

# Sustainability Report

2023



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# Introductory Note

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The Sustainability Report for the year 2023 (from 1/1/2023 to 31/12/2023) 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**

Superhome Center (DIY) Ltd

## **WOOLWORTH (CYPRUS) PROPERTIES PLC**

Apex Ltd

# Message from the Chairman

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2023 has confirmed that we live in a changing era of continuous instability with increased challenges and uncertainties, which affect the global and local economy, and require proactive measures and careful planning. While in the last couple of years the Covid-19 pandemic caused unprecedented difficulties in people's lives and businesses, as things began to normalize, the war in Ukraine broke out, followed by the conflict in Gaza, with no prospects of ending any time soon. Along with this, Yemeni rebel attacks are having a severe blow to international shipping, delivery times and the prices of goods, due to increased freight rates. Over and above, we are faced with the high cost of energy, inflation and high borrowing cost due to high interest rates. In addition, we must consider the consequences of the climate crisis, the changes in consumer behaviour and purchasing power.

To respond effectively to this highly demanding environment, we carefully monitor market conditions and take measures to ensure that the Group remains competitive and adaptable, improves its financial performance, and can take advantage of opportunities that may arise for a sustainable future. We also enhance the competitive advantages of CTC Group, such as its diversified operations, the wide range of high-quality renowned products it manages, its presence throughout Cyprus, its structure and management by competent and experienced people, and the high level of service it offers.

During 2023, Argosy managed to maintain its FMCG leading position, significantly improving its profitability and financial indicators, while Cassandra increased its market share to more than 40%. CTC Automotive also achieved excellent results and high market shares. Ermes fashion operations which had been mostly affected, continued to implement its decision to terminate loss-making activities and be managed by a lean operating structure. At the beginning of the year, Superhome DIY relocated its Pafos store to new spacious premises, contributing to its successful and profitable course, further strengthening its presence in the market. CTC maintains its significant participation as the largest Cypriot shareholder in Hermes Airports Ltd, which successfully operates Cyprus' two international airports. Hermes managed to overcome the pandemic severe consequences and impact on tourism, with passenger traffic exceeding record year 2019.

At the same time, we need to respond to the evolving regulatory landscape, particularly the Corporate Sustainability Reporting Directive (CSRD). To this effect, CTC has engaged a qualified partner for the development of a holistic process, articulating the performance of the Group in financial, environmental, social and governance domains, reflecting the way the Group creates long-term shared value.

Demetris Demetriou, CTC Chairman

# 1 The CTC Group

- 1.1 Brief History**
- 1.2 CTC Structure**
- 1.3 Vision and Values**
- 1.4 Business Sectors**
- 1.5 Group Developments**

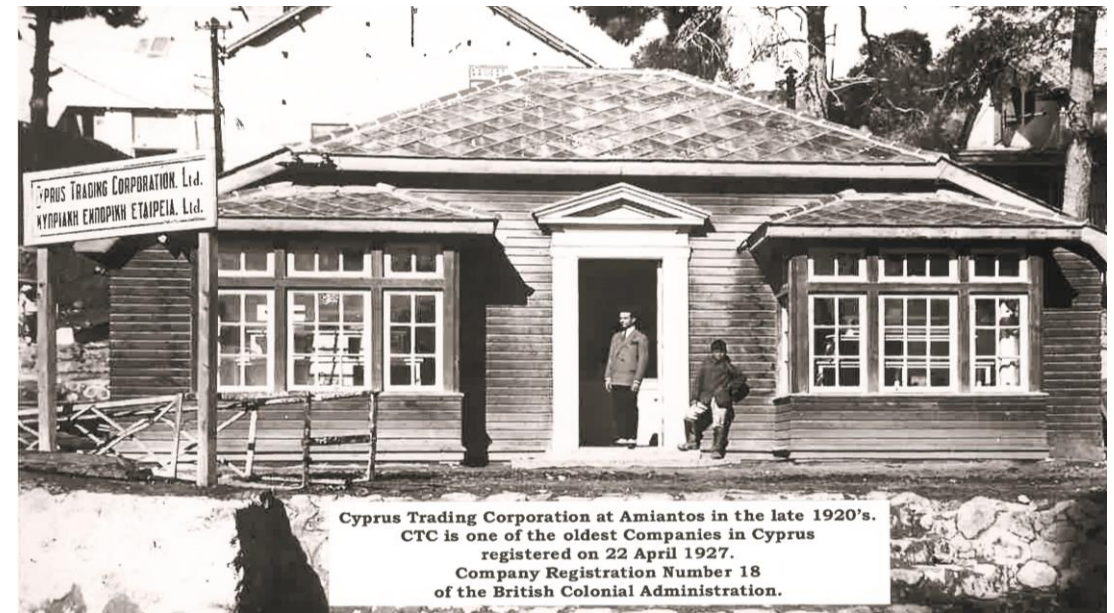
# 1.1 Brief History

CTC is one of the oldest active trading companies in Cyprus, registered on 22 April 1927, registration number 18, under the name Cyprus Trading Corporation Ltd, and was later acquired by the Shacolas Group in 1984. CTC went public in 1989 and was listed on the Cyprus Stock Exchange in 1996. Today, N.K. Shacolas (Holdings) Ltd is the majority shareholder which owns and controls 87% of the share capital of CTC.

The history of CTC is intertwined with that of the Shacolas Group, which started operations in 1953, trading agricultural products. Despite facing significant setbacks in 1974 due to the Turkish invasion, the group recovered and expanded its operations both in Cyprus and abroad (England, Greece, Nigeria and Russia) by establishing new companies and acquiring others.

Today, the CTC Group is one of the most diversified business organizations in Cyprus. CTC has also been involved in different sectors over the years, including insurance, telecommunications, the dairy industry, building materials, hosiery, paper processing, domestic appliances. Presently, Cyprus Trading Corporation Plc is the parent company of subsidiaries operating in distribution and logistics, retail, automotive and engineering, property development and management. CTC is also entrusted by many international suppliers to handle their well-known products in the Cyprus market.

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





# 1.2 CTC Structure

CTC is a leading Group in Cyprus, listed on the Cyprus Stock Exchange, with N.K. Shacolas (Holdings) Ltd holding a controlling stake of 87%. The Group owns and controls several companies, each specializing in a specific industry. Two 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
- Superhome Center (DIY) Ltd



## AUTOMOTIVE & ENGINEERING

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

- CTC Automotive Ltd
- CTC AutoLeasing Ltd



## REAL ESTATE

Retail outlets, department stores

- Woolworth (Cyprus) Properties Plc
- Apex Ltd
- Cyprus Limni Resorts & GolfCourses Plc



## 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 its 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. We strive to maintain a dynamic organisation, able to create long-term sustainable, socio-economic value in the community in which we operate.



# 1.3 Vision and Values

## 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



**We act with integrity and responsibility**



**We behave with respect**



**We work as a team**



**We are effective**



**We seek continuous improvement**

# 1.4 Business Sectors

CTC's business activities are spread over five main business sectors, briefly described here below. Details can be found in [www.ctcgroup.com](http://www.ctcgroup.com).

## 1.4.1 Distribution & Logistics

All operations relative to Fast Moving Consumer Goods (FMCG) 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 1.800 outlets. It handles a portfolio of well-known international brands, many 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 1.700 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 1.600 outlets and operating the stand-alone IQOS stores.



### Cosmetics & Fragrances

**ARTVIEW CO. LTD** is the importer and distributor of the Christian Dior fragrances, makeup, and skincare products in the Cyprus market. It also distributes and manages the Foreo luxury facial 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.

# 1.4 Business Sectors continued

## 1.4.2 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 53 stores of about 58.000 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

# 1.4 Business Sectors continued

## 1.4.3 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, Elf
- **Professional tools:** Hilti
- **Lighting:** Philips, Philips HUE, interactPro, Wiz
- **Leasing:** passenger and light commercial vehicles





# 1.4 Business Sectors continued

## 1.4.4 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**, is currently the owner of freehold land at the foothills of Troodos mountains, in the vicinity of Kinousa village, Pafos district.



## 1.4.5 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.



# 1.5 Group Developments

## 2023

- The **Pafos Superhome Center DIY megastore** was relocated at Neon Mall of Pafos, in a total space area of 3.500 sqm. It officially began its operation on March 10<sup>th</sup>, 2023 and was inaugurated by the Mayor of Pafos.



*Photo from the official opening of the new Superhome Pafos store.*

- A new partnership of Argosy for the distribution of **Agrino products** in Cyprus started in April 2023. Agrino is one of the most well-known and successful brands in the Greek market, offering Greek rice, pulses, and rice snacks of high quality and nutritional value.
- Ermes Department Stores ceased all operations of subsidiary **Fashionlink S.A.** in Greece.
- In November 2023 CTC Automotive celebrated 60 years of successful distribution of **Hilti professional products** in Cyprus. For this longstanding partnership, the oldest in the Eastern Mediterranean and the Middle East region, it was honored in a special ceremony in Liechtenstein.

## 2024 (January – May 2024)

- In April 2024 CTC Automotive added the **ELF lubricants** to its wide portfolio of products, a worldwide known brand for its advanced quality and reliability.
- The Board of Directors of CTC appointed Vassilis Evgenios (CEO of all CTC's FMCG operations since 2019) as **Chief Executive Officer of Cyprus Trading Corporation Plc and CTC Group**, as well as Executive Director, effective May 1<sup>st</sup>, 2024. The Management Board has been transformed and renamed to Executive Committee, staffed by the existing members with the addition of the CEO.

## **2 Materiality Assessment**

- 2.1 Methodology for Identifying Material Issues**
- 2.2 Sustainability Strategic Pillars**
- 2.3 Our Stakeholders**



# Our Approach

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CTC reviews its material issues at regular intervals to determine new and confirm existing sustainability topics that are critical for the business, its operations, and stakeholders. We engage with both internal and external stakeholders to identify and validate these topics. This process provides clarity, identifies potential risks and opportunities, and guides our business decisions and strategy to enhance our performance.

## 2.1 Methodology for Identifying Material Issues

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The Group undertook an extensive materiality assessment in 2017 to identify material issues which are important for internal and external stakeholders. This process was carried out through a number of workshops with employees participating from various companies and departments of the Group, guided by specialist sustainability consultants.

Our material issues were reviewed again in 2021 to ensure their validity and suitability to the current business environment. Specialist consultants on sustainability monitored the whole process. The entire process was based on the concept of double materiality, which recognizes that an organisation should address and report on sustainability issues that are both material to the organisation as well as to the external stakeholders, market and environment.

A new materiality assessment will be conducted in 2024 in alignment with the CSRD requirements.

## 2.1 Methodology for Identifying Material Issues continued

In preparation of this report, we followed the same two-step process as for the previous report:

Step 1	Step 2
<b>Materiality Review</b>	<b>Confirmation</b>
<p>We undertook a thorough review of material topics in relation to our stakeholders and their expectations.</p> <p>We revisited our stakeholders' groups to ensure inclusivity.</p> <p>We looked at the identified topics and their mapping and reviewed the rated material topics in terms of their perceived importance.</p> <p>We considered stakeholders that may have an impact on us or be impacted by our decisions, taking into account peer companies and industry standards, employee input, input from the Management, recent regulatory changes, relevant international and national level standards, and guidelines as well as internal business strategy and direction.</p> <p>As part of our review of the topics, we decided to retain the consolidation of certain topics, to ensure better management.</p>	<p>We ensured that the list of material topics captures and is inclusive of all stakeholder perspectives.</p> <p>We confirmed that the identified topics continue to cover the needs of stakeholders and organizational aspirations.</p>

The topics are reflected in corporate priorities and the respective action plans are approved by the Group Sustainability Committee and Board of Directors.

## 2.2 Sustainability Strategic Pillars

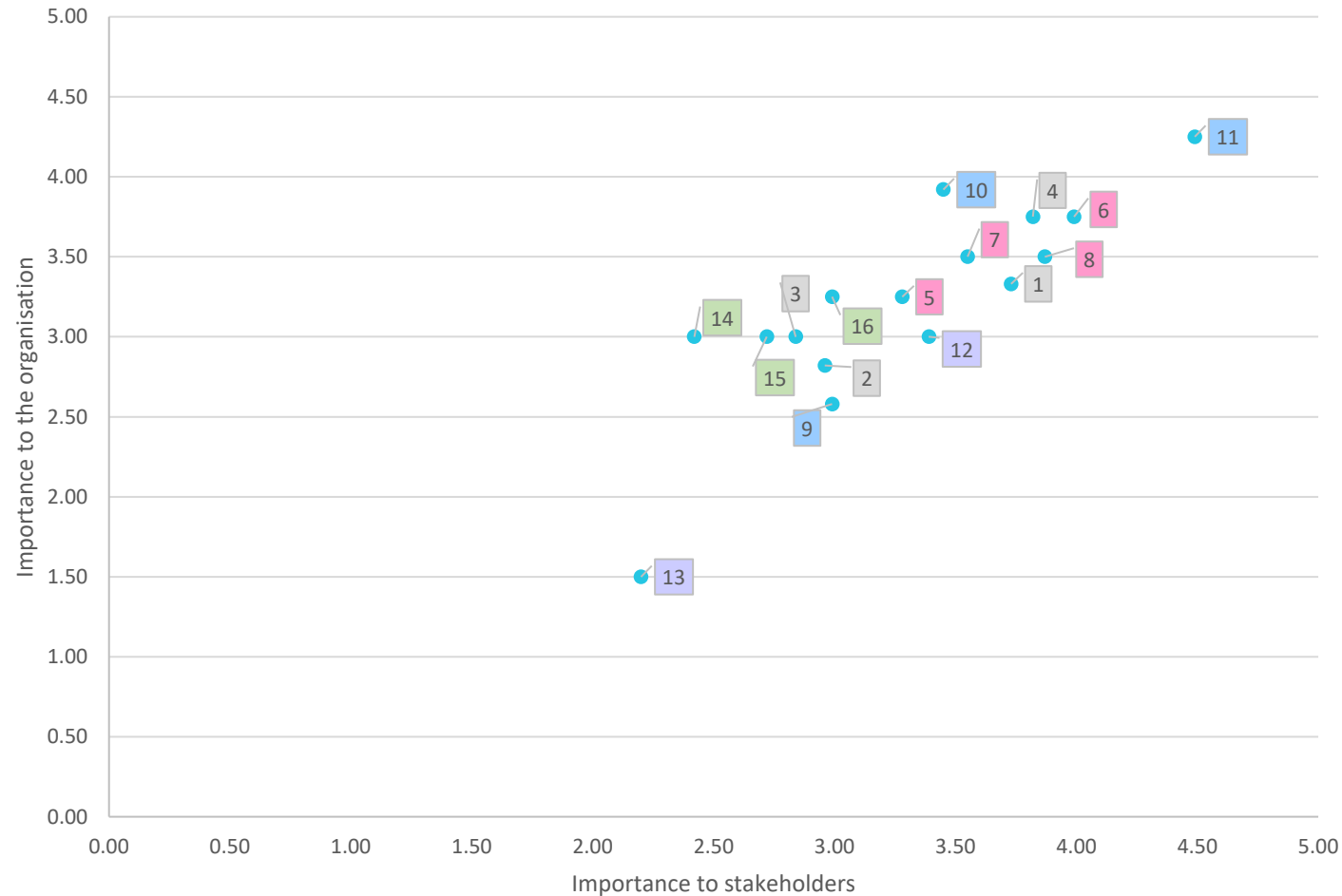
Our consolidated material issues shown in the below table, are categorised into five strategic pillars:

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

Governance	Market & Products	Our People	Society	Environment
<b>1. Corporate Governance, Strategy and Performance</b> (includes: Strategic Direction and Financial Performance).	<b>5. Supply Chain Management</b>	<b>9. HR Management and Practices</b> (includes: Labour Practices, Job Security, Diversity and Equal opportunity, Human Rights, Harassment and Bullying).	<b>12. Economic Impact on Society</b>	<b>14. Climate Change</b>
<b>2. Trading Practices</b> (includes: Anti-Money Laundering, Anti-Corruption, Responsible Marketing, Anti-Competitive Behaviour, Compliance, Risk Management).	<b>6. Addressing Health &amp; Safety</b> (includes: Customer / Consumer Health & Safety, Food Safety).	<b>10. Development, Performance and Motivation</b> (includes: Education and Training).	<b>13. Community Investment</b>	<b>15. Energy Management</b>
<b>3. Operational Effectiveness and Process Standardization</b>	<b>7. Green Operations and Products</b> (includes: Quality of Products and Services).	<b>11. Health, Safety and Well-being in the Workplace</b>	<b>16. Resource Management</b> (includes: Waste Management).	
<b>4. Digital Transformation and Data Management</b> (includes: Technology and Digitalisation, Data Security & Integrity).	<b>8. Satisfying our Customers</b> (includes: Customer/Consumer Satisfaction).			

# 2.2 Sustainability Strategic Pillars continued

## Materiality Matrix



**Governance**

1. Corporate governance, strategy and performance
2. Trading practices
3. Operational effectiveness and process standardization
4. Digital transformation and data management

**Society**

12. Economic impact on society
13. Community investment

**Market & Products**

5. Supply chain management
6. Addressing health and safety
7. Green operations and products
8. Satisfying our customers

**Environment**

14. Climate change
15. Energy management
16. Resource management

**Our People**

9. HR management and practices
10. Development, performance & motivation
11. Health, safety & well-being in the workplace

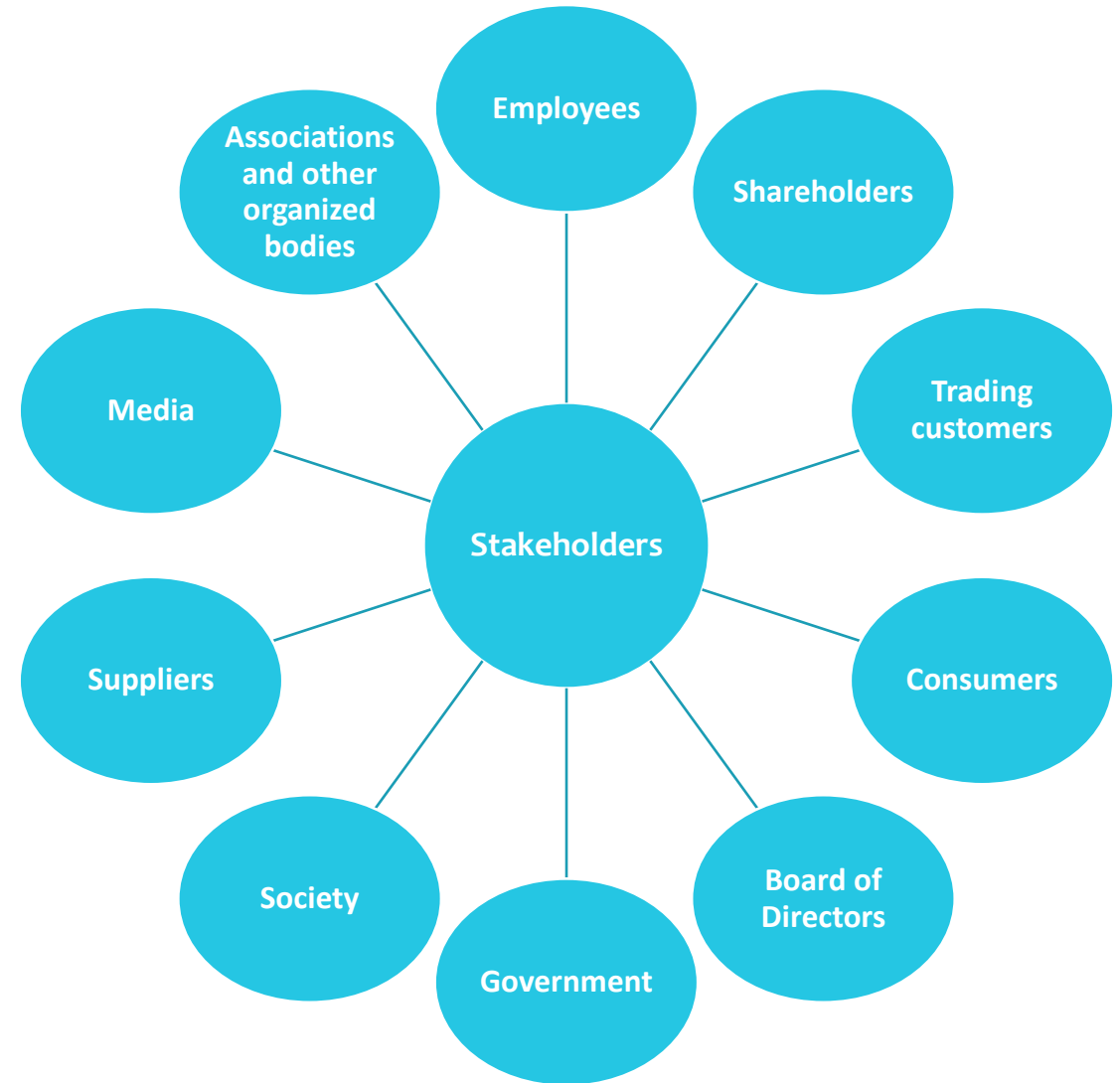
## 2.3 Our Stakeholders

We actively engage with our stakeholders through various communication channels to ensure that their needs and expectations are heard and understood. This allows CTC to better manage risk, capitalize on opportunities and constantly improve its offering and performance as a responsible corporate citizen.

Our stakeholder groups include:

- Employees
- Shareholders
- Trading customers
- Consumers
- Board of Directors
- Government
- Society
- Suppliers
- Media
- Associations and other organized bodies

More information regarding our stakeholder engagement process can be found in Appendix 3.



# 3 Governance

- 3.1 CTC Code of Business Conduct**
- 3.2 Corporate Governance, Strategy and Performance**
- 3.3 Trading Practices**
- 3.4 Operational Effectiveness and Process Standardisation**
- 3.5 Digital Transformation and Data Management**

# Our Approach

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At CTC, we uphold corporate governance principles that align with our values. Our Board of Directors recognizes the importance of responsible and prudent management and sets high standards to ensure that CTC operates with integrity, safeguarding the protection of stakeholders' interests. Although CTC is listed on the Alternative Market of the Cyprus Stock Exchange (CSE), it has voluntarily adopted the Corporate Governance Code and applies most of its principles. The same applies for the CSE listed subsidiaries of CTC, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc.

## 3.1 CTC Code of Business Conduct

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CTC Group's Code of Business Conduct 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 based on our values and was approved by the Company's Board of Directors in March 2021. The revised Code was effectively communicated to all employees, emphasizing their individual responsibility to abide by its provisions. Since then, practicing our values forms part of the basic criteria assessed through our annual Performance Appraisal System.

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

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



## 3.2 Corporate Governance, Strategy and Performance

### Board of Directors

CTC is governed by a 12-member Board of Directors (BoD), seven of whom are executive and five are non-executive. Two are independent. There are ten 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.

Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, subsidiaries of CTC and listed on CSE, have their own Board of Directors and relevant committees. Further information can be found in their respective annual reports.

### Chief Executive Officer (CEO)

On April 11<sup>th</sup>, 2024, the Board of Directors of CTC appointed Vassilis Evgenios (CEO of all CTC's FMCG operations since 2019) as Chief Executive Officer of Cyprus Trading Corporation Plc and CTC Group, as well as Executive Director, effective May 1<sup>st</sup>, 2024.

### BoD Committees

- **Executive Committee:** As from May 1<sup>st</sup>, 2024, the Management Board has been transformed and renamed to Executive Committee, staffed by the existing members with the addition of the CEO. Its main role is to provide the necessary information to the Board of Directors to ensure that appropriate decisions are made and strategic policies are formulated.

- **Nominations Committee:** Responsible for recommending new Board members to the Board of Directors.
- **Remunerations Committee:** Responsible for submitting recommendations to the Board of Directors on matters pertaining to the compensation and contractual terms of the Executive Directors. Remuneration of Non-Executive Directors is determined during 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, which operates independently, 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.

## 3.2 Corporate Governance, Strategy and Performance continued

### Other Committees

Additionally, the following committees exist at Group level:

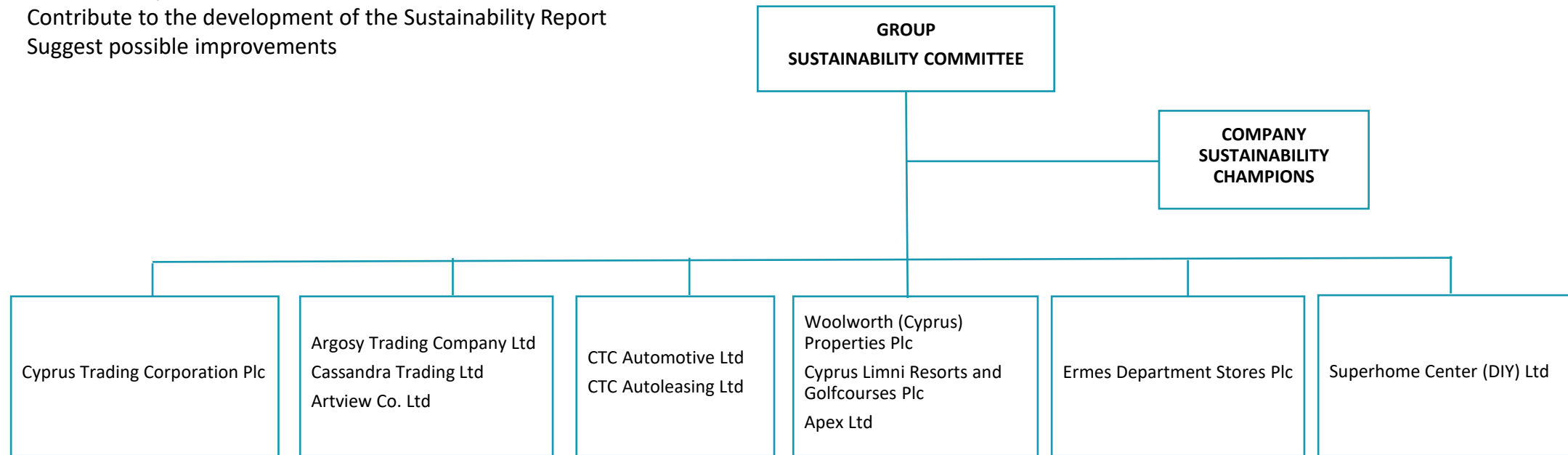
- **Group Finance Committee:** Responsible for monitoring and evaluating the financial and cash flow situation of the Group companies and the effective management of their financial resources, for maintaining contacts with the financial institutions with which they cooperate, for implementing International Financial Reporting Standards and for monitoring tax-related matters.
- **Central Recruitment and Remunerations Committee:** Responsible for the recruitment and remuneration of middle and upper 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.
- **General Data Protection Regulation (GDPR) Committee:** responsible for monitoring and evaluating the Group's compliance with the GDPR regulation. In addition, the committee examines and decides on matters concerning the protection of personal data that originate from the companies of the Group. Members of the committee include representatives of key departments such as Finance, Legal, Human Resources, IT, Internal Audit.

# 3.2 Corporate Governance, Strategy and Performance continued

## Sustainability Governance

The BoD 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 the 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
- Contribute to the development of the Sustainability Report
- Suggest possible improvements



## 3.2 Corporate Governance, Strategy and Performance continued

### 3.2.1 Strategic Direction

The strategic direction of the CTC Group is defined by the Board of Directors and conveyed to the Management of each subsidiary:

1. Strengthen the Group's financial performance
2. Focus on growth of our core businesses
3. Enhance efficiency and effectiveness through investing in Human Capital
4. Exploit new opportunities for sustainable growth

Based on the above, each company forms its own strategy, identifies key success factors, sets annual goals and budgets, which are approved by the Board of Directors. Subsequently, specific Key Performance Indicators (KPIs) and action plans are determined.

### 3.2.2 Financial Performance

Information on our financial performance is available in CTC Financial Statements:

<https://www.ctcgroup.com/investor-centre/ctc-ic/?lang=el&tab=annual-reports>

## 3.3 Trading Practices

Our goal is to achieve a leading position in the business sectors we operate in. We strongly support the principles of a free market and healthy competition, and conduct our business with integrity and responsibility, adhering to ethical practices and complying with relevant laws and regulations of the country as well as the policies and procedures of the CTC Group. Our actions are guided by the CTC Code of Business Conduct, while we also adopt the high standards of business practices of a great number of renowned multinational suppliers with whom we cooperate.

### 3.3.1 Anti-Money Laundering and Anti-Corruption

The financial departments of CTC companies strictly adhere to the law on preventing and combating money laundering, not only in letter but also in spirit. Any form of bribery and corruption is strictly prohibited at all levels. In 2023, there were no incidents of corruption.

### 3.3.2 Responsible Marketing

CTC upholds practices that promote transparent, ethical, and responsible advertising. It ensures that all promotions are conducted in an honest and clear manner, avoiding misleading or greenwashing practices. During 2023, there were no incidents of non-compliance relative to information regarding products services, labelling and marketing communication.

### 3.3.3 Anti-Competitive Behaviour

We uphold the principles of fair competition and abide by the laws and regulations related to the Protection of Competition. We do not engage in collaborations with competitors or in other activities that might restrict the free market.

### 3.3.4 Compliance

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

Both in-house and external legal advisors are responsible for handling legal matters. Appointed Compliance Officers monitor compliance with the Code of Corporate Governance.

Employees are encouraged to report any suspicious activities or concerns without the fear of facing any repercussions. In 2023 the Whistleblowing policy was developed and will be implemented in 2024.

The late publication of the audited financial statements for the years ending 2020, 2021 and 2022 of the three public Group companies resulted in the suspension of trading of their shares at the CSE. This delay also led to the imposition of fines. The audited financial statements of all three years were published consecutively by the end of 2023. Consequently, on January 8<sup>th</sup>, 2024, the trading of the said shares at the CSE was reinstated. There were no other incidents of non-compliance in 2023.

## 3.3 Trading Practices continued

### 3.3.5 Risk Management

CTC implements various control mechanisms to identify and evaluate operational, financial, and technological risks. The role of committees, policies, procedures and management systems is crucial in identifying, preventing and managing these risks, especially since the Group's activities, operations, investments, and business associates are diverse.

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

- The Operations Managers of each company are responsible for maintaining effective internal controls and executing risk and control procedures daily to mitigate potential risks.
- The Chief Financial Officer of each company monitors financial risks and reporting issues, and facilitates and monitors effective risk management practices by operations managers.
- The Internal Audit function provides an independent and objective assessment of all elements of the risk management and internal control system. The Internal Audit Department identifies, records, and prioritizes the risks associated with the three main groups of CTC, namely Cyprus

Trading Corporation Plc, Ermes Department Stores Plc, and Woolworth (Cyprus) Properties Plc. The results of this exercise are presented annually to the Audit and Risk Committee of each company, as part of the annual audit plan formulation and approval.

The main risks that the Group faces include:

- Significant dependence on foreign suppliers
- A highly volatile retail sector
- Financial risks (e.g. high interest rates, inflation)
- Lack of liquidity in the local market and cashflow risk
- Intense competition
- Increasing cost of goods and delays in the supply chain
- Risks arising from the economic and political environment in Cyprus and possible repercussions from conflicts in the wider Middle East region
- Non-financial risks relating to operations, compliance, legislation, and reputation
- Increasing cost of living
- Environmental risks

## 3.4 Operational Effectiveness and Process Standardisation

The Group’s strategy is defined by the CTC Board of Directors. The Management of each company develops annual plans, targets and budgets in accordance with this strategy, using a common procedure, all approved by the Board of Directors. The individual Key Performance Indicators (KPIs) of employees are determined based on these targets and budgets.

The standardization of processes and written policies and procedures are crucial in achieving optimal operational efficiency, given the Group's diversification and size. Each company follows its own processes, abiding at the same time to common Group policies, procedures and manuals including the Authority Levels Matrix, the HR Manual and the Code of Business Conduct.

A number of services are provided at Group level, to support and benefit all companies, such as Financial, Legal, Human Resources, Public Relations, Property management technical services, IT infrastructure and network, and Internal Audit.

### Memberships in various Bodies and Associations

- Cyprus Employers and Industrialists Federation – Member of the Board of Directors.
- Cyprus Chamber of Commerce & Industry (CCCI).
- District Chambers and Business Associations, under the auspices of the CCCI. Member of the Board of Directors 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.
- CSR Cyprus, a non-profit, non-governmental organization, member of CSR Europe, aiming to promote the concepts of corporate sustainability and responsibility to Cypriot businesses and organizations.
- Cyprus Association of Retail Trade Enterprises (ΠΑ.ΣΥ.ΛΕ.)
- Also, among others: The Cyprus Commercial Representatives Association, The Cyprus Advertisers Association and the Motor Vehicles Importers Association.

#### CTC GROUP ISO CERTIFICATIONS

ISO Standard	Certified Companies
22000:2018 Food Safety Management System	Argosy Trading Company Ltd
9001:2015 Quality Management Systems	CTC Automotive Ltd
14001:2015 Environmental Management Systems	Argosy Trading Company Ltd



# 3.5 Digital Transformation and Data Management

## 3.5.1 Technology & Digitalisation

The Group is committed to investing in new technologies and upgrading its IT systems to improve efficiency, productivity, and service delivery to stakeholders while ensuring infrastructure security.

To adapt to the constantly changing world of technology, the Group has partnered with Microsoft to implement cloud technologies that will enable it to digitize processes, reduce paper usage, increase communication speed, and provide self-service to employees and other stakeholders.

## 3.5.2 Data Security and Integrity

CTC Group has taken significant measures to ensure the protection of personal data and safeguard the security of information. In particular, we implement the General Data Protection Regulation (GDPR). We have reinforced awareness of personal data protection across the entire Group via the dedicated Data Protection Officer (DPO).

Beyond regulatory compliance, and in order to assess our personal data collection, management and storage processes, we engaged specialist consultants in legal and IT fields, identified areas that required improvement, developed targeted action plans and offer trainings to our employees. We have also established a robust procedure for handling customer complaints related to personal data protection.

Our GDPR Committee consists of representatives from key Group functions such as Finance, Legal, Human Resources, IT, and Internal Audit. The committee addresses personal data protection matters and monitor the progress of our assessment and compliance initiatives.

Notably, since the enforcement of the GDPR, our Group's companies have not incurred data breaches, attesting to our diligent efforts in maintaining compliance and protecting personal data.

### Cybersecurity

To enhance security, the Group has made significant investments in security infrastructure and solutions to adhere to international standards, minimize cyber threats, and strengthen pre-emptive threat recognition. Next-generation perimeter firewalls and anti-virus systems have been implemented, capable of scanning and analyzing network traffic for faster threat recognition. In addition, the Group has implemented Next-Artificial Intelligence to scan for malicious code and software automatically and quarantine potential threats to prevent further contamination. Furthermore, the Group has implemented solutions to encrypt all traffic client to server. The Group is also working to implement Data Encryption on all Databases for its business applications to protect personal data and prevent unauthorized access outside its protected data center environment.

# 4 Market and Products

- 4.1 Supply Chain Management**
- 4.2 Addressing Health & Safety**
- 4.3 Green Operations and Products**
- 4.4 Satisfying Our Customers**

# Our Approach

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Our primary concern is to constantly satisfying our customers' expectations and offering high quality products and services at the best affordable price. We, therefore, monitor and act upon our customers' feedback, being at the same time proactive, given the dynamic business environment in which we operate. In this context, we have expanded our product offering to include green, healthier and more sustainable products in response to growing patterns of behaviour for more conscious and mindful consumption, while preserving our business continuity.

## 4.1 Supply Chain Management

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The management of social, environmental and financial implications of the supply chain are considered a critical element of corporate sustainability. The recent pandemic, the war in Ukraine and the Middle East, as well as the attacks against commercial ships passing through the Red Sea near the Suez canal, which forced many vessels to take the longer but safer route around Africa, have had a profound impact on many businesses worldwide and undoubtedly on our supply chain and operations. More specifically, at CTC we encountered the following issues, which we handle to the best of our ability:

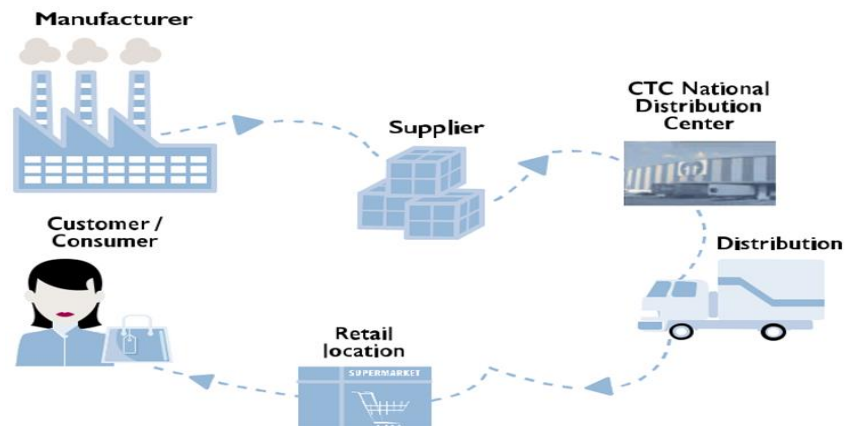
- Supply shortages of raw materials, especially products originating from China, causing delays in production, particularly affecting the automotive industry.
- Supply chain issues relating to raw materials and products originating from Ukraine and Russia.
- Increase in the price of oil and gas.
- Lack of personnel in specific professions, such as drivers with a professional license.

# 4.1 Supply Chain Management continued

## Procurement Policy Practices

We select and assess suppliers based on commercial, social and environmental criteria. Our supplier evaluation process considers product quality (e.g. through sampling), working environment and compliance with legislation regarding production and premises. We prioritise reputable brands and providers with a proven track of quality excellence. The majority of our suppliers are established multinational companies.

Regarding products sourced from third countries, we conduct on-site inspections before entering into agreements to verify that acceptable working conditions are maintained. We carefully select our commercial partners (suppliers, trading customers, collaborators) ensuring that they respect human rights and share the values and principles of our Group.



## Procurement planning

Efficient planning and monitoring of supplies are crucial in reducing waste and maintaining product quality. Achieving this requires maintenance of correct stock levels, which are determined by various factors such as:

- Product type
- Expiry dates
- Fashion trends
- Seasonality
- Consumer preferences
- Technological advancements

When placing orders, we consider the existing inventory, pending orders, forecasted sales, reserve / safety buffer and the suppliers' supply chain parameters, including product lifecycle. Products with shorter lifecycles require more frequent orders. Continuous replenishment ensures product freshness and alignment with fashion trends.

# 4.1 Supply Chain Management continued

## Logistics – CTC National Distribution Centre (NDC)

Our NDC houses all FMCG, which are received and stored according to the suppliers' specifications and standards, maintaining optimal quality and minimising losses.

Once products are received, we conduct a thorough inspection to verify the quantity, quality, labelling and expiry dates. Any non-conforming products, such as damaged goods are handled based on the returns policy and terms of agreement with the relevant supplier. Waste generated in the warehouse, such as packaging waste, is separated and dealt with in accordance with the relevant legislation, utilizing a waste hierarchy approach. Our waste hierarchy approach prioritises waste prevention, followed by waste preparation for re-use, recycling and recovery, with only residual waste going to disposal.

We handle food-related products with utmost care to ensure top quality and minimum potential impacts. Our facilities feature four different temperature-controlled zones: frozen, chilled, air-conditioned, and ambient, also available in a fleet of more than 70 heavy commercial vehicles. All temperatures are recorded, and text messages warn of any temperature-related problems.

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.

Our Warehouse Management System (WMS) provides valuable insights into the location, characteristics, and the expiration dates of products within the warehouse. Our technology enables the preparation of orders with the First Expire First Out (FEFO) system, and in the case of cosmetics, the First In First Out (FIFO). In addition, we utilize voice picking, avoiding the use of paper.

In 2021, we successfully upgraded our Enterprise Resource Planning (ERP) system. This brought immediate benefits, such as increased productivity and reduced errors. With its user-friendly interface, real-time information, and process improvements, the upgraded system has significantly eased the everyday lives of its users and contributed to their overall satisfaction.

## Product traceability

Our digital systems encode all products and enable immediate traceability in case a recall of a specific batch from the markets is required for any reason.

# 4.1 Supply Chain Management continued

## Supply Chain & Logistics Awards 2023

During the 17th Supply Chain & Logistics Conference & Exhibition in January 2024, Argosy Trading Company Ltd received one of the first IN Business Supply Chain & Logistics Awards, aimed to highlight and reward businesses and leading personalities that have pioneered and invested in innovative practices and approaches in the field of supply chain, warehousing and logistics with specific projects and initiatives in the industry.



**WINNER**



**ARGOSY**  
TRADING COMPANY LTD

# 4.2 Addressing Health & Safety

## 4.2.1 Customer / Consumer Health & Safety

At CTC we implement appropriate systems in compliance with legal requirements. This ensures the safety and well-being of our customers / consumers and promotes effective risk management.

In 2023, we had no incidents of non-compliance with any regulations concerning health and safety for any of our 40 product categories. Regarding customer accidents in our premises, we had 18 in 2023, all non serious (24 in 2021 and 22 in 2022, all non serious).

## 4.2.2 Food Safety

Ensuring the provision of safe food is a top priority. To achieve this, we have established a food hygiene and safety policy, which outlines fundamental principles and objectives for continuous improvement.

Argosy Trading Company Ltd has upgraded its Food Safety Management System to align with both internal and external stakeholder requirements as well as the operating framework and has obtained ISO 22000:2018 certification.

Argosy implements ISO 22000:2018 management system in order to:

- Increase customer confidence
- Identify and address potential risks and threats
- Comply with legal requirements

These objectives are achieved through:

- 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



## 4.3 Green Operations and Products

As a Group we observe market trends and customer requirements around more sustainable products, services and operations. Based on the above, we continuously enrich our portfolio, in line with our vision, new EU regulations and our sustainability objectives.

### Food

We have widened our range of food products to include more plant-based, non-genetically modified products, suitable for vegetarians and vegans. Furthermore, we have added products which are gluten free. At the same time, we support our suppliers' initiatives in promoting green products and building awareness on environmental protection.

### Fashion Retail

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

### Automotive

Our automotive and engineering operations are aligned with the new trends for clean energy to promote green and sustainable products in the market. In addition to offering hybrid and electric cars in the market, such as the new model of IONIQ 6, Volvo EX30, CTC Automotive aims to provide high-quality solutions related to energy saving and energy efficiency, such as lighting, photovoltaics, charging stations for electric vehicles.

### 4.3.1 Quality of Products and Services

CTC has a strict policy of importing high-quality products from reliable manufacturers and suppliers. We do our utmost to safeguard that quality is maintained until the products reach the end consumer. This is achieved through technology and company procedures, efficient supply chain management, the right warehousing conditions also extended in the distribution vehicles, and traceability measures in the market.

CTC is committed to continuously improving the quality of its offering by:

- Implementing certification standards
- Providing ongoing training to its employees
- Monitoring customer feedback through various surveys
- Maintaining an effective customer complaint management system

## 4.4 Satisfying our Customers

Customer and consumer satisfaction is of utmost importance. We strive to offer innovative, sustainable and high-quality products and services, by closely monitoring market trends and customer preferences. We continuously identify areas of improvement in order to enrich our offering and ultimately enhance our customer satisfaction and experience.

In this context:

- CTC Automotive is in the process of expanding and upgrading its After Sales Service Centres in both Nicosia and Limassol.
- Superhome relocated and upgraded the Superhome megastore in Pafos, and has also launched its own mobile application, through which customers can navigate and discover more than 50.000 products.

### 4.4.1 Customer / Consumer Satisfaction

#### Customer Surveys

We use market, customer or product surveys to keep up with current trends and customer / consumer views, to identify areas of improvement and achieve service excellence, carried out by specialist organizations. Internal surveys, such as follow-up calls and online questionnaires, are also conducted. In 2023 Ermes conducted 4 customer online surveys related to its department stores. For its customer surveys, Superhome used anonymous online questionnaires for customers in the stores, and e-satisfaction questionnaires for online customers.

For Argosy and Automotive customer surveys are being conducted directly by suppliers and all areas of improvement are communicated to us.

#### Product Return Policy

Each company provides customers and consumers the necessary information on the product return procedure that varies according to product type.

#### Reward Programme

Ermes Group customer reward programme "Unique by Ermes" aims to enhance customer engagement and satisfaction. The programme features a dynamic three-tier reward system that offers rewards according to transactional behaviour.

The programme spans across multiple product categories, including fashion, cosmetics, home improvement and DIY, and is offered at various 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, Springfield, Women'secret, Zako, Glow Beauty, ERGON, and Superhome Center.



## 4.4 Satisfying our Customers continued

### Complaint Management

We have enhanced our complaint management system through the allocation of dedicated roles within our companies and targeted training sessions. These measures ensure more effective monitoring and handling of complaint management.

Argosy's Market Development Department manages consumer complaints related to FMCG products through a structured process:

- Complaints are received via phone or email (either directly from consumers or trading customers).
- Relevant departments are notified and if required, the supplier is contacted.
- A response must be given to the customer within 48hrs of receiving the complaint.
- All complaints are documented and assessed.

Customers in Group stores can report complaints either in writing, or verbally at the Customer Service Desk, or to a member of the store management team. In the case of Superhome most of the complaints are received through specific platforms. If the issue cannot be resolved immediately, it is escalated to the person in charge of handling complaints at the company's Head Office, who will address it within 48hrs.

The Brand Manager or After Sales Manager handles complaints in our automotive operations. In case a customer contacts the supplier directly, the complaint is dealt with in collaboration with the supplier.

Complaints may also be reported on our websites or social media, which are monitored by the Marketing Departments of the companies and forwarded to the person responsible to resolve them.

Complaints began to be formally received and reported in 2022, marking the year when the reporting process was uniformly adopted by all companies. We encourage customers to report any complaints, as we consider all feedback valuable for further improving our offering.

### Number of complaints officially received, recorded and handled

Company	2022	2023
Argosy	24	16
Ermes	68	40
Superhome	75	158
Automotive	94	157

*Notes:*

1. Comments in social media are not counted.
2. Any complaints related to tobacco products (Cassandra) are being handled by the supplier and any complaints related to the products handled by Artview are being addressed to the stores.

## 4.4 Satisfying our Customers continued

### CTC Automotive honoured for 60 years of HILTI in Cyprus

CTC Automotive Ltd, a member of the CTC Group, one of whose activities is the import and distribution in the Cyprus market of the well-known HILTI professional products for the construction industry, recently received an important honour recognizing the long standing and successful 60-year partnership, the oldest in the region of the Eastern Mediterranean and the Middle East.

An Honorary Plaque was presented to the Chief Executive Officer of CTC Automotive Ltd, George Kozakos, by Michael Hilti, the Honorary Chairman of the Board of Directors, Mutaz Al-Ma'ani, Head of Region Middle East, Turkey and Africa, and Joaquim Sarda, Member of the Executive Board. The award ceremony took place at the HILTI Headquarters in Liechtenstein, during a meeting which was attended by HILTI partners of the META region (Middle East, Turkey, Africa), which includes Cyprus. George Kozakos was accompanied by Stefanos Champiaouridis, the Hilti Division Manager of CTC Automotive.

During the ceremony Mr. Mutaz Al-Ma'ani praised CTC Automotive, reiterating that which is stated on the Honorary Plaque: "The CTC Automotive Team have continuously made proof of their professionalism and dedication, to the benefit of both our companies and our customers. Congratulations to the entire team of CTC Automotive, HILTI Division.

Thank you for your loyalty, trust and commitment towards building and maintaining a mutually beneficial Business Partnership over the years."

CTC Automotive, with its efficient structure and the qualified professionals of the HILTI Division Team, succeeded in the highly competitive sector such as the construction industry, to achieve results that in many cases have exceeded those of much bigger countries.



## 4.4 Satisfying our Customers continued

### Highest Quality Growth Award for Argosy

Argosy Trading Company Ltd team received the "**Highest Quality Growth Overall**" award at the MARS 2024 Importers, Distributors Business Unit (IDBU) Summit, held in Egypt in November 2023. The conference included a review of the year, presentation of future plans and training on new products and practices. It was the most important of the eight awards awarded, which puts Argosy Trading Company Ltd at the top of many MARS distributors.



# 5 Our People

**5.1 HR Management and Practices**

**5.2 Development, Performance and Motivation**

**5.3 Health, Safety and Wellbeing in the Workplace**

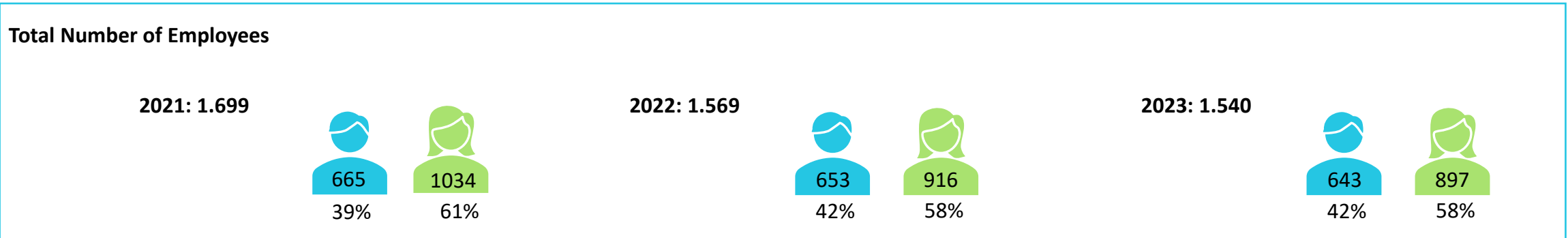
# Our Approach

At the core of our activities lies our dedicated workforce, hence we prioritize the creation of an environment that fosters their growth and well-being. We promote a knowledge-driven organizational culture, empowering our employees through continuous investment in education and training, which not only enhances their skills but also facilitates their future career progress. Above all, we are committed to a working environment that offers equal opportunities for advancement to all individuals within the Group, where mutual respect prevails. We adhere to transparent and fair processes, free from any form of discrimination or bias. Moreover, ensuring the health and safety of our employees during their work is an important aspect of our operations, prompting us to constantly enhancing our systems, processes, and work methods.

## 5.1 HR Management and Practices

### Our Employees in Numbers

CTC Group is one of the largest employers in Cyprus with approximately 1.600 employees in 2023. In order to effectively manage our people, we follow an action plan based on our HR strategy which is aligned with the Group strategic direction, taking into consideration the latest market trends.

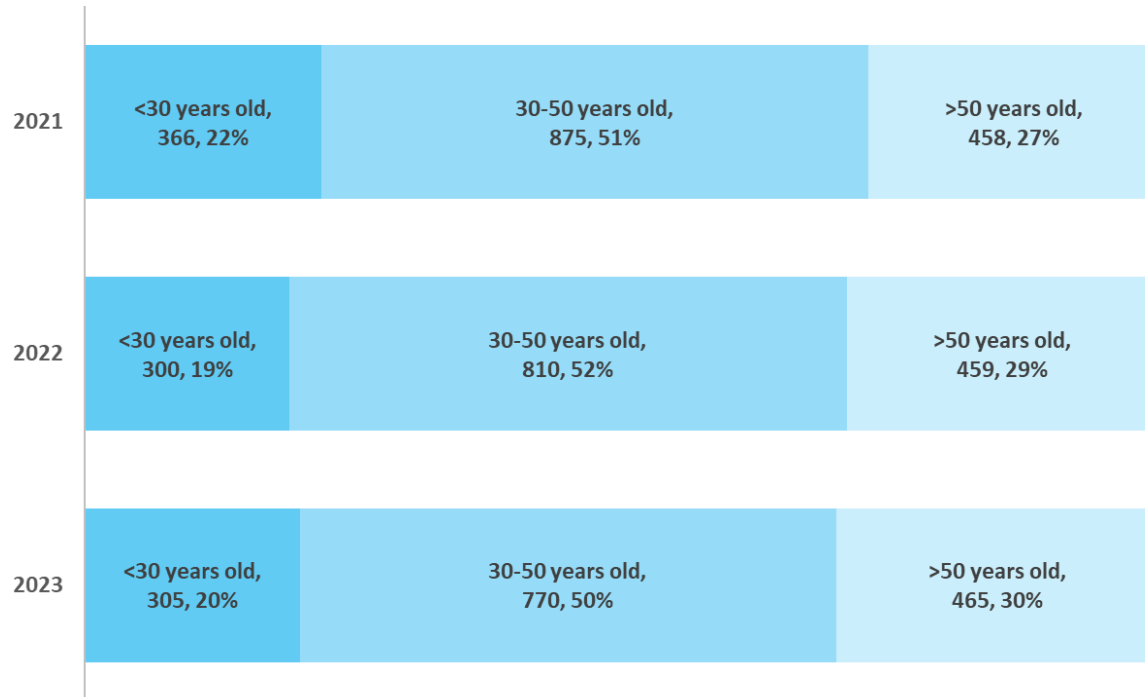


*Note: The total number of employees is the average number of the year to cater for monthly variations.*



# 5.1 HR Management and Practices continued

**Our Employees by age**



*Note: The total number of employees is the average number of the year to cater for monthly variations.*

**Employees by gender and contract type (headcount)**

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
<b>Permanent employees</b>						
Permanent full-time employees	486	537	490	502	509	529
Permanent part-time employees	168	480	152	397	123	343
<b>Temporary employees</b>						
Temporary full-time employees	1	5	4	5	5	11
Temporary part-time employees	10	12	7	12	6	14
<b>Supervised workers</b>						
Supervised workers	54	180	54	143	55	144



# 5.1 HR Management and Practices continued

## Employee hires (1)

Employee hires by gender	2021	2022	2023
Male	129	141	214
Female	256	263	264
<b>Total</b>	<b>385</b>	<b>404</b>	<b>478</b>

Employee hires by age group	2021	2022	2023
<30	169	193	247
30-50	147	160	168
Over 50	69	51	63
<b>Total</b>	<b>385</b>	<b>404</b>	<b>478</b>

## Employee turnover (1)

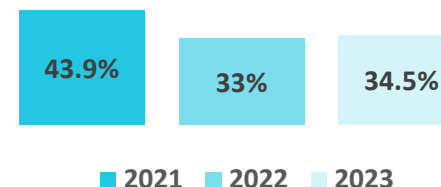
Employee turnover by gender	2021	2022	2023
Male	279	209	235
Female	468	310	296
<b>Total</b>	<b>747</b>	<b>519</b>	<b>531</b>

Employee turnover by age group	2021	2022	2023
<30	246	237	238
30-50	381	217	218
Over 50	120	65	75
<b>Total</b>	<b>747</b>	<b>519</b>	<b>531</b>

Employee turnover (contract type)	2021	2022	2023
Full-time employees	309	181	218
Part-time employees	438	338	313

Termination reason	2021	2022	2023
Resignation	517	451	466
Dismissal	36	41	36
Redundancy	129	1	2
Retirement	15	3	7
Death	3	2	1
Internal transfer	1	8	3
Expiration of contract	13	13	16
Transfer of Business	33	0	0

## Employee turnover rate (1,2)



Notes:

(1) Numbers are primarily affected by employees working in the retail stores and F&B.

(2) Turnover is calculated as the Total Number of Leavers / Total Number of Employees.

# 5.1 HR Management and Practices continued

## 5.1.1 Labour Practices

As a responsible employer, we ensure labour laws and employee rights are fully adhered to and are included in our CTC Employment Agreements:

- All employees are employed of their own free will and with full understanding of all terms of employment.
  - Our rewards and benefits package is either at par or higher than the minimum legal requirements and those prevailing in the market. As from 01/01/2024, the minimum monthly salary for full-time employees is €900, rising to €1000 after six months of continuous employment.
  - Part-time employees receive the same benefits as full-time employees.
  - We do not employ anyone below 16 years of age.
  - We ensure that men and women receive equal pay for equal work, and we apply common criteria excluding gender discrimination.
  - We comply with all provisions of the law concerning working hours, rest periods, special leaves and overtime.
- We implement the 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 programmes.
  - We ensure confidentiality 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.

# 5.1 HR Management and Practices continued

## HR Manual, Policies and Procedures

Our HR Manual serves as a comprehensive source of policies and procedures related to human resources. It is easily accessible to all employees through our intranet and online training platform. To ensure its relevance and compliance, we conduct regular reviews and updates to align with changing laws, regulations, and organisational policies. We employ various communication channels such as meetings, email announcements, and notice board postings to inform employees of important updates. The latest version of our manual was officially released in January 2023. Several presentations to our employees were organised and delivered in all towns, so as to explain and discuss rights and obligations. This was greatly appreciated by all employees.

All our new hires go through briefings which are carried out on their first day at work, outlining their rights and responsibilities.

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

## Integrating our values

Our values guide our decision-making and shape the culture of our Group. To ensure that they remain at the forefront of our actions, our values have been incorporated into the qualitative criteria of our Annual Performance Appraisal System. As a constant reminder to all of us, posters are placed in company premises. In addition, the importance of practicing our values on a daily basis is regularly highlighted in each one of our employee newsletters.

# 5.1 HR Management and Practices continued

## Strengthening communication and engagement

We strive to strengthen communication channels enabling the continuous exchange and uninterrupted flow of ideas and information. By doing so, we aim to enhance transparency, collaboration and achieve organisational alignment. To achieve this, we conduct training workshops, seminars, surveys, host internal meetings and share regular announcements.

Our quarterly newsletter "The HR Department informs you", which was introduced in 2020, is a valuable communication tool that keeps employees updated on important HR-related issues, policies, and procedures. This newsletter promotes a sense of belonging by sharing employee achievements, success stories, and experiences.

Furthermore, we have invested in upgrading our intranet infrastructure, which serves as a reference point for all policies, procedures, manuals, and official documents. This resource is continually being enhanced and updated. It also features news and information that would interest our staff.

## 5.1.2 Job security

Our aim has always been to ensure business continuity and maintain a supportive and resilient work environment where our employees feel valued and confident about their future with us. Job retention has always been one of our major concerns and therefore we constantly implement measures to provide stability, as well as to increase employee engagement.

# 5.1 HR Management and Practices continued

## 5.1.3 Diversity and Equal Opportunity

We are committed to creating an inclusive workplace where everyone feels valued, respected, and empowered to contribute. As such, we implement procedures for all companies of the Group that uphold objectivity and transparency to safeguard the right of all employees to work in an environment free of any kind of discrimination, unequal treatment and harassment. Employees are encouraged to report freely any complaint regarding their working conditions, without fear of negative consequences.

Opportunities are accessible to all, based on their capabilities and contribution. Our decision-making processes concerning salary increases and promotions, are based on our formal Annual Performance Appraisal System which contains both quantitative and qualitative criteria.

### Employee Promotions

Promotions	2021	2022	2023
Number of men promoted	21	24	22
Number of women promoted	30	32	30

### Senior Management\*

	2021	2022	2023
<b>ORIGIN</b>			
Cypriot	16	18	18
Greek	1	1	1
<b>AGE</b>			
<30 years old	0	0	0
30-50 years old	6	8	9
>50 years old	11	11	10
<b>GENDER</b>			
Male	8	10	10
Female	9	9	9

\*The management team includes the Executive Directors, General and Financial Managers and Senior Managers at Group level.

# 5.1 HR Management and Practices continued

## **CTC Group certified “Equality Employer”**

The National Certification Body for the Implementation of Good Practices in Gender Equality in the Working Environment announced on 7 April 2021 its decision 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.

# 5.1 HR Management and Practices continued

## 5.1.4 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.

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.

## 5.1.5 Harassment and Bullying

We strive to provide a workplace where all individuals are treated with dignity and respect, and are protected from any forms of discrimination, intimidation, harassment or similar misconduct.

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

- Safeguards the right of each employee to work in a professional environment, free from any form 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. Training on how to prevent harassment and sexual harassment is included in the employee induction programme and is offered to all employees.

All complaints are thoroughly investigated, and appropriate measures are taken against the offenders, including police involvement and termination of employment. The Equality Committee addresses all forms of discrimination and harassment and responds promptly with confidentiality and sensitivity.

In 2023, no incidents of harassment or bullying have been reported.

# 5.2 Development, Performance and Motivation

## 5.2.1 Education and Training

We invest in the education and training of our employees which allows their further development and strengthening of their knowledge, skills and abilities, aiming to building long-term careers in the Group.

### Training Opportunities

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). Training programmes are designed taking into account the strategic direction of the Group, the specific needs of Operations / Departments, the annual performance appraisal of each employee, as well as market trends. For example, in 2023 members of Superhome management team attended a workshop regarding the optimization of productivity using Artificial Intelligence.

The below tables do not include on-the-job training hours.

Training programmes	2021	2022	2023
<b>Total number of training programmes</b>	<b>270</b>	<b>344</b>	<b>407</b>
Internal with internal trainer	156	201	273
Internal with external trainer	41	60	54
External	73	83	80

Participants	2021	2022	2023
<b>Total number of participants</b>	<b>1.447</b>	<b>2.122</b>	<b>2.428</b>
Men	717	690	970
Women	730	1.432	1.458

Training hours	2021	2022	2023
<b>Total number of training hours</b>	<b>2.147</b>	<b>1.991</b>	<b>1.965</b>
Internal with internal trainer	387	482	695
Internal with external trainer	387	541	395
External	1.373	969	875

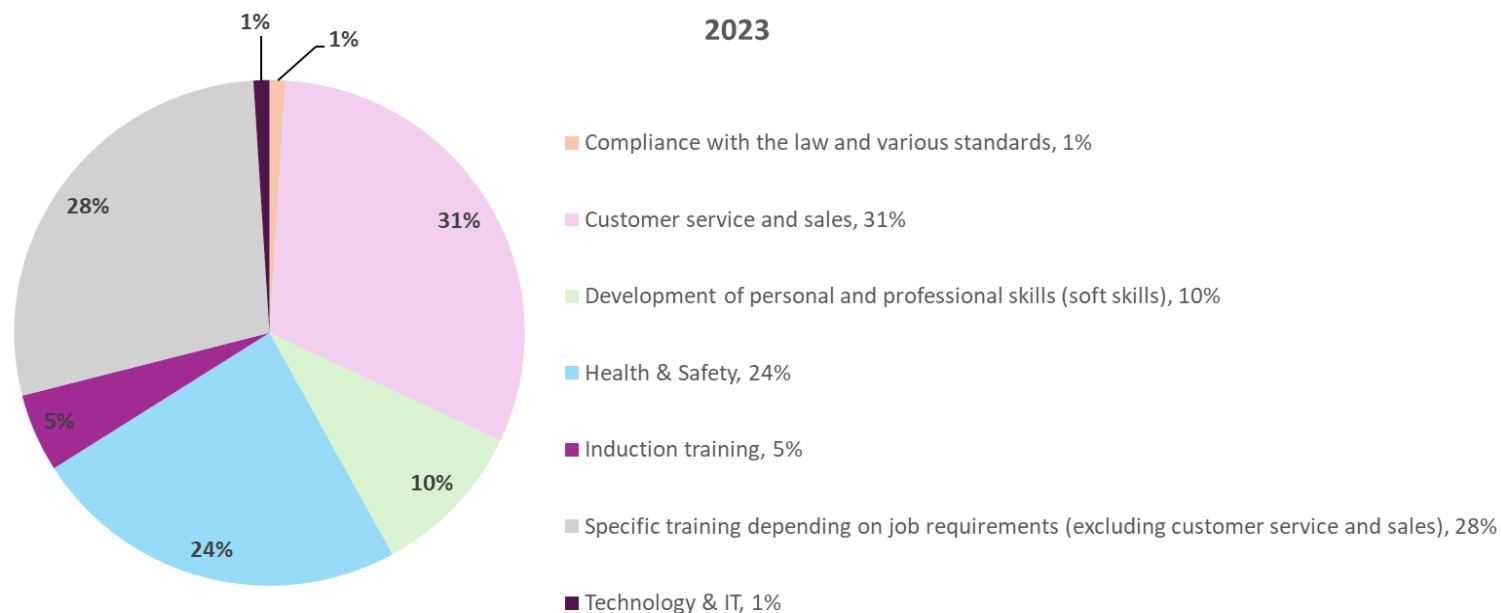
People training hours	2021	2022	2023
<b>Total number of people training hours</b>	<b>7.330</b>	<b>10.599</b>	<b>10.406</b>
Men	3.831	4.019	5.020
Women	3.499	6.580	5.386

Average training hours	2021	2022	2023
<b>Per employee</b>	<b>4,3</b>	<b>6,8</b>	<b>6,8</b>
Per man	5,8	6,2	7,8
Per woman	3,4	7,2	6,0



## 5.2 Development, Performance and Motivation continued

Training topics (based on people training hours)	2021	2022	2023
Compliance with the law and various standards	123	47	102
Customer service and sales	627	3.710	3.259
Development of personal and professional skills (soft skills)	1.150	357	1.065
Health & Safety	2.029	2.856	2.465
Induction training	470	653	539
Specific training depending on job requirements (excluding customer service and sales)	2.699	2.376	2.856
Technology & IT	233	110	120



## 5.2 Development, Performance and Motivation continued

### Participation of a Cypriot expert in the Technical Committee of the International Labour Organization (ILO)

An honor for Ermes Department Stores Plc and the CTC Group was the participation of Nicos Soteriou, Head of Operations of Ermes, in the ILO Technical Committee meeting, following a suggestion by the Cyprus Employers and Industrialists Federation (OEB). The Committee's work was to discuss the challenges, opportunities and future of the World of Work in the retail sector, with focus on digitalisation as a means of ensuring a human-centric approach to economic recovery.

The ILO selected Nicos Soteriou, among a number of other nominations from employers' organizations around the world, as one of the eight employers' representatives, to participate in this high-level Tripartite Technical Committee, which met in September 2023 in Geneva, Switzerland.



## 5.2 Development, Performance and Motivation continued

### E-learning

Our online training platform, known as the CTC Academy, hosts an induction training programme for new hires to help them familiarize themselves with the company. It also provides an overview of important policies and procedures, as well as a series of courses which is continuously updated with new courses for existing employees.

The trainings follow modern gamification approaches, ensuring, through quizzes, that the required level of knowledge is gained. Participants are rewarded with certificates and badges.

The platform is considered a valuable learning tool.

### 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.

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

Our employees also appreciate the benefit of paid study leave offered by the Group for programmes related to their job position, pre-approved by the Company. This study leave is up to 8 days a year.

## 5.2 Development, Performance and Motivation continued

### Assessing our employees' performance

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 three months and specific KPIs are set and agreed upon the completion of the probation period (six 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 / new KPIs for the current year, to identify key strengths and weaknesses and provide necessary tools to help all employees reach their full potential.

High performers constitute our "talent pool" and have a personal development plan to enable their advancement to higher positions. Low performers undergo close supervision and further training to raise their performance at the organisational expected level.

To further advance our Performance Appraisal System, in 2022 we conducted a survey among our employees. Based on their feedback, in 2023 we incorporated our Group values in the system, and we proceeded with changes that we deemed necessary to improve our procedures. Our aim was to simplify the whole procedure making it more comprehensible and acceptable to all employees.

Although in 2023 we were planning to carry out a 360o evaluation for our top and middle management, these plans were modified following our decision to proceed in 2024 with a more holistic approach on work environment and company culture.

### Completion of Performance Appraisals

	2021	2022	2023
Total number of employees (December previous year)	1.777	1.477	1.512
Number of eligible employees	1.453	1.168	1.193
Number of appraisals completed	1.097	1.094	1.132
Number of non-eligible employees (e.g. trial period)	324	309	319
Number of appraisals not completed for no valid reason	356	74	61
Completion rate*	75,5%	93,6%	94,9%

\* Completion rate is calculated as the Number of appraisals completed / the Number of eligible employees.

## 5.2 Development, Performance and Motivation continued

### Rewarding our people

At CTC, we acknowledge and value the hard work of each and every employee, their ongoing efforts and dedication in achieving organisational success. However, we maintain a results-orientated culture using qualitative and quantitative criteria to recognize and reward performance.

Our salaries take into consideration market benchmarks and account for market changes. We participate in biannual market surveys on employee salaries and benefits in order to be updated and better understand expectations in a constantly changing market.

Salary increases, bonuses and commissions are based on well defined, pre-agreed and transparent key performance indicators (KPIs), which are formally evaluated during our annual performance appraisals. Other incentives schemes related to sales also exist, with KPIs being evaluated on a monthly basis.



*Get Together Summer Party of FMCG employees – June 2023.*

## 5.3 Health, Safety and Wellbeing in the Workplace

At CTC Group, we are committed to safeguarding the well-being of our employees, by upholding high standards of health and safety measures in the workplace, in line with the applicable laws and regulations.

### Health and Safety Management Systems

Each company within the CTC Group has developed its own Health & Safety Management System tailored to their specific needs, operations and premises. Ermes Department Stores Plc, 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 based on the principles of the new standard ISO 45001:2018. CTC Automotive Ltd, certified with ISO 9001:2015, is also working towards adopting the principles of the new standard.

All four companies, Ermes, Superhome, Argosy and Automotive employ a full-time Health & Safety Officer each, although the latter employs less than 200 people, which is the legal requirement for such a position.

The Health & Safety Management Systems include integrated processes that support their implementation. They consist of manuals, procedures, instructions, and leaflets, which are regularly reviewed to ensure ongoing improvements in health and safety matters within each company. These include:

- Health & Safety Committees that have a defined role and responsibility in risk evaluation and management of health and safety issues, updated periodically.
- Emergency procedures and plans.
- Instructions on reporting, investigating, and analyzing incidents and accidents.
- Specifications for the provision of suitable equipment and safe installations.
- Personal protective gear based on the type of work.
- Rules for workplace inspections for health and safety issues.
- Safety measures for associates and subcontractors on company premises.
- Fire safety and fire protection regulations.
- Road safety rules.
- Information and regular training of employees about safety and health policies and systems, as required by law, including the location of relevant equipment such as Automated External Defibrillator (AED), first aid kits, fire extinguishers, and emergency exits in each area.



## 5.3 Health, Safety and Wellbeing in the Workplace continued

### Road Safety

Since 2009, CTC Group has been a signatory to the European Road Safety Charter and has been promoting activities and programmes to increase road safety awareness among its employees and the wider community.

The Group uses modern electronic fleet management and telematics systems to maintain low levels of traffic violations. Argosy, Artview and Cassandra, all located at the CTC National Distribution Centre (NDC), operate a fleet of over 216 vehicles of all types (the Group's largest fleet), which in 2023 covered 4.300.175.

In 2011, NDC installed a fleet telematics system, which warns the Fleet Manager and Health & Safety Officer when a driver exceeds the speed limit and bear relative consequences in case of repetitive violations. The number of accidents involving company vehicles has decreased by 51% since 2016. The total number of accidents has remained low, with 27 accidents recorded in 2023 (27 in 2021, 28 in 2022).

We have implemented numerous measures, including:

- Automated reminders for drivers to perform maintenance checks on their vehicles.
- A monthly checklist for heavy commercial vehicles to identify any external or mechanical faults, with specific instructions for addressing them.
- Warnings to drivers who exceed speed limits, with consequences for repeat offenders.
- Processing and analysis of truck tachograph data to ensure compliance with driving and rest period regulations.
- Appointment of a committee to examine the circumstances surrounding road accidents.
- Sending prompt email briefings to employees regarding road safety issues and any potential problems on the road network.
- Prohibition of smoking in company vehicles.

## 5.3 Health, Safety and Wellbeing in the Workplace continued

### Health and Safety Incident Indicators for Own Employees

Indicators	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Number of hours worked</b>	N/A	N/A	<b>3.125.050</b>	N/A	N/A	<b>2.769.234</b>	N/A	N/A	<b>2.825.454</b>
<b>Number of accidents involving physical injury</b>	12	15	<b>27</b>	8	10	<b>18</b>	18	9	<b>27</b>
Non serious	12	15	27	8	9	17	18	9	27
Serious / Fatalities	0	0	0	0	1	1	0	0	0
<b>Total number of hours lost due to accidents</b>	1.431	2.089	<b>3.520</b>	540	2.176	<b>2.716</b>	1.250	700	<b>1.950</b>
<b>Injury Rate</b> (Number of accidents / Number of hrs worked x 200.000)			<b>1,73</b>			<b>1,29</b>			<b>1,91</b>
<b>Lost Day Rate (LDR)</b> (Number of hours lost due to accidents / Number of hours worked x 200.000)			<b>225,28</b>			<b>196,15</b>			<b>138,03</b>
<b>Sick leave days</b> (all recordable absences due to accident injury or sickness)	3.594	7.521	<b>11.115</b>	3.131	7.897	<b>11.028</b>	3.003	6.499	<b>9.502</b>
<b>Total actual absentee hours lost</b>	23.434	51.619	<b>75.053</b>	23.562	53.289	<b>76.851</b>	22.127	44.650	<b>66.777</b>
<b>Absentee rate</b> (Total actual absentee hours lost/Number of hours worked x 200.000)			<b>4.803</b>			<b>5.550</b>			<b>4.727</b>



## 5.3 Health, Safety and Wellbeing in the Workplace continued

### Wellbeing 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.
- 13<sup>th</sup> 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)

### Parental leave

Leave	2022	2023
Number of men that took paternity leave	13	10
Number of men who returned to work after paternity ended	13	10
Number of women that took maternity leave	33	37
Number of women who returned to work after maternity leave ended	22	31

*Note: The number of women returning to work after maternity leave also includes women who started their maternity leave in the previous year.*

*\*These benefits apply on completion of the six-month probation period.*

## 5.3 Health, Safety and Wellbeing in the Workplace continued

### 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 set by some of the companies of the Group, employees have flexibility with their 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.
- Saint Valentine's day was celebrated at Argosy with the slogan "The sweetest part of your life". Office premises were decorated with balloons and hearts, and chocolates were offered to all employees by the Lacta team of the Marketing Department.
- The International Employee Appreciation Day was celebrated at the NDC with a rich breakfast to all employees prepared by the Food Service Department, while Ermes offered sweets and beverages.
- Employees of our CTC, Ermes and Argosy headquarters celebrated the end of summer with free ice cream.
- As part of the 6<sup>th</sup> Safer Gambling Week 2023, two training sessions were held for CTC Group employees in Limassol and Nicosia, in cooperation with the Cyprus National Betting Authority. The aim was to provide information about safe gambling and the role that supervisors can play in the early prevention of problematic behaviors.
- The Group organized a theatrical event called "In Bouklochora" for employees to enjoy with their children and grandchildren. The performance was a comedy with a Christmas theme, subtly addressing childhood cancer and conveying an optimistic message about life. All the children received gifts from the Group.

### Highlights in 2023

- On the occasion of International Women's Day, the CTC Group organised a lecture on "Diagnosis and Treatment of Breast Cancer" with Dr. Yiola Markou, Pathologist – Oncologist at the Bank of Cyprus Oncology Centre. The lecture was addressed to employees and members of their immediate family.

# 6 Society

**6.1 Economic Impact on Society**

**6.2 Community Investment**

# Our Approach

We have a long-lasting commitment to giving back to the community, with particular focus on children and young people.

We actively collaborate with the local community, relevant stakeholders, and non-governmental organizations (NGOs), and participate in various projects that advance people welfare.

## 6.1 Economic Impact on Society

We consider the most important economic impact we have on society to be primarily:

- a. The employment of about 1.600 individuals (2023). As one of the biggest employers in Cyprus we recognize the responsibility we have towards the economic wellbeing of hundreds of families.
- b. The cooperation with local suppliers of goods and services. Our diversified operations benefit a number of local businesses.

	2021	2022	2023
Total payroll cost	€32.856.705	€33.307.206	€33.838.719
Local purchases of goods and services (Electricity cost is not included)	€73.238.420	€68.256.175	€82.447.560

<b>Purchases from Trade Suppliers</b>	2021	2022	2023
Trade Suppliers within Cyprus (%)	26%	25%	28%
Trade Suppliers abroad (%)	74%	75%	72%

<b>Purchases from Non-Trade Suppliers</b>	2021	2022	2023
Non-trade Suppliers within Cyprus (%)	99%	99%	99%
Non-Trade Suppliers abroad (%)	1%	1%	1%

## 6.2 Community Investment

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As a responsible corporate citizen, we are committed to investing in society through donations, sponsorships, and philanthropy. We identify and prioritize most impactful areas contributing to sectors such as education, healthcare social awareness, sports and urgent relief needs deriving from disasters, in line with principles of sustainable development and the 17 United Nations Sustainable Development Goals.

### Education

#### **Medical School and Health Sciences “Nicos K. Shacolas”**

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.

#### **Internship Programme**

CTC Group collaborates with universities and colleges in Cyprus to provide valuable work experience to students and graduates, through placements within our companies. Our "Come and Join Our Team" internship programme, which is specifically designed to attract capable young individuals eligible to be employed by the Group in the future, is promoted in career fairs. Through this opportunity, we foster a mutually beneficial relationship where students gain practical experience, while the Group benefits from their ideas and innovative thinking. During the summer 2023 we welcomed 5 interns in the Marketing, Accounting, HR and IT departments.

## 6.2 Community Investment continued

### Donations

Monetary contributions and in-kind donations are pivotal in supporting humanitarian and disaster relief efforts.

#### **Sophia For Children Foundation**

The Sophia for Children Foundation aims to fight poverty and its repercussions, mainly concentrating on the most vulnerable of all social groups, children. It is purely run by Cypriot volunteers.

Based on our decision to focus on contributing to children and young people's welfare, we have a longstanding relationship of support with the Sophia for Children Foundation. This involves sponsorships, financial donations, offering of free products and clothing traded by our companies, as well as services such as HR and accounting. Moreover, members of our staff are volunteering in various ways to assist the Foundation events.

Supporting this cause, Argosy has been offering, every year, free Melissa pasta and other food products at special prices for the meals of the lunch programme "I cook and I offer", which covers 18 full-day primary schools and 10 kindergartens.

#### **"I Cook and I Offer" Programme**

On September 11, 2023, at an event held at the Presidential Palace, the President of the Republic, Nikos Christodoulides, and the Sophia for Children Foundation handed out awards to 15 companies in gratitude for their contributions to the "I Cook and I Offer" programme. Among these companies were Cyprus Trading Corporation Plc and Argosy Trading Company Ltd. George Louca and Vassilis Evgenios received the awards on behalf of their respective companies.

The need to create the "I Cook and I Offer" programme arose in 2013, during the economic crisis, when many families were unable to afford meals for their children in all-day schools.

The "I Cook and I Offer" programme undertakes the preparation of lunch for thousands of students in all-day schools in Cyprus, while also providing employment to unemployed mothers. The programme significantly strengthens the institution of all-day schools, which is extremely beneficial for a fairer society.

## 6.2 Community Investment continued

### **Cyprus Red Cross**

Through Cyprus Red Cross we have donated €5.000 towards assisting the flood victims in Greece and €1.000 for charity activities.

### **Support to the Volunteer Group "Hug With Love"**

Argosy continues to offer practical support to the volunteer group "Hug with Love" and in February 2023 offered a substantial number of cleaning, hygiene, as well as food products, in an effort to support our fellow human beings in need.

### **"May Festival of Love"**

Superhome DIY supported the "May Festival of Love" organized by the SEANA, Association for the Welfare of People with Mental Handicap, by providing canopy tents and tables. This association provides care for adults facing severe multiple disabilities, who often struggle to find acceptance in other institutions. The purpose of the festival was to support the association to raise funds for the operation of its day care centers.

### **Radiomathon 2023**

Within the framework of Radiomathon 2023, CTC Group employees, as well as Group companies, made a contribution of €1.500, in order to provide support and care to people in need of medical treatment and assistance.

### **Independent Social Support Body**

This fund contributes, mainly through tuition or rent subsidies, to students whose families are facing serious financial and social problems. In this way, they can complete their studies instead of dropping out. Cassandra has donated €5.000, while Ermes has donated the amount of €2.000 in vouchers.

### **Argosy supports the Ronald McDonald House**

Argosy has an ongoing commitment to providing a range of its products, such as food, snacks and coffee capsules, to the guesthouse Ronald McDonald House. These products are made available to the families staying at the House, who have children receiving medical treatment at the Makarios Hospital or other healthcare institutions in Nicosia. The annual total retail value of the products is estimated to be €5.000.



## 6.2 Community Investment continued

### Supporting Social Causes and Spreading Awareness

#### **World Animal Day: Whiskas and Pedigree "Give Them Food & Love"**

Every October, on World Animal Day, Argosy partners with Whiskas and Pedigree to provide support to stray animal shelters in Cyprus. This longstanding initiative, ongoing for 14 years, relates to donating free meals to these shelters based on every purchase of Whiskas and Pedigree products on that particular day. Over the course of 2023, we were able to provide over 65.000 meals, and the number continues to increase every year.

#### **CTC Automotive supports the work of Europa Donna Cyprus**

CTC Automotive celebrated International Women's Day on March 8, 2023 by offering gifts to its women employees. The Company decided to purchase products from the non-profit organization Europa Donna Cyprus, thus supporting the organization's efforts and reminding employees of the great importance of prevention and early diagnosis of breast cancer and ovarian cancer.

#### **Red Diamond Awards – International Businesswoman of the Year**

In June 2023 ERA department stores of Ermes sponsored the Red Diamond – International Businesswoman of the Year awards held by the Cyprus Chamber of Commerce and Industry (CCCI). The purpose of this unique event was to celebrate and reward the international female business community that lives and works in Cyprus, and which is now evolving as the backbone of the Cyprus economy.

Special gifts were offered to all attendees. Additionally, gifts from the French perfume house Diptyque, exclusively available in Cyprus at two of the ERA department stores, were offered to the 9 nominees.

#### **Septemberfest 2023**

In collaboration with Pringles, Argosy sponsored the Septemberfest 2023 music event which took place at the Academy Park in Aglantzia. The message of this year's festival was: "No drugs! No to alcoholism! No to juvenile delinquency! No violence in stadiums!

#### **Kids Fest "Back To School"**

In collaboration with Kellogg's Cereals, Argosy proudly supported the "Back to School" Children's Charity Festival, in the Acropolis park Nicosia, which gave children the opportunity to enjoy a joyful and carefree experience filled with interactive games, football & basketball games, target games, survivor, bowling, face painting and many more. This festival aimed to support the Alkyonides Charity Association in their efforts to lighten the many problems besetting families and individuals in need.

## 6.2 Community Investment continued

### Promoting Health and Wellbeing

#### Melathron Agoniston Eoka Rehabilitation Centre

Recognizing the continuous need to maintain high standards through upgraded technology and services, we contributed €10,000 in 2023 to the Melathron, which is considered one of the leading specialized centers in the rehabilitation of the nervous, musculoskeletal, and vascular systems in Cyprus.

#### Becel Proactive Celebrates World Heart Day

To celebrate World Heart Day, September 29th, Argosy, which is the distributor of Becel ProActiv products in Cyprus, organized an event in Nicosia Mall. During the event, a dietitian-nutritionist gave advice and information for a balanced diet, in order to raise public awareness on cholesterol and heart health issues. With the slogan "START a good habit TODAY", Becel ProActiv wanted to break the stereotype that high cholesterol occurs only at older ages and raise awareness to control cholesterol levels by adopting good habits.

### Supporting Sports Initiatives

#### Marathon "Radisson Blu"

Argosy, in collaboration with Danone's HiPRO products, sponsored the 6th Radisson Blu Larnaka International Marathon in November 2023. A specially designed HiPRO was set up and promoters offered various protein products and beverages to all attendees, runners and spectators.



## 6.2 Community Investment continued

### Volunteering

#### **Blood Donation Day at Ermes Department Stores Plc**

Every year, Ermes successfully organizes a Blood Donation Day in collaboration with the mobile blood bank unit of the Nicosia General Hospital. In November 2023, employees of the CTC Group companies responded willingly to the call, resulting in the collection of a number of much needed bottles of blood.

#### **Support to the Volunteer Group “Hug With Love”**

In collaboration with the volunteer group “Hug with Love” our Group employees embarked on a food collection campaign aimed at assisting individuals who are experiencing hardship and difficulties. The initiative involved gathering a range of essential items to be distributed among those in need. The donated items comprised dry food provisions, including canned food, pulses, cereals, flour, and powdered milk for children, clothing and footwear for both children and adults, along with baby and household equipment, toys, and school supplies.

#### **March with Europa Donna’s Pink Figures**

In October 2023, a group of Superhome employees participated in the Europa Donna pink figures’ march, with the aim to support “the right to be forgotten”. This is the right of patients who have overcome cancer to live without discrimination and to have equal opportunities regarding private insurance.



# 7 Environment

- 7.1 Climate Change**
- 7.2 Energy Management**
- 7.3 Resource Management**

# Our Approach

It is our duty to minimise the environmental impact of our activities and products across the entire value chain. We are committed to conducting our business with compassion towards individuals, communities, the environment, and the planet, thus contributing to the advancement of a sustainable society. We are in the process of implementing processes and mechanisms to reduce emissions, promote sustainable resource use, and contribute to a low-carbon circular economy.

In line with our environmental commitments, we have set the following objectives:

- Protect the environment
- Comply with all legal requirements
- Continuously reduce and prevent pollution
- Reduce resource use
- Enhance employee awareness of environmental issues

We try to achieve our objectives through:

- Strict selection and cooperation with reliable partners and collaborators
- Continuous training of employees
- Compliance with environmental management controls
- Continuous upgrading of infrastructure and working environment.

## 7.1 Climate Change

We recognize that global warming and its associated consequences have direct and indirect impacts on our business and activities. Therefore, we continuously seek ways to mitigate and adapt to these changes. We have started introducing and implementing methods to reduce emissions and move towards renewable energy sources.

We monitor closely the dynamic environment in which we operate, which influences the future direction of our business and the products that we handle. As such, some factors we consider include:

- Changes in habits, food preferences, and lifestyle
- Variations in seasons (long summers vs short winters) and their effects on clothing and skincare product choices
- Impacts on agriculture and potential food shortages
- Infrastructure costs related to energy consumption reduction and investments in energy-efficient and green products.
- Raw material costs affecting the final price for consumers
- Health issues related to climate change

A continuous assessment of new developments in relation to our operations as a business is necessary.

# 7.1 Climate Change continued

## Argosy Certification with CYS EN ISO 14001: 2015

Argosy is certified with the Environmental Management System Certificate of Conformity CYS EN ISO 14001:2015. This certification acknowledges our efficient environmental management in the import, storage, and distribution of food, cosmetics, chemical cleaning products (FMCG), and other company activities. It recognizes our commitment to identifying, evaluating, and managing environmental impact.

Emissions (in Kg CO2)				
Scope 1	2020*	2021*	2022*	2023
Direct CO2 emissions Includes: fuel consumption for heating/ hot water	42,76	22,87	5,81	4,53
Direct CO2 emissions Includes: fuel consumption of LPG	29,09	11,14	25,46	27,35
Direct CO2 emissions Includes: business travel from owned / leased vehicles	2.180,53	2.333,40	2.011,26	2.023,05
<b>TOTAL Scope 1</b>	<b>2.252,38</b>	<b>2.367,42</b>	<b>2.042,54</b>	<b>2.054,93</b>
Scope 2				
Indirect CO2 emissions Includes: electricity energy consumption	13.064,7 3	11.105,7 2	9.621,28	9.437,11
<p><i>*The figures have been revised as they were previously calculated using incorrect conversion factors. The previous factors were based on the "Cyprus Building Energy Performance Methodology" (August 2009) by Infotrend Innovations and BRE for the Ministry of Energy, Commerce, Industry &amp; Tourism, and on Defra Conversion Factors.</i></p> <p><i>The calculation for Scope 1 is now based on the greenhouse gas emissions (CO2) of the Electricity Authority of Cyprus Supplier, and for Scope 2 on the Intergovernmental Panel on Climate Change (IPCC).</i></p>				



## 7.2 Energy Management

Proper energy management is a crucial aspect of our sustainable business practices. We are dedicated to continuously seeking ways to reduce energy consumption across all our premises and operations. By implementing sustainable consumption practices and increasing energy efficiency, we strive to contribute to a shift towards a low-carbon economy.

Our actions for energy conservation include:

- Using energy-efficient fixtures, fittings, and materials in present buildings, under construction or renovation.
- Replacing conventional lighting with energy-efficient LED technology and implementing intelligent lighting control systems
- Gradually renewing our company fleets with vehicles that have lower fuel consumption and emit fewer emissions.
- Utilizing telematics to optimize the efficiency of commercial vehicle delivery routes and to monitor driving habits, consequently reducing energy consumption. In 2023, CTC Automotive managed to reduce the cost of fuel by 3%.
- In 2023 Argosy has replaced about 60% of its lead acid battery trucks with lithium-ion batteries and plans to complete this replacement in the coming years. Lithium-ion batteries radically reduce energy consumption due to their greater efficiency and elimination of overcharging.

### Energy Audits

In 2023 the process of updating the energy audits carried out in all CTC buildings has been completed. In addition, the Group companies have carried out fleet audits. These audits have allowed us to identify areas that require attention and plan of actions.

The major categories that have been identified for improvement are lighting, air-conditioning and photovoltaics. All companies have already initiated actions to address these issues.

Based on the updated energy audits of 2023, CTC will finalize its energy management strategy.

During 2023:

- Argosy completed the replacement of its lighting to LED in all warehouse areas.
- Superhome completed the replacement of its lighting to LED at the Lakatamia store and is planning to complete the Engomi store in 2024.
- CTC head offices also replaced their lighting to LED.
- Ermes has started the replacement of its lighting to LED at Era Zenon.
- Superhome entered into an agreement with a private energy supplier, providing green energy electricity (PV park), which will ultimately save 8% of its electricity cost.
- In early 2024 CTC head offices and Argosy also signed an agreement with a private energy supplier (PV park).



## 7.2 Energy Management continued

Energy	2021	2022	2023
Electricity Consumption (Kwh)	16.160.828,80	14.220.043	13.947.842
Sqm (1)	134.919,53	127.467,12	120.807,12
Electricity per sqm (Kwh/sqm)	119,78	111,52	115,33
Liquified Petroleum Gas (LPG) (kg) (2)	3.802	8.686,28	9.330,66
Diesel (Lt) (3)	7.780	1.977	1.541,10
Owned / Leased vehicles – Diesel (Lt)	741.290,08	628.867,93	624.949,98
Owned / Leased vehicles – Petrol (Lt)	154.351,32	144.318,26	154.120,51

### Notes:

*During 2020-2022 the numbers are affected by the covid lockdowns and the closure of a number of Ermes stores.*

*(1) The change in square footage is due to the closure and opening of new stores and premises.*

*(2) Restatement of figure for 2022 because the figure reported in 2021-22 Report applied only to the first semester of 2022. Increase in LPG consumption is due to the opening of Ergon Deli + Café at Era Apollon in Limassol in 2022.*

*(3) Reduction in Diesel consumption is primarily related to the closing down of Olympia Department store in Limassol, which was using diesel for its heating.*

# 7.3 Resource Management

We recognize the importance of preserving natural and often scarce resources and the impact of waste production on our ecosystem and communities. Therefore, we prioritize non-recoverable materials reduction, reusing materials, and recycling waste from our operations in ways that benefit the environment, our business, and local communities. To achieve this, we are in the process of implementing policies and procedures for waste reduction and sustainable resource management.

## 7.3.1 Waste Management

Our actions for waste management include:

- Reducing the volume of non recyclable or non-biodegradable materials
- Collecting, recovering and recycling waste materials

Currently, we recycle PMD, Paper, Wood, Batteries and Oil. We launched an ongoing campaign to reduce paper waste, change printing habits and reduce printing.

### Recycling

**Packaging waste:** Since 2004, we have assigned to Green Dot (Cyprus) Public Co. Ltd the collection, recovery and recycling of our waste. CTC was one of the founding members and shareholders of Green Dot.

**Electrical/electronic waste and batteries:** Since 2009, we have assigned to WEE Electrolysis Cyprus Ltd the collection of obsolete electronic devices and A.F.I.S Cyprus Ltd the collection of batteries and accumulators. CTC was one of the founding members of both companies and is currently represented at the Board of Directors of AFIS.

**Tyres:** In compliance with the legal regulations, we collaborate with a non-profit making company and participate in a collective waste tyre management system.

**Vehicles:** Since 2005, we have signed an agreement with the company authorized to collect vehicles at the end of their life cycle, as well as collect and manage metallic waste.

Vehicle recycling (in tons)	2021	2022	2023
Batteries	4,61	7,34 (1)	4,54
Iron / Aluminum parts (2)	11,25	22,92	30,72
Not chlorinated oils and oil filter (2)	12,48	18,17	32,22
Absorbents & Filter materials hazardous	1,34	1,91	2,26

Notes:

(1) Restatement of information for year 2022.

(2) Increases are due to the increased number of vehicle throughputs at our workshops.

## 7.3 Resource Management continued

### **Establishment of CPC Rethink Filters Ltd**

In accordance with European and Cypriot legislation, a non-profit company named CPC Rethink Filters Ltd has been established. Its purpose is to raise awareness among smokers and reduce the irresponsible disposal of tobacco product filters.

The shareholders of this company are the tobacco distribution companies, including our own Cassandra Trading, and it will operate in collaboration with Green Dot. CPC Rethink Filters Ltd will take various actions to minimize environmental pollution caused by filters. These actions include installing special bins in commercial streets, cooperating with municipalities and communities to place bins in parks and green spaces, working with municipalities to regularly clean beaches and other high-traffic areas, distributing informational leaflets about filter-related environmental pollution, and promoting responsible disposal practices.

At this stage, filter recycling is not actively promoted in Cyprus due to the lack of infrastructure and high costs associated with handling the existing volume. Therefore, the primary goals are to reduce littering, maintain cleanliness, and change smokers' behavior."

All actions will be funded by the shareholder companies, with new companies joining each year. A business plan will be submitted to the Department of Environment for approval, and progress will be monitored to ensure the objectives are met.

# 7.3 Resource Management continued

## Printed material

In an effort to reduce the quantity of printed material, in 2023:

- The updated HR manual has been distributed to the employees electronically and not in a printed form.
- CTC Group has decided not to print desk calendars.
- Superhome has stopped the distribution of its printed monthly promotions' brochure. Instead, it is distributed electronically.
- The default printing properties are set to double-sided and black and white printing.

## Circular economy

In the framework of circular economy, we have taken the following actions to date:

- Our photocopy machines are leased.
- Instead of throwing away old office furniture, we donate them to companies that restore and sell them.
- Store renovations or relocations are carried out using existing LED lighting fixtures, energy-efficient electromechanical equipment, and other fittings and furnishings.
- Argosy continues its partnership with research center "AKTI", which functions under the auspices of the Ministry of Education and Culture. It relates to their

"Tiganokinisi" programme, an educational and environmental initiative which focuses on collecting cooking oil, which is then converted into biofuel and sold. Argosy supplies cooking oil in damaged packaging or returned by the retailers (2.913kg in 2021, 2.904kg in 2022, 2.968kg in 2023). The revenues generated from this programme are utilized to support environmental education and the development of environmental infrastructure for students and schools across Cyprus.

## Water Management

We recognize the importance of sustainable water use and we promote among our people appropriate and responsible consumption.

	2021	2022	2023
Water Consumption (m <sup>3</sup> ) municipality water	17.415,22	15.513,30	15.422
Premises (sqm)	134.919,53	127.467,12	120.807.12
Water intensity [Water Consumption (m <sup>3</sup> ) / (sqm)]	0,13	0,12	0,127

## 7.3 Resource Management continued

Recycled waste from sales invoiced by Green Dot (in tons) (1)			
Household	2021	2022	2023 (2)
Glass	536,24	394,30	210,88
Paper	1.029,58	1.186,36	907,07
Steel	94,93	94,84	64,08
Aluminium	51,39	50,17	11,93
PET	78,94	78,17	6,32
HDPE	57,96	53,17	32,87
Drink cartons	0,71	0,69	0,73
PVC	18,61	18,61	0
PE	21,19	21,20	0
PP	102,58	102,58	79,55
PS	0,13	0,13	0
Other	197,51	190,42	88,40
Non-Recoverable	3,81	3,80	13,76
Commercial			
Paper	761,79	724,22	1.605,61
Plastic	37,13	28,85	150,87
Wood	227,33	213,02	1.595,81
Other	4,47	4,48	109,58

Notes:

- (1) Restatement of information and minor corrections for years 2021 and 2022.
- (2) The fluctuations in 2023 compared to previous years are mainly due, either to the change of packaging of some products, or to product range variations, or to sales variations.
- (3) Restatement of information.

Recycled waste from operational processes collected by other authorized recyclers (in tons)	2021	2022	2023
Paper	89,29	158,76 (3)	154,12
Plastic	4,65	12,54	11,7
Paints, resins, glues			2,65

Information includes Kaniklides, JV IS Recycle, Germantec Ltd and C.E.I

Recycled waste from operational processes collected by WEEE (in tons)	2021	2022	2023
Household Appliances	32,09	24,20 (3)	24,59
IT and Telecommunications Equipment	0	0	0
Consumer Equipment	89,97	92,15	98,17
Electrical and electronic tools	35,28	14,88	15,07
Medical devices	0	0	0
Light bulbs	12,38	11,75	11,64

Recycled hazardous waste from operational processes by A.F.I.S.	2021	2022	2023
Batteries (pieces)			
Non-rechargeable	1.521.986	1.436.155	1.460.750
Rechargeable	148.921	191.604	181.963

# 8 Our Commitments

**8.1 How we contribute to the SDGs**

**8.2 Action Plans**






# 8.1 How we contribute to the SDGs

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. We have identified 14 SDGs that are relevant to our activities and on which we have an impact. The relevance of our strategic priorities to the selected goals is shown in the following pages.












# 8.1 How we contribute to the SDGs continued

	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..</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 programmes 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.





# 8.1 How we contribute to the SDGs continued

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
<b>Relevance to Strategic Priorities</b>							
	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>




# 8.1 How we contribute to the SDGs continued

	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 &amp; 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>

# 8.1 How we contribute to the SDGs continued

	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>

# 8.1 How we contribute to the SDGs continued

	Indicative SDGs Targets	Governance	Market & Products	Our People	Society	Environment	Our Impact
		Relevance to Strategic Priorities					
	13.3						In addition to professional and personal development, the Group upgrades the training programmes it provides to raise the awareness of its employees on climate change and environmental management.
	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>

## 8.2 Action Plans

Pillar: Governance		
OBJECTIVE	ACTION & IMPLEMENTATION	TARGET
Full compliance with legislation and regulations	<ul style="list-style-type: none"> <li>In 2023 102 hours of employee training on compliance with the law and standards were delivered</li> <li>Implementation of Whistleblowing policy</li> <li>Commencement of CSRD implementation</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of non-compliance</li> <li>2024</li> <li>2024</li> </ul>
Evaluation and improvement of current procedures and standardisation of common processes across the Group	<ul style="list-style-type: none"> <li>A significant number of policies and procedures were updated with the launching of the new Intranet</li> <li>Formulate new policies and procedures where required</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Ongoing</li> </ul>
Clear and effective communication of strategy	<ul style="list-style-type: none"> <li>Supervision of the ways of communicating the Group strategy as well as the aligned individual company strategy, as stated in the KPIs setting procedure</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
Continuous upgrading of the Group IT infrastructure with the aim of maximizing security and productivity	<ul style="list-style-type: none"> <li>Working to achieve full centralisation of the Group IT systems</li> <li>Working to create a Disaster Recovery Site</li> <li>Acquire certification of ISO 27001 standard for Data Security Management</li> <li>Working to achieve full implementation of Office 365 system in all companies</li> <li>Implementation of threat analysis and self-containment using Artificial Intelligence</li> <li>Implementation of Data Encryption of Databases</li> <li>Design and implementation of HRMS (Human Resource Management System)</li> </ul>	<ul style="list-style-type: none"> <li>2025</li> <li>2026</li> <li>2026</li> <li>Completed</li> <li>Completed</li> <li>2026</li> <li>2024</li> </ul>

## 8.2 Action Plans continued

Pillar: Market & Products		
OBJECTIVE	ACTION & IMPLEMENTATION	TARGET
To be Choice No. 1 for our customers	<ul style="list-style-type: none"> <li>• Conducting customer / consumer satisfaction surveys at regular intervals. Evaluation of the findings and application of improvement measures: procedures, services and products</li> <li>• Continuously improve procedure of customer complaints monitoring</li> <li>• Expansion and upgrading of CTC Automotive Nicosia After Sales Service Centre</li> <li>• Expansion and upgrading of CTC Automotive Limassol After Sales Service Centre for passenger vehicles, spare parts and Hilti products</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing close monitoring</li> <li>• Minimum customer complaints</li> <li>• 2025-2026</li> <li>• 2025-2026</li> </ul>



## 8.2 Action Plans continued

Pillar: Our People		
OBJECTIVE	ACTION & IMPLEMENTATION	TARGET
Ensuring maximum performance by each employee	<ul style="list-style-type: none"> <li>• Maintaining an upgraded online training platform for all companies of the Group</li> <li>• Gradual development of the CTC Academy</li> <li>• Initiated an incentives scheme at Superhome stores</li> <li>• Training on key managerial skills (communication, monitoring, problem solving)</li> <li>• Strengthen leadership qualities and capabilities through assessments and subsequent training</li> </ul>	<ul style="list-style-type: none"> <li>• Reassess platform by 2024</li> <li>• Reassess in conjunction with training platform by 2024</li> <li>• Completed</li> <li>• Ongoing</li> <li>• 2024 -2025</li> </ul>
Ensure Health, Safety & Well-being in the Workplace	<ul style="list-style-type: none"> <li>• Adopting the principles of the new standard ISO 45001:2018 for health and safety management</li> <li>• Training of employees across the Group on Health &amp; Safety issues</li> <li>• Initiate the development of a common template for incident recording evaluation and actions</li> <li>• Re-evaluate protective measures against extreme climatic conditions</li> <li>• Organize a number of social and other events for employees and their families</li> </ul>	<ul style="list-style-type: none"> <li>• Completed in 2022 for: Argosy, Cassandra, Artview, Ermes, Superhome. Automotive to complete by 2024.</li> <li>• Ongoing</li> <li>• 2024</li> <li>• 2024</li> <li>• 4 events per year</li> </ul>
Ensure uniformity of policies across the Group	<ul style="list-style-type: none"> <li>• Initiated the upgrade of the Group Intranet to be used as a single reference point for all common processes and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Completed</li> </ul>
Employee engagement	<ul style="list-style-type: none"> <li>• Engage employees through interactive surveys with the objective of adopting their suggestions on productivity and other improvements within the Group               <ul style="list-style-type: none"> <li>○ Superhome – all employees</li> <li>○ All Group companies – all employees</li> <li>○ All Group companies – new employees (during probation period)</li> </ul> </li> <li>• Create strategy for talent management and succession planning</li> <li>• Certify CTC Group as a great employer</li> <li>• Renew “Equality Employer” certification</li> </ul>	<ul style="list-style-type: none"> <li>• Carried out in November 2023</li> <li>• 2024</li> <li>• Started in 2023</li> <li>• 2025</li> <li>• 2024</li> <li>• 2025</li> </ul>
Effective communication	<ul style="list-style-type: none"> <li>• Use of HR newsletters to strengthen internal communication and enhance employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>

## 8.2 Action Plans continued

Pillar: Society		
OBJECTIVE	ACTION & IMPLEMENTATION	TARGET
Support children and young people	<ul style="list-style-type: none"> <li>• Run the "Come and Join Our Team" internship programme</li> <li>• Support the "Sophia Foundation for Children"</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Ongoing</li> </ul>
Support wider society in various ways	<ul style="list-style-type: none"> <li>• Provide financial support to various organizations / causes, on a case-by- case basis following evaluation</li> <li>• Encourage the participation of employees in voluntary initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> </ul>

## 8.2 Action Plans continued

Pillar: Environment		
OBJECTIVE	ACTION & IMPLEMENTATION	TARGET
Create awareness around environmental topics and climate change within the Group	<ul style="list-style-type: none"> <li>Inclusion of climate change and environmental issues in the Group’s training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
Waste Management	<ul style="list-style-type: none"> <li>Communication and signage to improve awareness around water consumption</li> <li>Committed to campaigns to change printing habits and reduce office printed material</li> <li>Reassess indoor recycling facilities in all premises</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>2024</li> </ul>
Management and reduction of energy and fuel consumption	<ul style="list-style-type: none"> <li>Adoption of a central energy management strategy until 2026 following energy audits’ recommendations</li> <li>Gradual change of conventional light fixtures and bulbs with LED technology products at Group premises</li> <li>Use of energy efficient fixtures, fittings and materials</li> <li>Replacement of new airconditioning system at Superhome Engomi and Limassol stores</li> <li>Gradual renewal of company fleets with low-emission and lower fuel consumption vehicles</li> <li>Developed guidance documents focusing on energy saving practices at workplace</li> <li>Based on optimum driving habits, CTC Automotive will implement the “Driver of the Month” nomination for its fleet drivers</li> </ul>	<ul style="list-style-type: none"> <li>2024</li> <li>2024</li> <li>Ongoing</li> <li>2024</li> <li>By 2028</li> <li>Ensure implementation and make improvements as required</li> <li>2024</li> </ul>

# 9 Appendices

**Appendix 1: About the Report**

**Appendix 2: GRI Content Index**

**Appendix 3: Stakeholder Engagement**

# Appendix 1: About the Report

The present annual Sustainability Report of CYPRUS TRADING CORPORATION PLC (“CTC Group”, “CTC” or “Group”) covers the reporting period of 1/1/2023-31/12/2023 and it is the 6<sup>th</sup> Report of the Group. The previous report was biannual and covered the reporting period 01/01/2021-31/12/2022.

This report covers the information from the following Group’s subsidiaries:

- Cyprus Trading Corporation Plc: Argosy Trading Company Ltd, Cassandra Trading Ltd, Artview Co. Ltd, CTC Automotive Ltd, CTC AutoLeasing Ltd
- Ermes Department Stores Plc: Superhome Center (DIY) Ltd
- Woolworth (Cyprus) Properties Plc: Apex Ltd

There are no separate Sustainability Reports by the subsidiaries.

## Standards

The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. Its content follows the 8 principles of the GRI, thus ensuring the accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability of information presented. We have evaluated our impact on the environment, society, and economy against the United Nations' Sustainable Development Goals.

## Additional Information

Information on Financial performance can be found on the Group website: <https://ctcgroup.com/investor-centre/ctc-ic/>

## External assurance

We did not commission independent assurance of our Sustainability Report. The content of the report is to the best of our knowledge and abilities accurate and correct.

## Support and guidance

The development of the 2023 Sustainability Report of the CTC Group was carried out with the support and guidance of the Sustainability Knowledge Group (<https://sustainabilityknowledgegroup.com>).

## Explanatory Note

The 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.

The Report 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. All content is the property of Cyprus Trading Corporation Plc.

# Appendix 2: GRI Content Index

GRI content index		
Statement of use	The CTC Group has reported the information cited in this GRI content index for the period 1/1/2023-31/12/2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	4, 7, 8, 93
	2-2 Entities included in the organization's sustainability reporting	4, 93
	2-3 Reporting period, frequency and contact point	93, 101
	2-4 Restatements of information	73, 75, 76, 79
	2-5 External assurance	93
	2-6 Activities, value chain and other business relationships	8, 10-13, 32-34
	2-7 Employees	43, 44
	2-9 Governance structure and composition	23-25
	2-10 Nomination and selection of the highest governance body	23-25
	2-11 Chair of the highest governance body	14
	2-12 Role of the highest governance body in overseeing the management of impacts	17, 23, 25, 26
	2-13 Delegation of responsibility for managing impacts	23-25
	2-14 Role of the highest governance body in sustainability reporting	17, 25
	2-22 Statement on sustainable development strategy	5
	2-23 Policy commitments	22, 24, 27, 36, 47, 48, 50, 51
	2-24 Embedding policy commitments	23-28, 46-48, 53
	2-25 Processes to remediate negative impacts	27, 32, 47, 48, 51
	2-26 Mechanisms for seeking advice and raising concerns	27, 39, 39, 47, 51
2-27 Compliance with laws and regulations	27	
2-28 Membership associations	29	
2-29 Approach to stakeholder engagement	16, 17, 20, 38, 39, 48, 65-70, 97-100	

# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	16-19
	3-2 List of material topics	18, 19
	3-3 Management of material topics	22-30, 32, 33, 43, 47, 48, 51, 52, 56, 58, 64, 65, 72, 74, 76, 81-91
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	46
	202-2 Proportion of senior management hired from the local community	49
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	64-70
	203-2 Significant indirect economic impacts	64-70
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	64
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	27
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	75
	302-3 Energy intensity	75
	302-4 Reduction of energy consumption	75
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	78
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	73
	305-2 Energy indirect (Scope 2) GHG emissions	73
	305-5 Reduction of GHG emissions	73
<b>GRI 306: Waste 2020</b>	306-2 Management of significant waste-related impacts	76-79
	306-4 Waste diverted from disposal	76, 79
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	45
	401-3 Parental leave	61



# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	58, 59
	403-2 Hazard identification, risk assessment, and incident investigation	58, 59
	403-3 Occupational health services	58, 59, 61, 62
	403-5 Worker training on occupational health and safety	53
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58, 59
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<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	52
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<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	64-70
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	36
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	417-2 Incidents of non-compliance concerning product and service information and labelling	27
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<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	30

# Appendix 3: Stakeholder Engagement

Stakeholder Group	Method of Communication	Material Topic
<b>Shareholders</b>		
(Frequency of engagement: at regular intervals)	<ul style="list-style-type: none"> <li>• Annual Reports</li> <li>• Annual General Meetings</li> <li>• Through Board Members appointed as Shareholder Liaison Officers</li> <li>• Website</li> <li>• Cyprus Stock Exchange</li> <li>• Cyprus Securities and Exchange Commission</li> <li>• Online platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfying our customers</li> <li>• HR management and practices</li> <li>• Development, Performance and Motivation</li> <li>• Corporate governance, strategy and performance</li> <li>• Trading practices</li> <li>• Operational effectiveness and process standardisation</li> <li>• Community investment</li> <li>• Economic impact on society</li> <li>• Green operations and products</li> <li>• Climate change</li> <li>• Resource management</li> <li>• Energy management</li> <li>• Digital transformation and data management</li> </ul>
<b>Employees</b>		
(frequency of engagement: daily)	<ul style="list-style-type: none"> <li>• Training workshops and seminars</li> <li>• HR surveys</li> <li>• Annual appraisal and feedback meetings</li> <li>• Events</li> <li>• HR newsletter</li> <li>• Announcements and emails</li> <li>• Internal meetings and announcements</li> <li>• Training workshops and seminars</li> <li>• 180° Feedback system</li> </ul>	<ul style="list-style-type: none"> <li>• HR management and practices</li> <li>• Development, performance and motivation</li> <li>• Health, safety &amp; well-being in the workplace</li> <li>• Digital transformation and data management</li> <li>• Satisfying our customers</li> <li>• Green Operations and Products</li> <li>• Corporate governance, strategy and performance</li> <li>• Addressing Health &amp; Safety</li> </ul>

# Stakeholder Engagement continued

Stakeholder Group	Method of Communication	Material Topic
<b>Board of Directors</b>		
(Frequency of engagement: at regular intervals)	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>• HR management and practices</li> <li>• Corporate governance, strategy and performance</li> <li>• Operational effectiveness and process standardisation</li> <li>• Digital transformation and data management</li> <li>• Trading practices</li> <li>• Satisfying our customers</li> <li>• Health, safety &amp; well-being in the workplace</li> <li>• Economic impact on society</li> <li>• Community investment</li> <li>• Green Operations and Products</li> </ul>
<b>Suppliers</b>		
(Frequency of engagement: continuous)	<ul style="list-style-type: none"> <li>• Meetings and continuous communication</li> <li>• Training / support</li> <li>• Questionnaires</li> <li>• Business agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• HR management and practices</li> <li>• Trading practices</li> <li>• Satisfying our customers</li> <li>• Green operations &amp; products</li> <li>• Digital transformation and data management</li> <li>• Development, Performance and Motivation</li> </ul>
<b>Society</b>		
(Frequency of engagement: continuous)	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Media and social media</li> <li>• Announcements / press releases</li> <li>• Website</li> <li>• Events</li> </ul>	<ul style="list-style-type: none"> <li>• HR management and practices</li> <li>• Trading practices</li> <li>• Digital transformation and data management</li> <li>• Community investment</li> <li>• Economic impact on society</li> <li>• Addressing health &amp; safety</li> <li>• Climate change</li> </ul>

# Stakeholder Engagement continued

Stakeholder Group	Method of Communication	Material Topic
<b>Trading Customers</b>		
(Frequency of engagement: continuous)	<ul style="list-style-type: none"> <li>• Meetings and continuous feedback</li> <li>• Complaint management</li> <li>• Sales</li> <li>• Marketing, advertising, social media</li> <li>• Customer satisfaction surveys</li> <li>• Questionnaires</li> <li>• Training</li> </ul>	<ul style="list-style-type: none"> <li>• Digital transformation and data management</li> <li>• Supply chain management</li> <li>• Satisfying our customers</li> <li>• Trading practices</li> <li>• Addressing Health &amp; Safety</li> <li>• Green operations &amp; products</li> <li>• Resource management</li> </ul>
<b>Consumers</b>		
(Frequency of engagement: continuous)	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Complaint management</li> <li>• Reward scheme</li> <li>• Media and social media</li> <li>• Advertising and promotional activities</li> <li>• Sales monitoring</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfying our customers</li> <li>• Addressing Health &amp; Safety</li> <li>• Trading practices</li> <li>• Green operations &amp; products</li> <li>• Resource management</li> <li>• Digital transformation and data management</li> </ul>

# Stakeholder Engagement continued

Stakeholder Group	Method of Communication	Material Topic
<b>Media</b>		
(Frequency of engagement: continuous)	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Press conferences / interviews</li> <li>• Group media spokesperson</li> <li>• Invitations to participate in group events</li> <li>• Daily Media Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Trading practices</li> <li>• Economic impact on society</li> <li>• Community investment</li> <li>• HR Management and Practices</li> <li>• Digital transformation and data management</li> <li>• Resource management</li> </ul>
<b>Associations and other Bodies</b>		
(Frequency of engagement: at regular intervals)	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Correspondence</li> <li>• Website</li> <li>• Announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Trading practices</li> <li>• Economic impact on society</li> <li>• Community investment</li> <li>• HR management and practices</li> <li>• Addressing health and safety</li> <li>• Satisfying our customers</li> <li>• Resource management</li> <li>• Health, safety &amp; well-being in the workplace</li> </ul>
<b>Government</b>		
(Frequency of engagement: at regular intervals)	<ul style="list-style-type: none"> <li>• Official announcements</li> <li>• Monitoring of laws and regulations</li> <li>• Meetings and negotiations</li> <li>• Inspections</li> <li>• Letters</li> <li>• Online platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Trading practices</li> <li>• Economic impact on society</li> <li>• HR management and practices</li> <li>• Addressing health and safety</li> <li>• Digital transformation and data management</li> <li>• Climate change</li> <li>• Health &amp; Safety</li> </ul>



**Contact point**

For any feedback or comment regarding the Sustainability Report, please contact us:

**Cyprus Trading Corporation Plc**

200 Lemesos Avenue, 2025 Strovolos

P.O. Box 21744, 1589 Nicosia, Cyprus

T: +357 22740300

E: [csr@ctcgroup.com](mailto:csr@ctcgroup.com)

[www.ctcgroup.com](http://www.ctcgroup.com)