



2018

CORPORATE SOCIAL RESPONSIBILITY REPORT

CSR



Cyprus Trading Corporation Plc

*“CTC Charity Regatta 2018”
which took place in Limassol
on 30 June 2018, with the voluntary
participation of a large number
of employees from all over Cyprus.*

2018

CORPORATE SOCIAL RESPONSIBILITY REPORT



Cyprus Trading Corporation Plc

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Global Reporting Initiative

01

INTRODUCTION

Introductory Note

Message
from the Executive Chairman
and CEO

INTRODUCTORY NOTE

The Corporate Social Responsibility (CSR) Report for the year ending 31 December 2018 is hereby presented by the Board of Directors of Cyprus Trading Corporation Plc (CTC or CTC Group or the Group). This report 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 CSR Reports by the subsidiaries.

Corporate Social Responsibility also includes the concept of sustainability. The consolidated CSR results of the Group include those of the following companies:

CYPRUS TRADING CORPORATION PLC

Argosy Trading Company Ltd
Cassandra Trading Ltd
Artview Co. Ltd
HOB House of Beauty Ltd ⁽¹⁾
CTC Automotive Ltd
CTC AutoLeasing Ltd

ERMES DEPARTMENT STORES PLC

C.W. Artopolis Ltd
Superhome Center (DIY) Ltd
SPAR Distributors Ltd
Novario Holding Ltd ^(1,2)
Fashionlink S.A. ⁽¹⁾

WOOLWORTH (CYPRUS) PROPERTIES PLC

APEX Ltd

⁽¹⁾ The information in the present CSR Report does not apply in its entirety to Fashionlink S.A., Novario Holding Ltd and HOB House of Beauty Ltd. Where it applies, particular reference is made to the fact.

⁽²⁾ Since March 2019, Novario Holding Ltd has ceased to be a member of CTC Group.

⁽³⁾ Reference is also made to the Limni Bay project of the associated company Cyprus Limni Resorts & Golf Courses Plc, whose financial statements are not included in CTC's consolidated financial statements.

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND CEO

Last year we had the opportunity, through our first Corporate Social Responsibility report, to present all responsible practices followed by the CTC Group in the previous years, on a structured basis. Priorities were set based on the materiality analysis of the findings of workshops and the survey involving employees and stakeholders. The aim has always been a dynamic organization able to create both economic and social value. In this current report, we present updates on the implementation of specific actions stated in the first report. Our CSR strategy focuses on the same four pillars: Market & Products, Our People, Society, Environment.

2018 marked the most important development of recent years in the context of the Group's deleveraging strategy, following the financial crisis of 2013. More specifically, part of the Woolworth real estate portfolio, amounting to approximately €220 million, was purchased by Bank of Cyprus subsidiaries. We consider this to be a very beneficial agreement for our companies and shareholders. This agreement will be completed during 2020. The overall result of the deleveraging strategy over the past six years, the sale of mature investments and commercial real estate, led to a reduction of over half a billion euro or 80% of CTC Group bank lending, a remarkable figure for a small country like Cyprus.

CTC Group enters a new era with very good prospects of profitability, with reduced bank exposure and free of challenging real estate projects, fully focused on its three core commercial operations: A) Distribution of fast moving consumer goods, B) Retail and C) Automotive. At the same time, CTC maintains a significant shareholding in Hermes Airports, which successfully manages the two international airports of Cyprus.

Taking into consideration the global economic uncertainties and the funding constraints from the local banks, we adapt to the changes and market trends, focusing on organic growth, developing cost consciousness, and reducing business risks.

Our distribution and retail activities, diversification and size enable the CTC Group to have a dynamic presence in the Cyprus market benefiting the consumer and the society at large. We continue to invest in and upgrade our IT and logistics systems, to enhance our productivity, efficiency and response to our customers' needs and expectations. Our people are the most important asset for CTC, employer of more than 2.200 persons. Their contribution is crucial towards achieving company goals. Our concern is to ensure a work environment where everyone enjoys respect, fair treatment and equal opportunities for development. In parallel, minimizing the impact of our activities on the environment remains high in our consciousness. In a variety of ways, we continued our social contribution, as well as the planning of events with the voluntary participation of our employees.

Following our policy for one big event every year, with the voluntary participation of our people, for charity purposes, we organised the "CTC Charity Regatta 2018" with a motto in line with our culture: "A boat is safer at port, but that's not what it was built for. We cannot control the winds, but we can always adjust the sails."

Marios N. Shacolas
Executive Chairman and CEO
28/06/2019

"The overall result of the deleveraging strategy led to a reduction of over half a billion euro or 80% of CTC Group bank facilities and other liabilities."

02

CTC AND BUSINESS SECTORS

CTC Structure 2018

Brief History

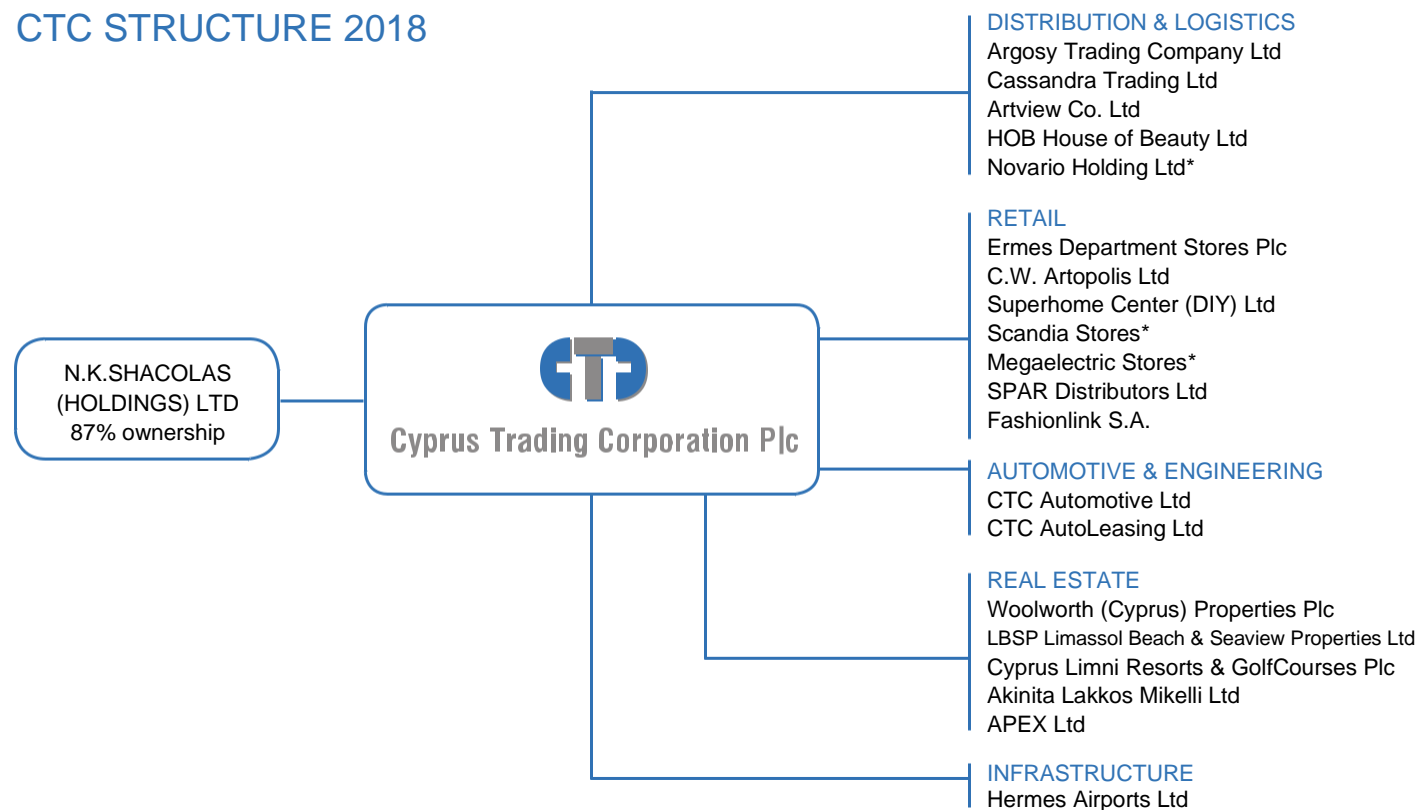
Vision and Code of Business Conduct

Business Sectors 2018

Group Developments

Corporate Governance

CTC STRUCTURE 2018



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

Distribution & Logistics - Branded Fast Moving Consumer Goods, luxury cosmetics and fragrances, home appliances.

Retail - Fashion, beauty, F&B, food retail, home improvement & DIY, home appliances, online mall.

Automotive & Engineering - Passenger and commercial vehicles, heavy machinery, photovoltaics, professional tools, lighting.

Property Development & Management - Retail outlets, department stores, shopping malls, resorts, residential.

Infrastructure - Larnaka and Pafos airport terminal development and airport management.

* See note 2, page 6.

Cyprus Trading Corporation
at Amiantos in the late 1920's.
CTC is one of the oldest Companies
in Cyprus registered on 22 April 1927.
Company Registration Number 18
of the British Colonial Administration.



BRIEF HISTORY

CTC is one of the oldest active trading companies in Cyprus. It was registered in the British colonial government's Company Register on 22 April 1927, under the name Cyprus Trading Corporation Ltd, registration No. 18. In 1984, the company was bought by the Shacolas Group and gave its name to one of the Group's subsidiaries in 1989.

The same year, CTC was converted into a public company and it was listed on the Cyprus Stock Exchange on 29 March 1996. The majority shareholder today is N. K. Shacolas (Holdings) Ltd with 87%.

The history of CTC is directly linked to that of the Shacolas Group, which began operations in 1953 with the trading of agricultural products. The Group thrived but suffered a major blow in 1974 due to the Turkish invasion. It was subsequently reactivated both in Cyprus and abroad and, through the establishment of new companies and the acquisition of others, became one of the leading and most diversified business organisations in Cyprus. It also had presence in England, Greece, Nigeria and Russia.

In addition to its present commercial activities, CTC has also been involved, from time to time, in other sectors including insurance, telecommunications, the dairy industry, building materials, hosiery and paper processing.

Today, Cyprus Trading Corporation Plc is the parent company of subsidiaries operating in distribution and logistics, retail, automotive and engineering, property development and management.

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

Some of the Group's mature investments were disposed, gaining substantial returns.

VISION AND CODE OF BUSINESS CONDUCT

All Group operations are bound by the same vision, which determines our direction and governs our objectives, while all our activities are guided by the Code of Business Conduct, which sets common standards, forms our culture and enhances our reputation.

Our Vision

To be the No. 1 choice:

For consumers: By making available to the market top brands, best quality products and services at competitive prices.

For trading customers: By offering excellent and efficient services through a partnership approach and a portfolio of products ensuring a preferred supplier status.

For suppliers: By being market leaders, strong competitors, effective and focused professionals in a spirit of partnership, adding value to suppliers' offerings.

For employees: By providing career opportunities with growth and development prospects based on merit, in an exciting environment.

For shareholders: By being a reputable company that delivers above market average returns and consistent growth.

Code of Business Conduct

By embracing the Code:

- We protect the interests and the reputation of our company and we passionately contribute to its continuous success.
- We focus on the customer-consumer.
- We behave with responsibility and integrity.
- We treat everyone with respect.
- We constantly try to improve ourselves.
- We work as a team.

BUSINESS SECTORS 2018

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

Distribution & Logistics

Fast Moving Consumer Goods

ARGOSY TRADING COMPANY LTD is the leading distributor of the grocery retail sector in Cyprus with a network reaching about 2000 outlets. It handles brands of fast moving consumer goods, a lot of which hold one of the top three positions in their respective market category. It is also a major supplier in the food service business (HORECA).

CASSANDRA TRADING LTD is the importer and distributor of Philip Morris International tobacco products, with a portfolio of cigarette brands and heated tobacco products, which enjoy a significant share in the Cyprus market.

Cosmetics and Fragrances

ARTVIEW CO. LTD is the distributor of the luxury brand Christian Dior fragrances, make-up and skincare in the Cyprus market.

HOB HOUSE OF BEAUTY LTD prides itself with a portfolio of world famous brands of luxury and premium cosmetics and fragrances for the Cyprus market.

Home Appliances*

NOVARIO HOLDING LTD focuses on import, distribution and after sales service of well-known brands of electric and electronic appliances for domestic use, personal care and entertainment, professional photography and sound.

* See note 2, page 6.





Retail

ERMES DEPARTMENT STORES PLC (Ermes) is the retail arm of the CTC Group. It is the biggest and most diverse retailer in Cyprus and is also listed on the Cyprus Stock Exchange. It operates 81 stores, 6 of which in Greece, with over 70.000 sqm of retail space. Retail segments include: department stores, stand - alone fashion franchise stores, beauty stores, F&B, food retail, home improvement & DIY stores, online mall.

Debenhams department stores with fashion, beauty, home, food, toys

Stand-alone fashion franchise stores: Next, OVS, Peacocks, Navy & Green, Uber, Armani Exchange, Forever 21, Women'secret, Zako

* See note 2, page 6.

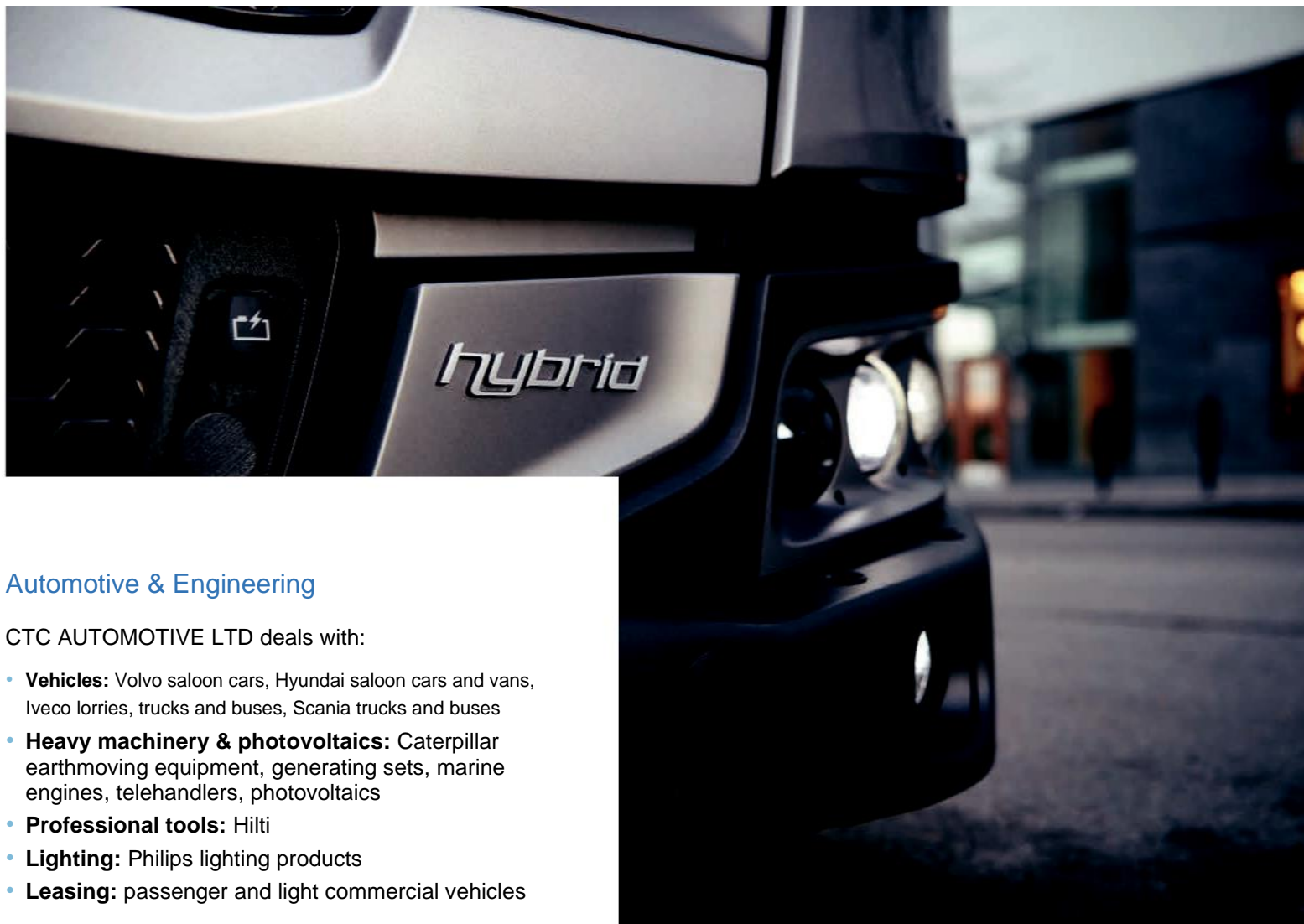
Beauty stores: Glow

F&B: Artopolis bakeries, Venue Café at Debenhams department stores, Coffee & More, Wok to Walk

Food retail: SPAR

Home improvement & DIY: Superhome Center

Home appliances*: Scandia, Megaelectric



Automotive & Engineering

CTC AUTOMOTIVE LTD deals with:

- **Vehicles:** Volvo saloon cars, Hyundai saloon cars and vans, Iveco lorries, trucks and buses, Scania trucks and buses
- **Heavy machinery & photovoltaics:** Caterpillar earthmoving equipment, generating sets, marine engines, telehandlers, photovoltaics
- **Professional tools:** Hilti
- **Lighting:** Philips lighting products
- **Leasing:** passenger and light commercial vehicles

Property Development and Management

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

Its current assets include commercial property and plots of land for development in various parts of Cyprus.

CYPRUS LIMNI RESORTS & GOLFCOURSES PLC, a listed Company, is currently the owner of freehold land at the foothills of Troodos mountains, in the vicinity of Kinousa village, in the Pafos district, North West Cyprus. The properties comprising the Limni Bay Resort project have been disposed and transferred, pursuant to a Sales/Purchase Agreement, to investment companies, subsidiaries of Bank of Cyprus, in December 2018.

Infrastructure

HERMES AIRPORTS LTD is a consortium formed by a number of international and local companies to undertake the Cyprus government's 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 9 million passengers annually. CTC is the biggest Cypriot shareholder with a stake of 11,34%.

GROUP DEVELOPMENTS

Developments in 2018

- The end of 2018 marks the most important development of the year. Within the framework of CTC Group deleveraging strategy, an agreement was concluded with Bank of Cyprus Public Company Ltd to purchase immovable property of CTC of a total value of approximately €220 million. This transaction, along with similar ones in the recent past, reduces the banking facilities and other liabilities of the Group, so that the management of Group companies can be carried out without increased difficulties or risks and future plans for further progress can be implemented more easily.
- Part of the above agreement was the disposal and transfer of properties covered by the permits issued in August 2018 for the creation of the Limni Bay Resort (two Golf Courses and other developments).
- During the first months of 2018, the sale of three properties belonging to the Woolworth Group was completed: Shacolas Tower in Ledra Street, Nicosia, the property in Strovolos housing the Superhome Center (DIY) and the property in Limassol that houses the Debenhams Apollon department store.
- Following the strategic partnership agreement between Ermes Department Stores Plc and the internationally renowned SPAR International voluntary food retail chain, the first SPAR store started operating in Larnaka in September 2018.
- In November 2018 Ermes launched its new, flexible customer reward scheme, "Unique by Ermes", focusing on customer individual needs. The scheme covers a number of stores operated by the Group offering fashion, cosmetics, household items, DIY, supermarket items.
- The first phase of the large-scale refurbishment of the Debenhams department store at The Mall of Cyprus in Nicosia was completed and is expected to attract even more customers. It has been designed by a renowned French firm of architects / interior designers.
- Argosy Trading Company Ltd took over from Foodpax Trading Ltd the distribution and importation of Foodpax branded frozen food products as well as ownership of the brand. Foodpax has been operating in Cyprus since 1969.
- In July 2018 Argosy Trading Company Ltd was entrusted the distribution of the Upfield portfolio of branded products: Flora spread and sunflower oil, ALTIS olive oil, BECEL Pro-active spread and milk, VITAM spread, SPRY and ICBINB (I Can't Believe It's Not Butter). These new products are expected to significantly increase Argosy's annual turnover.
- Cassandra Trading Ltd continued the sale of the revolutionary and potentially reduced risk tobacco product IQOS through the opening of seven new sales outlets in 2018.
- New shops by Ermes: Armani Exchange Limassol, Women's secret, Wok to Walk (shop-in-shop in the SPAR Supermarket), Zako.

Developments January - April 2019 *

- In March 2019, Ermes Department Stores' subsidiary IDEEA Distribution of Appliances Ltd has sold its shares, amounting to 50% + 1 of the share capital held in Novario Holding Ltd, to E & G Electricplus Ltd, which became the owner of its whole share capital. Novario is trading under the names of SCANDIA and MEGAELECTRIC, home appliances retail chains. The transaction was made on a purely commercial basis, as part of the strategy of the CTC Group to dispose of mature businesses, and the Ermes Group strategy to focus on fashion, F&B and DIY.
- Milliouni.com, the first online mall in Cyprus, which was launched by Ermes Department Stores Plc in June 2018, suspended its operations in April 2019.
- Cassandra Trading Ltd enhanced the IQOS sales by the opening of eight new outlets and the launch of e-commerce during the first three months of 2019. The number of IQOS sales outlets now totals 17.

* Other developments can be found in the CTC Annual Report.

CORPORATE GOVERNANCE

CTC is listed on the Alternative Market of the Cyprus Stock Exchange (CSE). However, the Board of Directors, recognising the importance of having proper and prudent management, as well as continuous safeguarding of the Shareholders' interests, has adopted voluntarily the Corporate Governance Code and applies its principles. The Code is also applied by the CSE listed subsidiaries of CTC, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc. The Board of Directors is responsible for ensuring that the principles of the Corporate Governance Code are adhered to.

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

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

Board of Directors

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

Members of the Board of Directors form the following committees:

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

- **Audit Committee**

Responsible for matters regarding 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, Demetris Demetriou and George Mitsides.

The Internal Audit Department, in the context of its independence, reports directly to the Audit 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 the application of the Corporate Governance Code by each company.

- **Capital Expenditure Committee**

Responsible for examining the recommendations for capital expenditure made by the management of each company and, subsequently, submitting them to the Board of Directors for final decision.

Other Committees

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

- **Authority Levels Committee**

Responsible for submitting recommendations concerning the authority levels granted to management and senior officials of the companies of the Group. The recommendations are submitted to the Board of Directors for approval.

- **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 Remuneration Committee**

Responsible for the recruitment and remuneration of senior management, as well as the monitoring of the implementation of recruitment and remuneration policies and procedures regarding all other employees. Its purpose is to ensure that the Group employs and retains the best human capital possible relevant to its business needs and 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 and business associates relations, reinforcing at the same time corporate governance.

- **Central Committee of Social Contribution**

It deals with issues relating to charity, the support of non-profit associations / organisations and the sponsorship of cultural events, implementing specific policies and objective criteria.

CSR Governance

The CEO of CTC and the Group CSR Committee have the overall responsibility for the development and implementation of strategy. The CEO oversees CSR and reviews and approves all relevant reports. In order to implement our commitment, we have also set up committees at company level.

The Group CSR Committee consists of the following senior officials:

Chrysoula Shacola - *Executive Director*

Loukia Makri Christofide - *Group HR Manager*

George Louca - *Group Director of Finance and Information Technology*

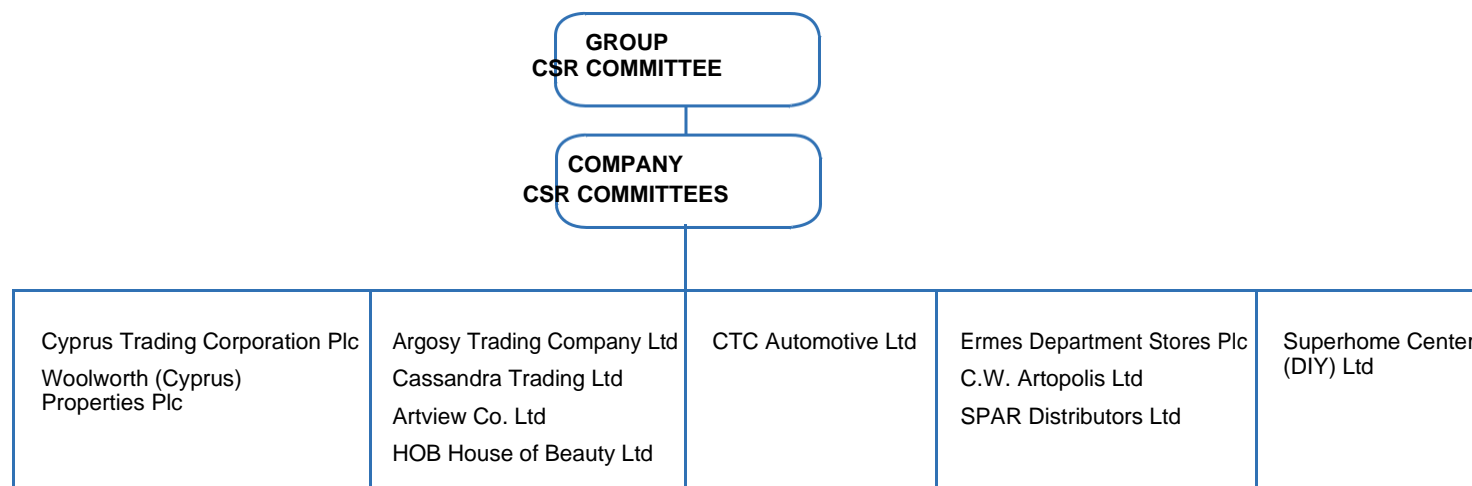
Kyriakos Kolocassides - *CFO Hermes Group*

Marios Loucaides - *CEO FMCG Distribution and Logistics (no longer a member of the Group CSR Committee since 29 March 2019)*

At company level, the CSR Committees are responsible to:

- Promote CSR strategy aiming to create CSR culture
- Implement CSR strategy through the execution of the agreed action plan
- Report to the Group CSR Committee and update on the progress of the action plan
- Collect all required data in collaboration with other Group companies for consolidated statements
- Prepare the parts of the CSR report relevant to them
- Suggest possible improvements

The Head of the CSR Committee, at company level, is the company CEO or General Manager. Committee Members, among others, comprise CFOs and HR officials. Each company has its “Sustainability Champions”, who represent most departments, such as Marketing and Logistics, and play a significant role in developing CSR culture and implementing relevant policies.



CSR Materiality Matrix

As a result of this process, the Group CSR Materiality Matrix was drawn. This matrix determines the most important issues for the Group (vertical axis) and for its Stakeholders (horizontal axis).

Our aim is to present a CSR Report that focuses on issues that are highly material, both for the Group and for its Stakeholders.

The process of materiality analysis was carried out in accordance with the guidelines of the Global Reporting Initiative (GRI): Stakeholder Inclusiveness, Completeness, Sustainability Context, Materiality.

The following sections present and analyse in detail the issues that have been identified by this process. The Group's CSR materiality matrix is presented in the next page.

03

STAKEHOLDERS AND CSR MATERIAL ISSUES

Methodology for identifying
CSR Material Issues

CSR Strategic Pillars

Measuring our performance

METHODOLOGY FOR IDENTIFYING CSR MATERIAL ISSUES

For the preparation of our first 2017 CSR Report, we have implemented a comprehensive strategic approach, which is presented below. A significant part of this approach was the identification of CSR material issues.

The materiality analysis will be repeated for the year ending December 31, 2020. Consequently, the CSR Report of 2018 is based on the materiality analysis that took place in 2017.

In order to gain a full picture of the CSR issues relevant to the Group, a series of workshops was held, with the participation of a number of staff members from various companies and departments of the Group. This process, which was carried out with the help of specialist consultants on sustainability and corporate responsibility, is presented here below in stages:

A CSR ISSUE IDENTIFICATION

We identified, grouped and ranked the Group Stakeholders. We then identified the main CSR issues, taking into consideration material issues for the Group, the business environment, Stakeholders' demands and expectations, social and environmental trends and constraints.

B MATERIALITY ANALYSIS AND PRIORITISATION

We grouped and ranked the main CSR issues, determining their importance for the Group and its Stakeholders. The findings were then confirmed by a questionnaire sent to a number of Stakeholders.

C DEFINITION OF THE DESIRED STATE, STRATEGY AND OBJECTIVES

We grouped the most important CSR issues into four strategic pillars: Market & Products, Our People, Society, Environment. The current state within the Group regarding material CSR issues was recognised and objectives were set in relation to the desired state.

D ACTION PLANS

We determined priorities and developed action plans for each CSR pillar and the corresponding CSR issue. These action plans are presented at the end of each section. The CSR Materiality, CSR Strategic Priorities and CSR Action Plans were approved by the Group CSR Committee and the Board of Directors.

E CSR REPORT

We compiled the CSR Report, which was approved by the Group CSR Committee and the Board of Directors.

Stakeholders and Communication

The table on the next page presents the main Stakeholders of the Group as determined by the methodology for the identification of CSR material issues, listed in no particular order.

It also shows the various channels of two-way communication and the most material CSR issues by Stakeholder group.

To identify the main CSR issues for each Stakeholder group, we gathered information through:

- In-house workshops with employees
- A questionnaire to Stakeholders
- Other means of communication with Stakeholders as shown in the table on the next page

Our aim is to involve more people from each Stakeholder group, in the future, in order to identify with greater precision the CSR issues of concern.

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

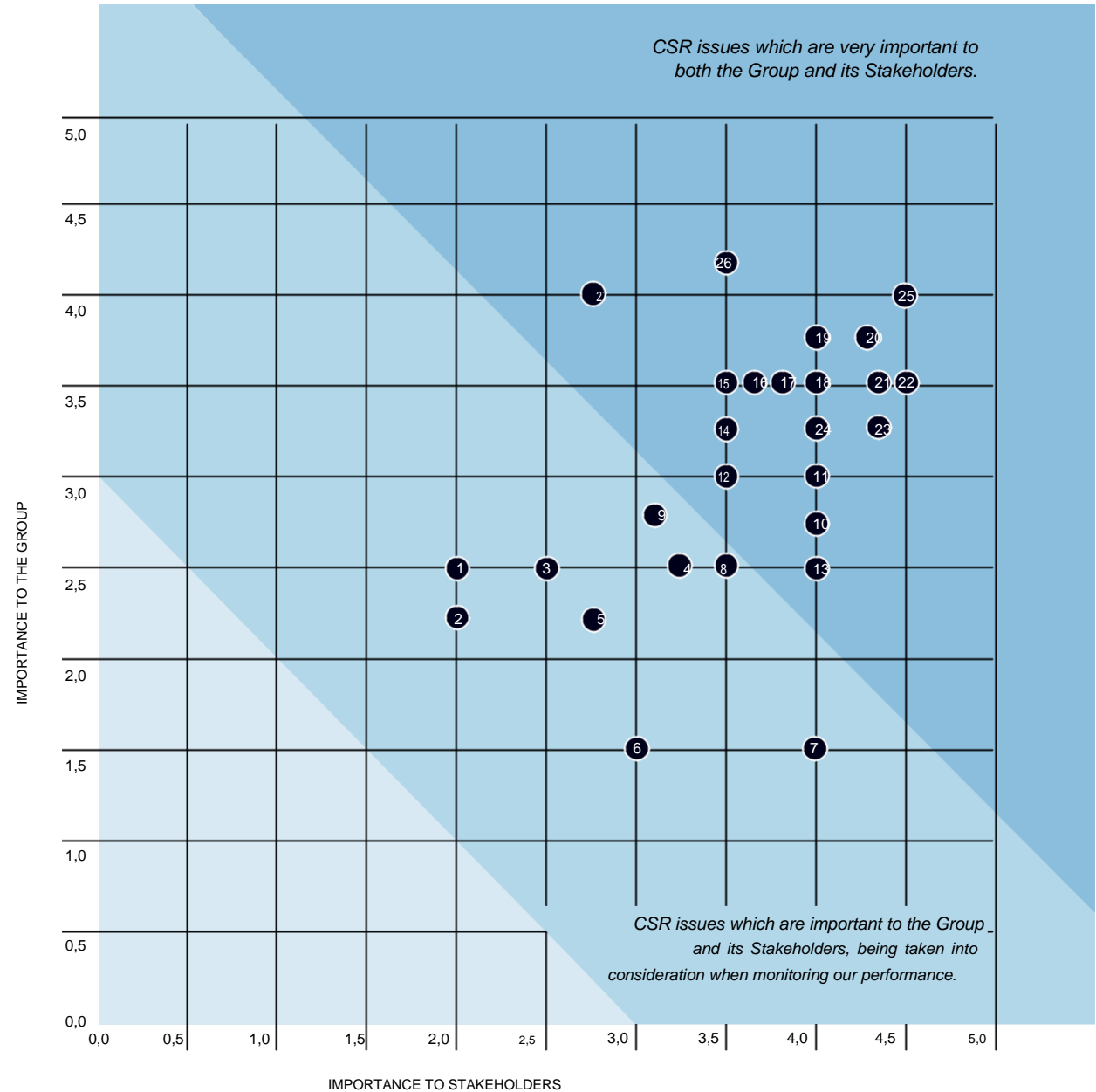
Stakeholders	Two-Way Communication	CSR Issues
Employees	<ul style="list-style-type: none"> Training workshops and seminars HR surveys Internal meetings and announcements Annual appraisal and feedback meetings Events 	<ul style="list-style-type: none"> Change management HR Management, Performance & Motivation Employee Health, Safety & Well-being Education and Training Labour practices Data security and technology Culture management Career Diversity, Equal Opportunity and Human Rights
Shareholders	<ul style="list-style-type: none"> Annual Reports Annual General Meetings Through Board Members appointed as Shareholder Liaison Officers Website 	<ul style="list-style-type: none"> Change management Talent attraction Customer satisfaction HR Management, Performance & Motivation Financial performance CTC reputation and brand image Clear strategic direction Data security and technology Compliance Culture management Social contribution Corporate governance Anti-money laundering
Trading Customers	<ul style="list-style-type: none"> Meetings and continuous feedback Complaint management Sales and Marketing Customer satisfaction surveys Questionnaires Training 	<ul style="list-style-type: none"> Data security and technology Supply Chain management Food safety Customer / Consumer satisfaction Quality of products and services Responsible marketing Anti-competitive behaviour Health and Safety
Consumers	<ul style="list-style-type: none"> Customer satisfaction surveys Complaint management Reward Scheme Media and Social Media Advertising and promotional activities Sales monitoring 	<ul style="list-style-type: none"> Customer service Product quality and value Market presence Trading practices Health and Safety Personal Data Protection Responsible marketing

Stakeholders	Two-Way Communication	CSR Issues
Board of Directors	Meetings Questionnaires	Human Rights Anti-competitive behaviour Anti-corruption Anti-money laundering Financial performance Data security and technology Compliance Corporate governance Quality of products and services CTC reputation and brand image Employee Health, Safety & Well-being Responsible marketing
Management	180° Feedback system Annual appraisal and feedback meetings Training workshops and seminars HR surveys Internal meetings and announcements Events	Change management Talent attraction Customer / Consumer satisfaction Quality of products and services Human Rights HR Management, Performance & Motivation Financial performance
Suppliers	Meetings and continuous communication Questionnaires Business agreements Training / support	Human Rights Business ethics Product traceability HR Management, Performance & Motivation Education and Training Labour practices Anti-corruption
Society	Surveys Social media Media Announcements / Press Releases Website Events	Labour practices Compliance Anti-money laundering Data security and technology Social contribution Anti-competitive behaviour Food safety Trading practices

Stakeholders	Two-Way Communication	CSR Issues
Government	Official announcements Monitoring of laws and regulations Meetings and negotiations Inspections Letters	Compliance Economic impact on society Labour practices Anti-money laundering Anti-competitive behaviour Food safety Data security and technology
Media	Daily media monitoring Press Releases Press Conferences / Interviews Group Media Spokesperson Invitations to participate in Group events	Compliance Economic impact on society Labour practices Anti-competitive behaviour Data security and technology Trading practices Responsible marketing CTC reputation and brand image Anti-corruption Social contribution
Associations and other Organised Bodies	Meetings Letters Website Announcements	Compliance Economic impact on society Labour practices Anti-competitive behaviour Trading practices Social contribution Food safety Business ethics Management of environmental issues Customer satisfaction Anti-money laundering CTC reputation and brand image Employee Health, Safety & Well-being

- 1 Responsible Marketing
- 2 Anti-corruption
- 3 Diversity and Equal Opportunity
- 4 Supply Chain Management
- 5 Anti-Competitive Behaviour
- 6 Social contribution
- 7 Human Rights
- 8 Anti-money Laundering
- 9 Corporate Governance
- 10 Compliance
- 11 Economic Impact on Society
- 12 Operational Effectiveness & Process Standardisation
- 13 Clear Strategic Direction
- 14 Quality of Products and Services and Food Safety
- 15 – Consumer Health and Safety
– Health, Safety & Well-being in the Workplace
- 16 Reputation
- 17 Management of Environmental Issues
- 18 HR Management, Performance & Motivation
- 19 Education and Training
- 20 Data Security and Technology
- 21 Sustainability Image
- 22 Customer / Consumer Satisfaction
- 23 Market Presence
- 24 Labour Practices
- 25 Financial Performance
- 26 Risk Management
- 27 Trading Practices

CSR Materiality Matrix



CSR STRATEGIC PILLARS

CSR refers to business practices which aim at having a positive impact on the economy, society, the environment and stakeholders.

We manage the CSR material issues via a proactive approach which is implemented through our organisational structure and internal processes, as well as through action plans for each strategic pillar.

The CTC Group CSR strategy is based on the following four pillars:

MARKET & PRODUCTS

OUR PEOPLE

SOCIETY

ENVIRONMENT

The diagram shows the CTC Group CSR strategic approach and its basic focus areas.

The Group CSR strategy is summarised as follows:

- Four strategic pillars and issues covered
- Objectives and indicators that determine our performance
- Action plans and commitments
- CSR Governance








MEASURING OUR PERFORMANCE

To assess our effectiveness, we have adopted performance indicators for each of our strategic pillars and issues, with published measurable objectives, so as to be responsible and accountable for our performance and to monitor our progress.

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

From time to time, we update and adjust our objectives and actions.

Symbols indicating action implementation stage

Symbol	Implementation Stage
	New commitment
	Commitment not started
	In progress
	Completed
	Ongoing commitment with no end date

04

CSR STRATEGIC PILLARS

Market & Products

Our People

Society

Environment



Market & Products

OUR MARKET PRESENCE

Our distribution and retail activities, our diversification and size, enable the CTC Group to have a dynamic presence in the Cyprus market benefiting the consumer and the society at large. CTC public company status ensures transparency.

Our market leadership in the distribution of fast moving consumer goods and retail, reaching thousands of customers and consumers, whose trust we highly respect and appreciate, increases our responsibility as regards standards of business conduct, operational effectiveness, data security, risk management, supply chain management, health and safety, customer service and satisfaction.

We feel proud that many international suppliers entrusted in us more than 400 brands and thousands of products. This enables us to bring to the Cypriot consumers well-known and reliable brands as well as a very big range of products, offering them many options to choose from. Our portfolio also includes products from the local market. Many of the fast moving consumer goods brands that we handle hold one of the top

three positions in their respective market category.

Our well-managed supply chain and distribution network, reaching about 2.000 outlets, provide continuous and on time supply of goods in the market, as well as high standards of health and safety. Moreover, our 81 retail stores of more than 70.000 sqm of retail space, as well as the showrooms and retail outlets managed by CTC Automotive, at convenient locations and opening hours, provide easy access and flexibility to customers.

Portfolio of renowned brands include: Kellogg's, Mars, Flora, Jacobs, Whiskas, Pedigree, Pringles, Philadelphia, Zewa, 3M Scotch Brite, 7Days, Philips Lighting, Volvo, Hyundai, Iveco, Scania, Caterpillar, Hilti, Debenhams, Armani Exchange, Next, OVS, Women'secret, SPAR, Christian Dior, Lancôme, Yves Saint Laurent, Helena Rubinstein, Biotherm, Kiehl's, Giorgio Armani, Diesel, Cacharel, Ralph Lauren, Viktor & Rolf, Marlboro, Philip Morris, L&M, Parliament, HEETS, IQOS.

TRADING PRACTICES

We believe in the free market and healthy competition, without distortions. In this context, we take initiatives and through various actions and in cooperation with various Bodies, we contribute to the modernisation of the business environment in Cyprus and its adjustment to European standards, implementing European directives, adopting business ethics. Moreover, cooperating with a great number of renowned multinational suppliers, we also adopt their high standards of business practices.

Examples:

- CTC Code of Business Conduct in place
- Anti-corruption clauses in business contracts
- Support of Sunday trading
- Responsible advertising and contribution towards the creation of the relevant culture through our participation in the relative Bodies
- Enrichment of products and services
 - Range of products addressing customers / consumers choice for a healthy diet
 - Environmentally friendly products (hybrid cars, LED light bulbs, etc.)
 - Unique, flexible reward scheme focusing on customer individual needs

Participation in various Associations

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

FINANCIAL PERFORMANCE

In 2018 CTC Group saw an increase in its sales performance as compared to the previous year, emanating from the addition of new business lines in the sectors of HORECA and FMCG distribution. New business, such as SPAR supermarkets, has also been added.

In line with its long-announced objective, the Group has taken a substantial step in its deleveraging strategy, first by the sale of some of its commercial properties, at the beginning of the year, for a total value of €44 million, and then by the signing of an agreement with the Bank of Cyprus Group to dispose several of its mature investments in the real estate sector, for a total estimated value of €220 million. The transaction that was

carried out in stages, starting from December 2018 and ending in 2020, has resulted in an uneven distribution of accounting losses and profits over this period. As a result of the sale of the Group interest in Cyprus Limni Resorts and GolfCourses Plc, the Group has suffered a loss of €107,8 million. In addition, the Group has also proceeded with a reduction in the value of carried goodwill in its investments by €13,7 million. The total loss for the year was €124 million. Despite this significant loss that does not constitute a cash outflow, CTC Group considers that it has taken the right decision towards safeguarding from future risks and allowing to better focus on its core operations.

More details can be found in the CTC Annual Report.

OPERATIONAL EFFECTIVENESS & STANDARDISATION OF PROCESSES

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

Given the diversification and size of the Group, the standardisation of processes and written policies and procedures are very important in achieving optimum operational effectiveness. Over and above each company's own processes, there are common procedures, policies and manuals that are implemented by all companies of the Group.

Indicatively:

- Authority Levels Matrix: It determines the level of authority delegated to Management, as well as other procedures relating to expenses approvals.
- HR Manual: Common to the whole Group, it was first published and communicated in 2014 and it is being periodically revised. The last update was in 2018.

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

- Financial
- Legal
- Human Resources

- Public Relations
- Property Management Technical Services
- IT
- Internal Audit

At company level, we have already begun the assessment of current procedures, in collaboration with external consultants. The aim is to identify improvement areas and redesign accordingly:

- At Superhome Center (DIY) Ltd work on standardising and improving procedures and further defining job descriptions and deliverables will be completed in 2019.
- At Ermes Department Stores Plc, the restructuring of operational processes in Debenhams department stores is under way and job descriptions are being redefined. A new, simpler Customer Service Manual containing all in-store customer-related procedures, has been produced and the relevant training of store employees is in process.

Special effort is being made for a better understanding of our frontline employees, an important factor towards improving our company operational effectiveness:

- Management enhanced efforts for more frequent and prompt personal communication with store employees.
- Aiming at a better understanding of employee experience at work in the field, Argosy management and head office officers joined the Merchandisers in action, twice in 2018, during the high seasons of mid-August and Christmas.

CORPORATE DATA SECURITY & TECHNOLOGY

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

In order to better utilise the technologies available in today's constantly changing world, the Group has partnered with Microsoft in implementing cloud technology Office 365 where gradually it will enable it to digitise its processes, significantly reduce the use of paper, increase responsiveness and speed of communication, allow self service of employees and other stakeholders in communicating and getting information quickly.

Significant investments in security infrastructure and solutions have been implemented aiming to improve our security policies and strengthen adhesion to international standards and minimise cyber threats. Next generation perimeter firewalls have been

implemented during the year with ability to scan and analyse network traffic for faster and preemptive threat recognition. In addition, we continue to educate all employees on how to be alert for cyber security best practices and organisation security policies.

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

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

RISK MANAGEMENT

The Group is benefited by its wide range of activities and investments, not depending exclusively on a small number of associates, suppliers or operations, which consequently diversify risk.

Potential risks are identified and assessed during each company's long-term strategy definition process and are evaluated annually. Management develops contingency plans to minimise their impact. The Group has delegated and coordinated essential risk management duties to various functions within the organization in order to achieve an effective risk management system:

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

The Group maintains an Internal Control System to ensure the greatest possible protection of shareholders' investment and Group assets. The Internal Audit Department, in collaboration with the Management of Group companies, identifies, records and prioritizes the risks relating to the three main groups of CTC: Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc. The results of this exercise are presented to the Audit Committee of each company, on an annual basis, as part of the formulation and approval of the annual audit plan.

The main risks of the Group are:

- Significant reliance on foreign suppliers / companies
- Continuous changes and rapid developments in the retail sector
- Fluctuations in real estate prices
- Fluctuations in the tourism sector
- Financial risks
- Other non-financial risks relating to operations, compliance, legislation and loss of reputation
- Risks arising from the economic environment in Cyprus where the Group mainly operates
- Intense competition
- Lack of liquidity in the Cyprus market
- Environmental risks
- Political risks

The Group implements procedures through the committees listed below, with the aim of reducing operational risks as noted in the section on Corporate Governance (p.18):

- Capital Expenditure Committee
- Central Purchases and Procurement Committee
- Group Finance Committee
- Authority Levels Committee

COMPLIANCE

Compliance with legal obligations and strict implementation of Group policies and procedures is a fundamental principle of CTC Group. For this purpose the Group maintains an Internal Audit Department that overviews the implementation of the Group policies and procedures, while legal issues are handled by both in-house and external legal advisors.

Internal Audit Department

The Internal Audit Department acts independently and reports, on both administrative and operational matters, directly to the Audit Committees of the Group listed companies. It is responsible for monitoring compliance of the aforementioned laws, internal policies and procedures, as well as health and safety regulations governing the activities of the Group companies, stores and workplaces.

Compliance with the Code of Corporate Governance

The Group companies listed on the Cyprus Stock Exchange adhere to the requirements in respect of corporate governance issues. The risk of non-compliance with the laws and regulations is limited to a great extent through the supervisory role of the Compliance Officers, as well as through other control systems implemented by the companies.

Anti-Money Laundering and Anti-Corruption

Through the financial departments of its companies, CTC complies fully with both the letter and the spirit of the law on preventing and combating money laundering. At the same time, in the context of its commercial transactions, all actions relating to bribery and corruption are strictly prohibited at every level.

Compliance with the Code of Business Conduct and HR Policies

The Group Code of Business Conduct applies to all employees and its acceptance is an employment prerequisite. Through it, they commit to apply the highest possible standards of transparency and ethical business conduct and not violate relevant laws and regulations, such as:

- Involvement of employees and / or third parties acting on their behalf, in any kind of bribery or corruption.
- Concealment by employees or associates of any legal, ethical, financial or other conflict of interest that they may have, in relation to company activities.
- Involvement in unfair business practices and behaviours considered to be disciplinary offences.

Reporting of such cases or suspicions of involvement in such cases is encouraged.

Acceptance and compliance with all policies and procedures outlined in the HR Manual also constitutes a prerequisite for employment. Updates and new policies and procedures are circulated to employees who are required to state in writing their receipt and acceptance.

CONSUMER HEALTH & SAFETY

Quality of Products and Services

CTC acknowledges and promotes customer and consumer health & safety through providing safe facilities and quality products that reach the market by way of an efficient supply chain (see next section).

In 2018, we had no incidents of non compliance with any regulations concerning health and safety for any of our 48 product and service categories.

Food Safety

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

Ermes Department Stores Plc, C.W. Artopolis Ltd and Argosy Trading Company Ltd implement a Food Safety Management System and are certified by ISO 22000:2005. The above companies aim to update the Food Safety Management System and be certified by ISO 22000:2018. In the context of the implementation of this standard, the following actions are promoted:

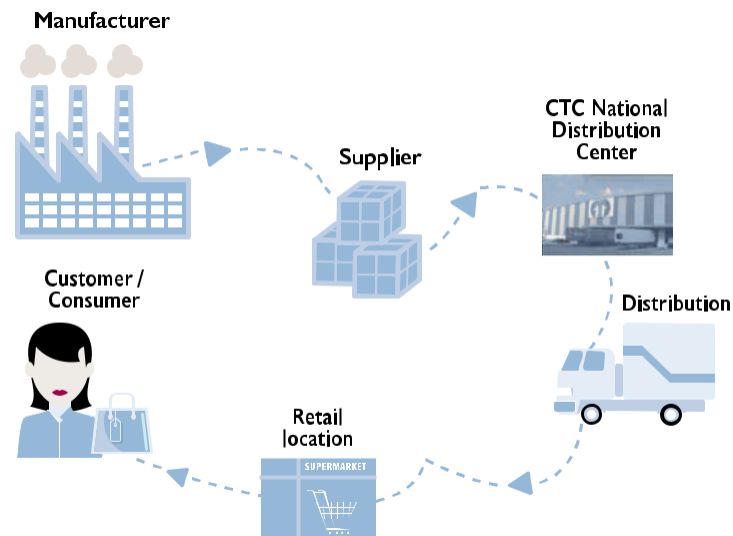
- Design and implementation of appropriate regulations and processes, e.g. questionnaire for evaluating suppliers' quality systems.
- Training of employees to acquire the essential knowledge and skills in food hygiene and safety in areas where food is processed, managed, distributed and sold.
- Appropriate personal hygiene measures.
- Risk assessment.

Health & Safety on Group Premises

For the management of Health & Safety issues, we implement appropriate systems in accordance with the law. All measures taken to ensure the health and safety of consumers, trading customers and third parties on Group premises are presented in section "Health, Safety and Well-being in the Workplace" (p. 56).

SUPPLY CHAIN MANAGEMENT

Managing the social, environmental and financial impact of the supply chain is a business practice that is being recognized as a key aspect of corporate responsibility. The management of CSR issues concerning the supply chain is key to maintaining brand integrity and Group reputation. It also contributes to ensuring compliance with laws and regulations, as well as transparency in our supply chain.



Procurement Policy

The selection and evaluation of suppliers is based on commercial criteria, as well as on social and environmental criteria. Suppliers are evaluated not only for the quality of their products (e.g. through sampling), but also on other criteria such as their working environment, and the compliance with legislation regarding production and premises, including the relevant EU legislation. When selecting products, we promote well-known brands recognised for their excellent quality. Most of our suppliers are well - known multinational companies.

With regards 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.

See also sections "Risk Management" (p. 38) and "Consumer Health & Safety" (p. 40).

Procurement Planning

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



Right product



Right quantity



Right conditions



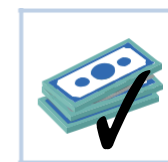
Right place



Right time



Right customer



Right price

Logistics - Distribution Centre

Upon receiving the products in our warehouses, we check the quantity, the quality, labeling, expiry dates. Non conformity products and all waste created in the warehouse (e.g. waste packaging) are placed in a dedicated area where they are handled according to the legislation, applying the waste hierarchy. In case of damaged goods, the return policy varies according to type of product and agreement with the relative supplier. For further information, see section "Environmental Impact of Products and Activities" (p. 69).

Meeting the health and safety requirements is also important for our operations, ensuring that working conditions for our staff meet the highest standards. In the warehouse areas, there are specific roles and responsibilities and, based on risk assessments, employees use the necessary safety clothing and warehouse equipment. For further information, see section "Health, Safety & Well-being in the Workplace" (p. 56).

Products are received and stored according to suppliers' specifications and standards, to ensure optimal quality for the consumer and minimize product losses. Technology in the storage areas maintains all information and data required for each product. For further information, see section "Consumer Health & Safety" (p. 40).

Amongst all the product categories, food related products are the most sensitive and highly impactful, both environmentally and financially. Therefore, they are handled with utmost care to ensure high product quality and to minimize potential impacts.

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

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. For further information on food, see section "Food Safety" (p. 40).

Fleet

The companies' fleets consist of low-emission and lower fuel consumption vehicles, ensuring efficient fuel consumption and general reduction of GHGs, as well as compliance with relevant environmental legislation. For further information on the group's fleet, see section "Energy Management" (p. 72).

To ensure that the relevant Health and Safety practices are in place, drivers are trained in the use of tachographs and on road safety. Products are loaded onto vans and trucks in accordance with their storage requirements. Text messages are sent in case of temperature problems. For more information on road safety, see section "Road Safety" (p. 58).

Product traceability

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

Gold Supply Chain Award for Argosy

Argosy Trading Company Ltd gained a unique distinction at the Greek Supply Chain Awards 2018 on Tuesday, 5 June in Athens.

At an award ceremony attended by all those involved in Greece's logistics sector, leading industry figures, government officials, representatives of professional associations and Bodies and the media, Argosy won the Gold Award in the category Storage & Distribution Centre Infrastructure. The whole event put emphasis on best practices, innovative initiatives and notable Supply Chain and Logistics projects. More than 100 projects were nominated for the Supply Chain Awards 2018. Argosy gained very high marks from the panel of judges who chose it as the winner. It was the only Cypriot company to win an award.

Argosy is the biggest importer and distributor of fast moving consumer goods in the grocery retail market in Cyprus. It manages international and local brands. Since 2000, it has been operating its own distribution centre of more than 70.000 cubic metres of storage space, where it stores goods in four different temperature zones and manages its entire supply chain logistics by itself. With modern high-tech methods such as voice picking, a modern WMS (Warehouse Management System), and special shelving for micro picking (for products such as cosmetics and mobile telephony), the company has managed to increase productivity by 15% and reduce errors by 40% in the last three years, while lowering operating costs. Its sophisticated forecasting system enables the company to maintain the right level of stocks and, consequently the desired high standard of customer service. «Thanks to the flexibility and innovation that ensure that the company maximizes productivity and provides a particularly high standard of service to customers and consumers, Argosy has been recognized for its storage and distribution center and its optimization of communication among all those involved in the supply chain.» This was the thinking behind the Argosy award.



CUSTOMER / CONSUMER SATISFACTION

Customer and consumer satisfaction is of utmost importance as also stated in the CTC Group vision: to be choice number one for consumers and trading customers. We focus on ensuring the offering of high quality products, as well as efficient customer service, through relative policies and procedures and employee training.

Surveys

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

Mystery shopping is also conducted monthly in all fashion stores and F&B outlets based on quantitative and qualitative criteria. The results of these surveys are evaluated in detail and are being used to further enhance the customer experience in our stores.

Product Return Policy

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

Customer / Consumer Complaint Management

- Consumer complaints to the companies based at the CTC National Distribution Centre are handled by the Marketing Department. Following the initial contact with the consumer, the relevant form is completed with the necessary information. There is immediate contact with the relevant departments of the company and, if necessary, with the supplier. According to the procedure, within two days, latest, from the reporting of a complaint, a reply must be provided to the consumer who made it.
- In the Group stores, customers may report a complaint verbally or in writing, either to the Customer Service Desk, or to a member of the store management team. If the problem cannot be resolved there and then, it is forwarded to and dealt with by the person responsible for complaint management at the company Head Office.
- Some complaints are reported on Social Media. They are monitored by the Marketing Departments of the companies and forwarded to the person responsible for resolving them.
- All complaints are recorded and monitored.



Reward Scheme

In November 2018, Hermes Group has introduced a new innovative reward scheme, “Unique by Hermes”, which offers greater value to the Hermes customers.






















The scheme covers a variety of product categories, such as fashion, cosmetics, home improvement and DIY, supermarket items, in numerous different stores operated by the Group. Participants in the scheme are retail profiles and brands such as Debenhams, Armani Exchange, Uber, Next, OVS, Navy &

Green, Zako, Glow, Peacocks, Venue Café, Artopolis Bakeries, Coffee & More, Spar, Superhome Center. There are prospects of further additions in the near future.

The Unique experience is not limited to stores. In the context of the scheme, Hermes has created a dedicated lifestyle portal (www.unique-hermes.com.cy) dealing with issues pertaining to fashion, cosmetics, living, nutrition and the latest trends. A printed edition, the “Unique” magazine, is available in all the Group’s stores and is also widely distributed.

ACTION PLAN MARKET & PRODUCTS



CSR Issue	Objective	Action	Timetable	Implementation Stage
Operational effectiveness and process standardization	Evaluation and improvement of current procedures and standardisation of common processes across the Group Clear and effective communication of strategy	Restructuring of retail stores project	2018/19	
		Recording of procedures at the Superhome Center (DIY) Ltd	2018/19	
		Supervision of strict implementation of the ways of communicating the Group strategy, as stated in the KPIs setting procedure		
Data Security and Technology	Continuous upgrading of the Group IT infrastructure with the aim of maximizing security and productivity	Creation of a Group Energy Efficient Data Centre in accordance with the latest technological specifications and requirements	2017/21	
		Centralisation of the Group IT systems	2019/21	
		Creation of a Disaster Recovery Site	2019/22	
		Certification with ISO 27001 standard for Data Security Management	2019/21	
		Implementation of Office 365 system in all companies	2018/19	
		Implementation of Data Encryption of Databases	2019/21	
		Implementation of threat analysis and self containment using Artificial Intelligence	2019	
Risk Management	Minimising risk in Group operations	Setting up of a Risk Committee	2018/19	
Compliance	Full compliance with legislation and regulations	Continuous employee training on laws and regulations related to their duties		
		Creation of Compliance Officer positions (role undertaken by Internal Audit Department)	2019	
Consumer Health & Safety	Food safety	Update the Food Safety Management System and be certified by ISO 22000:2018	2020/21	
Supply Chain Management	Timely availability of products to customers /consumers	Completion of Warehouse Management System (WMS) in Ermes for Zako stores	2018	
		Completion of Imports and Stock Management Systems for Ermes	2018	
		Implementation of Warehouse Management System (WMS) at Superhome Center	2019	
Customer/ Consumer Satisfaction	To be Choice no 1	Conducting customer / consumer satisfaction surveys at regular intervals, evaluation of the findings and application of corrective / improvement measures		
		Introduction of a new Customer Reward Scheme	2018	
		Creation of a common template for recording statistics	2019	
		Implementation of IQOS e-commerce by Cassandra Trading Ltd	2019	



Our People

INTRODUCTION

"Our people are the most important asset for CTC".
With this statement, CTC Executive Chairman & CEO expresses the philosophy of the Group.

As one of the biggest employers in Cyprus, with over 2.200 employees, our concern is to provide a working environment in which each individual is treated with respect and given equal opportunities to advance within the Group, through transparent, fair and objective processes.

In 2018 we continued implementing the action plan that was drawn up based on the results of the specialist Human Resources study, conducted in 2016 in collaboration with external consultants. This action plan is dynamic and is being continuously updated so as to be in line with the latest developments of the Group and the market in general.

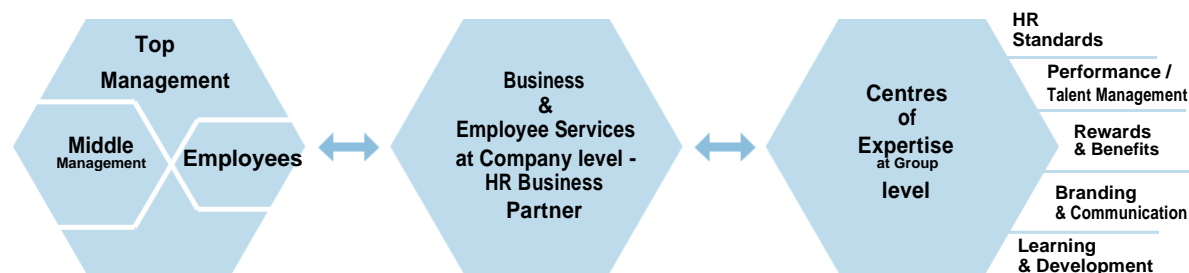
The HR Department consists of two functions: the Centers of Expertise at Group level and the Business & Employee Services, with the HR Business Partners, at Company level. This structure was designed in 2017 and was fully implemented and established in 2018. The main areas on which we focus are shown on the following diagram.

Strategic objectives and Key Performance Indicators (KPIs), aligned with the Group's priorities, are determined for each of the five areas. The progress of these KPIs is monitored at regular intervals.

The material issues recognized for the strategic pillar "Our People" are:

- HR management, performance and motivation
- Education and training
- Diversity, equal opportunity and human rights
- Health, safety & well-being in the workplace

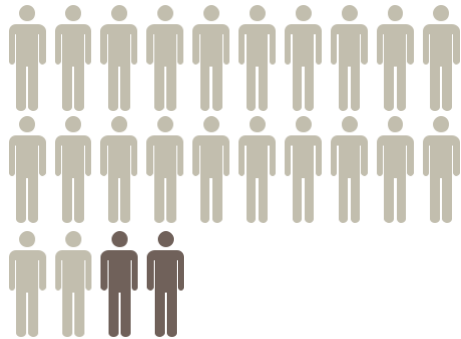
In the following pages we present our actions and future commitments related to the above issues.



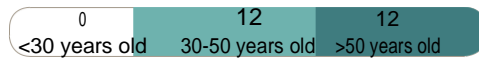
KEY INFORMATION

MANAGEMENT TEAM (2018)

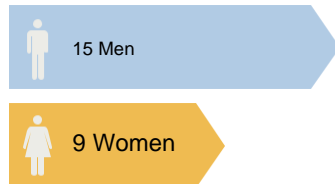
* Origin



Age



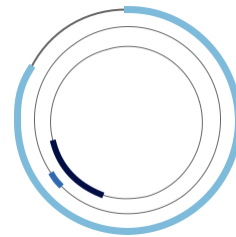
Gender



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

EMPLOYMENT TYPE (2018)

Total number of employees



- 83% Permanent employees
- 2% Temporary employees
- 15% Supervised associates' employees



- 33% Male
- 67% Female



- 26% Male
- 74% Female



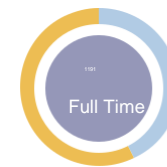
- 28% Male
- 72% Female

Note: Fashionlink S.A. and HOB House of Beauty Ltd are included.

Permanent employees



- 54% Full-time employees
- 46% Part-time employees



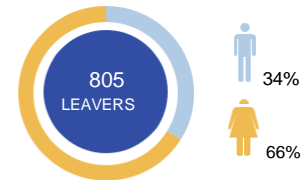
- 43% Male
- 57% Female



- 21% Male
- 79% Female

Note: Fashionlink S.A. and HOB House of Beauty Ltd are included.

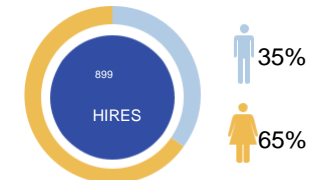
TURNOVER (2018)



Age



HIRES (2018)



Age



Note: Fashionlink S.A. and HOB House of Beauty Ltd are included.

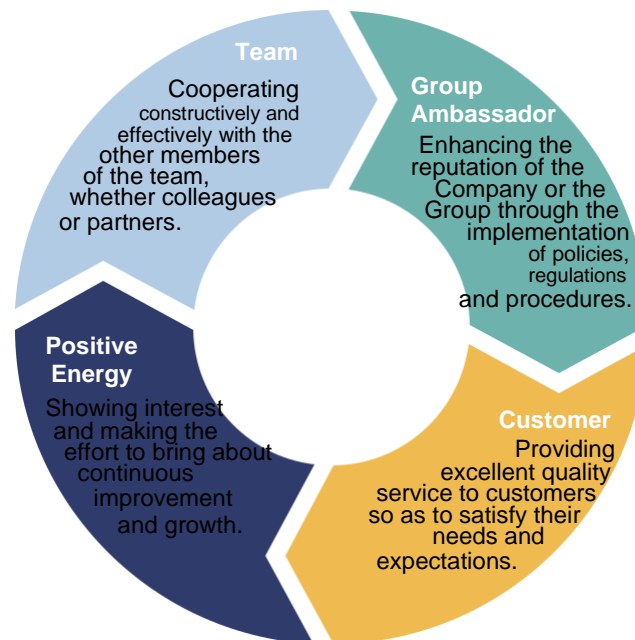
HR MANAGEMENT, PERFORMANCE AND MOTIVATION

Framework of Competencies, Skills and Behaviours

CTC Group maintains a common framework of behaviours for all employees and one for managers. These frameworks, a summary of which is shown below, describe the core competencies, skills and behaviours that all Group employees

and managers are expected to demonstrate during the execution of their work. These are of crucial importance to the Group's success and are, therefore, assessed through the annual performance appraisal system.

For all Employees



For Managers

Strategic Orientation

Translating the corporate strategy into specific work objectives and ensuring their success.

Leadership and Inspiration

Demonstrating the appropriate behaviours that make them role models, motivating / energizing employees to do their best.

Guidance and Development

Managing effectively the employees through proper communication, allocation of responsibilities, guidance, feedback and participation in decision-making.

Commitment

Having the ability to see the 'big picture' and act in the interest of the Company and of the Group as a whole.

Recognition and Rewards

Aiming to create a results oriented culture, while, at the same time enhancing the motivation and engagement of our employees, we have introduced, since 2017, a common process of setting quantitative and qualitative KPIs across the Group. Targets set are pre-agreed and measurable. These KPIs are formally evaluated annually through the performance appraisal system and are directly linked to the bonus scheme of the Group. Other incentive and commission schemes also exist, depending on the position, and their KPIs are evaluated on a monthly basis.

During 2018, in collaboration with external consultants, we have designed and implemented a retail store incentive scheme aiming to recognize and reward employees with monetary incentives based on targets related to critical success factors in the retail sector. The scheme has started being implemented for fashion stores and will extend to home improvement and DIY stores.

Performance Management

Performance management is carried out in a variety of ways and at different levels.

The formal performance appraisal is conducted once a year with the objective to assess the performance of the previous year, to set targets for the current year, to identify training and development needs and to agree a development plan. In 2017, a revised performance appraisal system was introduced, aiming to ensure a structured and uniform approach to performance management for all CTC Group employees. In 2018 the completion rate reached 97%. By the end of 2018, the system was further revised to include a more qualitative rating scale.

Moreover, we have enhanced our evaluation process for all new hires. Further to the performance appraisal conducted upon the completion of the first six months, we have introduced the agreement of specific KPIs upon the completion of the probation period. These KPIs must be evaluated during the formal annual performance appraisal system.

In 2017, the 180o feedback system ran for the first time in collaboration with external consultants. A number of managers of the Group companies had the opportunity to receive feedback, confidentially and anonymously, from members of their team, as well as from colleagues and associates with whom they have direct collaboration. These managers were assessed based on the common framework for managers. The results of this process were used to develop relevant training programs.

"Course Towards Champions" Leadership Development Programme

Recognizing the importance of leadership development we have incorporated various actions into a structured leadership programme, which we named "**C**ourse **T**owards **C**hampions".

This includes:

- Framework of competencies, skills and behaviour for managers
- KPIs
- Annual Performance Appraisal
- 180o feedback system for managers
- Development of managerial skills and competencies

Salaries and Benefits surveys

CTC Group participates in country surveys on employee salaries and benefits, the results of which are being used to determine or adjust salary scales for each job position. Our aim is to be competitive in the job market in order to attract and retain the talents.

We ensure that all employees engaged in jobs regulated by the Minimum Salary Law, are remunerated under the provisions of the Law. Specifically, for full-time sales people, the minimum monthly salary is €870, rising to €924 after six months of continuous employment, while for part-time sales people the minimum hourly wage is €5,28, rising to €5,61 after six months of continuous employment.

Communication of Policies and Procedures

In 2018 the HR Manual was redesigned and reviewed to include all legislative updates as well as changes in our policies and procedures. The changes to the updated HR Manual were communicated to all employees and the manual was uploaded on the intranet.

The HR section on the intranet was also upgraded and enriched. Existing material was reviewed and updated and new material was uploaded.

EDUCATION AND TRAINING

Training Programmes

The Group gives a great emphasis on the development of its human resources, a source of competitive advantage.

Training may be conducted by internal or external trainers / suppliers. In 2018, 26% of training hours were carried out by internal trainers, while 74% by external trainers / suppliers.

Training can be on the job, usually for a new hire or transfer (e.g. being trained by a superior, observing how a colleague carries out his job, rotation) or outside the workplace (e.g. seminars, conferences, university courses).

Taking into account the strategic direction of the Group, the specific needs of Operations / Departments and the annual performance appraisal of each employee, training programmes are designed accordingly. Hence, the majority of our training programmes are related to:

- Marketing
- Development of personal and professional skills
- Customer service and sales
- Product training
- Specific training depending on job requirements
- Certifications
- Compliance with the Law
- Technology and IT
- Health and Safety
- Corporate Social Responsibility

In 2018, 265 training programmes were held for 2.578 employees. The total duration was 1.929,5 hours with the average training of each employee being 7,3 hours. All expenses were covered by their respective companies. On-the-job training is not being recorded.

At Ermes Department Stores Plc and Superhome Center (DIY) Ltd special attention was given to Management training. At Ermes, four programmes were organized with the aim of enhancing store managers coaching and employee management skills. At Superhome, six programmes were delivered for store managers for the same purpose.

e-Learning

At Ermes Department Stores Plc, C.W. Artopolis Ltd and Spar, an e-learning platform is being used currently, for the induction of new hires. In 2018, the e-learning training platform was further developed to be used in all companies of the Group. All HR employees were trained to be able to design training material and administer the use of the platform. This platform is expected to be in full use in 2019 for the whole Group.

Academic / Professional Qualifications

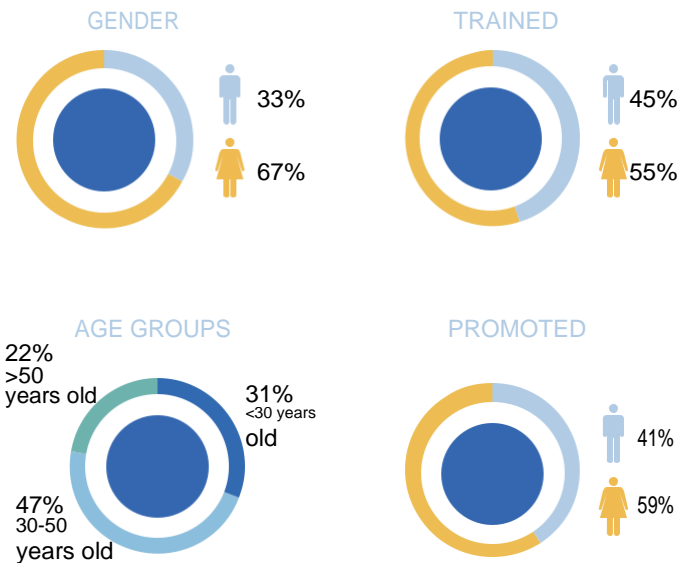
CTC encourages its employees to obtain academic or professional qualifications at educational institutions. To this end, it has adopted a special sponsorship scheme by which course fees are partly or fully subsidized. The company decides whether a particular course of study is essential and will help the employee to advance further within the Group. In 2018, three employees benefited from the scheme, pursuing an MBA degree.

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

We encourage the participation of our employees in international events held by our suppliers abroad. In February 2018, one of our Dior Beauty Consultants, Ms Maroula Aoun, was chosen as best Dior Beauty Consultant of the Middle East Region, among representatives from 15 countries in Dubai. Following this, she attended the annual global Dior 4-day event in Paris for all Dior "Golden BCs".

DIVERSITY, EQUAL OPPORTUNITY AND HUMAN RIGHTS

The key principle behind the policies, procedures and practices that we follow regarding the management of our human resources, is that the value of each employee is determined by performance, knowledge, experience, dedication and character. This is why we have introduced quantitative and qualitative criteria based on which decisions are taken regarding promotions and salary increases.



Regarding potential employees, we have developed a new detailed “Recruitment, Selection and Hiring Procedure”, ensuring the greatest possible objectivity and transparency and according to the personal data protection legislation.

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

Regarding harassment and sexual harassment, an updated Code was published in 2018. This Code was originally issued in 2015 at Ermes and is now applied in the whole Group. Moreover, with the updated Code we have set up an Equality Committee with members at Group and company level.

Considering that it is the right of every employee to be informed of issues of immediate concern, at CTC Group we give great importance to briefing, in detail, every new hire on his rights and obligations from day one. In the course of his employment, every employee is given timely information about all issues of concern through meetings and announcements sent by email, or placed on notice boards.

Certification for Implementing Good Practices in Gender Equality

In 2015, Cyprus Trading Corporation Plc and Ermes Department Stores Plc were recognised by the Department of Labour Relations of the Ministry of Labour, Welfare & Social Insurance for implementing good practices for gender equality in the workplace. The relevant certification was obtained from the National Accreditation Body and remains valid for four years. For CTC and its subsidiaries Argosy Trading Company Ltd, Cassandra Trading Ltd, Artview Co. Ltd and CTC Automotive Ltd, the certification model included implementation of the following three good practices:

- Holding seminars for managerial staff on gender equality, harassment and sexual harassment
- Providing printed material to all employees on gender equality, harassment and sexual harassment
- Training and re-induction of employees who were absent from work for a long period

For Ermes Department Stores Plc and its subsidiaries C.W. Artopolis Ltd and Superhome Center (DIY) Ltd, the 2015 certification model included the implementation of the following 14 good practices:

- Management Trainees / Young Talents programme
- Subsidising a postgraduate diploma or professional qualification
- Paid study leave
- Implementation of the Vocational Qualifications System (VQS)
- Paid sick leave
- Topping up of maternity allowance
- Psychological support services
- Stress management seminars
- Discounts for Group products
- Suggestion boxes in the staff areas of stores where suggestions or any comments can be made, either signed or anonymously
- Formation of a Committee for Equality
- Creation of a Code on Harassment and Sexual Harassment communicated to all employees
- Training on issues of equality, harassment and sexual harassment
- Special training programmes on equality issues

HEALTH, SAFETY & WELL - BEING IN THE WORKPLACE

Health & Safety Management Systems

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

In this regard, each company has developed its own Health & Safety Management System. Ermes Department Stores Plc, CTC Automotive Ltd, Superhome Center (DIY) Ltd and Argosy Trading Company Ltd, along with Cassandra Trading Ltd and Artview Co. Ltd, which operate on the same premises (NDC), have developed their Health & Safety Management System in collaboration with external consultants based on the principles of the OHSAS 18001 and ISO 9001:2015 model. The three companies with over 200 employees each, namely Ermes Department Stores Plc, Superhome Center (DIY) Ltd and Argosy Trading Company Ltd, employ a Health & Safety Officer.

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

In this context, the following actions are being promoted:

- Creation and operation of Health & Safety Committees, with a clear role and mandate
- Risk assessment and management of health and safety issues, updated at regular intervals

- Design and implementation of emergency procedures
- Reporting, investigation and analysis of incidents and accidents
- Use of personal protection gear, according to the type of work
- Ensuring the provision of suitable equipment and safe installations
- Inspections of health and safety issues in the workplace
- Ensuring the provision of safety measures for associates and sub-contractors on our premises
- Implementation of fire safety and fire protection regulations
- Implementation of road safety rules

Information about health and safety policy and systems is communicated to all employees, who receive training at regular intervals, as required by law.

In 2018, 503 hours of training were spent on the following topics:

- Basic principles of health and safety
- Creation of health and safety culture
- Risk analysis and assessment
- Crisis management
- Safety and hygiene in warehouse areas
- First aid and emergencies
- Cardiopulmonary resuscitation (CPR) and the use of an Automated External Defibrillator (AED)
- Use of fire extinguishers

Health and Safety Incident Indicators for Own Employees 2018

Performance Indicators	Sickleave days (recordable work-related injury or ill health)	Number of accidents*	Number of hrs worked	Total number of hrs Lost	Injury Rate	Lost day rate (LDR)	Total actual absentee hrs lost	Absentee Rate (AR)
					Number of Accidents / Number of hrs worked x 200.000	Number of hrs lost / Number of hrs worked x 200.000		Total actual absentee hours lost / Number of hrs worked x 200.000
Men	1.664	16		2.701				
Women	6.781	40**		6.634				
Total Customer Accidents	8.445	56**	3.981.576	9.335	2,8	468,9	57.659	2.896,3

* All accidents were not serious

** Plus two accidents involving supervised workers

Customer Accidents

No of accidents 36, all not serious

Note: Fashionlink S.A. and HOB House of Beauty Ltd are included.

Road safety

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

In this framework, the Group implemented modern electronic fleet management and telematics systems, which resulted in an immediate reduction in traffic violations. Since 2011, at the CTC Distribution Centre (which houses Argosy Trading Company Ltd, Artview Co. Ltd and Cassandra Trading Ltd), a fleet telematics system has been introduced, by which the drivers of more than 200 company vehicles (the Group's largest fleet) are being warned when their speed limit is exceeded. The implementation of this system monitors internally speed limit violations and since 2018 the drivers involved are being formally warned and bear relative consequences in case of repetitive violations. The number of accidents involving company vehicles was further reduced in 2018 by 9,4%, vs 2017, over and above the reduction of 25% in 2017 vs 2016.

In conjunction with organised Bodies, such as the well-known NGO Reaction and the Police Traffic Department, a number of our employees participate actively in campaigns, seminars, conferences, etc. In 2018, we have also used the services of Reaction in carrying out exit alcohol tests during an evening company employee function.

In recognition for its support, CTC has been an Honorary Member of NGO Reaction since 2013. In January 2018, CTC received yet another award from Reaction for its long-term contribution and active support to the organisation in its efforts for a better society and a better Cyprus.

The number of accidents involving company vehicles was further reduced in 2018 by 9,4%, vs 2017, over and above the reduction of 25% in 2017 vs 2016.

Examples of implemented measures:

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

Well-being in the Workplace

The creation of a positive and healthy working environment, taking into account work-life balance is of utmost importance for CTC. Hence, we have an attractive benefits package for our employees and we have adopted and implemented a series of practices to ensure this.

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:

- Healthcare*
- Medical fund or subsidy for the healthcare of dependents*
- Life insurance*
- Personal accident insurance
- Topping up of sickness allowance up to 100% of salary, for a specific period
- Annual leave, increasing according to years of employment
- Paid study leave*
- Subsidisation of an academic or professional qualification based on specific criteria*
- Topping up of maternity allowance up to 100% of salary. In 2019 the same principle was applied to paternity allowance.
- 13th salary
- Provident Fund*
- Personal discount card for use in Group stores and an additional one for a family member
- Paid expenses for business travelling locally and abroad
- Telephone allowance (where required)
- Company car (where required)

** These benefits are effective on completion of the probation period.*

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.
- Self-development seminars - Every year, seminars are being held for employees aiming at self-development. In 2018, six seminars covering resilience, change management and stress management were offered by the Group and attended by 268 people.
- Free afternoon - Working hours are scheduled in such a way so as to give employees one or two free afternoons per week, depending on the company and department. This makes it easier for employees to take care of their personal and family obligations.
- Flexible working hours - Within certain parameters determined by some of the companies in the Group, there is flexibility regarding employees' starting and finishing times.

In 2018, six seminars covering resilience, change management and stress management were offered by the Group and attended by 268 people.

- Casual Friday - Some companies of the Group have adopted "Casual Friday" when employees may dress casually.
- Fruit day - Some companies of the Group offer to employees free fresh fruit once a week.
- Events - Social events are organised for Group employees and / or members of their families. For example, in 2018 two presentations on "How to react on emergency situations" were offered to employees and families.

The major event of the year was the "CTC Charity Regatta 2018", organized with the voluntary participation of more than 100 employees from all over Cyprus and the engagement of 18 sailing boats with their captains. The event gave the opportunity to participants to enjoy a four-hour trip along the Limassol shore during which they had a team building experience and benefited from a mini crash course in sailing. This memorable day was concluded with a party on the beach. Photos from the event were used for the CTC wall and desk calendars of 2019.

ACTION PLAN OUR PEOPLE



CSR Issue	Objective	Action	Timetable	Implementation Stage
HR Management, Performance and Motivation	Ensuring maximum performance by every employee	Restructuring of retail store operations	2018	
		Introduction of a target-based rewards scheme for store employees	2018	
	Enhancement of employee commitment, talent retention, young talent attraction, succession	Strengthening cooperation with universities and colleges through participation in "Career Day" events and the "Come and Join Our Team" internship programme	2018	
		Cooperation with universities and colleges		
		Implementation of Key Performance Indicators (KPIs) process	2018	
		Annual implementation of KPIs process		
		Participation in market surveys on salaries and benefits		
		Employee opinion survey for performance appraisal system	2019	
	More effective communication of policies and procedures	Review of the HR Manual and Code of Business Conduct	2019	
		Upgrade the company Intranet and implement relevant systems	2018/20	
	Change management	Training on key managerial skills (communication, monitoring, problem solving)		
Education and Training	Well trained employees, opportunities for talent development	Operation of an upgraded online training platform for all companies of the Group	2018/19	
		Review of the induction programme for all new employees	2018/19	
		Creation of the CTC Academy	2019/20	
		CSR Training		
Diversity, Equal Opportunity & Human Rights	Implementation of relevant uniform policies across the Group	Training on equality and diversity within the framework of the induction process in all companies of the Group	2018/19	
		Implementation of the Code on Harassment and Sexual Harassment (currently applied by the Ermes Group) in all companies of CTC Group	2018/19	
Health, Safety & Well-being in the Workplace	Ensuring health and safety in the workplace	Updating of health and safety systems where necessary		
		Training of all employees handling machinery	2018/19	
		First Aid and AED training		
	Road safety	Creation of a common template for recording of incidents, evaluation and actions	2018	
		Installation of bluetooth in all vehicles of the CTC National Distribution Centre	2018/19	
		Introduction of fleet telematics system with warnings for speed limit violations, in all Group company vehicles if not yet available	2019/20	
	Work-life balance	Organizing a number of social and other events for employees and their families		



Society

SOCIAL CONTRIBUTION

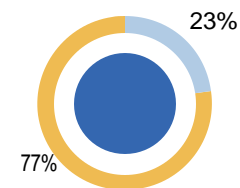
The Group contributes to society through the employment of over 2.200 people and through the cooperation with local suppliers of goods and services.

2018	
Total payroll cost*	€ 42. 191. 764
Local purchases of goods and services**	€ 73.068.561

* Including Fashionlink S.A. , HOB House of Beauty Ltd, Novario Holding Ltd.

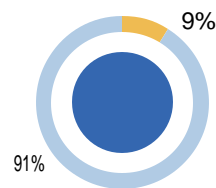
** Electricity cost is not included.

PURCHASES FROM TRADE SUPPLIERS (2018)



Trade Suppliers abroad
Trade Suppliers within Cyprus

PURCHASES FROM NON-TRADE SUPPLIERS (2018)



Non-trade Suppliers abroad
Non-trade Suppliers within Cyprus

Over and above, our contribution to society and people, through donations, sponsorships and philanthropy, continued in 2018 as in previous years.

Among others, we engaged in the following activities:

For Education and Healthcare

- The endowment of €9 million, through the Nicos and Elpida Shacolas Foundation, to the University of Cyprus for the building of the Medical School, which is about to start. The final architectural plans (see photo on page 62) were completed and presented by the Spanish architects to whom the international tender was awarded and the foundation stone will soon be laid.
- €2.000 to the Latsia Lyceum for the purchase of airconditioning / heating systems.
- Monetary awards to outstanding students from Karavas, to the CIIM and the Latsia and Pallouriotissa Lyceums.

For the Victims of the Fires in Greece

Responding to the appeal by the Government of Cyprus for tangible support to the victims of the fires in Attica, Greece, we deposited €50.000 in the Republic of Cyprus' account with the Central Bank of Cyprus.

For the Sophia Foundation for Children

Our longstanding link with the Sophia Foundation for Children continued and was strengthened in 2018. Specifically:

- The "CTC Charity Regatta 2018", organized with the voluntary participation of a large number of staff members, raised €14.000.
- In aid of the programme "I cook and I offer", €5.000 were offered for the "Let's Hippo" campaign.
- A store in Nicosia and €12.000 worth of refurbishment were offered to the Sophia Foundation to be used as an office and sales point.
- 10.000 specially commissioned measuring tapes bearing the Foundation's logo were made available through the Superhome Center DIY stores. €1 from the proceeds of the sale of each one (€10.000 in total) is being donated to the Foundation.
- A donation of €6.000 went to a nursing clinic in Kenya that supports the Sophia Foundation for Children.

For the needy children, families, associations and organisations

- New clothes, food, furnishings, other products and cash amounts were provided to needy schoolchildren, through the Municipalities, to families and associations, including the Cyprus Red Cross, the Wagon of Love, Hope for Children and the Alkionides, amounting to over €10.000.
- The amount of €55.000 was donated to the Cyprus Chamber of Commerce and Industry (CCCI) for the refurbishment of the Nicos K. Shacolas conference hall.

For Sports and Culture

- Major Sponsor of the Limassol Municipality's "Great Ballets" -€10.000
- Famagusta Sailing Club, for the Ioannideia 2018 event - €5.000
- Sponsorship of a concert held by the Embassy of Greece - €4.500
- Sponsorship of a concert held by the Strovolos Municipality in Mother's Square in the Shacolas Emporium Park - €3.000
- Sponsorship for the 40th anniversary of the Cyprus American Archaeological Research Institute (CAARI) - €2.500
- Operation since 1998 of the Ledra Museum - Observatory in Nicosia within the walls, from where the visitors can have a 360o view of the capital, from the 11th floor of the building. Technical facilities as well as visuals are available for a brief presentation of the history of Nicosia. Access is free for schools and other specialised groups.

Volunteerism

- In addition to volunteer participation in the charity events in aid of the Sophia Foundation for Children, an annual blood drive is held, in which members of staff may participate.
- Members of staff also participated in the charity events "Run In Colour", "Running Under the Moon", "Run as One" and "Larnaca Marathon".

Road Safety

CTC regularly promotes specific activities and programmes with the aim of enhancing road safety awareness among its employees and in broader society. Details are given in the section on "Health, Safety & Well-being in the Workplace" (p. 56).

CTC GROUP IMAGE

A material issue deriving from employee workshops was the insufficient information received by stakeholders regarding CTC CSR activities. Taking this into consideration, we have developed a more cohesive communication strategy and have embarked on a series of actions, which would consequently create a more accurate and objective image for the CTC Group. These included among others:

- Involvement of a greater number of employees towards the implementation of action plans relating to CSR strategic pillars.
- Promotion of our CSR policies and activities through leaflets and special publications focusing on CSR. The CSR report was directly communicated to all employees.
- Regular, direct communication with all employees through the PR department, not only for CSR issues but also for all major developments concerning the Group, including official announcements, press releases and CEO speeches and interviews.
- Intensified internship programme "Come and Join Our Team" and participation in career fairs in an effort to enhance the CTC Group brand and attract young talents.

The CTC Group image will be assessed through a special survey, both internally and externally. We consider this a very useful tool towards understanding stakeholders' perception of CTC and formulating our next steps.

PERSONAL DATA PROTECTION

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














In this context a Data Protection Officer (DPO) was appointed. The Group also hired specialist consultants in both legal and IT matters, for the purpose of recording and assessing personal data collection, management and storage processes. As a result, gaps were identified and an action plan was put in place.

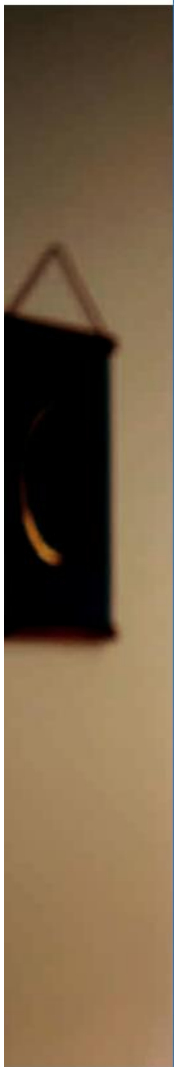
In addition, a GDPR Committee was appointed to monitor the assessment and compliance project. The Committee, composed of representatives from all the key related Group functions (Finance, Legal, Human Resource, IT, Internal Audit), holds regular meetings on issues relating to personal data protection.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

In 2018, the Group did not receive any complaints regarding a data breach.

ACTION PLAN SOCIETY

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

CSR Issue	Objective	Action	Timetable	Implementation Stage
Social Contribution various organizations,	in various ways	Supporting society	2019	
		Continue the financial support to		
		on a case-by-case basis, depending on the Group financial affluence		
		Encourage voluntary participation of employees in various events		
CTC Group Image	Safeguard a positive Group image, in line with its CSR commitments	Create a park and outdoor gym next to the CTC National Distribution Centre for the benefit of employees and neighbouring villages		
		CSR Reports		
		Development and implementation of actions relating to CSR strategic pillars		
		Development and implementation of a cohesive communication strategy that focuses on the CSR priority material issues	2018	
		Stakeholder awareness and participation in achieving Group CSR targets	2018	
Personal Data Protection	Full compliance with GDPR	Assessment of Group image through a survey	2019/20	
		Cooperation with specialist consultants for the assessment of the current state and development of an action plan	2018	
		Employee training on personal data protection issues	2018	
		Recording of procedures relating to personal data	2018/19	



Environment

BIODIVERSITY

Limni Bay

In August 2018, after many years of efforts and specialist studies, and after having fully satisfied the national legislation for the environment and all European Commission recommendations, aiming at protecting the integrity of the turtle habitat and the ecosystem of the area, the planning permission for the Limni Bay resort project at Limni Polis Chrysochou has been granted by the Department of Town Planning.

The Limni Bay resort will consist primarily of two 18-hole Signature Golf Courses with a Clubhouse for each Golf Course, a premium hotel, villas on individual plots and other residential units, leisure facilities, a museum dedicated to the history of Limni and an extensive landscaped network of walkways and bicycle tracks. The project, of superior quality, will include many other environmental features and will be in harmony with the natural environment which it will also enhance.

The completion and operation of the project will generate hundreds of new jobs and new activities for the local residents, with multiple benefits for the whole area of Polis Chrysochou.

Within the framework of the Group's deleveraging strategy of recent years following the banking crisis of 2013 in Cyprus, the immovable properties, covered by the two planning permits issued for the creation of the Limni Bay project, have been disposed and transferred to subsidiary investment companies of the Bank of Cyprus, in December 2018.



ENVIRONMENTAL IMPACT OF PRODUCTS AND ACTIVITIES

CTC Group recognises the importance of reducing the environmental impact of the products it imports and distributes to the Cyprus market and that of its activities. To this end, we are continuously enhancing our people's environmental awareness and we have taken a number of actions with a view to establishing a centralised policy on these issues.

Our goal, regarding the management of the environmental impact of our products and activities, has always been to:

- Reduce the amount of materials that are not recyclable or biodegradable.
- Promote green and sustainable products in the market, such as CAT photovoltaics, Philips LED Lighting, Hyundai electric cars.
- Use collective systems for the collection, recovery and recycling of waste.

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

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

Management of electrical / electronic waste and batteries

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

Management of end of life vehicles

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

Recycled waste from sales in 2018 invoiced by Green Dot	
Recycled Waste	Total (Tons)
Household	
Glass	264,55
Paper	969,95
Steel	114,72
Aluminium	31,04
PET	11,63
HDPE	64,84
Drink cartons	5,57
PVC	24,85
PE	22,78
PP	110,76
PS	0,03
Other	184,74
Non recoverable	1,21
Commercial	
Paper	652,89
Plastic	34,13
Wood	399,91
Other	1,43

Recycled waste from operational processes in 2018 collected by WEEE	
Recycled Waste	Total (Tons)
Household Appliances	
<50 cm	4,66
>50 cm	0,05
IT and Telecommunications Equipment	
<50 cm	0
>50 cm	0,05
Consumer Equipment	
<50 cm	39,12
>50 cm	48,81
Monitoring and control instruments	
<50 cm	2,28
>50 cm	0
Lamps	15,52
Refrigerators	0,37
Air conditioners	0,03
Monitors and Televisions	2,59

Waste arising from Group operations

As regards waste arising from Group operations, the following are systematically recycled:

- PMD
- Paper
- Wood
- Batteries
- Oil

On July 1st 2018, Cyprus has introduced a levy on the use of plastic bags of less than 50 µm in line with the relative EU Directive, aiming at protecting the environment. The amount collected is to be used to educate people against the use of plastic bags. In this framework, CTC will use the net proceeds from the sale of plastic bags in both years 2018 and 2019 for a specific function, unless a new government regulation points otherwise in the meantime.

In January 2019, Argosy Trading Company Ltd has been certified with the Environmental Management System Certificate of Conformity CYS EN ISO 14001:2015, concerning the following activities: receiving, storage, cutting, repackaging and distribution of ambient, air-conditioned, chilled and frozen foodstuff.

Recycled waste from operational processes in 2018 collected by other authorised recyclers	
	Total (Tons)
Paper	75,37
Plastic	8,02

Recycled hazardous waste from operational processes in 2018 by A.F.I.S.	
Batteries	Total (Units)
Non-rechargeable	
Up to 5gr	80.918
6 - 30gr	1.491.017
31 - 150gr	101.225
151 - 2.000gr	16
Rechargeable	
Up to 150gr	100.549 *
151 - 2.000gr	3.466
Other	Total (kg)
Fluorescent Tubes and Other Waste Containing Mercury	416
Batteries and Accumulators	447

* Increase due to introduction of IQOS heated tobacco devices in the Cyprus market.

ENERGY MANAGEMENT

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

- Use of energy efficient fixtures, fittings and materials in buildings that are under construction or being renovated - An example of major renovation is that of Debenhams store at The Mall of Cyprus, during which the lighting fixtures as well as the HVAC system (external units) were replaced with higher energy efficient fixtures / units, aiming at reducing energy / Kwhr consumption. Similar examples are the new Superhome Center (DIY) Ltd head offices and central warehouse, as well as the new SPAR store in Larnaka.
- Replacement of existing lighting with LED technology - The Group companies are gradually changing from conventional lighting systems and bulbs to their LED equivalents. This is an essential element of every renovation or new building project, with the goal of saving on both energy and costs. Moreover, lighting levels are improved, contributing to a better working environment and customer experience. In addition to the above examples, the NDC offices replaced all lighting fittings in 2018.
- Continuous renewal of company fleets with low-emission and lower fuel consumption vehicles - Taking into account environmental legislation and rapid developments in the automotive industry, we are replacing older company vehicles with new ones, which have better fuel consumption, producing 20 times fewer emissions throughout their lifetime and at the same time reducing the frequency of faults.
- Use of telematics for optimum efficiency of commercial vehicles delivery routes and further reduction of energy consumption due to speed control and monitoring of circulation within specific boundaries.
- Energy audits - The Group has carried out, through specialized companies, comprehensive energy audits of its buildings (Ermes Department Stores Plc, Argosy Trading Company Ltd and Superhome Center (DIY) Ltd), completed in April 2019. These audit reports identify high energy consumption facilities and recommend specific energy efficiency measures.
- Use of solar energy to reduce carbon footprint and energy bills - CTC Automotive Ltd, being the sole distributor of Caterpillar products in Cyprus, has recently expanded its operations into the solar industry, offering a full range of residential, commercial and large scale turnkey photovoltaic solutions, with cutting-edge Caterpillar® solar modules. At the same time, CTC taking steps towards reducing its own carbon emissions, commissioned CTC Automotive Ltd to carry out in 2018 a pre-feasibility study of installing, on its commercial buildings, self-consumption solar photovoltaic systems wherever possible and technically feasible. The study was completed in the first quarter of 2019. Seven energy-intensive commercial buildings were found suitable for deployment of solar photovoltaic systems. The project is currently under study by the CTC management which is considering both the initial investment in relation to short-term and long-term energy cost savings as well as environmental benefits in terms of lower emissions of carbon dioxide.

Energy	Units	Consumption 2018
Electricity	Kwh	23.875.879 ⁽¹⁾
Electricity per m ²	Kwh/m ²	184,34
CO ₂ emissions from electricity consumption* (Scope 2)	Kg CO ₂	51.185.110,41 ⁽²⁾
Liquified Petroleum Gas (LPG)	Kg	22.774 ⁽³⁾
CO ₂ emissions from LPG (Scope 1)	Kg CO ₂	6.237,80 ⁽²⁾
Diesel	Lt	7.648
CO ₂ emissions from heating/hot water (Scope 1)	Kg CO ₂	20.268,73 ⁽⁴⁾
Owned / Leased vehicles - Diesel	Lt	779.289
Owned / Leased vehicles - Petrol	Lt	111.747
CO ₂ emissions from Owned / Leased vehicles (Scope 1)	Kg CO ₂	2.321.358,15 ⁽⁴⁾
Water consumption	m ³	28.935 ⁽⁵⁾
Premises (m ²)	m ²	129.518

(1) Addition of approximately 16.000m² of net space in operations - mainly storage space including deep freezing.

(2) Calculation is based on the document "Cyprus Building Energy Performance Methodology" (August 2009) by Infotrend Innovations and BRE for the Ministry of Energy, Commerce, Industry & Tourism.

(3) Operation of new F&B Outlet, "Wok to Walk", using entirely LPG.











(4) Calculation is based on Defra Conversion Factors.

(5) Typing error of last year's figure. The correct number of 2017 is 35.346m³. No consumption of ground or recycled water in 2018.

(6) Fashionlink S.A. is included in above figures.

ACTION PLAN ENVIRONMENT

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

		Objective	Action	Timetable	Implementation Stage
Environmental Impact of Products and Activities	Creation of environmental awareness	Implementation of Environmental Management System and certification to ISO 14001 at the CTC National Distribution Centre		2018/19	
			Inclusion of environmental issues in the Group training programme		
	Enrichment of the range of products with environmentally friendly ones	Promotion of electric cars, LED lighting, photovoltaics	Use of the net proceeds from the sale of plastic bags in order to create awareness against the use of plastic bags	2020	
					
Energy Management	To reduce energy	Commencement of the procedure for conducting energy audits		2018	
			Adoption of a central energy management policy	2019	
			Use of more energy-efficient fixtures, fittings and materials		
			Gradual change of conventional light fixtures and bulbs with LED technology products at Group premises	2015/20	
			Renewal of company fleets with low-emission and lower fuel consumption vehicles		
			Carry out a study for the installation of photovoltaics	2018	

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ADDITIONAL INFORMATION

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

Global Reporting Initiative (GRI) Table of Indicators

GRI Standard	Disclosure Title	Reference	Page
GRI 102: General Disclosures 2016	Organisational Profile		
	GRI 102-1 Name of the organisation	Introductory Note	6
	GRI 102-2 Activities, brands, products and services	CTC Structure 2018	10
	GRI 102-3 Location of headquarters	Contact Details	84
	GRI 102-4 Location of operations	CTC Structure 2018	10
	GRI 102-5 Ownership and legal form	CTC Structure 2018	10
	GRI 102-6 Markets served	Business Sectors 2018	13
	GRI 102-7 Scale of the organisation	Business Sectors 2018	13
	GRI 102-8 Information on employees and other workers	Our People / Key information	49
	GRI 102-9 Supply chain	Business Sectors 2018	13
		Supply Chain Management	41
	GRI 102-10 Significant changes to the organisation and its supply chain	Group Developments	17
	GRI 102-11 Precautionary principle or approach	Corporate Governance	18
	GRI 102-12 External initiatives	Trading Practices	34
		Diversity, Equal Opportunity & Human Rights	54
	GRI 102-13 Membership of associations	Trading Practices	34
	Strategy		
	GRI 102-14 Statement from senior decision-maker	Message from the Executive Chairman and CEO	7
	GRI 102-15 Key impacts, risks, and opportunities	Risk Management	38
	Ethics and Integrity		
	GRI 102-16 Values, principles, standards, and norms of behaviour	Vision and Business Conduct	12
	Governance		
	GRI 102-18 Governance structure	Corporate Governance	18
	Stakeholder Engagement		
	GRI 102-40 List of stakeholder groups	Methodology for identifying CSR Material Issues	22
	GRI 102-41 Collective bargaining agreements	HR Management, Performance and Motivation	50
	GRI 102-42 Identifying and selecting stakeholders	Methodology for identifying CSR Material Issues	22
	GRI 102-43 Approach to stakeholder engagement	Methodology for identifying CSR Material Issues	22
	GRI 102-44 Key topics and concerns raised	Methodology for identifying CSR Material Issues	22

GRI Standard	Disclosure Title		Reference	Page
	Reporting Practice			
GRI 102: General Disclosures 2016	GRI 102-45	Entities included in the consolidated financial statements	Introductory Note CTC Structure 2018	6 10
	GRI 102-46	Defining report content and topic boundaries	Methodology for identifying CSR Material Issues	22
	GRI 102-47	List of material topics	Methodology for identifying CSR Material Issues	22
	GRI 102-48	Restatements of information	Methodology for identifying CSR Material Issues	22
	GRI 102-49	Changes in reporting	Methodology for identifying CSR Material Issues	22
	GRI 102-50	Reporting period	2018	
	GRI 102-51	Date of most recent report	Methodology for identifying CSR Material Issues	22
	GRI 102-52	Reporting cycle	Annual	
	GRI 102-53	Contact point for questions regarding the report	Contact details	84
	GRI 102-54	Claims of reporting in accordance with the GRI standards	CSR Materiality Matrix	27
	GRI 102-55	GRI content index	Global Reporting Initiative (GRI) Table of Indicators	76
	GRI 102-56	External assurance	Does not apply	
Material Topic: Compliance				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Compliance	39
	GRI 103-2	The management approach and its components	Compliance	39
GRI 102: General Disclosures 2016	GRI 103-3	Evaluation of the management approach	Compliance	39
	GRI 102-18	Governance structure	See GRI 102-18	
Material Topic: Financial Performance				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Financial Performance	35
	GRI 103-2	The management approach and its components	Financial Performance	35
	GRI 103-3	Evaluation of the management approach	Financial Performance	35
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	HR Management, Performance and Motivation	50
	GRI 202-2	Proportion of senior management hired from the local community	Our People/ Key information	49
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	Social Contribution	63

GRI Standard	Disclosure Title	Reference	Page
Material Topic: Market Presence			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Our People / Key information HR Management, Performance and Motivation
			49 50
	GRI 103-2	The management approach and its components	Our People / Key information HR Management, Performance and Motivation
			49 50
	GRI 103-3	Evaluation of the management approach	Our People / Key information HR Management, Performance and Motivation
			49 50
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our People / Key information HR Management, Performance and Motivation
			49 50
	GRI 202-2	Proportion of senior management hired from the local community	Our People / Key information
			49
Material Topic: Group CSR Image			
GRI 102: General Disclosures 2016	GRI 102-16	Values, principles, standards, and norms of behaviour	See GRI 102-16
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External CTC Group Image
			65
	GRI 103-2	The management approach and its components	CTC Group Image
			65
	GRI 103-3	Evaluation of the management approach	CTC Group Image
			65
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	See GRI 204-1
Material Topic: Group Reputation			
GRI 102: General Disclosures 2016	GRI 102-16	Values, principles, standards, and norms of behaviour	See GRI 102-16
	GRI 102-18	Governance structure	See GRI 102-18
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External CTC Group Image
			65
	GRI 103-2	The management approach and its components	CTC Group Image
			65
	GRI 103-3	Evaluation of the management approach	CTC Group Image
			65
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	See GRI 204-1

GRI Standard	Disclosure Title	Reference	Page
Material Topic: Management of Environmental Issues			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Biodiversity Energy Management Environmental Impact of Products and Activities
			68 72 69
	GRI 103-2	The management approach and its components	Biodiversity Energy Management Environmental Impact of Products and Activities
			68 72 69
	GRI 103-3	Evaluation of the management approach	Biodiversity Energy Management Environmental Impact of Products and Activities
			68 72 69
	GRI 302: Energy 2016	GRI 302-1* Energy consumption within the organisation	Energy Management
		GRI 302-2* Energy Intensity	Energy Management
			72 72
GRI 304: Biodiversity 2016	GRI 304-3* Habitats protected or restored	Biodiversity	68
GRI 305: Emissions 2016	GRI 305-1* Direct GHG emissions (Scope 1)	Energy Management	72
	GRI 305-2* Energy indirect GHG emissions (Scope 2)	Energy Management	72
	GRI 305-4* GHG emissions intensity	Energy Management	72
GRI 306: Effluents and Waste 2016	GRI 306-2* Waste by type and disposal method	Environmental Impact of Products and Activities	69
Material Topic: Labour Practices			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External HR Management, Performance and Motivation
			50
	GRI 103-2	The management approach and its components	HR Management, Performance and Motivation Health, Safety & Well-being in the Workplace Diversity, Equal Opportunity and Human Rights
			50 56 54
	GRI 103-3	Evaluation of the management approach	HR Management, Performance and Motivation
GRI 401: Employment 2016	GRI 401-1	New employee hires and employment turnover	Our People / Key information
			49

GRI Standard	Disclosure Title	Reference	Page
Material Topic: Education and Training			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Education & Training
	GRI 103-2	The management approach and its components	Education & Training
	GRI 103-3	Evaluation of the management approach	Education & Training
GRI 404: Training and Education 2016	GRI 404-1*	Average hours of training per year per employee	Education & Training
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Education & Training
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Education & Training HR Management, Performance and Motivation
Material Topic: HR Management, Performance and Motivation			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External HR Management, Performance and Motivation
	GRI 103-2	The management approach and its components	HR Management, Performance and Motivation Health, Safety & Well-being in the Workplace Diversity, Equal Opportunity and Human Rights
	GRI 103-3	Evaluation of the management approach	HR Management, Performance and Motivation
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	Corporate Governance
			Our People / Key information
			Diversity, Equal Opportunity and Human Rights
Material Topic: Customer / Consumer Satisfaction			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Customer / Consumer Satisfaction
	GRI 103-2	The management approach and its components	Customer / Consumer Satisfaction
	GRI 103-3	Evaluation of the management approach	Customer / Consumer Satisfaction
GRI 417: Marketing and Labeling 2016	GRI 417-1*	Requirements for product and service information and labeling	Customer / Consumer Satisfaction
			Consumer Health & Safety
			Supply Chain Management

GRI Standard	Disclosure Title		Reference	Page
Material Topic: Quality of Products and Services and Food Safety				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External	44 40 41
			Customer / Consumer Satisfaction	
			Consumer Health & Safety	
	GRI 103-2	The management approach and its components	Supply Chain Management	
			Customer / Consumer Satisfaction	
			Consumer Health & Safety	
	GRI 103-3	Evaluation of the management approach	Supply Chain Management	
			Customer / Consumer Satisfaction	
			Consumer Health & Safety	
GRI 416: Customer Health and Safety 2016	GRI 416-1*	Assessment of the health and safety impacts of product and service categories	Supply Chain Management	
			Customer / Consumer Satisfaction	
			Consumer Health & Safety	
GRI 417: Marketing and Labeling 2016	GRI 417-1*	Requirements for product and service information and labeling	Supply Chain Management	
			Customer / Consumer Satisfaction	
			Consumer Health & Safety	
Material Topic: Data Security and Technology				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External	37 37 37
			Corporate Data Security & Technology	
			Corporate Data Security & Technology	
	GRI 103-2	The management approach and its components	Corporate Data Security & Technology	
			Corporate Data Security & Technology	
			Corporate Data Security & Technology	
GRI 418: Customer Privacy 2016	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Personal Data Protection	65
Material Topic: Customer / Consumer Satisfaction				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External	56 56 56
			Health, Safety & Well-being in the Workplace	
			Health, Safety & Well-being in the Workplace	
	GRI 103-2	The management approach and its components	Health, Safety & Well-being in the Workplace	
			Health, Safety & Well-being in the Workplace	
			Health, Safety & Well-being in the Workplace	
GRI 403: Occupational Health and Safety 2016	GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Health, Safety & Well-being in the Workplace	
			Health, Safety & Well-being in the Workplace	
			Health, Safety & Well-being in the Workplace	

GRI Standard	Disclosure Title	Reference	Page
Material Topic: Consumer Health and Safety			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Consumer Health & Safety
	GRI 103-2	The management approach and its components	Consumer Health & Safety
	GRI 103-3	Evaluation of the management approach	Consumer Health & Safety
GRI 416: Customer Health and Safety 2016	GRI 416-1*	Assessment of the health and safety impacts of product and service categories	Consumer Health & Safety
Material Topic: Economic Impact on Society			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Social Contribution Financial Performance
	GRI 103-2	The management approach and its components	Social Contribution Financial Performance
	GRI 103-3	Evaluation of the management approach	Social Contribution Financial Performance
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	See GRI 202-1
	GRI 202-2	Proportion of senior management hired from the local community	See GRI 202-2
Material Topic: Trading Practices			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Trading Practices
	GRI 103-2	The management approach and its components	Trading Practices
	GRI 103-3	Evaluation of the management approach	Financial Performance
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	See GRI 202-1
	GRI 202-2	Proportion of senior management hired from the local community	See GRI 202-2
GRI 417: Marketing and Labeling 2016	GRI 417-1*	Requirements for product and service information and labeling	See GRI 417-1

GRI Standard	Disclosure Title		Reference	Page
Material Topic: Clear Strategic Direction				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External HR Management, Performance and Motivation Operational Effectiveness & Standardisation of Processes	50 36
	GRI 103-2	The management approach and its components	HR Management, Performance and Motivation Operational Effectiveness & Standardisation of Processes	50 36
	GRI 103-3	Evaluation of the management approach	HR Management, Performance and Motivation Operational Effectiveness & Standardisation of Processes	50 36
GRI 102: General Disclosures 2016	GRI 102-43	Approach to stakeholder engagement	See GRI 102-43	
	GRI 102-44	Key topics and concerns raised	See GRI 102-44	
Material Topic: Operational Effectiveness & Process Standardisation				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External Operational Effectiveness & Standardisation of Processes	36
	GRI 103-2	The management approach and its components	Operational Effectiveness & Standardisation of Processes	36
	GRI 103-3	Evaluation of the management approach	Operational Effectiveness & Standardisation of Processes	36

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

** This information is partially available.*

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Explanatory Note

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

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

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

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