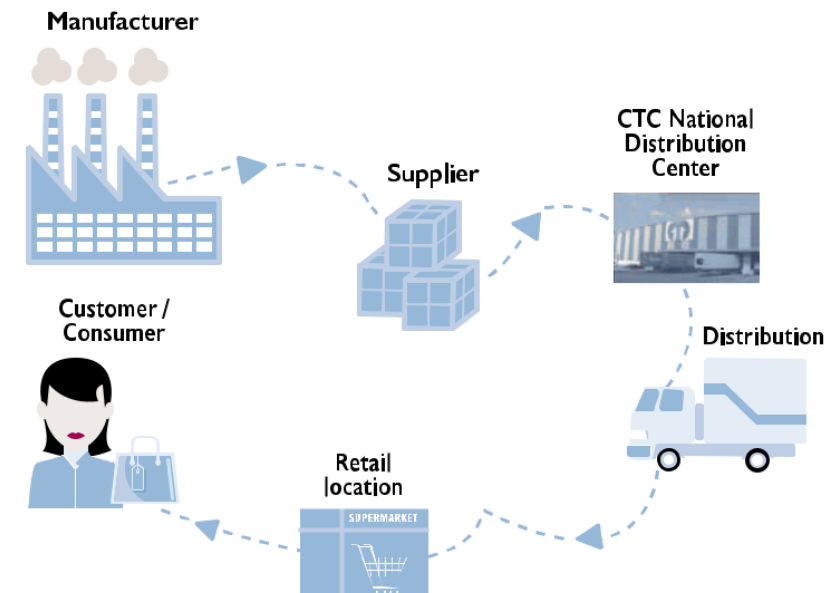
The selection and evaluation of suppliers is based on commercial criteria, as well as on social and environmental criteria. Suppliers are evaluated not only for the quality of their products (e.g. through sampling), but also on other criteria such as their working environment and their compliance with legislation regarding production and premises.

When selecting products, we promote well-known brands recognised for their excellent quality. Most of our suppliers are well - known multinational companies.

With regard to the sourcing of products from third countries, an on-site visit takes place before any agreement is signed, in order to ensure that working conditions are acceptable.

Procurement Planning

Planning and monitoring of existing supplies is important for minimizing any waste of resources and ensuring the high quality of products. To achieve this, the correct stock level must be ensured. This is based on product type, expiry dates, fashion trends, seasonality, consumer preferences and technology advances. Orders are placed by taking into account existing stock, pending orders, forecasted sales, the reserve / safety buffer and suppliers' supply chain parameters, including product lifecycle. The shorter the lifecycle is, the greater the frequency of orders. Continuous replenishment ensures the freshness of the product and the alignment with fashion trends.



Supply Chain Management continued



In 2020, Covid-19 pandemic and lockdowns changed drastically consumer habits and demands and caused shortage of raw materials, with immediate effect on procurement planning and market supply. The increase in demand for certain products, especially dry food, disinfectants and consumables relative to hygiene, was global and caused delay in the execution of orders from suppliers, which affected the availability of these products in the market. At the same time, Argosy had to increase the number of delivery routes to critical points of sale. On the other hand, lower demand for certain products, like clothing, had an adverse effect on sales turnover.

In parallel, the increased use of e-commerce forced us to develop and provide relative services to satisfy customer demand.

Logistics – CTC National Distribution Centre

Upon receiving the products in our warehouses, we check the quantity, the quality, labeling and expiry dates. Nonconforming products and all waste created in the warehouse (e.g. waste packaging) are placed in a dedicated area where they are handled according to the legislation, through the application of the waste hierarchy approach. Waste hierarchy ensures that we give top priority to preventing waste, whereby waste is firstly prepared for re-use, then recycling and then recovery. Only the remaining waste goes to disposal. In case

of damaged goods, the return policy varies according to type of product and terms of agreement with the relative supplier.

Products are received and stored according to suppliers' specifications and standards, to ensure optimal quality for the consumer and to minimize product losses. Technology in the storage areas maintains all information and data required for each product.

Amongst all product categories, food related products are the most sensitive and highly impactful, both environmentally and financially. Therefore, they are handled with utmost care to ensure high product quality and to minimize potential impacts. There are four different temperature-controlled zones: frozen, chilled, air-conditioned, ambient, also available in the fleet of more than 70 commercial vehicles .

Technology enables the preparation of orders with the First Expire First Out (FEFO) system, as well as the recall of a specific batch from the market. In the clothing, cosmetics and accessories sections, the First In First Out (FIFO) system is used. In addition, technology enables voice picking in food storage areas and work is carried out without the use of paper. At the same time, the various temperatures are recorded and all doors remain closed.



Supply Chain Management continued



Health & Safety

Health and safety is also important for our operations, ensuring that working conditions for our staff meet the highest standards. In the warehouse areas, there are specific roles and responsibilities and, based on risk assessments, employees use the necessary safety clothing and warehouse equipment.

In 2020, special safety measures were taken:

- Temperature control at the entrance of all buildings
- Provision of appropriate protective equipment for personnel protection especially for the front-line personnel
- Introduction of shifts in the warehouses
- Critical areas and equipment were cleaned and disinfected at the end of each shift
- Relocation of staff to other buildings
- Work from home
- Placement of stock in multiple storage areas

There is a defined cleaning and disinfecting schedule as well as pest control for all installations and outdoor spaces. Detergents and disinfectants used are compatible to the products. The cleaning products are stored in separate areas.

Fleet

The companies' fleets consist of low-emission and lower fuel consumption vehicles, ensuring efficient fuel consumption and general reduction of GHGs, as well as compliance with relevant environmental legislation.

To ensure that the relevant Health and Safety practices are in place, drivers are trained in the use of tachographs and on road safety. Products are loaded onto vans and trucks in accordance with their storage requirements. In the case of Argosy, text messages are sent in case of temperature problems.

Product traceability

Systems used in the supply chain of our CTC National Distribution Centre encode all products and enable immediate traceability in case a recall is required for any reason.



Photo shooting of members of staff at Group premises, featuring clothes from Era Department Stores, for the 2021 annual calendar.

Addressing Health & Safety



Customer / Consumer Health & Safety

For the management of Health & Safety issues, we implement appropriate systems in compliance with legal requirements. For more information see section “Health & Safety Management Systems” (p. 72).

In 2020, the Covid-19 pandemic forced us to take additional measures for the protection of our customers. Among others:

- Risk assessments were revised to include the coronavirus pandemic.
- All government protocols were meticulously implemented by all employees in all premises.
- Informative banners were placed at the entrance of all stores.
- Personal protective equipment, like face masks and shields, gloves, antiseptics, were available at numerous locations for both customers and employees.
- Temperature control of customers was carried out at all entrances.
- At CTC Automotive Ltd, UV fog disinfectant machines were provided to all showrooms and workshops for vehicle disinfection for every test drive and after sales service, respectively.

In 2020, we had no incidents of noncompliance with any regulations concerning health and safety for any of our 48 product and service categories.

Food Safety

The Group considers the provision of safe food as a professional necessity and ethical obligation. It has a food hygiene and safety policy in place, which sets out basic principles and objectives for continuous improvement.

Argosy Trading Company Ltd has upgraded its Food Safety Management System, based on the requirements of the operating framework and on the requirements of internal and external stakeholders, and is now certified by ISO 22000:2018. C.W. Artopolis Ltd is certified by ISO 22000:2005 and is in the process of being upgraded.

The objectives of the ISO 22000:2018 management system are:

- To increase customer confidence by implementing more stringent procedures for offering our customers safe and healthy food.
- To identify and address potential risks and threats, and act proactively through continuous improvement.
- To comply with legal requirements.

These objectives are achieved through the:

- Evaluation and monitoring of suppliers (quality systems) and products purchased.
- Continuous training of staff to ensure professional competence.
- Continuous monitoring of compliance with the ISO 22000:2018 system.
- Establishment of appropriate personal hygiene measures.
- Continuous upgrading of company infrastructure and technology.

Satisfying our Customers



Customer / Consumer Satisfaction

Customer and consumer satisfaction is of utmost importance. We focus on ensuring the offering of high quality and innovative products and services. Based on market trends and customer preferences we identify areas of improvement, consequently enriching our offering, achieving higher levels of service and further improving our customers' satisfaction and experience.

Responding to modern nutrition trends and the new lifestyle that shape our diet, we have added to our range, plant based, gluten-free, non genetically modified (GMO), healthy food products rich in protein, suitable for vegetarians and vegans.

In the field of fashion, we provide in our stores collections that are designed around the use of more sustainable materials with less impact on the environment, such as recycled fibres or organic cotton / linen / wool fibres which are produced without the use of harmful chemicals, pesticides and insecticides.

Our automotive and engineering operations, aligned with the new trends for clean energy, promote green and sustainable products in the market. A new department has been introduced, called CTC Smart Energy, which aims to provide high-quality solutions related to energy savings and energy efficiency. Within the department's areas of activity are lighting, photovoltaics, charging stations for electric vehicles and battery energy saving systems. Charging

stations have been installed in our Nicosia Hyundai and Volvo showrooms. The rest of our showrooms and service centres in other cities will follow.

CTC Automotive Ltd, in their effort to further raise customer satisfaction levels is planning the expansion of its Limassol service center for passenger vehicles, spare parts and Hilti products.

Covid-19 lockdowns brought about new consumer habits and demands. Our supply chain has proved flexible and ready to manage effectively unpredicted and challenging situations. Over and above the increased demand for food products and disinfectants, we had to respond to the unprecedented demand for online purchases. Within a few days, we managed, with hard work and team spirit, to proceed with the service and execution of email and telephone customer orders for DIY, beauty products and kids' clothing. Moreover, the customer order pick up service was developed, whereby all purchases were handed to customers outside the premises. In parallel, the online personal shopper concept was introduced in our fashion stores. Superhome Center (DIY) stores and Spar supermarkets fully developed and implemented their e-commerce. Ermes Department Stores is in the process of completing its own e-commerce for fashion and beauty products.

Satisfying our Customers continued



Reward Scheme

Ermes Group customer reward scheme, “Unique by Ermes”, offers rewards and privileges to the Ermes customers and increases customer engagement. The scheme has a dynamic 3 tier reward system, with rewards increasing according to transactional behaviour. It is also personalized, as it follows each customer’s behaviour and offers ad hoc treats and rewards.

The scheme covers a variety of product categories, such as fashion, cosmetics, home improvement and DIY, in numerous different stores operated by the Group. Participants in the scheme are retail profiles and brands such as ERA Department Stores, Armani Exchange, Next, OVS, Navy & Green, Zako, Glow Beauty, ERGON, Superhome Center.



Customer / Consumer Complaint Management

Consumer complaints which have to do with FMCG are handled by Argosy’s Market Development Department through a structured procedure.

Complaints are submitted via telephone or email, either directly from the consumers or from the supermarkets where the consumers bought the product from. There is immediate contact with the relevant departments of the Company and, if necessary, with the supplier. According to the procedure and depending on the nature of the complaint, within two days latest from the reporting of a complaint, a reply must be provided to the consumer / customer who made it. All complaints are recorded and audited.

In the Group stores, customers may report a complaint verbally or in writing, either to the Customer Service Desk, or to a member of the store management team. If the problem cannot be resolved there and then, it is forwarded to and dealt with by the person responsible for complaint management at the company Head Office, within two days latest.

After sales complaints in our automotive operations are being handled either by the Brand Manager or the After Sales Manager. Customers may also contact the supplier directly. In such cases, the complaint is dealt with in collaboration with the supplier.

Some complaints are reported on the websites and social media. They are monitored by the Marketing Departments of the companies and forwarded to the person responsible for resolving them.

Weaknesses have been identified in certain companies in terms of monitoring complaints in a structured way, as well as initiating feedback from customers. It is our intention to address these issues during 2021.

Satisfying our Customers continued



Surveys

Some companies of the Group use market surveys, customer and / or product surveys to gain knowledge of current trends and customer / consumer views in order to identify areas of improvement and achieve service excellence. These surveys are either conducted especially for us or are obtained from specialist organisations. In addition, internal surveys are carried out, such as through follow-up calls and online questionnaires.

During 2020, because of Covid-19 pandemic and frequent lockdowns, our primary focus was to ensure the health and safety of our people and business continuity. As a result, most surveys were postponed. It is evident that conducting market and customer surveys will be on top of our agenda within the next twelve months since customer demands and expectations deriving from the pandemic have shifted considerably.

Product Return Policy

Customers / consumers of the Group stores are informed of the product return procedure, which varies according to product type. As regards trading customers, each company has its own product return procedure, which is communicated to them.

Quality of Products & Services

As a rule, CTC imports quality products only, from reliable manufacturers and suppliers. Thereafter, we do our utmost to safeguard quality until the products reach the final customer / consumer. With the support of technology and company procedures, this is achieved through an efficient supply chain management, maintaining the right warehousing conditions, also extended to the distribution vehicles, as well as traceability in the market. More information can be found on pages 50-52.

CTC is constantly striving to upgrade the quality of its services by:

- implementing certification standards
- continuously training its people
- maintaining an efficient customer complaint management
- monitoring feedback from our customers through various surveys

Satisfying our Customers continued



**BUSINESS
OF THE YEAR**

Superhome Center (DIY) Ltd, member of the CTC Group, was awarded the “Business of the Year” award at the “In Business Awards 2020” ceremony, held at the Hilton Nicosia on June 30, 2021.

The “In Business Awards” is an annual event which recognizes local personal and business success, highlighting long-term professional entrepreneurship. The winners are selected through voting by both the people and the Selection Committee.

The award is an indication of people’s recognition of Superhome Center as a business that has demonstrated outstanding growth and achievement in 2020, a particularly difficult year, due to the coronavirus pandemic and lockdowns.

During the last 22 years, Superhome Center has been the pioneer in the field of DIY & Home Improvement. It features 6 stores, the largest chain in its sector in the Cyprus market, more than 60.000 products in 19 specialized categories and an online store, demonstrating excellent customer service and cooperation with employees and suppliers.

The award was received by the General Manager of Superhome Center (DIY) Ltd, George Giovanni, who in a short speech, stated that “success is not measured by what you have achieved, but by the resilience and courage you have shown in the battle against adverse situations”. He expressed his warm thanks to the people who honoured Superhome Center with their vote, as well as to all the company’s employees for their effort in satisfying customer needs.



Action Plan – Market & Products



ISSUE	OBJECTIVE	ACTION	TIMETABLE	PROGRESS
Supply Chain Management	<ul style="list-style-type: none"> Timely availability of products to customers / consumers 	<ul style="list-style-type: none"> Completion of the Warehouse Management System (WMS) in Ermes for Zako stores Integration and Completion of the Imports and Stock Management Systems for Ermes Implementation of Warehouse Management System (WMS) at Superhome Center 	<ul style="list-style-type: none"> 2018 2018→2021 2019→2020 	Cancelled
Addressing Health & Safety	<ul style="list-style-type: none"> Food safety 	<ul style="list-style-type: none"> Update the Food Safety Management System and be certified with ISO 22000:2018 <ul style="list-style-type: none"> Argosy Artopolis 	<ul style="list-style-type: none"> 2020/21 	
Satisfying our Customers	<ul style="list-style-type: none"> To be Choice No. 1 	<ul style="list-style-type: none"> Conducting customer / consumer satisfaction surveys at regular intervals evaluation of the findings and application of corrective / improvement measures - procedures, services and products Implementation of e-commerce by Superhome Center (DIY) Ltd Implementation of e-commerce by Spar supermarkets Expansion of CTC Automotive Limassol service center for passenger vehicles, spare parts and Hilti products Ermes Department Stores e-commerce for Beauty products Improve procedure of customer complaints monitoring 	<ul style="list-style-type: none"> 2020 2020 2023 2021 2021 	





Our People

Photo shooting of members of staff at Group premises, featuring clothes from Era Dpt Stores, for the 2021 annual calendar.

Managing our People



HR Management, Performance & Motivation

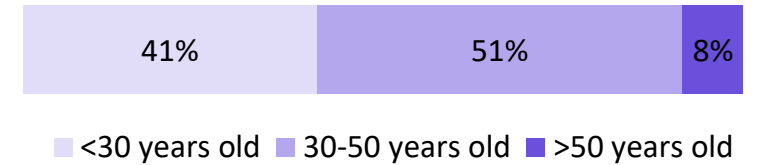
CTC Group is one of the biggest employers in Cyprus with about 1.900 employees (2020). Our concern is to provide a working environment in which each individual is treated with respect and is given equal opportunities to advance within the Group, through transparent, fair and objective processes.

Our strategic approach for the management of our people is based on the action plan that was drawn up, following the specialist Human Resources study, conducted in 2016 in collaboration with external consultants. This action plan is dynamic and is being continuously updated so as to be in line with the latest developments of the Group and the market in general.

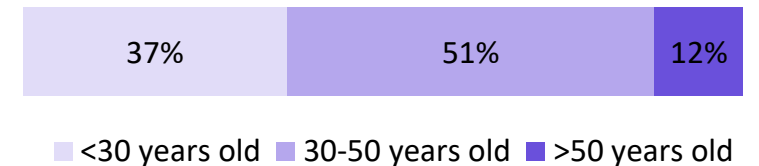
During 2020, CTC Group, like many other companies worldwide, faced unprecedented conditions arising from the Covid-19 pandemic. Consequently, priorities regarding people management changed, and focus was primarily on health and safety measures, frequent communication and support and ultimately job retention.



HIRES



TURNOVER



Note: The employee turnover rate includes resignations, retirements, dismissals, redundancies and other (expiration of contract, death). Fashionlink S.A. included.

Managing our People continued



Supporting our People During Lockdowns

During lockdowns, our priority was to secure a safe working environment, a coordinated effort of the Human Resource Department in collaboration with the Health & Safety Officers and the IT Department. Where possible, our people were given the opportunity to work from home, while in our offices, stores, warehouses and service centres additional measures were taken to safeguard their health. The main challenges were to keep our employees engaged and in a positive mood, and at the same time to guide them to do their best, especially those working remotely. Employees working at the frontline during the Easter period lockdown, which was the first extended lockdown, put up a brave effort to continue to meet the needs of our customers. They were personally thanked and rewarded with gift vouchers. Over and above, each employee was entitled to shift ten days of 2020 annual leave to 2021 (instead of usually five maximum).

Frequent communication with our employees was our absolute priority throughout 2020. The HR Department provided timely, correct and continuous information regarding all measures taken by the government in relation to Covid-19. It issued directives, sent encouraging messages and shared advice through memos and videos, including how to take care of physical and mental health, how to work from home effectively, how to prevent cyber-attacks due to the extensive use of technology.

In mid 2020, as part of our continuous effort to open new lines of communication, we launched the HR newsletter, titled *“The HR Department informs you”*. This newsletter, which is now being published every two months,

provides a brief look at issues such as Group achievements and policies, information on new stores, products and services, tips on health and safety, new hires. It also gives the opportunity to employees to share their experiences, e.g., the experience of working at home with kids.

The HR Department also provided guidance to managers on how to manage performance during the pandemic, boost employee engagement and support and inspire their people. This guidance materialized through memos and online training.

Code of Business Conduct

In 2020 the CTC Group Code of Business Conduct was updated based on our values, deriving guidelines of responsible and ethical behaviour which must be followed by all employees in the performance of their duties, irrespective of the position they hold. It is supported by a number of policies and procedures, which give the relevant details about how we act in specific cases as well as in relation to our stakeholders - customers, business partners, shareholders, our people and society. It sets common standards, protects the reputation and interests of the Group and shapes its culture.

At the beginning of 2021, it was communicated to our people. Practicing our values will form part of the basic criteria assessed through our annual Performance Appraisal System.

Managing our People continued



Our values:



Furthermore, the managers of the CTC Group should demonstrate the following attributes:

1. Lead by example.
2. Inspire, guide and develop their people.
3. Be strategically oriented, committed and passionate about their work.
4. Spend time at the frontline and have a hands-on approach.
5. Be proactive and alert in tracing potential risks and opportunities.
6. Be approachable.
7. Have social skills and good manners.

HR Manual and Communication of Policies and Procedures

Considering that it is the right of every employee to be informed of issues of immediate concern, we give great importance to ongoing open and sincere communication. All new hires are briefed in detail of their rights and obligations from day one. In the course of their employment, all employees are given timely information about all issues of concern through meetings and announcements sent by email or placed on notice boards.

Policies and procedures related to human resources are included in the HR Manual, which is regularly reviewed. Any changes are communicated to all employees. The HR Manual is uploaded on the intranet, as well as on the online training platform of the Group.

The signed acceptance of our HR Manual and the CTC Code of Business Conduct is a prerequisite for employment.

Managing our People continued



Performance Management

Performance management is carried out in a variety of ways and at different levels. New hires are assessed by their supervisor upon the completion of the first six months and specific KPIs are set and agreed upon the completion of the probation period (nine months). These KPIs are evaluated during the formal annual Performance Appraisal System, conducted at the beginning of each year. The objective is to assess each employee's performance during the previous year, to set targets for the current year, to identify training and development needs and to agree on a personal development plan.

In 2020 the completion rate of performance appraisals for the year 2019 reached 62%. This rate is lower due to the fact that the appraisal period coincided with the lockdown. In order to facilitate the procedure, the Performance Appraisal System for the year 2020 conducted at the beginning of 2021, was simplified and some of its components were removed. This procedure will be adopted from now on, in the context of moving towards a more agile way of working.

High and low performers are being continuously monitored. High performers (above expectations with potential), who constitute the talent pool for advancement to higher positions in the Group, are given a personal development plan. Low performers (unsatisfactory / need improvement) are being supervised closely and coached to perform at the expected level.

In 2022 we plan to carry out with external consultants a 360o Feedback System, by which the top managerial staff of the Group, as well as

members of the middle management will have the opportunity to receive confidential and anonymous feedback from colleagues and associates.

Recognition and Rewards

Salaries linked to the various positions take into account market benchmarks set by market surveys on employee salaries and benefits, conducted every two years. CTC is one of the participants. The results of the 2021 survey will be a powerful tool for us to effectively manage the challenges that have arisen by the Covid-19 pandemic and the expectations of the new generation entering the labour market.

Salary increases, bonuses and commissions are performance-related. Aiming to create a results-oriented culture across the Group, we follow a common process of setting quantitative and qualitative KPIs. Measurable targets are set and are pre-agreed with the interested party. These KPIs are formally evaluated annually through the Performance Appraisal System and are directly linked to the bonus scheme, where applicable. Other incentives schemes related to sales also exist, with KPIs being evaluated on a monthly basis.

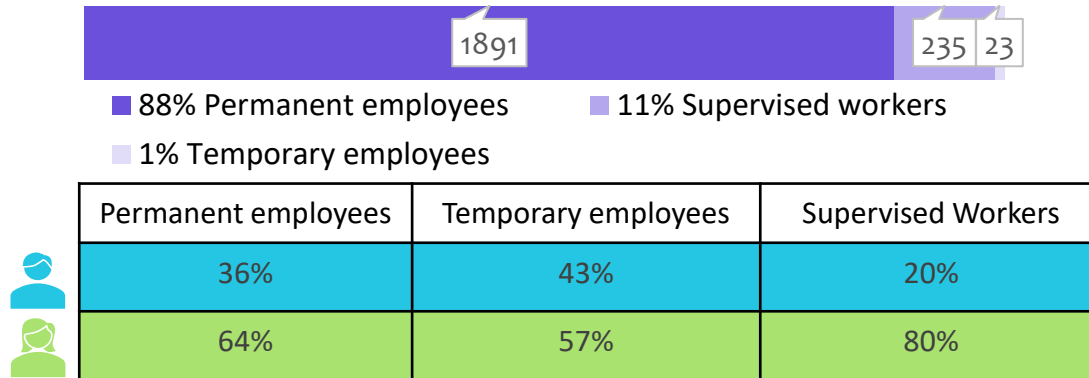
Concerning the retail stores, in collaboration with external consultants, we have designed and implemented an incentives scheme, aiming to reward employees based on targets related to critical success factors in the retail sector. The implementation of the scheme started in our fashion stores and is considered to be well received and successful. Due to the pandemic, it has not been possible to extend this scheme to the DIY stores yet.

Managing our People continued

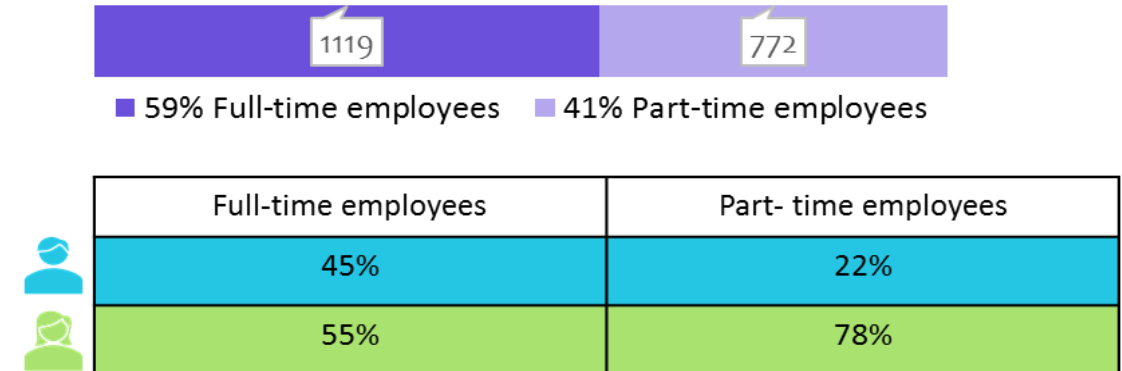


Labour Practices

Total number of employees in 2020: 1914



Permanent employees in 2020: 1891



Note: Fashionlink S.A. included

At CTC Group we respect and promote labour rights based on labour law and the CTC Agreements for Employment, and we offer a safe environment in which everyone can develop.

- We ensure that all employees are employed on the basis of a free agreement and specific terms of employment, which are fully understood.
- We offer a package of rewards and benefits that are consistent with or exceed the minimum legal level and those prevailing in the market. We ensure that all employees engaged in jobs regulated by the Minimum Salary Law, are remunerated under the provisions of the Law. Specifically, for full-time salespeople, the minimum monthly salary is €870, rising to €924 after

six months of continuous employment, while for part-time salespeople the minimum hourly wage is €5,28, rising to €5,61 after six months of continuous employment.

- Company benefits granted to full-time employees are extended to cover part-time employees equally.
- We do not employ persons under the age of 16.
- We ensure equal pay between men and women for equal work, and we use common criteria where we apply procedures that are designed in such a way as to exclude discrimination based on gender.

Managing our People continued



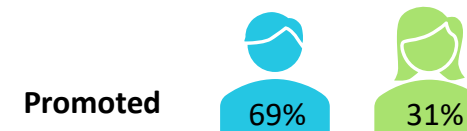
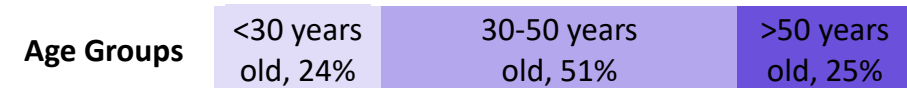
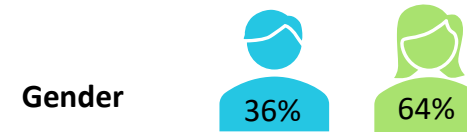
- We comply with all the provisions of the law concerning working hours, rest periods, special leaves, overtime.
- We implement all regulations and best practices relating to working conditions and health and safety at work.
- We develop and enhance the skills and capabilities of each employee through training programs.
- We ensure transparent and confidential procedures for employees who wish to raise their concerns, without fear of consequences.
- We always treat each employee on an individual basis and at the same time encourage teamwork in order to achieve common goals.

Job Security

2020, an extraordinary and unusually challenging year, raised serious concerns regarding job security as a number of businesses in Cyprus did not resume operations after lockdowns and a great number of others are at risk.

As a Group our aim was to protect everyone’s health and, at the same time, safeguard business continuity. The immediate implementation of new work methods, such as work from home, e-commerce, service and execution of email and telephone customer orders, allowed our companies to maintain job positions and income unaffected during lockdowns. However, most employees who worked at operations which were temporarily suspended because of lockdowns had to bear serious income cuts.

In dealing with the economic consequences of the pandemic, government support schemes were introduced with a view to preserve jobs and support incomes during lockdown. Our companies which have partially or fully suspended their operations participated in these schemes.



Note: Fashionlink S.A. included

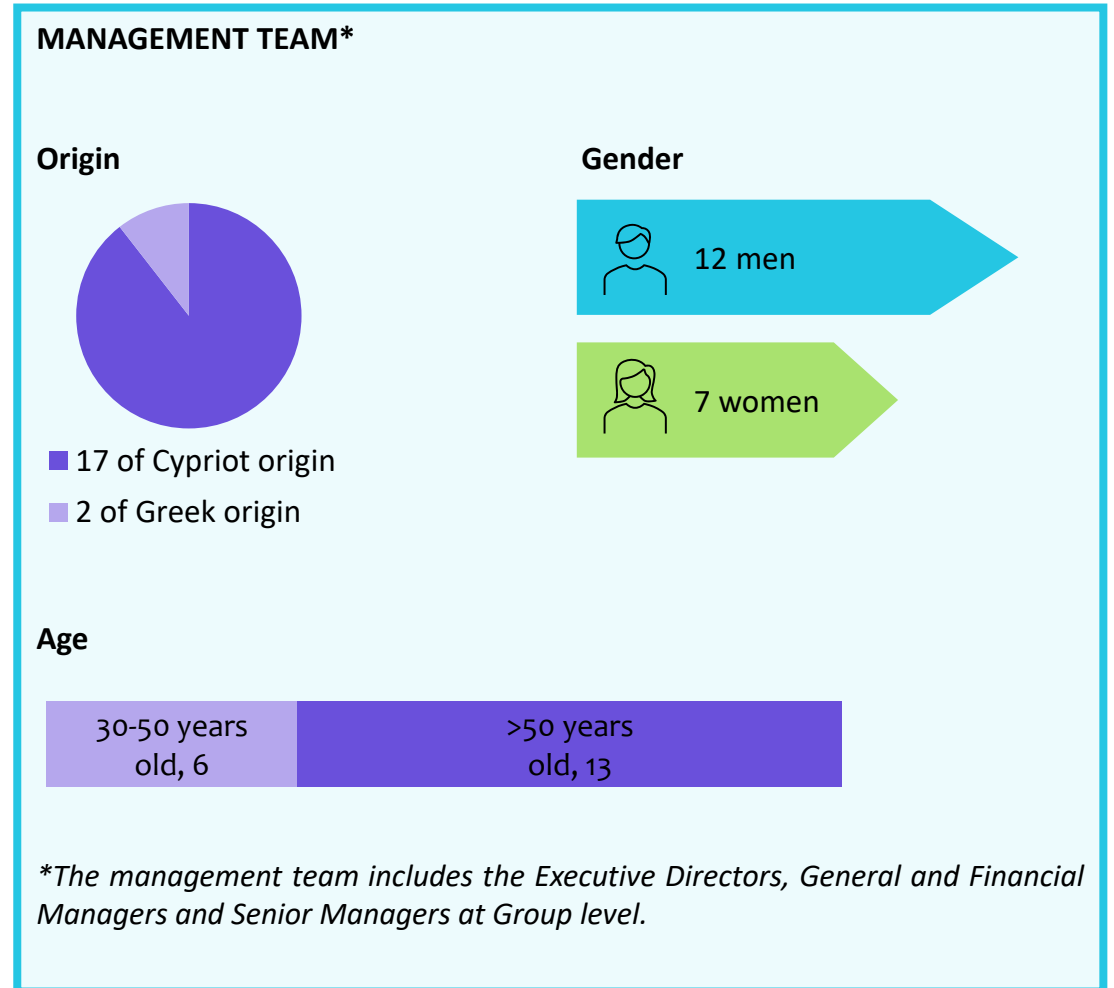
Managing our People continued

Diversity & Equal Opportunity

The key principle behind the policies, procedures and practices that we follow regarding the management of our human resources, is that the value of each employee is determined by his / her performance, knowledge, experience, dedication and character. In relation to this, we have introduced quantitative and qualitative criteria which determine decisions on promotions and salary increases, also ensuring the greatest possible objectivity and transparency.

The necessary procedures are in force to achieve consistency in the work processes affecting our people. All procedures regarding human resources from the moment of recruitment to termination are written down and are being implemented by all companies in the same way.

Furthermore, CTC Group implements equal opportunity in all its activities and safeguards the right of all employees to work in an environment free of any kind of discrimination, unequal treatment and harassment. For this reason, we have a standard procedure by which employees can report freely any complaint regarding their working conditions, without fear of negative consequences.



Managing our People continued



CTC Group certified “Equality Employer”

The National Certification Body for the Implementation of Good Practices in Gender Equality in the Working Environment announced that on 7 April 2021 it decided to award CTC Group the “Equality Employer” certification. It should be noted that the companies of the Group had also been certified for specific Good Practices in the past.

“Equality Employer” certification is granted for the implementation of a comprehensive system of promoting gender equality in the workplace, in all areas of the Group’s activities. Among others, the Group was assessed on its practices related to recruitment, promotion, professional training, performance evaluation, equal remuneration, work / life balance and harassment / sexual harassment. In the course of the assessment, all the Group’s policies and procedures were examined, while part of it involved the completion of a questionnaire which was sent out to 190 members of staff by the Labour Relations Department of the Ministry of Labour, Welfare and Social Insurance.

Congratulating CTC Group, the National Certification Body underlined that certification has been awarded in recognition of the Group’s commitment to promoting equal treatment and equal opportunities between men and women, at all levels of its activities.

The achievement and official certification of gender equality in the workplace contributes to the creation of a just society, in which everyone participates on an equal basis and has the opportunity to reach his / her full potential, as noted in the relevant Guide of the Labour Relations Department. It also ranks CTC Group among the organisations considered as role models on the basis of their work environment and renders it an employer of choice for all those who choose to work in an organisation with people at its core.

Managing our People continued



Harassment & Bullying

We ensure a working environment in which everyone is treated with dignity and respect, free from discrimination, intimidation, harassment, or similar behaviour.

As a Group we have a Code of Harassment and Sexual Harassment, which:

- Safeguards the right of each employee to work in a professional atmosphere, free from any forms of discrimination, including those of bullying and sexual harassment.
- Renders any form of harassment, a disciplinary offense.
- Defines an effective procedure of reporting such incidents, without fear of negative consequences.
- Protects, from vindictive behaviour, people who in good faith make allegations of harassment against themselves or their colleagues.

We prevent and suppress any kind of bullying (physical or verbal), whether it comes from employees, customers, visitors, suppliers, or from any other persons.

Each complaint is investigated and appropriate action is taken against the offenders, including police involvement and termination of employment. The Equality Committee addresses all forms of discrimination and harassment and assists in the investigation and immediate response to complaints with sensitivity and in complete confidentiality.

Training on harassment and sexual harassment is part of the induction programme and is also provided to all employees.

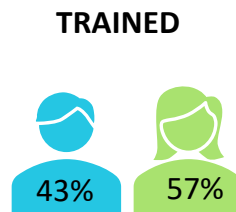
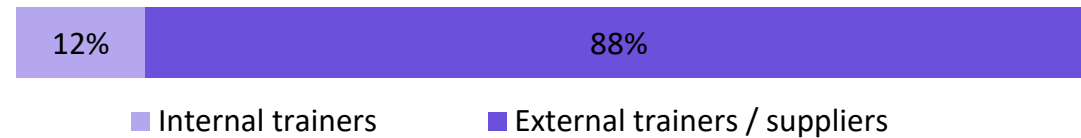
During 2020, no incidents of harassment or bullying were recorded.

Education & Training



Training Programmes

The Group gives a great emphasis on the development of its human resources, a source of competitive advantage. Training may be conducted by internal or external trainers / suppliers.



Training can be on the job, usually for a new hire or transfer (e.g. being trained by a superior, observing how a colleague carries out his job, rotation) or outside the workplace (e.g. seminars, conferences, university courses). Taking into account the strategic direction of the Group, the specific needs of Operations / Departments and the annual performance appraisal of each employee, training programmes are designed accordingly.

During 2020, employee training was focused on the learning areas presented in the graph on the following page.

In 2020, 162 formal training programmes were held for 1.058 employees. The total duration was 1.411 hours with the average training of each employee being 2,9 hours. All expenses were covered by the respective companies and most trainings are provided during working hours. Emphasis is also given to on-the-job training which is not always recorded.

The numbers are low because of the Covid-19 situation, but it must be mentioned that a lot of informal training was going on, especially on issues stated on page 70.

In 2021, our main objective is to familiarize ourselves with all the provisions of the new Code of Business Conduct and promote practicing our Group Values.

Note: Fashionlink S.A. included

Education & Training continued

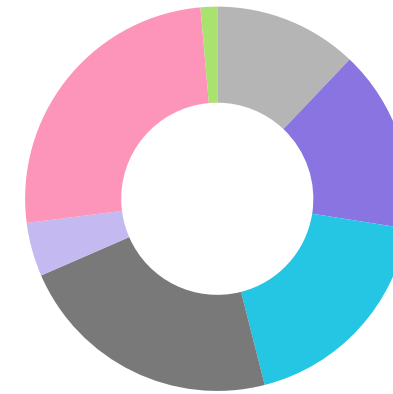


E-learning

The Group uses its own online training platform, the CTC Academy.

Since the end of 2019, every new hire receives, through this platform, a warm welcome to the CTC Group and the company concerned. New hires can access the platform for the induction training even before their starting date. They get an overview of the most important policies and procedures (e.g. health & safety, store operations) and can feel part of the team from day one. After each course there is a quiz indicating that they have gained the required level of knowledge. If a specific score is reached, employees are rewarded with certifications and badges.

The platform is continuously enriched with courses for existing employees (e.g. product knowledge) and is becoming a reference point in the process of learning.



- Compliance with the law and various standards, 12%
- Customer service and sales, 15%
- Development of personal and professional skills, 19%
- Health & Safety, 22%
- Induction training, 5%
- Specific training depending on job requirements, 26%
- Technology & IT, 1%

Note: Fashionlink S.A. included

Education & Training continued



Academic / Professional Qualifications

CTC encourages its employees to obtain academic or professional qualifications at educational institutions. To this end, it has a special sponsorship scheme in place, by which course fees are partly or fully subsidised by the company. The company decides whether a particular course of study is essential for the advancement of a particular employee within the Group. In 2020, due to the pandemic, there were no new cases for sponsorship.

Moreover, CTC maintains special relations with universities and colleges in Cyprus, which offer scholarships to the Group employees and / or their family members.

Internship Programme

CTC Group collaborates with universities and colleges in Cyprus and gives students and graduates the chance to gain work experience in its companies and develop important skills that will be useful in their subsequent careers. The programme includes participating in the execution of daily work and / or various projects. Through our “Come and Join Our Team” internship programme, we aim to attract capable young people, eligible to be employed by the Group in the future. Unfortunately, due to the pandemic, this programme was put on hold in 2020.

Internship Testimonials

“My experience at CTC Automotive Ltd left me with the best impressions. It gave me the opportunity to work in the field I am studying, to meet and work with new remarkable people. Thank you very much for the opportunity you have given me.” V.L. Accounts intern, CTC Automotive Ltd.

“I was given the opportunity to experience the workplace and see the procedures and generally the way a large company operates. I would like to thank the company for offering this opportunity to students to join its staff, even for a short period of time, to acquire experiences so that they are professionally more ready for the future.” K.I. Logistics intern, Argosy Trading Co. Ltd.

“The internship at the CTC Group was a unique and wonderful experience. During the internship I had the opportunity to gain valuable work experience, undertake a variety of tasks and develop invaluable professional and personal skills. Employees are really the most important aspect of the company. Everyone was extremely friendly and helpful making the overall experience unforgettable.” A.G. Accounts intern, Argosy Trading Co. Ltd.

Health, Safety & Well-Being in the Workplace



Health & Safety Management Systems

We consider it our professional duty as CTC Group to protect our employees, customers and associates and maintain high standards of health and safety at the workplace, in accordance with all relevant legislation.

In this regard, each company has developed its own Health & Safety Management System, relevant to their particular premises and type of operation. Ermes Department Stores Plc, CTC Automotive Ltd, Superhome Center (DIY) Ltd and Argosy Trading Company Ltd, along with Cassandra Trading Ltd and Artview Co. Ltd, which operate at the same premises (NDC), have developed their Health & Safety Management System in collaboration with external consultants based on the principles of the OHSAS 18001:2007 and are working on adopting the principles of the new standard ISO 45001:2018. CTC Automotive Ltd is certified with ISO 9001:2015. The three companies with over 200 employees each, namely Ermes Department Stores Plc, Superhome Center (DIY) Ltd and Argosy Trading Company Ltd, employ a full-time Health & Safety Officer.

The Health & Safety Management Systems include integrated processes that support their implementation. They comprise manuals, procedures, instructions and leaflets, which are monitored on a regular basis so as to ensure continuous improvement on health and safety issues in each company. These include:

- Health & Safety Committees, with a clear role and mandate for risk assessment and management of health and safety issues, updated at regular intervals.

- Design and implementation of emergency procedures and plans.
- Reporting, investigation and analysis of incidents and accidents.
- Ensuring the provision of suitable equipment and safe installations.
- Use of personal protection gear, according to the type of work.
- Inspections of health and safety issues in the workplace.
- Ensuring the provision of safety measures for associates and sub-contractors on our premises.
- Implementation of fire safety and fire protection regulations.
- Implementation of road safety rules.
- Informing and training all employees about safety and health policy and systems on a regular basis, as required by law, making sure that they know where the relevant equipment is located (first aid kit, fire extinguishers, emergency exits) in each area.

In 2020, 342 hours of training were spent on the following topics:

- Risk analysis and assessment for Covid-19
- Basic principles of health and safety
- Safety and hygiene in warehouse areas
- Forklift operation
- First aid and emergencies
- Cardiopulmonary resuscitation (CPR) and the use of an Automated External Defibrillator (AED)
- Use of fire extinguishers

Health, Safety & Well-Being in the Workplace continued



Road safety

CTC Group, as a signatory to the European Road Safety Charter since 2009, has been promoting specific activities and programmes aiming to develop road safety consciousness among its employees and society at large.

In this framework, the Group implements modern electronic fleet management and telematics systems, maintaining low levels of traffic violations. Argosy Trading Company Ltd, Artview Co. Ltd and Cassandra Trading Ltd, housed at the CTC National Distribution Centre (NDC), operate a fleet of over 260 vehicles (the Group's largest fleet), which in 2020 covered 4.105.207 km. NDC has been using a fleet telematics system since 2011, by which the drivers are being warned when they exceed the speed limit and bear relative consequences in case of repetitive violations. The number of accidents involving company vehicles has been reduced since 2016 by 58%. It is important to note that despite the high number of vehicles, the number of accidents has remained very low, as only 25 accidents have been recorded in 2020 (p. 76).

In conjunction with organised Bodies, such as the well-known NGO Reaction and the Police Traffic Department, a number of our employees participate actively in campaigns, seminars, conferences, etc.

Examples of implemented measures:

- Timely automated reminders to drivers about the required maintenance checks on their vehicles.
- A monthly checklist for external and mechanical faults with set instructions, for heavy commercial vehicles.
- Immediate warning upon exceeding speed limits and a procedure of accumulating warnings per month, with further actions taken on repeating incident offenders.
- Processing and analysis of truck tachograph data to confirm that drivers comply with regulations on driving and rest periods.
- An appointed committee examines the circumstances under which road accidents have taken place, so that the necessary preventive measures are being taken.
- Immediate e-mail briefings on road safety issues and possible road network problems.
- Smoking is prohibited in company vehicles

Health, Safety & Well-Being in the Workplace continued



Dealing with the Covid-19 pandemic

From day one, the Human Resource Department undertook the responsibility of the general coordination of all actions for the confrontation of the pandemic, in collaboration with the Health & Safety Officers.

For the protection of our employees and visitors, our operational processes and business continuity, the following actions were taken among others:

- Crisis management teams were appointed in each company and emergency Covid-19 plans were drafted.
- Timely and continuous information was sent to all employees, along with the health protocols by the Ministry of Health and general instructions and procedures.
- Appropriate equipment and consumables for personal protection were provided at numerous locations, with guidance regarding their importance and correct use - face masks, gloves, antiseptics.
- Special instructions were issued for suppliers and there was restricted entry for visitors.

- Temperature control of everybody was carried out before entering Group premises.
- A number of employees were temporarily moved to different locations to keep social distancing and safeguard the continuation of the operation in case of contamination. Premises were divided into zones applying restrictive measures.
- Close contacts were tracked down in case of infection.
- More breaks were allocated to smaller groups of employees throughout the day.
- Work from home was introduced.
- All meetings were carried out online.
- All business trips were cancelled.



Health, Safety & Well-Being in the Workplace continued



Well-being in the Workplace

We have attractive benefits and practices for our employees which contribute towards the creation of a positive and healthy working environment, taking into account work-life balance.

Attractive benefits package:

All employees, on either part-time or full-time basis, enjoy the same benefits which are communicated to them during the induction process:

- Life insurance*
- Personal accident insurance
- Topping up of sickness allowance up to 100% of salary, for a specific period (20 working days for a five-day work week employees and 24 working days for a six-day work week employees). Social Insurance Services cover 60% of the monthly salary.
- Annual leave, increasing according to years of employment, up to 23 working days for a five-day work week employees and up to 26 working days for a six-day work week employees.
- Paid study leave*
- Subsidisation of an academic or professional qualification based on specific criteria*
- Topping up of maternity and paternity allowances up to 100% of salary. Social Insurance Services cover 72% of the monthly salary.
- 13th salary
- Provident Fund*
- Personal discount card for use in CTC Group stores and an additional one for a family member
- Telephone allowance (where required)
- Company car (where required)

Healthy and flexible working environment:

In addition to the benefits package, the Group provides the following:

- Psychological support - The Group collaborates with an approved psychologist who provides psychological support to employees, or members of their families, if needed. Sessions are carried out in strict confidence.
- Free afternoon - Working hours are scheduled in such a way so as to give employees one or two free afternoons per week, depending on the company and department. This makes it easier for employees to take care of their personal and family obligations.
- Flexible working hours - Within certain parameters determined by some of the companies in the Group, there is flexibility regarding employees' starting and finishing times.
- Casual Friday - Some companies of the Group have adopted "Casual Friday". On this day, employees may dress casually.
- Fruit day - Some companies of the Group offer to employees free fresh fruit once a week.
- Events
 - Social and charity events are usually organised for Group employees and / or members of their families. In 2020, due to the pandemic, no events were organised.
 - In order to obtain the photos for the 2021 annual calendar, a professional photo shooting was arranged on various Group premises. Members of staff were dressed up by professional stylist, in clothes from Era Department Stores. The whole atmosphere was like a professional fashion event. It was an amazing experience for our employees who participated.

**These benefits apply on completion of the probation period.*

Health, Safety & Well-Being in the Workplace continued



Health and Safety Incident Indicators for Own Employees 2020

Performance Indicators	Sick leave days (recordable work-related injury or ill health)	Number of accidents*	Number of hrs worked	Total number of hrs lost	Injury Rate	Lost day rate (LDR)	Total actual absentee hours lost	Absentee rate
					Number of Accidents / Number of hrs worked x 200.000	Number of hrs lost / Number of hrs worked x 200.000		Total actual absentee hours lost / Number of hrs worked x 200.000
Men	3.641	15		2.081			27.010	
Women	7.326	16		580			50.851	
Total	10.967	31	3.067.380	2.661	2.02	173.50	77.861	5.076

*First aid incidents are not reported. All accidents were not serious.

Customer Accidents

No of accidents: 23, all not serious

Note: Fashionlink S.A. is included

Action Plan – Our People



ISSUE	OBJECTIVE	ACTION	TIMETABLE	PROGRESS
Managing Our People	<ul style="list-style-type: none"> Ensuring maximum performance by every employee 	<ul style="list-style-type: none"> Creation of an incentives scheme at Superhome stores Strengthen management leadership qualities and capabilities through 360o assessment and subsequent training 	<ul style="list-style-type: none"> 2020/21 → 2022 2022 	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Enhancement of employee commitment, talent retention, young talent attraction, succession 	<ul style="list-style-type: none"> Cooperation with universities and colleges Annual implementation of the KPIs process Participation in market surveys on salaries and benefits Create strategy for talent management and succession planning Certify CTC Group as a great employer Engage employees through interactive surveys with the objective of adopting their suggestions on productivity and other areas of improvement 	<ul style="list-style-type: none"> 2022-23 2023 2022-23 	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> More effective communication 	<ul style="list-style-type: none"> Review of the HR Manual Review of Code of Business Conduct Upgrade the Group Intranet to be used as a single reference point for all common processes and procedures Launching of HR newsletters 	<ul style="list-style-type: none"> 2019 → 2022 2019/2020 2018/20 → 2022 	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Change management 	<ul style="list-style-type: none"> Training on key managerial skills (communication, monitoring, problem solving) 	<ul style="list-style-type: none"> 2020 	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Implementation of uniform policies across the Group 	<ul style="list-style-type: none"> Training on equality and diversity within the framework of the induction process in all companies of the Group 	<ul style="list-style-type: none"> 2018/19 → 2020 	<ul style="list-style-type: none">

- New Commitment
- Commitment not started
- Completed
- In progress
- Ongoing commitment with no end date
- New due date

Action Plan – Our People



ISSUE	OBJECTIVE	ACTION	TIMETABLE	PROGRESS
Education and Training	<ul style="list-style-type: none"> Well trained employees, opportunities for talent development 	<ul style="list-style-type: none"> Operation of an upgraded online training platform for all companies of the Group (Pending Superhome) Review of the induction programme for all new employees Gradual development of the CTC Academy CSR Training Promote Group Values and the understanding of all sections of the new Code of Business Conduct 	<ul style="list-style-type: none"> 2018/19 → 2020 → 2021 2018/19 → 2020 2021 	<ul style="list-style-type: none"> In progress Completed Ongoing commitment with no end date Ongoing commitment with no end date New Commitment
Health, Safety & Well-being in the Workplace	<ul style="list-style-type: none"> Ensuring health and safety in the workplace Road safety Work-life balance 	<ul style="list-style-type: none"> Adopting the principles of the new standard ISO 45001:2018 for health and safety management Training of all employees handling machinery First Aid and AED training Creation of a common template for incident recording evaluation and actions Design of an emergency procedure in case of whirlwinds Bluetooth feature in all new vehicles Introduction of fleet telematics system with warnings for speed limit violations, in all Group company vehicles if not available Organizing a number of social and other events for employees and their families 	<ul style="list-style-type: none"> 2019/20 → 2021 2018/19 → 2020 2018 → 2021 2022 2019/20 	<ul style="list-style-type: none"> In progress Completed Ongoing commitment with no end date Ongoing commitment with no end date Completed Ongoing commitment with no end date New due date



Society



Economic Impact on Society

We contribute to society and people through donations, sponsorships and philanthropy. However, our most important contribution is through the employment of about 1.900 people (in 2020) and the cooperation with local suppliers of goods and services.

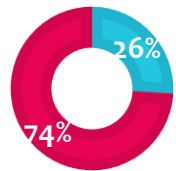
2020	
Total payroll cost*	€33.626.859
Local purchases of goods and services**	€67.611.164

* Including Fashionlink S.A. and HOB House of Beauty Ltd.

** Electricity cost is not included.

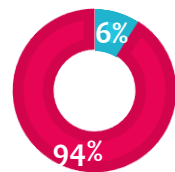
PURCHASES FROM TRADE SUPPLIERS (2020)

- Trade Suppliers within Cyprus
- Trade Suppliers abroad



PURCHASES FROM NON-TRADE SUPPLIERS (2020)

- Non-trade Suppliers within Cyprus
- Non-trade Suppliers abroad



Human Rights



Our CTC Code of Business Conduct addresses major human rights issues like discrimination, fair wages, working hours, health & safety, harassment, by specifically stating: “we respect human rights and accept diversity, such as colour, gender, origin, nationality, culture, religion, age, disability, marital status, sexual orientation and political beliefs. As a result, any form of racism, discrimination, harassment (verbal or physical), or any kind of oppression is not tolerated by any employee.” We ensure equal treatment and opportunity to all employees with the aim of creating a fair working environment and a diverse workforce.

Each person is employed, developed and assessed purely on objective criteria based on his / her performance, knowledge, experience and personality. We pursue transparency in our processes and procedures and we have open communication with all employees.

At the beginning of 2021, CTC was awarded the “Equality Employer” certification (details on page 67).

Over and above, we carefully select our commercial partners (suppliers, trading customers, collaborators). We make sure they respect human rights and share the values and principles of our Group.

Community Investment



During 2020, our focus was totally centered on the protection of our people and customers from the Covid-19 virus. The sudden and unprecedented conditions of the pandemic tested our values, policies and procedures.

The Human Resources Department and the Health & Safety Officers, reacting as required by the emergency conditions, acted effectively, and provided timely, correct and continuous information to all employees, in seamless coordination, even during lockdown. The responsibility for the general coordination was undertaken by the Human Resources Department, which guided the formation of crisis management teams in all the companies of the Group. A series of preventive measures taken upfront, as well as the provisions of the government health protocols, were meticulously implemented for the protection of our employees and customers. Some of these measures are still in force.

Despite the prevailing conditions, we could not but support selectively certain initiatives:

- Superhome Center (DIY) Ltd free supply of protective eyeglasses for the nursing staff of public hospitals.
- Dispatch of food stuffs by Argosy Trading Company Ltd to the Lebanese people just after the big explosion at the port of Beirut in the summer of 2020.
- “Giraffes for Hope” by the Sophia Foundation for Children: Ermes Department Stores Plc was one of the 20 companies that adopted a giraffe for €5.000, as part of this initiative. 20 giraffes "started" a long journey, from Kenya to Cyprus. The giraffes were crafted voluntarily by Cypriot artists, giving them their personal style, to end up in "hospitable houses".

I(NSTA)DENTITY, our adopted giraffe, has been placed at the ERA Department Store at the Mall of Cyprus, Nicosia.

- In October 2020, the annual blood drive by the Ermes Department Stores Plc was held with the voluntary participation of employees.
- Various small amounts were given to charity.



Community Investment continued



We have a long-lasting commitment to giving back to the community with particular focus on children and young people. Our biggest community investment to date is in the field of higher education which will contribute towards providing adequate qualified medical staff in the health service of our fellow citizens. The building of the Medical School and Health Sciences “Nicos K. Shacolas”, an endowment of €9 million to the University of Cyprus, is due to operate in 2025. The building was designed by Spanish architects SV60 Arquitectos, Seville, Spain.



Action Plan - Society

ISSUE	OBJECTIVE	ACTION	TIMETABLE	PROGRESS	
Community investment	<ul style="list-style-type: none"> Supporting society in various ways Focus on supporting children and young people 	<ul style="list-style-type: none"> Continue financial support to various organizations, on a case-by-case basis, depending on the Group financial affluence Encourage voluntary participation of employees in various events "Come and Join Our Team" internship programme Supporting the “Sophia Foundation for Children” Awards and scholarships to students 		<ul style="list-style-type: none"> ↻ ↻ ↻ ↻ ↻ 	<ul style="list-style-type: none"> Ⓝ New Commitment ○ Commitment not started ● Completed ◐ In progress ↻ Ongoing commitment with no end date ↑ New due date

Environment



The electric CUV IONIQ 5 is a fine example of Hyundai's contribution to sustainability. It uses extensively environmentally friendly materials, like eco-processed leather with rapeseed and corn extracts; recycled yarns, raw materials extracted from sugar cane and recycled PET bottles, Paperette made from reusable and recyclable HDPE.

Climate Change



Announcing the European Green Agreement (GPA), a new development strategy for transforming the EU into a modern, resource-efficient and competitive economy by 2050, members of the European Commission stated that the future of Europe depends on the health of the planet. It is also indicative that the US is promoting a massive program to strengthen its infrastructure, with the aim of tackling climate change due to global warming. Similar actions are being promoted by other states, which are also creating new ministerial portfolios for climate protection. Global warming is ringing a very loud alarm bell for all humanity. “Climate change” gave way to a “climate crisis” that manifests itself in all corners of the earth with hurricanes and deadly floods, fires, drought and heatwaves, melting ice caps, rising sea levels, air pollution, allergies, epidemics, new diseases and consequently thousands of human victims. In addition, the displacement of populations further intensifies the huge issue of human rights.

The first priority is to reduce greenhouse gas emissions, move towards renewable energy sources and secure sustainable finance. These will also bring new possibilities for economic growth, new business models and markets, new jobs and technological development.

The new environment indicates the direction of the future of our business and the products that we handle. For this reason, the CTC Group formulates its strategy accordingly, taking into consideration the following, among others:

- New habits, food preferences and lifestyle
- Long summers vs short winters in our part of the world and relative consequences on choice of clothing and skincare products.
- Consequences on agriculture and food shortage
- Cost of infrastructure in relation to energy consumption meaning investments to achieve savings as well as new green products
- Cost of raw materials affecting final price to consumers
- Health issues

Surely all the above do not exhaust the issue concerning the consequences of climate change. A continuous assessment of new developments, in relation to our operations as a business, is necessary.

Management of Environmental Issues



CTC Group recognizes the importance of reducing the environmental impact of the products it imports and distributes in the Cyprus market and that of its activities. We promote environmental actions aimed at achieving a decarbonized, recycling-oriented society in harmony with nature and enhance our people’s environmental awareness. Our actions include:

- Reduction of the amount of materials that are not recyclable or biodegradable.
- Use of collective systems for the collection, recovery and recycling of waste.

Argosy Certification with CYS EN ISO 14001:2015

Argosy Trading Company Ltd is certified with the Environmental Management System Certificate of Conformity CYS EN ISO 14001:2015 regarding the efficiency of environmental management in the process of import, storage and distribution of food, cosmetics, chemical cleaning products (FMCG), as well as other activities of the company, through the recognition, evaluation and control of environmental impact.

Our objectives are: the protection of the environment, compliance with all legal requirements, recycling, continuous reduction and prevention of pollution, the reduction of the use of resources affecting the environment, the awareness of our staff and partners on environmental protection issues.

These objectives are being achieved through strict selection and cooperation with reliable collaborators, continuous training and information to staff, compliance with environmental management controls as well as continuous upgrading of infrastructure and the working environment.

Argosy Trading Company Ltd 2020

Consumption (liter)	Diesel			Water		
	2019	2020	Change +/-	2019	2020	Change +/-
	647392	560541	-13%	4583	3444	-25%
Recycled (Kg)	Batteries			IQOS Devices		
	2019	2020	Change +/-	2019	2020	Change +/-
	41	67	63%	495	905	83%

The other companies of the Group can certainly benefit from Argosy’s certification and procedures towards a better management of the environmental impact from our products and activities.

Management of Environmental Issues continued



Management of packaging and packaging waste, in accordance with EU Directive 94 / 62

- CTC was one of the first organisations in Cyprus, which, under the auspices of the CCCI, contributed to the creation of Green Dot (Cyprus) Public Co. Ltd, a collective system for the collection, recovery and recycling of waste, founded in 2004. Ever since, CTC has been a shareholder and member.

Management of electrical / electronic waste and batteries

- In the context of compliance with the provisions of Law 125/2002 on Solid and Hazardous Waste, the WEEE Electrocyclusis Cyprus Ltd, a company of collective management, licensed to collect obsolete electrical and electronic devices was established in 2009. CTC was one of the founding members.
- The subsidiary Argosy Trading Company Ltd is one of the founders and a member of A.F.I.S. Cyprus Ltd, a collective system for the management of batteries and accumulators, which began operations in June 2009, in accordance with Regulation 125/2009 and EU Directive 2006/66/EC.

Management of end-of-life vehicles

- On 1 July 2005, CTC signed an agreement with the company authorised to collect vehicles at the end of their lifecycle, as well as collect and manage metallic waste, in accordance with Law 157/2003 on End-of-Life Vehicles.

Management of plastic bags

On July 1st, 2018, Cyprus has introduced a levy on the use of plastic bags of less than 50 mm in line with the relative EU Directive. Any amount collected should be used to educate people against the use of plastic bags. In this framework, CTC intended to use the net proceeds from the sale of plastic bags, since July 2018, for a specific function in 2020. Due to the Covid-19 pandemic this event has been rescheduled for 2021.

Specifically, the event is scheduled to take place by the end of 2021 and will aim at educating people about recycling, and against the use of plastic bags, through art. At the same time, it will benefit a charity organization. In collaboration with the “Sophia Foundation for Children” footballs created with the use of plastic bags made by the children in Kenya, will be displayed and sold at ERA stores. All proceeds will go to the “Sophia Foundation for Children”.



Footballs created with plastic bags by the children in Kenya.

Green Operations & Products



Aligning with the new trends for clean energy, we promote green and sustainable products in the market.

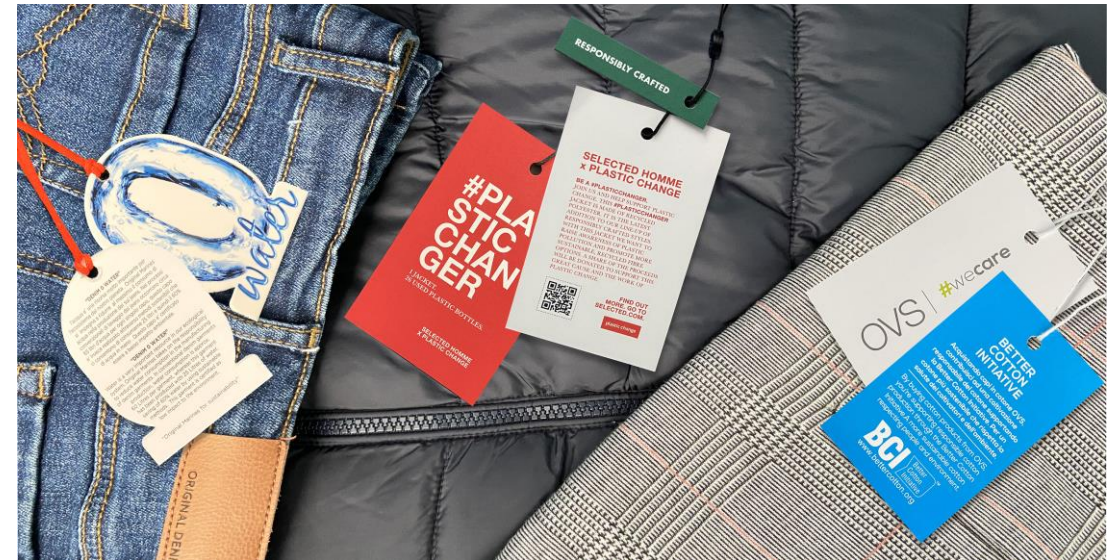
A new department has been introduced at CTC Automotive called CTC Smart Energy, which aims to provide high-quality solutions related to energy savings and energy efficiency. Within the department's areas of activity are lighting, photovoltaics, charging stations for electric vehicles and battery energy saving systems. Charging Stations by CTC Smart Energy have been installed in our Nicosia Hyundai and Volvo showrooms with the rest of our showrooms in other cities to follow, as well as our service centers in Limassol and Nicosia.

Moreover, CTC Automotive contributes to its suppliers' commitments to meet their sustainability targets, by having its own sales targets regarding new green products, such as electric cars with upholstery made of environmentally friendly materials, raw materials extracted from sugar cane and recycled PET bottles, etc.

In our fashion stores we provide clothes made of sustainable materials, such as recycled fibres or organic cotton / linen / wool fibres which are produced without the use of harmful chemicals, pesticides and insecticides and reduced water consumption.

Superhome Centre Ltd has replaced all single-use plastic products, such as cutlery, plates, straws, with sustainable alternatives, in line with the new relative EU legislation, effective July 3rd, 2021.

Argosy is constantly enriching its food range with plant based, non genetically modified (GMO), healthy food products rich in protein, suitable for vegetarians and vegans. Moreover, Argosy contributes and supports its suppliers' initiatives towards promoting green products and building awareness on protecting the environment through their use.



Energy Management



Taking into account the energy-related challenges facing the country due to climate change, CTC acknowledges its responsibility to take designated actions that contribute to minimising its ecological footprint and to conserving natural resources.

The pandemic caused by Covid-19 has inevitably affected globally all commercial operations in various ways. Energy conservation actions and energy management procedures have been affected as well.

During previous years and throughout 2020 CTC continued taking energy conservation actions as follows:

- Use of energy efficient fixtures, fittings and materials in buildings that are under construction or being renovated.
- Replacement of existing conventional lighting to energy efficient LED technology and intruding intelligent lighting control systems.
- Renewal of company fleets with low-emission and lower fuel consumption vehicles. Our intention is to start introducing electric vehicles in our company fleets.
- Use of telematics for optimum efficiency of commercial vehicles delivery routes and further reduction of energy consumption.
- Enhance our people's consciousness on energy saving, through bulletins or lectures.

Energy audits

The Group has carried out, through specialized companies, comprehensive energy audits of its buildings (Ermes Department Stores Plc, Argosy Trading Company Ltd and Superhome Center (DIY) Ltd), completed in April 2019. These audit reports identify high energy consumption and recommend specific energy efficiency measures. The three major categories relate to lighting, air-conditioning and photovoltaics. All companies have already started taking relative actions:

- NDC based companies have already changed their lighting to LED in the office areas and are in the process of changing the lighting in the warehouse areas, by the end of 2021. They also replaced the chiller servicing the airconditioned areas in the National Distribution Centre.
- Superhome is in the process of changing the air-conditioning system at Strovolos and Pafos stores, by the beginning of 2022, achieving a cost saving of about 30%.

CTC is drafting its energy management strategy 2022-2025, taking into consideration both the initial investment in relation to short-term and long-term energy cost savings, as well as environmental benefits in terms of lower emissions of carbon dioxide.

Energy Management continued



Energy	Units	Consumption 2020
Electricity Consumption	Kwh	19,339,772.89
Electricity per m ²	Kwh/m ²	155.53
Co ² emissions from electricity consumption (Scope 2)	Kg CO ²	41,460,605.12
Liquified Petroleum Gas (LPG)	Kg	9,924.59
CO ² emissions from LPG (Scope 1)	Kg CO ²	2,718.35
Diesel	Lt	14,546.00
CO ² emissions from heating/hot water (Scope 1)	Kg CO ²	38,582.10
Owned / Leased vehicles - Diesel	Lt	711,015.47
Owned / Leased vehicles - Petrol	Lt	121,874.56
CO ² emissions from Owned / Leased vehicles (Scope 1)	Kg CO ²	2,166,437.64
Water Consumption	m ³	19,845.45
Premises (m ²)	m ²	124,351.03

- (1) Calculation is based on the document “Cyprus Building Energy Performance Methodology” (August 2009) by Infotrend Innovations and BRE for the Ministry of Energy, Commerce, Industry & Tourism.
- (2) Calculation is based on Defra Conversion Factors.
- (3) Fashionlink S.A. is included in above figures.
- (4) Certain energy consumption figures are considerably lower compared to 2019, having been affected by lockdowns and store-closures because of the Covid-19 pandemic.

Waste Management



Recycled waste from sales in 2020 invoiced by Green Dot

Recycled Waste	Total (Tons)
Household	
Glass	292.82
Paper	893.96
Steel	111.32
Aluminium	46.31
PET	8.76
HDPE	63.02
Drink cartons	3.47
PVC	23.60
PE	25.59
PP	128.02
PS	0.15
Other	135.93
Non Recoverable	1.01
Commercial	
Paper	760.51
Plastic	37.03
Wood	226.93
Other	4.47

Recycled waste from operational processes in 2020 collected by WEEE

Recycled Waste	Total (Tons)
Household Appliances	
< 50 cm	23.58
> 50 cm	20.92
IT and Telecommunications Equipment	
< 50 cm	0.00
> 50 cm	1.47
Consumer Equipment	
< 50 cm	33.28
> 50 cm	47.59
Electrical and electronic tools	
< 50 cm	33.00
> 50 cm	46.49
Lamps	11.32

Waste Management continued



Waste arising from Group operations

In regard to waste arising from Group operations, the following are systematically recycled:

- PMD
- Paper
- Wood
- Batteries
- Oil

It must be noted that due to the chronic water problem in Cyprus, most people are conscious of water waste. Nonetheless, in our Group employees are being constantly reminded, through signage, of the importance of reducing water consumption.

Regarding paper waste, we plan to embark on an-going campaign to modify printing habits and reduce printed office material.

Recycled waste from operational processes in 2020 collected by other authorized recyclers

	Total (Tons)
Paper	77.58
Plastic	3.61
Automotive batteries	4.43
Iron / Aluminum parts *	15.49
Non chlorinated oils & oil filters	13.97
Absorbents & filter materials hazardous	0.18

Recycled hazardous waste from operational processes in 2020 by A.F.I.S.

Batteries	Total (Tons)
Non-rechargeable	
Up to 5gr	79.354
6 – 30gr	1.426.634
31 – 150gr	122.908
151 – 2.000gr	15
Rechargeable	
Up to 150gr	117.522
151 – 2.000gr	4.723

* It is noted that in the 2019 figures, the iron recycled waste was mistakenly stated at 710 tons, instead of 0.71tons. The figure in the above table is correct.

Action Plan - Environment



ISSUE	OBJECTIVE	ACTION	TIMETABLE	PROGRESS
Management of Environmental Issues	<ul style="list-style-type: none"> Creation of environmental awareness 	<ul style="list-style-type: none"> Inclusion of climate change and environmental issues in the Group's training programmes Use of the net proceeds from the sale of plastic bags in order to create awareness against the use of plastic bags 	<ul style="list-style-type: none"> 2020→2021 	<ul style="list-style-type: none">
Green Operation Products	<ul style="list-style-type: none"> Enrichment of our portfolio with environmentally friendly products 	<ul style="list-style-type: none"> Promotion of electric cars, LED lighting, photovoltaics, eco-friendly garments 		<ul style="list-style-type: none">
Energy Management	<ul style="list-style-type: none"> To reduce energy consumption 	<ul style="list-style-type: none"> Adoption of a central 4 years energy management strategy 2022 - 25 following energy audits' recommendations Use of more energy-efficient fixtures, fittings and materials Gradual change of conventional light fixtures and bulbs with LED technology products at Group premises Change of the air-conditioning system at Strovolos and Pafos Superhome stores aiming to achieve about 30% cost saving Renewal of company fleets with low-emission and lower fuel consumption vehicles 	<ul style="list-style-type: none"> 2019→2021 2015/20→2022 2022 	<ul style="list-style-type: none">
Waste Management	<ul style="list-style-type: none"> To maintain water consumption awareness To reduce office paper waste 	<ul style="list-style-type: none"> Water saving through systems and constant reminding of employees through signage Embark on an-ongoing campaign to modify printing habits and reduce office printed material 	<ul style="list-style-type: none"> 2022 	<ul style="list-style-type: none">

- New Commitment
- Commitment not started
- Completed
- In progress
- Ongoing commitment with no end date
- New due date

05 **Additional Information**

- **Global Reporting Initiative (GRI) Table of Indicators**
- **Contact Details**

Global Reporting Initiative (GRI) Table of Indicators

GRI Standard	Disclosure Title	Reference	Page
GRI 102: General Disclosures 2016	Organisational Profile		
	GRI 102-1 Name of the organisation	Introductory Note	4
	GRI 102-2 Activities, brands, products and services	CTC Structure	7
	GRI 102-3 Location of headquarters	Contact Details	109
	GRI 102-4 Location of operations	CTC Structure	7
	GRI 102-5 Ownership and legal form	CTC Structure	7
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	GRI 102-7 Scale of the organisation	Business Sectors	11-14
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Global Reporting Initiative (GRI) Table of Indicators continued

GRI Standard	Disclosure Title	Reference	Page
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	GRI 102-14 Statement from senior decision-maker	Message from the Chairman	5
	GRI 102-15 Key impacts, risks, and opportunities	Risk Management	42-43
	Ethics and Integrity		
	GRI 102-16 Values, principles, standards, and norms of behaviour	Vision, Values and Code of Business Conduct	9
	Governance		
	GRI 102-18 Governance structure	Corporate Governance	37-39
	GRI 102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate Governance	37-39
	GRI 102-22 Composition of the highest governance body and its Committees	Corporate Governance	37-39
	Stakeholder Engagement		
	GRI 102-40 List of stakeholder groups	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-41 Collective bargaining agreements	HR Management, Performance & Motivation	60-63
	GRI 102-42 Identifying and selecting stakeholders	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-43 Approach to stakeholder engagement	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-44 Key topics and concerns raised	Methodology for identifying Sustainability Material Issues	18-26

Global Reporting Initiative (GRI) Table of Indicators continued

GRI Standard	Disclosure Title	Reference	Page
	Reporting Practice		
	GRI 102-45 Entities included in the consolidated financial statements	Introductory Note CTC Structure	4 7
	GRI 102-46 Defining report content and topic boundaries	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-47 List of material topics	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-48 Restatements of information	Methodology for identifying Sustainability Material Issues Waste Management	18-26 91
	GRI 102-49 Changes in reporting	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-50 Reporting period	2020	
	GRI 102-51 Date of most recent report	Methodology for identifying Sustainability Material Issues	18-26
	GRI 102-52 Reporting cycle	Annual	
	GRI 102-53 Contact point for questions regarding the report	Contact details	109
	GRI 102-54 Claims of reporting in accordance with the GRI standards	Sustainability Materiality Matrix	26
	GRI 102-55 GRI content index	Global Reporting Initiative (GRI) Table of Indicators	94-107
	GRI 102-56 External assurance	Does not apply	

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GRI Standard	Disclosure Title	Reference	Page
Material Topic: Technology & Data Management			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Technology & Data Management	46-47
	GRI 103-2 The management approach and its components	Technology & Data Management	46-47
	GRI 103-3 Evaluation of the management approach	Technology & Data Management	46-47
GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security & Integrity	47
Material Topic: Operational Effectiveness & Process Standardisation			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Operational Effectiveness & Processes Standardisation	45
	GRI 103-2 The management approach and its components	Operational Effectiveness & Processes Standardisation	45
	GRI 103-3 Evaluation of the management approach	Operational Effectiveness & Processes Standardisation	45
Material Topic: Financial Performance			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Financial Performance	40

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GRI Standard	Disclosure Title	Reference	Page
	GRI 103-2 The management approach and its components	Financial Performance	40
	GRI 103-3 Evaluation of the management approach	Financial Performance	40
GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed	Financial Performance	40
Material Topic: Trading Practices			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Trading Practices	41-44
	GRI 103-2 The management approach and its components	Trading Practices	41-44
	GRI 103-3 Evaluation of the management approach	Trading Practices	41-44
GRI 202: Market Presence 2016	GRI 202-2 Proportion of senior management hired from the local community	Managing our People	60-68
GRI 417: Marketing and Labeling 2016	GRI 417-1* Requirements for product and service information and labeling	Trading Practices	41-44
GRI 419: Socioeconomic Compliance 2016	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	Trading Practices	41-44
GRI 205: Anti-Corruption 2016	GRI 205-3 Confirmed incidents of corruption and actions taken	Trading Practices	41-44

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GRI Standard	Disclosure Title	Reference	Page
Material Topic: Corporate Governance			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Corporate Governance	37-39
	GRI 103-2 The management approach and its components	Corporate Governance	37-39
	GRI 103-3 Evaluation of the management approach	Corporate Governance	37-39
GRI 102: General Disclosures 2016	GRI 102-18 Governance structure	See GRI 102-18 page 95	
	GRI 102-20 Executive-level responsibility for economic, environmental, and social topics	See GRI 102-20 page 95	
	GRI 102-22 Composition of the highest governance body and its Committees	See GRI 102-22 page 95	
Material Topic: Supply Chain Management			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Supply Chain Management	50-52
	GRI 103-2 The management approach and its components	Supply Chain Management	50-52
	GRI 103-3 Evaluation of the management approach	Supply Chain Management	50-52
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1* New suppliers that were screened using social criteria	Supply Chain Management	50-52

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GRI Standard	Disclosure Title	Reference	Page
Material Topic: Satisfying our Customers			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Satisfying our Customers	54-57
	GRI 103-2 The management approach and its components	Satisfying our Customers	54-57
	GRI 103-3 Evaluation of the management approach	Satisfying our Customers	54-57
GRI 417: Marketing and Labeling 2016	GRI 417-1* Requirements for product and service information and labeling	See GRI 417-1, page 98	
Material Topic: Addressing Health & Safety			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Addressing Health & Safety	53
	GRI 103-2 The management approach and its components	Addressing Health & Safety	53
	GRI 103-3 Evaluation of the management approach	Addressing Health & Safety	53
GRI 416: Customer Health and Safety 2016	GRI 416-1* Assessment of the health and safety impacts of product and service categories	Addressing Health & Safety	53

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GRI Standard	Disclosure Title	Reference	Page
Material Topic: Health, Safety & Well-being in the Workplace			
GRI 103: Management Approach 2018	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Health, Safety & Well-being in the Workplace	72-76
	GRI 103-2 The management approach and its components	Health, Safety & Well-being in the Workplace	72-76
	GRI 103-3 Evaluation of the management approach	Health, Safety & Well-being in the Workplace	72-76
GRI 403: Occupational health and safety 2018	GRI 403-1 Occupational health and safety management system	Health, Safety & Well-being in the Workplace	72-76
	GRI 403-2 Hazard identification, risk assessment, and incident Investigation	Health, Safety & Well-being in the Workplace	72-76
	GRI 403-4 Worker participation, consultation, and communication on occupational health and Safety	Health, Safety & Well-being in the Workplace	72-76
	GRI 403-5 Worker training on occupational health and Safety	Health, Safety & Well-being in the Workplace	72-76
	GRI 403-6 Promotion of worker health	Health, Safety & Well-being in the Workplace Health coverage is provided to all employees through the National Health System for which we contribute as employers	72-76
	GRI 403-9 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related injuries	Health, Safety & Well-being in the Workplace	72-76

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GRI Standard	Disclosure Title	Reference	Page
Material Topic: Education and Training			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Education & Training	69-71
	GRI 103-2 The management approach and its components	Education & Training	69-71
	GRI 103-3 Evaluation of the management approach	Education & Training	69-71
GRI 404: Training and Education 2016	GRI 404-1* Average hours of training per year per employee	Education & Training	69-71
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	Education & Training	69-71
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management Recognition and Rewards	63 63
Material Topic: Managing our People			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Managing our People	60-68
	GRI 103-2 The management approach and its components	Managing our People	60-68
	GRI 103-3 Evaluation of the management approach	Managing our People	60-68
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	Corporate Governance Managing our People Diversity & Equal Opportunity	37-39 60-68 66

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GRI Standard	Disclosure Title	Reference	Page
GRI 401: Employment 2016	GRI 401-1 New employee hires and employment turnover	Managing our People	60-68
Material Topic: Economic Impact on Society			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Economic Impact on Society Financial Performance	80 40
	GRI 103-2 The management approach and its components	Economic Impact on Society Financial Performance	80 40
	GRI 103-3 Evaluation of the management approach	Economic Impact on Society Financial Performance	80 40
GRI 202: Market Presence 2016	GRI 202-2 Proportion of senior management hired from the local community	Diversity & Equal Opportunity	66
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	Economic Impact on Society	80
Material Topic: Community Investment			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Community Investment	81
	GRI 103-2 The management approach and its components	Community Investment	81
	GRI 103-3 Evaluation of the management approach	Community Investment	81
GRI 203: Indirect Economic Impacts 2016	GRI 203-1 Infrastructure investments and services supported	Community Investment	81

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Material Topic: Human Rights			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Human Rights	80
	GRI 103-2 The management approach and its components	Human Rights	80
	GRI 103-3 Evaluation of the management approach	Human Rights	80
GRI 412: Human Rights Assessment 2016	GRI 412-3* Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights	80
Material Topic: Management of Environmental Issues			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Management of Environmental Issues	85-86
	GRI 103-2 The management approach and its components	Management of Environmental Issues	85-86
	GRI 103-3 Evaluation of the management approach	Management of Environmental Issues	85-86
GRI 302: Energy 2016	GRI 302-1* Energy consumption within the organisation	Energy Management	88-89
	GRI 302-2* Energy Intensity	Energy Management	88-89

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GRI Standard	Disclosure Title	Reference	Page
GRI 305: Emissions 2016	GRI 305-1* Direct GHG emissions (Scope 1)	Energy Management Climate Change	88-89 84
	GRI 305-2* Energy indirect GHG emissions (Scope 2)	Energy Management Climate Change	88-89 84
	GRI 305-4* GHG emissions intensity	Energy Management Climate Change	88-89 84
GRI 306: Effluents and Waste 2016	GRI 306-2* Waste by type and disposal method	Waste Management	90-91
Material Topic: Energy Management			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Energy Management Climate Change Green Operations & Products	88-89 84 87
	GRI 103-2 The management approach and its components	Energy Management Climate Change Green Operations & Products	88-89 84 87
	GRI 103-3 Evaluation of the management approach	Energy Management Climate Change Green Operations & Products	88-89 84 87
GRI 302: Energy 2016	GRI 302-1* Energy consumption within the organisation	Energy Management	88-89
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Material Topic: Climate Change			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Climate Change Energy Management	84 88-89
	GRI 103-2 The management approach and its components	Climate Change Energy Management	84 88-89
	GRI 103-3 Evaluation of the management approach	Climate Change Energy Management	88-89
GRI 302: Energy 2016	GRI 302-1* Energy consumption within the organisation	Energy Management	88-89
	GRI 302-2* Energy Intensity	Energy Management	88-89
GRI 305: Emissions 2016	GRI 305-1* Direct GHG emissions (Scope 1)	Energy Management	88-89
	GRI 305-2* Energy indirect GHG emissions (Scope 2)	Energy Management	88-89
	GRI 305-4* GHG emissions intensity	Energy Management	88-89
Material Topic: Green Operations & Products			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Green Operations & Products	87
	GRI 103-2 The management approach and its components	Green Operations & Products	87
	GRI 103-3 Evaluation of the management approach	Green Operations & Products	87

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Material Topic: Waste Management			
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundary: Internal, External Waste Management	90-91
	GRI 103-2 The management approach and its components	Waste Management	90-91
	GRI 103-3 Evaluation of the management approach	Waste Management	90-91
GRI 306: Effluents and Waste 2016	GRI 306-2* Waste by type and disposal method	Waste Management	90-91

Note: This is the fourth CSR Report of the Group. Some of the information does not appear in the required format. We are taking measures to improve the quality of the information that we provide.

** This information is partially available.*

Explanatory Note

The present Report has been drafted in good faith and with the greatest possible care, in the context of the information available to the Management of the Group, so as to reflect the truth. Nonetheless, the Company does not undertake any responsibility for the correctness or completeness of this information.

The Report also includes forward-looking statements, which are not facts but assumptions and expectations based on Group plans, as available to the Management at the time of writing this Report. As future developments and events may affect these statements, the Company undertakes no obligation to update them.

The use of the male gender is merely for practical reasons and refers to both genders.

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The background of the page is an abstract composition of overlapping geometric shapes in various shades of blue and purple. The shapes are semi-transparent, creating a layered effect. The colors range from light, airy blues to deep, rich purples and dark blues. The overall aesthetic is modern and professional.

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