



'19



CORPORATE

SOCIAL
RESPONSIBILITY
REPORT

CSR



Cyprus Trading Corporation Plc

*"CTC Adventure Day 2019" which took
place in Kyperounta on 28 September 2019
with the voluntary participation of a large
number of employees from all over Cyprus.*

2019

**CORPORATE
SOCIAL
RESPONSIBILITY
REPORT**



Cyprus Trading Corporation Plc

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INTRODUCTION

Introductory Note

Message
from the Executive Chairman
and CEO

01

INTRODUCTORY NOTE

The Corporate Social Responsibility (CSR) Report for the year ending 31 December 2019 is hereby presented by the Board of Directors of Cyprus Trading Corporation Plc (CTC or CTC Group or the Group).

This report, which has been prepared by CTC (parent company), includes the subsidiary companies of the Group and accompanies the Group's annual financial statements. There are no separate 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 *
CTC Automotive Ltd
CTC AutoLeasing Ltd

ERMES DEPARTMENT STORES PLC

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

WOOLWORTH (CYPRUS) PROPERTIES PLC

Apex Ltd

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

Note: Since March 2019, Novario Holding Ltd has ceased to be a member of CTC Group.

MESSAGE FROM THE EXECUTIVE CHAIRMAN AND CEO

In 2019, CTC Group continued its deleveraging strategy following the financial crisis of 2013. In 2020, significant transactions were concluded, and through the disposal of immovable property assets at satisfactory prices, we achieved further reduction of our bank liabilities, significantly improving our liquidity and our balance sheet.

We are now focusing on the strengthening and growth of our three main commercial operations: FMCG Distribution and Logistics, Automotive and Engineering, Retail. In parallel and in line with our rationalisation policy, we have disposed some of our mature investments and closed-down loss-making stores and operations.

The main challenge at Ermes has been the rebranding of its department store division, from Debenhams to the new ERA concept, a very much needed leap to enable it to address the rapidly changing fashion retail trends. All department stores are evolving into inspiring and innovative environments for a unique customer experience. In this context and after the renovation of the ERA department store at The Mall of Cyprus in Nicosia, the ERA department store in Limassol will be extended and fully renovated, followed by the renovations of the ERA department stores in Larnaka and Pafos.

Superhome Center DIY continues its successful and profitable course and is planning the opening of new stores. Argosy proceeded with the reorganization of its divisions and upgraded its IT systems, significantly improving efficiencies, while CTC Automotive explores new opportunities of adding new brands to its portfolio.

CTC remains a significant shareholder of Hermes Airports Ltd, which has constructed the two new terminals and manages and operates the Larnaka and Pafos international airports under a BOT contract from 2006 until 2031.

Our Group's CSR strategy continued in 2019 based on the same four pillars, Market & Products, Our People, Society, Environment. This report presents our actions and progress in these areas.

We contribute to society and people through donations, sponsorships and philanthropy. We consider that our most important contribution is through the employment of about 2.000 people and the cooperation with local suppliers of services. In 2019, we have added to our portfolio several environmentally friendly products as well as food products based on the new consumer trends and nutritional preferences.

Although this report relates to the year 2019, it is impossible not to refer to the Covid-19 pandemic, which caused unprecedented conditions in 2020. A primarily health problem has developed into a huge economic problem with unforeseen consequences and duration. To tackle the pandemic and having as top priority the protection of our employees, customers, and collaborators, we have meticulously implemented all government protocols, and even stricter measures, which is the case to date.

COVID-19 was an opportunity to test our Group principles, values, policies and procedures. The Human Resources Department and the health and safety officers, reacting quickly and promptly, as required by the emergency conditions, acted effectively, and provided timely, correct and continuous information to all employees, in seamless coordination, even during lockdown.

The pandemic of coronavirus has also provided the challenge for the immediate implementation of new methods, such as work from home and teleconferencing. Also, reacting to customer needs during the special lockdown conditions, the Spar food retail and DIY activities accelerated the application of online shopping which was completed in very tight time frames. All the above was achieved with the valuable contribution of our IT Department.

We consider that our most important contribution is through the employment of about 2.000 people and the cooperation with local suppliers of services.

From the financial point of view, fashion retail was the sector mostly affected. On the other hand, other sectors of the CTC Group, such as the import and distribution of fast moving consumer goods and Spar Supermarkets, successfully continued their operations even during lockdown, with our employees at the forefront, despite the risks of infection with the coronavirus.

The fact remains that the consequences of COVID-19, combined with the difficulties faced by the people, banks and the economy in general, increase the challenges before us and create the need for caution and particularly careful planning and decision-making. All the above, as well as the change in consumer habits, caused by

the pandemic, are taken into account in our strategy and affect the way we operate as a business. Our priorities have also changed, especially in terms of health and safety for our employees and customers, technology infrastructure and online business. We have entered a new era that brings not only challenges but also new opportunities, which we will seek to exploit with the valuable contribution of our people.

Marios N. Shacolas
Executive Chairman and CEO
31/08/2020

02

CTC AND BUSINESS SECTORS

CTC Structure 2019

Brief History

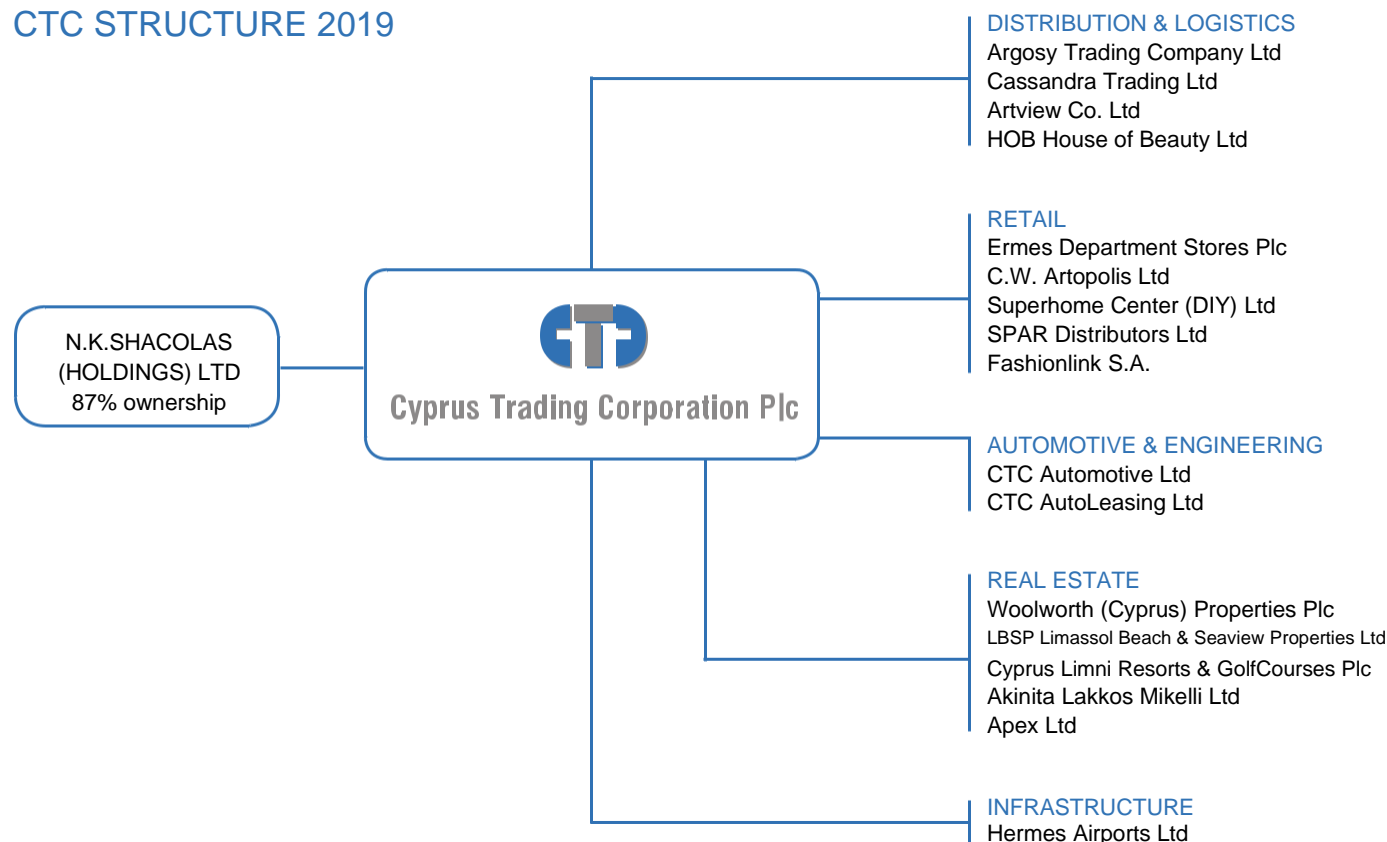
Vision and Code of Business Conduct

Business Sectors 2019

Group Developments

Corporate Governance

CTC STRUCTURE 2019



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.

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

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.

*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 actions are guided by the Code of Business Conduct, which sets common standards, forms our culture and enhances our reputation.

Our Vision

To be the number 1 choice for customers / consumers, trading customers, suppliers, employees and shareholders.

For customers / consumers: By providing quality and innovative products and services to the market, at competitive prices, and an environment that ensures the best possible customer experience.

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

For suppliers: By being market leaders, strong competitors, effective and focused professionals, working in a spirit of partnership to add value to suppliers' services and products.

For employees: By providing opportunities for employment, career prospects and personal growth, based on merit, in a healthy work environment where everyone is treated with respect.

For shareholders: By being a reputable company that delivers above market average returns through sustainable 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.

The Code of Business Conduct is being reviewed and updated.



BUSINESS SECTORS 2019

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.

Retail

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

It operates 71 stores, 6 of which in Greece, with over 67.000 sqm of retail space. Retail segments include: ERA department stores, fashion stand-alone stores, beauty stores, F&B, food retail, home improvement & DIY stores.

ERA department stores with fashion, beauty, home and food departments

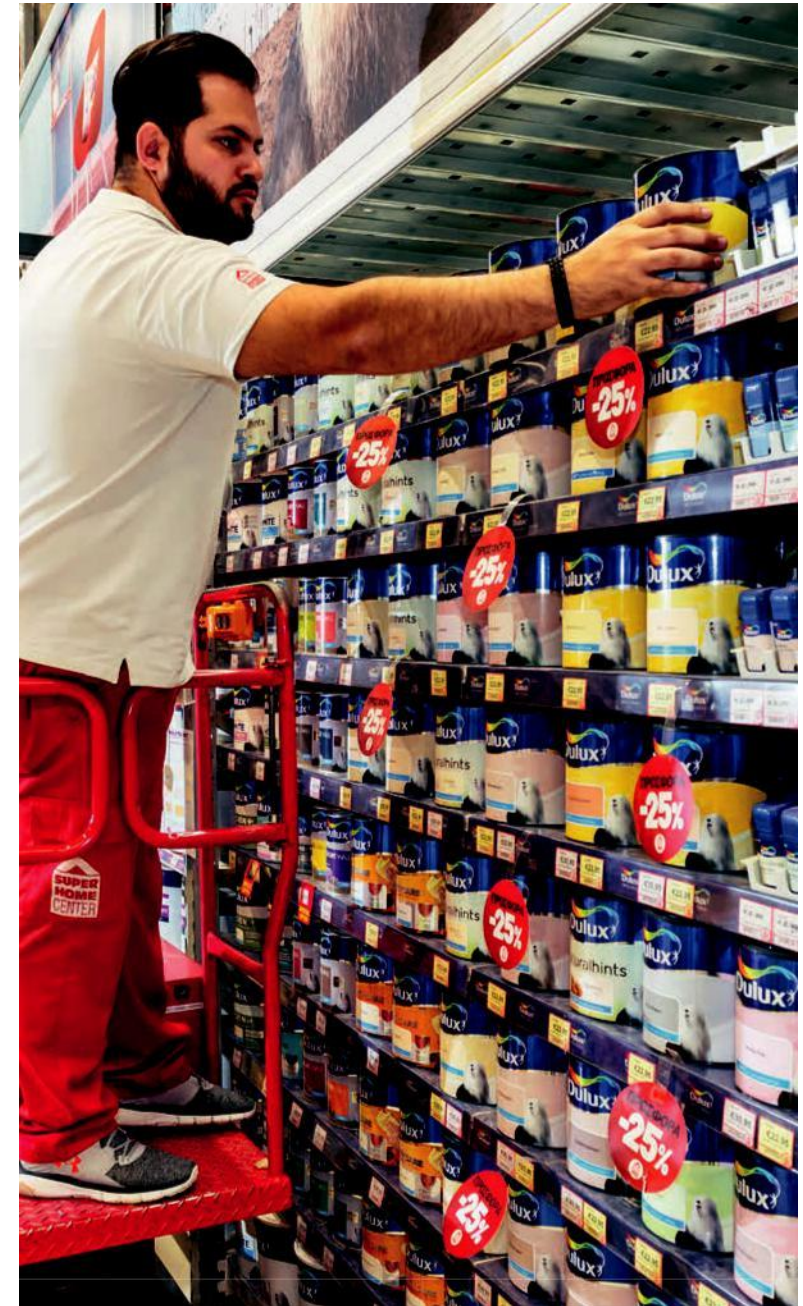
Fashion stand-alone stores: Next, OVS, Peacocks, Navy & Green, Armani Exchange, Women'secret, Zako franchise stores

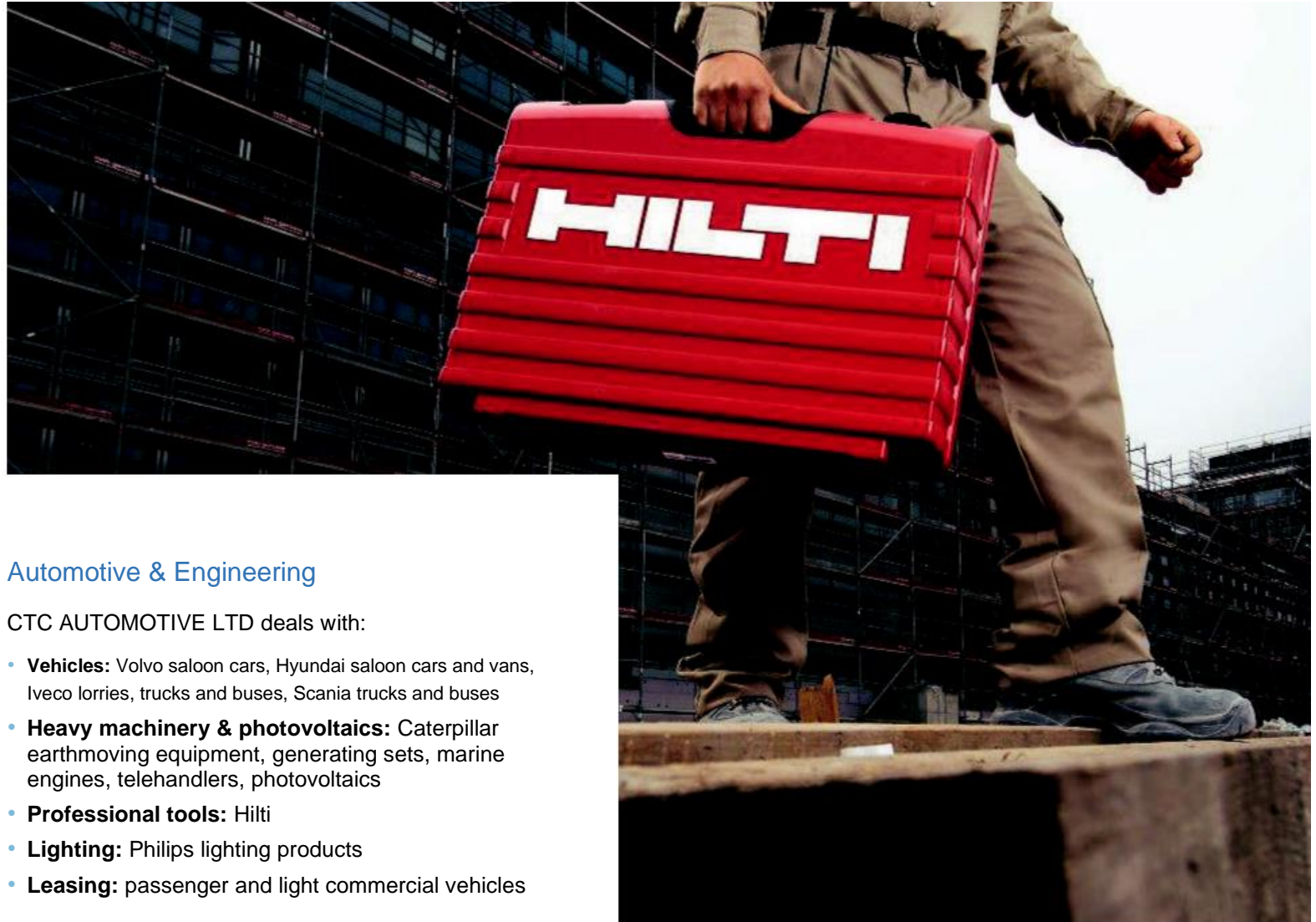
Beauty stores: Glow

F&B: Artopolis bakeries, Venue Café at ERA department stores, Coffee & More, Ergon to go

Food retail: SPAR

Home improvement & DIY: Superhome Center





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.

Infrastructure

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

GROUP DEVELOPMENTS

Developments in 2019

- As the agreement for the purchase of immovable property of CTC of a total value of approximately 220 million was still under process within the framework of the CTC deleveraging strategy, Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc were obliged to postpone the announcement of the audited financial statements for the year 2018, as well as the pre-announced Annual General Meetings.
- 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 carried out 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.
- Cassandra Trading Ltd enhanced the IQOS sales with the launching of e-commerce during the first three months of 2019.
- In April 2019, a new CEO of FMCG Distribution & Logistics joined the management team of CTC Group.
- Closures: Orsay store in Limassol and Bliss Gellateria at the Mall of Cyprus in Nicosia. 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. It is noted, that as a matter of Group policy, in the case of closures the employees involved are transferred to other operations as far as this is possible.
- Conversions: At the Mall of Cyprus, Forever 21 was converted into an Uber store and the Mini Bakery into an Ergon to Go outlet. The Food Hall area at the Debenhams Apollon in Limassol was partly converted into fashion retail space.
- In July 2019, Spar took over the management of the Food Halls in two Department Stores, in Nicosia (Central) and Limassol (Olympia).

- CTC reached an agreement with NMM Investments Ltd regarding the disposal of its 50% equity stake in HOB House of Beauty Ltd. Upon completion of the transfer, NMM Investments will become the owner of all HOB shares.

Developments January - August 2020 *

- In January 2020 Ermes Group CEO resigned his position for personal reasons.
- The Annual General Meetings for 2019 scheduled to take place in February 2020 were further postponed pending the completion of the DFAS agreement.
- Rebranding of the Ermes department stores from “Debenhams” to “ERA” department stores in March 2020.
- Coronavirus pandemic lockdown on 16 March 2020. Gradual reopening of stores started at the end of May 2020.
- Development of online business of Superhome Center and Spar during lockdown.
- Store closures: Debenhams, Uber and Venue Café at the Mall of Engomi in Nicosia, Uber and Venue Café at the Mall of Cyprus in Nicosia, Next Pafos Bazaar, Wok to Walk in Larnaka and one IQOS store in Nicosia. It is noted, that as a matter of Group policy, in the case of closures the employees involved are transferred to other operations as far as this is possible.
- Next and OVS at the Mall of Engomi in Nicosia suspended temporarily their operations in March 2020, pending the renovation of the Mall.
- In July 2020 Cassandra launched the “Try for Free” service in its stores, by which if the customer is indecisive about the purchase of an IQOS device, he/she can borrow and try one, free of charge for 20 days, under conditions.
- The pending transactions with the Bank of Cyprus and the Hellenic Bank were concluded in July 2020, resulting in further reducing the CTC Group liabilities by an additional amount of €119 million.

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

Covid-19 pandemic

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

Our Group, reacting quickly and promptly, took a series of preventive measures, upfront, even stricter than the provisions of the government health protocols, which were also meticulously implemented. A detailed reference to the actions taken will be set out in the CSR report 2020.

The responsibility for the general coordination was undertaken by the Human Resources Department, which guided the formation of crisis management teams in all the companies of the Group. For the protection of our employees, partners and customers, and of our operational processes, the following actions were taken among others:

- Timely and continuous information to all employees
- Provision of appropriate means, equipment and consumables, for personal protection

- Restricted entry to visitors and temperature control of everybody entering our premises
- Moving a number of employees to other locations to keep social distancing and safeguard business continuity in case of contamination
- Work from home
- Placement of stocks in multiple storage areas
- Stock increase of products in high demand

Lockdown brought about new consumer habits and demands. Our supply chain has proved flexible and ready to manage effectively unpredicted and challenging situations.

With hard work and team spirit, we managed in a few days to proceed with the service and execution of email and telephone customer orders for DIY, beauty products and kids' clothes. At the same time, Superhome stores and Spar supermarkets implemented e-commerce.

In dealing with the economic consequences of the pandemic, the government support programmes helped us to ensure staff income during lockdown and job retention.

We will report on this in our next reporting cycle.

CORPORATE GOVERNANCE

CTC is listed on the Alternative Market of the Cyprus Stock Exchange (CSE), where the adoption of the Corporate Governance Code is not compulsory. However, the Board of Directors, recognising the importance of having proper and prudent management, as well as continuous safeguarding of the Shareholders' interests, has adopted voluntarily the Corporate Governance Code 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 to the Board of Directors, new Board members for appointment.

- **Remunerations Committee**

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

- **Audit and Risk Committee**

Responsible for matters 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. It also identifies and reports critical enterprise risks to the Board and oversees the monitoring of these risks for the benefit of the shareholders.

The Audit and Risk Committee has also taken up the responsibilities of the Authority Levels Committee for submitting recommendations, to the Board of Directors, concerning the authority levels granted to company officials of the Group.

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

- **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:

- **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 to maximise its potential.

- **Central Purchases and Procurement Committee**

Responsible for implementing policies and procedures for non-operational purchases by the Group, ensuring the greatest value for money in all transactions. It promotes transparency and trust in the Group 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. At company level, the CSR Champions also contribute to the implementation of our strategy.

The Group CSR Committee consists of the following senior officials:

Chrysoula Shacola - *Executive Director*

Loukia Makri Christofide - *Group HR Manager*

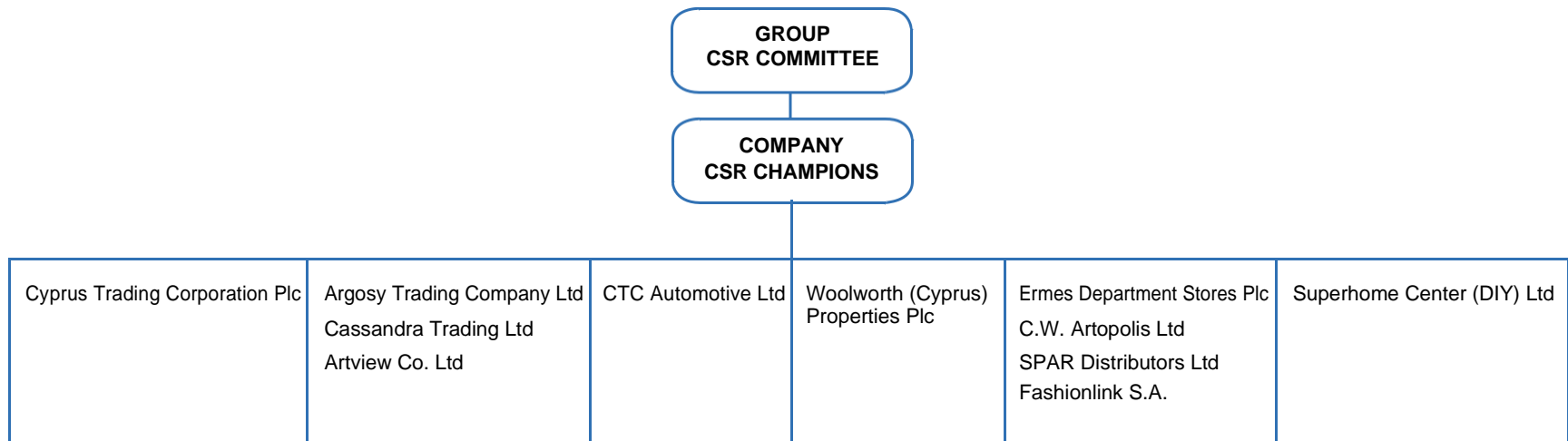
George Louca - *Group Director of Finance and Information Technology*

Kyriakos Kolocassides - *CFO Ermes Group*

Vassilis Evgenios - *CEO FMCG Distribution and Logistics*

At company level, the CSR Champions in collaboration with each company's top management 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 them on the progress of the action plan
- Collect all required data in collaboration with other Group companies for the consolidated information tables
- Prepare the parts of the CSR report relevant to them
- Suggest possible improvements



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 2019 is based on the materiality analysis that took place in 2017.

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, which are being followed up, updated and enriched every year. These action plans are presented at the end of each section of the CSR Report. 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

The CSR Report is compiled and 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, listed in no particular order, as determined by the methodology for the identification of CSR material issues.

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 and members of management
- 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 the CSR issues of concern with greater precision.

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

Stakeholders	Two-Way Communication	CSR Issues
Employees	<ul style="list-style-type: none"> Training workshops and seminars HR surveys Internal meetings 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 ⁰ 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	<ul style="list-style-type: none"> Official announcements Monitoring of laws and regulations Meetings and negotiations Inspections Letters 	<ul style="list-style-type: none"> Compliance Economic impact on society Labour practices Anti-money laundering Anti-competitive behaviour Food safety Data security and technology
Media	<ul style="list-style-type: none"> Daily media monitoring Press Releases Press Conferences / Interviews Group Media Spokesperson Invitations to participate in Group events 	<ul style="list-style-type: none"> Compliance Economic impact on society 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	<ul style="list-style-type: none"> Meetings Letters Website Announcements 	<ul style="list-style-type: none"> 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

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).

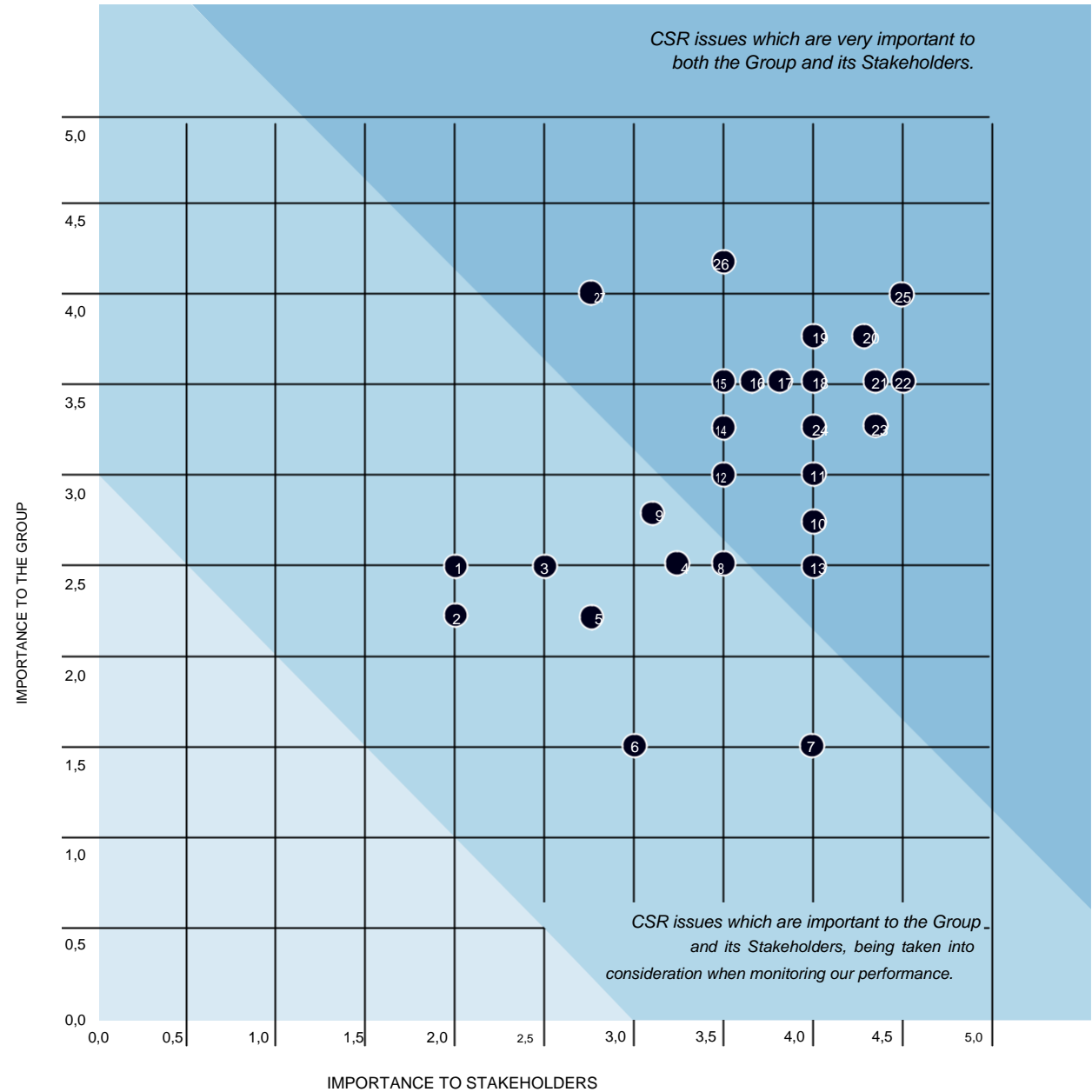
Our aim is to present a CSR Report that focuses on issues that are highly material, both for the Group and for its Stakeholders.

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.

CSR Materiality Matrix

- 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 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 which cover the most important CSR material issues as shown in the diagram:

MARKET & PRODUCTS

OUR PEOPLE

SOCIETY

ENVIRONMENT

The Group CSR strategy is summarised as follows:

- Four strategic pillars and issues covered
- Indicators that measure our performance
- Objectives, 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.

The objectives and actions are regularly updated and adjusted.

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

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.

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 77 retail stores (including IQOS stores) of more than 67.000 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, Spar, Armani Exchange, Next, OVS, Women'secret, 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.

FINANCIAL PERFORMANCE

In 2019 CTC Group saw a decrease in its sales performance, as compared to the previous year, mainly due to the sale of the Group's interest in its electrical and home appliances retail company, whilst at the same time, it has improved performance in its other operations. Moreover, the Group continued the implementation of its deleveraging strategy with further disposals of mature real estate assets as per

its agreement with the Bank of Cyprus Group, and completed additional sales and reduction of its debt by €32 million. As a result of these transactions though, the Group has parted with income from these properties of about €1,4 million, in addition to €2,3 million from 2018 sales.

More details can be found in the CTC Annual Report.

TRADING PRACTICES

We always aim at the leading position of the business sectors that we are active in. We believe in a free market and healthy competition, without distortions. We operate with integrity and responsibility in line with ethical business practices and comply with the rules and regulations of the country and the relative policies and procedures of the CTC Group. The CTC Code of Business Conduct guides our actions, while we also adopt the high standards of business practices of a great number of renowned multinational suppliers with whom we cooperate.

CTC Code of Business Conduct and HR Policies

The CTC Code of Business Conduct applies to all CTC Group 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. Acceptance and compliance with all policies and procedures outlined in the HR Manual also constitute 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.

Anti-Money Laundering and Anti-Corruption

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

Conflict of Interest

CTC employees should avoid any situation that may involve a conflict between their own interests (personal, social, financial) and those of the Company. The Code of Business Conduct indicates clearly what constitutes conflict of interest, while existing policies define what is acceptable and what should be

avoided. Depending on the nature of the conflict, appropriate measures are taken in the best interest of the Company.

Responsible Marketing

CTC Group implements practices for transparency, ethics and responsible advertising and carries out its promotions in an honest manner, without incorrect information that may mislead. It also contributes towards the creation of the relevant culture through our participation in the relative Bodies (see next page).

Corporate Governance

CTC Group applies voluntarily the Corporate Governance Code and its principles in order to safeguard the shareholders' best interests (please see page 19).

Diversity, Equal Opportunity and Human Rights

CTC provides opportunities for employment, career prospects and personal growth based on merit, in a healthy and safe work environment, free of any kind of discrimination (please see page 54).

Compliance

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

Legal issues are handled by both in-house and external legal advisors.

Compliance with the Code of Corporate Governance is monitored by the appointed Compliance Officers.

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

Membership in various Bodies and 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/ΛEK), 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.

OPERATIONAL EFFECTIVENESS & STANDARDISATION OF PROCESSES

The Executive Chairman and CEO of CTC defines the Group strategy, which is communicated to the Management. Based on this strategy, the Management of each company specifies annual targets and budgets, following a common procedure which is completed with the approval of the Board of Directors. 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, such as the Authority Levels Matrix, the HR Manual and the Code of Business Conduct.

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

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

At company level, procedures are constantly assessed and updated in line with prevailing circumstances. At Ermes Department Stores Plc, the operational processes of the impending rebranding of the department stores have changed at the beginning of 2020. At Superhome Center (DIY) Ltd work on standardising and improving procedures and further defining job descriptions and deliverables will be completed in 2020.

CTC GROUP ISO CERTIFICATIONS	
ISO Standard	Certified Companies
22000:2005 Food Safety Management Systems	Ermes Department Stores Plc C.W. Artopolis Ltd Argosy Trading Company Ltd
9001:2015 Quality Management Systems	CTC Automotive Ltd
14001:2015 Environmental Management Systems	Argosy Trading Company Ltd

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 technologies which will gradually enable it to digitise its processes, significantly reduce the use of paper, increase responsiveness and speed of communication, allow self service of employees and other stakeholders in communicating and getting information quickly.

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

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

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

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

RISK MANAGEMENT

The Group is benefited by its diverse 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 delegates and coordinates essential risk management duties to various functions within the organization in order to achieve an effective risk management system:

- The Operational Managers of each company are responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis, in an effort to mitigate risk 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 and Risk Committee of each company, on an annual basis, as part of the formulation and approval of the annual audit plan.

The main risks of the Group are:

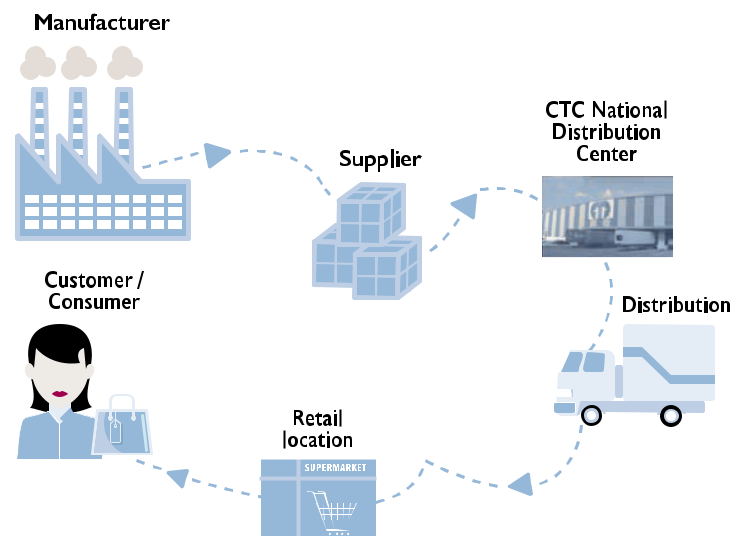
- Significant reliance on foreign suppliers
- Continuous changes and rapid developments in the retail sector
- Fluctuations in real estate prices
- Fluctuations in the tourism sector
- Financial risks
- Other non-financial risks relating to operations, compliance, legislation and loss of reputation
- 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
- Health & Safety

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.19):

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

SUPPLY CHAIN MANAGEMENT

Managing the social, environmental and financial impact of the supply chain is a business practice that is being recognized as a fundamental aspect of corporate responsibility. The management of CSR issues concerning the supply chain is key to maintaining brand integrity and Group reputation.



Procurement Policy

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

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

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

Procurement Planning

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



Right product



Right quantity



Right conditions



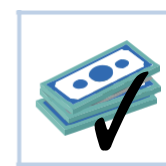
Right place



Right time



Right customer



Right price

Logistics - Distribution Centre

Upon receiving the products in our warehouses, we check the quantity, the quality, labeling and expiry dates. Non conforming products and all waste created in the warehouse (e.g. waste packaging) are placed in a dedicated area where they are handled according to the legislation, through the application of the waste hierarchy approach. Waste hierarchy ensures that we give top priority to preventing waste. When waste is created, priority is given to preparing it for re-use, then recycling and then recovery. Only remaining waste goes to disposal. In case of damaged goods, the return policy varies according to type of product and agreement with the relative supplier.

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

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

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

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.

Fleet

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

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

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.

In 2019, 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. The process of evaluation and upgrading of procedures has already begun, based on the requirements of the operating framework and on the requirements of internal and external stakeholders.

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

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

These objectives will be achieved through the:

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

Health & Safety on Group Premises

For the management of Health & Safety issues, we implement appropriate systems in compliance with legal requirements.

For more information see section “Health & Safety Management Systems” (p.56)

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 and innovative products and services. Based on market trends and customer preferences we identify areas of improvement, consequently enriching our offering, achieving higher levels of service and further improving our customers' satisfaction and experience.

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

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

Our automotive and engineering operations, aligned with the new trends for clean energy, promote green and sustainable products in the market, such as photovoltaics, LED lighting, electric cars.

Surveys

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

During 2019, mystery shopping was conducted in our automotive showrooms as well as, on a monthly basis in all fashion stores and F&B outlets, based on quantitative and qualitative criteria. Spar supermarkets also conducted customer exit interviews on customer's shopping experience and products.

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 and depending on the nature of the complaint, within two days latest from the reporting of a complaint, a reply must be provided to the consumer / customer who made it.

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

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

Some complaints are reported on 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







Since November 2018, Hermes Group has been implementing a new innovative reward scheme, “Unique by Hermes”, which offers greater value to the Hermes customers and increases customer engagement, powered by data analytics and artificial intelligence. The scheme has a dynamic 3 tier reward system, with rewards increasing according to transactional behaviour. It is also personalized, as it follows each customer’s behaviour and offers ad hoc treats and rewards.

























The scheme covers a variety of product categories, such as fashion, cosmetics, home improvement and DIY, supermarket items, in numerous different stores operated by the Group.

Participants in the scheme are retail profiles and brands such as ERA Department Stores, Armani Exchange, Next, OVS, Navy & Green, Zako, Glow Beauty Store, Peacocks, Venue Café, Artopolis Bakeries, Ergon To Go, Coffee & More, Spar, Superhome Center DIY. 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, was available in all the Group’s stores and was also widely distributed.

ACTION PLAN MARKET & PRODUCTS

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

CSR Issue	Objective	Action	Timetable	Implementation Stage
Operational effectiveness and process standardisation	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 → 2020	
		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 → 2021	
		Implementation of Data Encryption of Databases	2019/21	
		Implementation of threat analysis and self containment using Artificial Intelligence	2019 → 2022	
		Implementation of new ERP Dynamics NAV 2018 and BI solution at Argosy Trading Company Ltd	2021	
		Upgrading of salesforce automation and new mobile handhelds at Argosy Trading Company Ltd	2021	
Risk Management	Minimising risk in Group operations	Setting up a Risk Committee	2018/19	
Compliance	Full compliance with legislation and regulations	Continuous employee training on laws and regulations related to their duties		
Consumer Health & Safety	Food safety	Update the Food Safety Management System and be certified with ISO 22000:2018	2020/21	
		Completion of the Warehouse Management System (WMS) in Ermes for Zako stores	2018	
		Integration and Completion of the Imports and Stock Management Systems for Ermes	2018 → 2021	
		Implementation of Warehouse Management System (WMS) at Superhome Center	2019 → 2020	
Customer/ Consumer Satisfaction	To be Choice No. 1	Track and trace of cigarettes as per legislation by Cassandra Trading Ltd	2019	
		Conducting customer / consumer satisfaction surveys at regular intervals evaluation of the findings and application of corrective / improvement measures - procedures, services and products		
		Creation of a common template for recording statistics	2019	
		Implementation of IQOS e-commerce by Cassandra Trading Ltd	2019	
		Implementation of e-commerce by Superhome Center (DIY) Ltd	2020	
		Implementation of e-commerce by Spar supermarkets	2020	



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 about 2.000 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 2019 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.

We adopt a strategic approach for the management of our people who individually and collectively contribute to the achievement of the business objectives. Specifically, we focus on five functional areas:

1. HR Standards
2. Performance / Talent Management
3. Rewards & Benefits
4. Branding & Communication
5. Learning & Development

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:

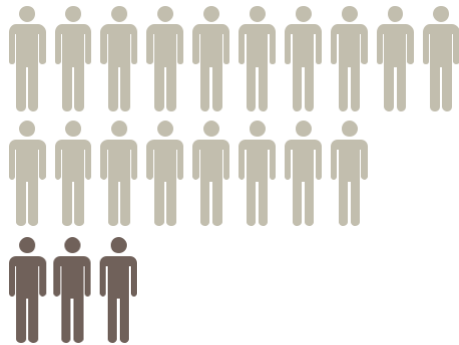
- HR management, performance and motivation
- Education and training
- Diversity, equal opportunity and human rights
- Health, safety & well-being in the workplace

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

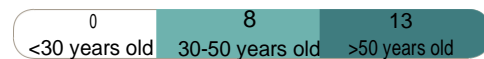
KEY INFORMATION

MANAGEMENT TEAM (2019)

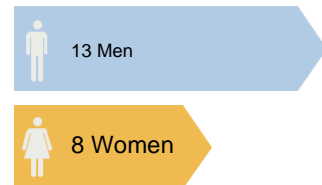
* Origin



Age



Gender

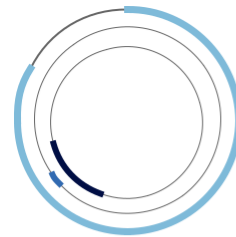


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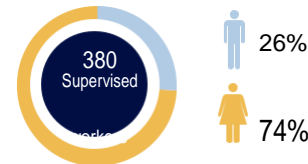
The management team includes the Executive Directors, General and Financial Managers and Senior Managers at Group level.

EMPLOYMENT TYPE (2019)

Total number of employees

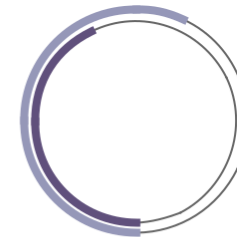


- 83% Permanent employees
- 2% Temporary employees
- 15% Supervised associates' employees

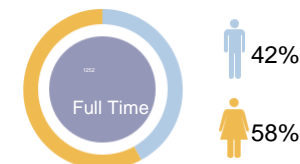


Note: Fashionlink S.A. and HOB House of Beauty Ltd are included.

Permanent employees



- 57% Full-time employees
- 43% Part-time employees

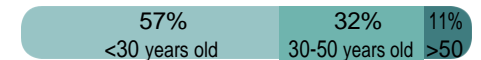


Note: Fashionlink S.A. and HOB House of Beauty Ltd are included.

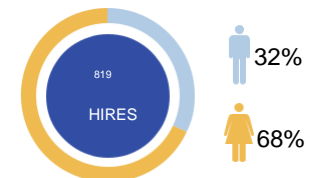
TURNOVER (2019)



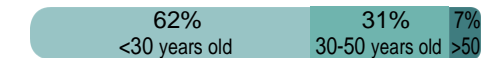
Age



HIRES (2019)



Age



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

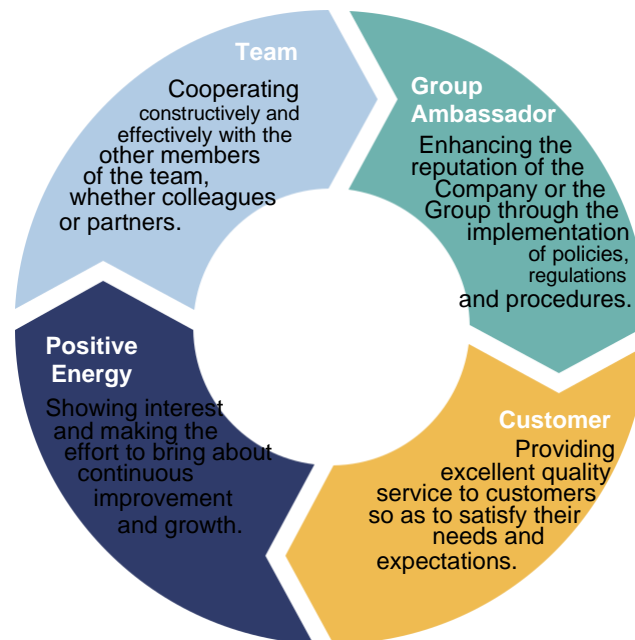
HR MANAGEMENT, PERFORMANCE AND MOTIVATION

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. Depending on the position, other incentive and commission schemes also exist. The relative KPIs are evaluated on a monthly basis.

During 2018, in collaboration with external consultants, we have designed and implemented an incentives scheme for retail stores, aiming to recognize and reward employees with monetary incentives based on targets related to critical success factors in the retail sector. The implementation of the scheme started in our fashion stores and is judged to be well received and successful, especially in the smaller stand alone stores. During 2019 the cooperation with external consultants has been extended to cover the development of an incentives scheme relative to the home improvement and DIY stores.

Performance Management

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

New hires are assessed by their supervisor upon the completion of the first six months and specific KPIs are set and agreed upon the completion of the probation period (nine months). These KPIs are evaluated during the formal annual performance appraisal system.

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 personal development plan. In 2019, the system was further revised to include a more qualitative approach. The 1 to 10 rating scale was replaced by a narrative rating scale consisting of four elements:

- Unsatisfactory
- Needs improvement
- As expected
- Above expectations

In 2019 the completion rate of performance appraisals for the year 2018 reached 89%.

Moreover, we have enhanced our process so as to promote continuous coaching with special attention given to high and low performers. For high performers (above expectations with potential), a personal development plan must be prepared and monitored. Low performers (unsatisfactory / needs improvement) are being coached and supervised more closely.

Some of the above mentioned changes were based on the results of an employee opinion survey conducted in 2019, with the participation of more than 650 employees. The purpose of this survey was to gain insight into employees' thoughts and perceptions regarding the performance appraisal system of the Group.

"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 "Course Towards Champions". 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

During 2019, a training course was designed and implemented by the Group HR Department aiming to provide persons with supervisory duties with key insights, tips and skills to better manage the performance of their teams. Emphasis was given to the performance development cycle consisting of three elements: establishing expectations, providing feedback and delivering an effective performance appraisal. The course was attended by 112 supervisors from all the companies of the Group.

Also, at Ermes Department Stores Plc special attention was given to store management training in cooperation with external consultants. 17 managers committed to a leadership development process, comprising the evaluation of relevant abilities and behaviors through psychometrics and one-to-one interviews, a series of five daily workshops and one-to-one coaching sessions. During 2019, the evaluation of relevant abilities and behaviors and two of the workshops were completed. The aim of the leadership development process is to develop leaders who will manage their teams effectively and deliver on strategic objectives.

Salaries and Benefits surveys

Aiming to be competitive in the job market in order to attract and retain the talents, 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. In 2019, we participated in a salary survey conducted with the participation of more than 50 companies in Cyprus.

Over and above, 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

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

The policies and procedures related to human resources are included in the HR Manual, which is regularly reviewed to include all legislative updates as well as changes in our policies. Any changes in the HR Manual are communicated to all employees and the manual is uploaded on the intranet, as well as on the online training platform of the Group. Additional detailed procedures are drafted, where necessary, and communicated to all people concerned.

Our Code of Business Conduct, currently under review, forms part of the HR Manual, the signed acceptance of which is a prerequisite for employment.

EDUCATION AND TRAINING

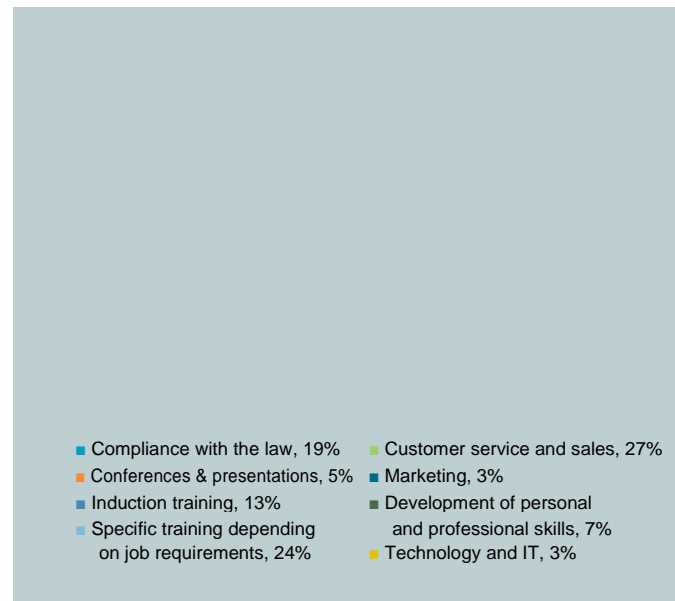
Training Programmes

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.*



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

Taking into account the strategic direction of the Group, the specific needs of Operations / Departments and the annual performance appraisal of each employee, training programmes are designed accordingly. During 2019, employee training was focused on the learning areas presented in the graph below:



In 2019, 255 formal training programmes were held for 1,801 employees. The total duration was 1,915 hours with the average training of each employee being 5,6 hours. All expenses were covered by the respective companies. Emphasis is also given to on the job training which is not always recorded.

e-Learning

The online training platform used by some of the companies of the Group since 2016, was further developed to be used Group wide.

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

The objective is to constantly enrich the platform with other courses for existing employees (e.g. product knowledge) and become a reference point in the process of learning.

Academic / Professional Qualifications

CTC encourages its employees to obtain academic or professional qualifications at educational institutions. To this end, it has a special sponsorship scheme in place, by which course fees are partly or fully subsidised by the company. The company decides whether a particular course of study is essential for the advancement of a particular employee within the Group. In 2019, two additional employees benefited from the scheme and started a master's degree in business intelligence and data analytics.

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

**Fashionlink S.A. is included.*

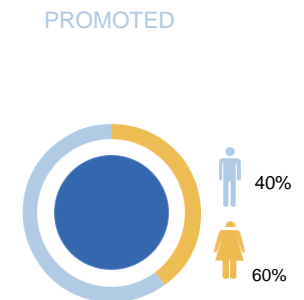
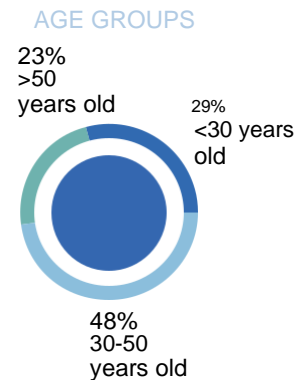
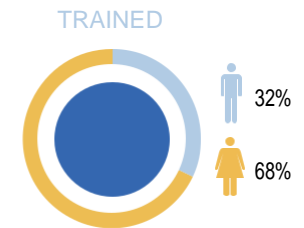
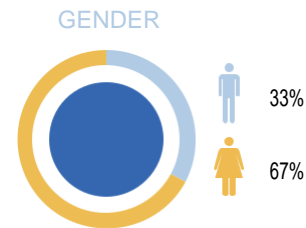
DIVERSITY, EQUAL OPPORTUNITY AND HUMAN RIGHTS

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 his / her performance, knowledge, experience, dedication and character. In relation to this, we have introduced quantitative and qualitative criteria which determine decisions on promotions and salary increases, also ensuring the greatest possible objectivity and transparency.

The necessary procedures are in force to achieve consistency in the work processes affecting our people. During 2019, a number of procedures were reviewed and further developed to be implemented by all companies of the Group, like "Recruitment, Selection and Hiring Procedure", "Termination of Employment Procedure", "Leave Management Procedure", "Performance Appraisal Procedure".

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

Regarding harassment and sexual harassment, an updated CTC Code of Harassment and Sexual Harassment was published in 2018. Furthermore, an Equality Committee was set up comprising members at Group and company level, the purpose of which is to address all forms of discrimination and harassment, and to assist in the investigation and immediate response to complaints with sensitivity and in complete confidentiality.



Certification for Implementing Good Practices in Gender Equality (2015-2019)

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, till 2019. 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, relevant to their particular premises and type of operation. Ermes Department Stores Plc, CTC Automotive Ltd, Superhome Center (DIY) Ltd and Argosy Trading Company Ltd, along with Cassandra Trading Ltd and Artview Co. Ltd, which operate on the same premises (NDC), have developed their Health & Safety Management System in collaboration with external consultants based on the principles of the OHSAS 18001:2007 and now working on adopting the principles of the new standard ISO 45001:2018. CTC Automotive Ltd is certified with ISO 9001:2015. The three companies with over 200 employees each, namely Ermes Department Stores Plc, Superhome Center (DIY) Ltd and Argosy Trading Company Ltd, employ a Health & Safety Officer.

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

- Health & Safety Committees, with a clear role and mandate
- 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 2019, 556 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
- Forklift operation
- 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 2019

Performance Indicators	Sickleave days Absentee Rate (AR) (recordable work-related injury or ill health)	Number of accidents*	Number of hrs worked	Number of hrs Lost	Total number	Injury Rate (LDR)	Lost day rate absentee hrs lost	Total actual
					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	2.991	33		4.830				
Women	9.346	40		10.422				
Total	12.337	73	3.683.458	15.252	3.96	828.13	83.190	4.516.95
Customer Accidents								

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

Customer Accidents

No of accidents 26, all not serious

Note: Fashionlink S.A. is 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 implements modern electronic fleet management and telematics systems, maintaining low levels of traffic violations. Argosy Trading Company Ltd, Artview Co. Ltd and Cassandra Trading Ltd, housed at the CTC National Distribution Centre (NDC), operate a fleet of over 260 vehicles (the Group's largest fleet), which in 2019 covered 5.528.801 km. NDC has been using a fleet telematics system since 2011, by which the drivers are being warned when they exceed the speed limit and bear relative consequences in case of repetitive violations. The number of accidents involving company vehicles has been reduced since 2016 by 54%. It is important to note that despite the high number of vehicles, the number of accidents has remained very low, as only 25 accidents have been recorded in 2019.

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 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

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.

The number of accidents involving company vehicles has been reduced since 2016 by 54%. It is important to note that despite the high number of vehicles, the number of accidents has remained very low, as only 25 accidents have been recorded in 2019.

Well-being in the Workplace

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

Attractive benefits package

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

- 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 and paternity allowances up to 100% of salary.
- 13th salary
- Provident Fund*
- Personal discount card for use in CTC Group stores and an additional one for a family member
- Telephone allowance (where required)
- Company car (where required)

** 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.
- Free afternoon - Working hours are scheduled in such a way so as to give employees one or two free afternoons per week, depending on the company and department. This makes it easier for employees to take care of their personal and family obligations.
- Flexible working hours - Within certain parameters determined by some of the companies in the Group, there is flexibility regarding employees' starting and finishing times.
- Casual Friday - Some companies of the Group have adopted "Casual Friday". On this day, employees may dress casually.
- Fruit day - Some companies of the Group offer to employees free fresh fruit once a week.
- Lectures on various topics - For example, in 2019, a lecture on energy saving was organised by the HR and Technical Departments of the Group in collaboration with the Cyprus

Energy Agency. The aim was to raise awareness on energy issues, share tips about energy-saving at work and at home and information about the relevant government grants.

- Events - Social events are organised for Group employees and / or members of their families. The major event of the year was the "CTC Charity Adventure Day 2019", organized with the voluntary participation of more than 90 employees from all over Cyprus. Photos from the event were used for the CTC wall and desk calendars of 2020.

CTC has been organizing charity events for four consecutive years (CTC Charity Hike 2016, CTC Charity Cycling 2017, CTC Charity Regatta 2018), since 2016, and having been embraced by our employees, they have become a necessity for the Group. The aim of these events is to entertain, build team culture and strengthen the bond of our employees with the Group. Additionally, we aim to raise money in aid of needy children in Cyprus, through the Sophia Foundation for Children.

CTC has been organizing charity events for four consecutive years since 2016, and having been embraced by our employees, they have become a necessity for the Group.



CTC Charity Hike 2016



CTC Charity Cycling 2017



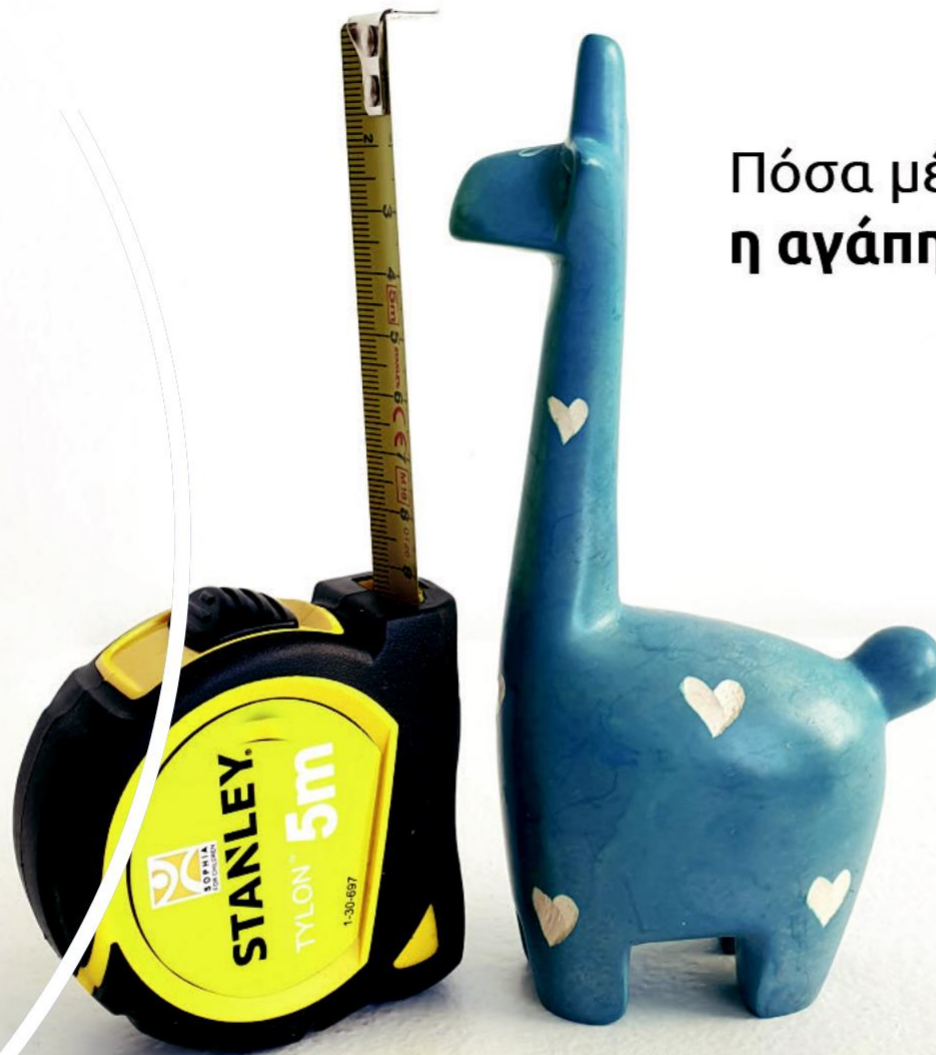
CTC Charity Regatta 2018

ACTION PLAN OUR PEOPLE



CSR Issue	Objective	Action	Timetable	Implementation Stage
HR Management, Performance and Motivation	Ensuring maximum performance by every employee	Restructuring of fashion retail store operations	2018	
		Creation of an incentives scheme at Superhome stores	2020/21	
	Enhancement of employee commitment, talent retention, young talent attraction, succession	Cooperation with universities and colleges		
		Annual implementation of the KPIs process		
		Participation in market surveys on salaries and benefits		
		Employee opinion survey for performance appraisal system	2019	
	More effective communication	Review of the HR Manual and Code of Business Conduct	2019 → 2020	
		Upgrade the company Intranet and implement relevant systems	2018/20	
		Launching of HR newsletters	2020	
	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 → 2020	
		Review of the induction programme for all new employees	2018/19 → 2020	
		Creation of the CTC Academy CSR Training	2018/19 → 2021	
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 → 2020	
Health, Safety & Well-being in the Workplace	Ensuring health and safety in the workplace	Adopting the principles of the new standard ISO 45001:2018 for health and safety management	2019/20	
		Training of all employees handling machinery	2018/19 → 2020	
		First Aid and AED training		
		Creation of a common template for incident recording evaluation and actions	2018	
	Road safety	Bluetooth feature in all new vehicles		
		Introduction of fleet telematics system with warnings for speed limit violations, in all Group company vehicles if not available	2019/20	
	Work-life balance	Organizing a number of social and other events for employees and their families		

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η αγάπη;



Society



SOCIAL CONTRIBUTION

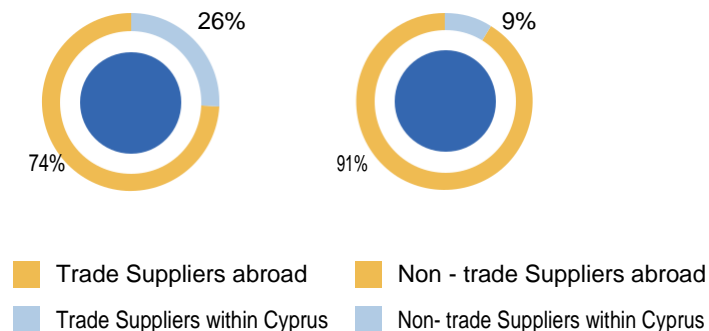
We contribute to society and people through donations, sponsorships and philanthropy. However, our most important contribution is through the employment of about 2.000 people and the cooperation with local suppliers of goods and services.

2019	
Total payroll cost*	€40.587.163
Local purchases of goods and services**	€74.693.160

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

** Electricity cost is not included.

PURCHASES FROM TRADE SUPPLIERS (2019) PURCHASES FROM NON-TRADE SUPPLIERS (2019)



In 2019, donations and sponsorships included, among others, the following:

- The endowment of €9 million is being paid through the Nicos and Elpida Shacolas Foundation to the University of Cyprus for the building of the Medical School. The building was designed by Spanish architects to whom the international tender was awarded.
- The second installment of €27.500 completed the total amount of €55.000, donated to the Cyprus Chamber of Commerce and Industry (CCCI) for the refurbishment of the "Nicos K. Shacolas - Cyprus Trading Corporation Plc Conference Hall".
- Sponsorship of €50.000 to the Cyprus International Institute of Management (CIIM) against receiving educational programmes and services, like master's degrees, training and consultation for our employees.
- Sponsorship of €20.000 for the organization of George Theophanous' music concert, in collaboration with Tamassos and Orini Bishopric, to benefit the KENTHEA organization for the treatment of people with drug addiction.
- "Major Sponsor" of the Limassol Municipality's "Great Ballets" with the amount of €10.000.
- Superhome Center (DIY) Ltd took the initiative to import from Australia five modern beehives for €4.300, which were donated to the Cyprus Beekeepers Association to be tested as a new method of collecting honey, with substantial benefits to the environment and beekeepers - Project "Bumblebee".

- Our longstanding links with the Sophia Foundation for Children continued in 2019:
- Superhome Center (DIY) Ltd donated the amount of €5.000 through the sale of Stanley tape measures in collaboration with the supplier of Stanley products in Cyprus.
- The "CTC Charity Adventure Day 2019", organized with the voluntary participation of employees, raised €2.500.
- The Famagusta Sailing Club was supported with the amount of €3.000 for the "Ioannideia 2019" event.
- An amount of €4.000 was donated to Latsia Lyceum for the monetary award to the best graduate of the year and for the organization of the "Mother's Event".
- Monetary awards to outstanding students from Karavas.
- Various amounts of €1.000 each were offered for charity and sports (e.g. Cyprus Red Cross, Radiomathonios 2019, Ayios Dometios Municipality).
- We supported the Radisson Blu Larnaka International Marathon with the offering of various products and vouchers from Argosy Trading Company Ltd and Spar Larnaka.
- The Ledra Museum - Observatory in Nicosia within the walls has been operating since 1998, from where the visitors can have a 360o view of the capital. 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.
- The annual blood drive by the Ermes Department Stores Plc was held with the voluntary participation of employees.

Project "Bumblebee"

Is an initiative taken by Superhome Center (DIY) Ltd to contribute towards what is fast becoming an endangered species, the humble honeybee. We as a company would normally not have any real meaningful way to help in this regard, but we saw that we had a chance to change that through one of our core competencies, sourcing. We came across an Australian company specialising in a new type of beehive which offers a new simple way of collecting honey with substantial benefits to both bee and beekeeper. For the former, harvesting honey is a zero-stress process as no bees are killed because of smoke and for the latter it can cut labour by at least 50%. We contacted the Cyprus Beekeepers Association who reviewed the product and agreed to test. Five beehives were bought and donated to the Association in December 2019. The colonisation of beehives began in February and the entire process is being monitored through to harvest. The results are expected in autumn 2020 and if they are satisfactory, we will bring both parties together for a large-scale replacement of the current beehives and hopefully contribute towards the conservation of our eco system.

CTC GROUP IMAGE

During our employee workshops conducted in 2017, insufficient communication with stakeholders regarding Group activities was identified as a material issue. 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.
- 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 survey, which will form part of the materiality analysis to be conducted for the year ending December 31, 2020. Stakeholders' perception of CTC will formulate 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, which was completed in 2019. Training on personal data protection was received by all employees through a specially produced video.

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

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

ACTION PLAN SOCIETY

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

CSR Issue	Objective	Action	Timetable	Implementation Stage
Social Contribution	Supporting society in various ways	Continue the financial support to various organizations, on a case-by-case basis, depending on the Group financial affluence		
		Encourage voluntary participation of employees in various events		
	Focus on supporting children and young people	"Come and Join Our Team" internship programme		
		Supporting the Sophia Foundation for Children		
		Awards and scholarships to students		
CTC Group Image	Safeguard a positive Group image, in line with its CSR commitments	CSR Reports		
		Development and implementation of a cohesive communication strategy that focuses on the CSR priority material issues	2018 → 2019	
		Assessment of Group image through a survey	2019/20	
Personal Data Protection	Full compliance with GDPR	Employee training on personal data protection issues		
		Recording of procedures relating to personal data	2018/19	



Environment

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. We promote environmental actions aimed at achieving a de-carbonized, recycling-oriented society in harmony with nature and enhance our people's environmental awareness. Our actions include:

- 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, clothes made of sustainable materials, such as recycled fibres or organic cotton / linen / wool fibres which are produced without the use of harmful chemicals, pesticides and insecticides and reduced water consumption (Selected, OVS, Original Marines among others).
- 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 WEEE Electrocyclosis Cyprus Ltd, a company of collective management, licensed to collect obsolete electrical and electronic devices was established in 2009.

CTC was one of the founding members.

- The subsidiary Argosy Trading Company Ltd is one of the founders and a member of A.F.I.S. Cyprus Ltd, a collective system for the management of batteries and accumulators, which began operations in June 2009, in accordance with Regulation 125/2009 and EU Directive 2006/66/EC.

Management of end of life vehicles

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

Argosy Certification with CYS EN ISO 14001:2015

In January 2019, Argosy Trading Company Ltd has been certified with the Environmental Management System Certificate of Conformity CYS EN ISO 14001:2015 regarding the efficiency of environmental management in the process of import, storage and distribution of food, cosmetics, chemical cleaning products (FMCG) as well as other activities of the company, through the recognition, evaluation and control of environmental impact.

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

on environmental protection issues and the improvement of the company's image with regard to environmental management.

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

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

Recycled waste from sales in 2019 invoiced by Green Dot	
Recycled Waste	Total (Tons)
Household	
Glass	128,28
Paper	982,76
Steel	102,62
Aluminium	27,97
PET	7,34
HDPE	58,11
Drink cartons	2,72
PVC	21,75
PE	22,76
PP	110,28
PS	0,04
Other	192,41
Non recoverable	1,54
Commercial	
Paper	715,98
Plastic	32,60
Wood	316,73
Other	1,32

Recycled waste from operational processes in 2019 collected by WEEE	
Recycled Waste	Total (Tons)
Household Appliances	
<50 cm	24,66
>50 cm	41,01
IT and Telecommunications Equipment	
<50 cm	0
>50 cm	1,52
Consumer Equipment	
<50 cm	40,90
>50 cm	49,22
Electrical and Electronic Tools	
<50 cm	24,76
>50 cm	41,01
Lamps	12,39

Waste arising from Group operations

In regard to 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 in 2020, unless a new government regulation points otherwise in the meantime.

Recycled waste from operational processes in 2019 collected by other authorised recyclers	
	Total (Tons)
Paper	101,87
Plastic	7,53
Automotive batteries	2,75
Iron / Aluminum parts	706,24
Non chlorinated oils & oil filters	11,49
Absorbents & filter materials hazardous	0,11

Recycled hazardous waste from operational processes in 2019 by A.F.I.S.	
Batteries	Total (Units)
Non-rechargeable	
Up to 5gr	134.186
6 - 30gr	1.249.870
31 - 150gr	96.670
151 - 2.000gr	14
Rechargeable	
Up to 150gr	118.635
151 - 2.000gr	2.613

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.
- 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 cost. Moreover, lighting levels are improved, contributing to a better working environment and customer experience.
- 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. In 2019 22 company and commercial vehicles were replaced.
- 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.

The three major categories relate to lighting, air-conditioning and photovoltaics. All companies are in the process of drafting their action plans. NDC based companies have already proceeded with changing their lighting to LED and replaced the chillers.

- 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.
- Enhance our people's consciousness on energy saving - In 2019, a lecture on energy saving was organised by the HR and Technical Departments of the Group in collaboration with the Cyprus Energy Agency. The aim was to raise awareness on energy issues, share tips about energy-saving at work and at home and information about the relevant government grants.

Energy	Units	Consumption 2019
Electricity	Kwh	21.878.063,70
Electricity per m ²	Kwh/m ²	164,71
CO ₂ emissions from electricity consumption* (Scope 2)	Kg CO ₂	46.902.192,96 (1)
Liquified Petroleum Gas (LPG)	Kg	22.657,79
CO ₂ emissions from LPG (Scope 1)	Kg CO ₂	6.205,97 (1)
Diesel	Lt	13.697,00
CO ₂ emissions from heating/hot water (Scope 1)	Kg CO ₂	36.330,20 (2)
Owned / Leased vehicles - Diesel	Lt	817.245,31
Owned / Leased vehicles - Petrol	Lt	103.809,48
CO ₂ emissions from Owned / Leased vehicles (Scope 1)	Kg CO ₂	2.406.622,31 (2)
Water consumption	m ³	30.606,28
Premises (m ²)	m ²	132.825,03








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

(2) Calculation is based on Defra Conversion Factors.

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

ACTION PLAN ENVIRONMENT

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

CSR Issue	Objective	Action	Timetable	Implementation Stage
<i>Environmental Impact of Products and Activities</i>	<i>Creation of environmental awareness</i>	<i>Inclusion of environmental issues in the Group training programmes</i>	<i>2020</i>	
		<i>Use of the net proceeds from the sale of plastic bags in order to create awareness against the use of plastic bags</i>		
	<i>Enrichment of the range of products with environmentally friendly ones</i>	<i>Promotion of electric cars, LED lighting, photovoltaics, eco-friendly garments</i>		
<i>Energy Management</i>	<i>To reduce energy consumption</i>	<i>Adoption of a central energy management policy following energy audits' recommendations</i>	<i>2019</i>	
		<i>Use of more energy-efficient fixtures, fittings and materials</i>	<i>2015/20</i>	
		<i>Gradual change of conventional light fixtures and bulbs with LED technology products at Group premises</i>		
		<i>Renewal of company fleets with low-emission and lower fuel consumption vehicles</i>		

05

ADDITIONAL INFORMATION

Global Reporting Initiative
(GRI) Table of Indicators

Contact Details

Global Reporting Initiative (GRI) Table of Indicators

GRI Standard	Disclosure Title	Reference	Page
GRI 102: General Disclosures 2016	Organisational Profile		
	GRI 102-1 Name of the organisation	Introductory Note	5
	GRI 102-2 Activities, brands, products and services	CTC Structure 2019	10
	GRI 102-3 Location of headquarters	Contact Details	84
	GRI 102-4 Location of operations	CTC Structure 2019	10
	GRI 102-5 Ownership and legal form	CTC Structure 2019	10
	GRI 102-6 Markets served	Business Sectors 2019	13
	GRI 102-7 Scale of the organisation	Business Sectors 2019	13
	GRI 102-8 Information on employees and other workers	Our People / Key information	49
	GRI 102-9 Supply chain	Business Sectors 2019	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	19
	GRI 102-12 External initiatives	Trading Practices	36
		Diversity, Equal Opportunity & Human Rights	54
	GRI 102-13 Membership of associations	Trading Practices	36
	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	40
	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	19
	Stakeholder Engagement		
	GRI 102-40 List of stakeholder groups	Methodology for identifying CSR Material Issues	23
	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	23
	GRI 102-43 Approach to stakeholder engagement	Methodology for identifying CSR Material Issues	23
	GRI 102-44 Key topics and concerns raised	Methodology for identifying CSR Material Issues	23

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 2019	5 10
	GRI 102-46	Defining report content and topic boundaries	Methodology for identifying CSR Material Issues	23
	GRI 102-47	List of material topics	Methodology for identifying CSR Material Issues	23
	GRI 102-48	Restatements of information	Methodology for identifying CSR Material Issues	23
	GRI 102-49	Changes in reporting	Methodology for identifying CSR Material Issues	23
	GRI 102-50	Reporting period	2019	
	GRI 102-51	Date of most recent report	Methodology for identifying CSR Material Issues	23
	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	28
	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	36
	GRI 103-2	The management approach and its components	Compliance	36
	GRI 103-3	Evaluation of the management approach	Compliance	36
GRI 102: General Disclosures 2016	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
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	GRI 103-2	The management approach and its components	Our People / Key information HR Management, Performance and Motivation
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			50
	GRI 103-3	Evaluation of the management approach	Our People / Key information HR Management, Performance and Motivation
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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 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External CTC Group Image
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	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 102: General Disclosures 2016	GRI 102-16	Values, principles, standards, and norms of behaviour	See GRI 102-16
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	See GRI 204-1
Material Topic: Group Reputation			
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 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 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	72
			Energy Management	68
		Environmental Impact of Products and Activities		
	GRI 103-2	The management approach and its components	Energy Management	72
			Environmental Impact of Products and Activities	68
GRI 103-3	Evaluation of the management approach	Energy Management	72	
		Environmental Impact of Products and Activities	68	
GRI 302: Energy 2016	GRI 302-1*	Energy consumption within the organisation	Energy Management	72
	GRI 302-2*	Energy Intensity	Energy Management	72
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	68
Material Topic: Labour Practices				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal, External	50
			HR Management, Performance and Motivation	
	GRI 103-2	The management approach and its components	HR Management, Performance and Motivation	50
Health, Safety & Well-being in the Workplace			56	
		Diversity, Equal Opportunity and Human Rights	54	
	GRI 103-3	Evaluation of the management approach	HR Management, Performance and Motivation	50
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
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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
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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 Customer / Consumer Satisfaction Consumer Health & Safety Supply Chain Management	44 43 41
	GRI 103-2	The management approach and its components	Customer / Consumer Satisfaction Consumer Health & Safety Supply Chain Management	44 43 41
	GRI 103-3	Evaluation of the management approach	Customer / Consumer Satisfaction Consumer Health & Safety Supply Chain Management	44 43 41
GRI 416: Customer Health and Safety 2016	GRI 416-1*	Assessment of the health and safety impacts of product and service categories	Customer / Consumer Satisfaction Consumer Health & Safety Supply Chain Management	44 43 41
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	44 43 41
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 Corporate Data Security & Technology	39
	GRI 103-2	The management approach and its components	Corporate Data Security & Technology	39
	GRI 103-3	Evaluation of the management approach	Corporate Data Security & Technology	39
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 Health, Safety & Well-being in the Workplace	56
	GRI 103-2	The management approach and its components	Health, Safety & Well-being in the Workplace	56
	GRI 103-3	Evaluation of the management approach	Health, Safety & Well-being in the Workplace	56
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	56

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	38
	GRI 103-2	The management approach and its components	Operational Effectiveness & Standardisation of Processes	38
	GRI 103-3	Evaluation of the management approach	Operational Effectiveness & Standardisation of Processes	38

Note: This is the third 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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