



**SOCIAL RESPONSIBILITY AND  
SUSTAINABLE DEVELOPMENT  
REPORT  
2017**

**FOURLIS**  
GROUP OF COMPANIES



Staying true to our Group's Values, Integrity - Respect - Efficiency and reinforcing our efforts for a better future, we hope that every day we will be getting closer to achieving our goals, responding to our Stakeholders' expectations.



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During 2017, at the FOURLIS Group we continued to focus our efforts on creating value for our stakeholders through responsible business practices, as well as on contributing to the sustainable development of the societies where we operate.

# CEO MESSAGE

Despite the ongoing economic softness, especially in Greece, during the course of 2017 and compared to 2016, we managed to keep the sales of the retail trading of Home Furniture and Household Goods (IKEA Stores) stable, while we increased our sales for the retail trading of Sporting Goods (INTERSPORT & The Athlete's Foot Stores). We also expanded our market presence launching 14 new stores, including seven INTERSPORT stores in Greece, Romania and Turkey and seven the Athletes' Foot stores in Greece and Turkey.

In corporate responsibility and sustainable development sector, we managed to stay up to date with current developments in order to adapt our practices accordingly. Within this framework, we continued our support to the United Nations' vision for a global coordinated effort towards the creation of a more sustainable planet by linking our economic, social and environmental impacts to the Sustainable Development Goals. Additionally, we continued our voluntary participation in the UN Global Compact, by adapting its 10 Principles.

During 2017 we also continued to invest in our people by offering a safer working environment, promoting respect for human rights and providing continuous education and equal opportunities for all. As a result of our initiatives and practices, FOURLIS HOLDINGS S.A. was certified, for the second time, with the 6th generation internationally recognized standard "INVESTORS IN PEOPLE" (IIP). The standard constitutes a tool that supports businesses and organizations to improve their performance, while succeeding their business objectives through the management and development of their Human Resources.

Of high importance was the practical societal contribution we continued to offer to our fellow citizens and especially children. This was achieved through the implementation of programs and actions such as IKEA's "Furnished with Joy" program, in the context of which we fully refurbish municipal nurseries and kindergartens in Greece and Cyprus, as well as INTERSPORT's program "Ftanoume sta Akra" (We Reach the Edges) through which we offer free sports equipment to public primary schools in remote areas of Greece.

It is also worth mentioning that our Group continued to implement environmental protection programs and actions, by undertaking relevant initiatives that promote environmental awareness, which is an important Group value. Some indicative such examples are the recycling programs implemented by the Group's companies, the interventions to improve the facilities' energy efficiency, the use of renewable energy sources to support their operations, as well as the promotion of eco-friendly products.

During 2018, our Group's Management will implement once again its business plan by making selective investments both in Greece and in the other countries where the FOURLIS Group operates. Also aiming for continuous improvement, we will keep our regular contact with our stakeholders and we will continue building with them a relationship of mutual trust. Part of this effort is also the transparent disclosure of the impacts of our activities which we believe is achieved, among others, through the publication of the Group's Annual Social Responsibility and Sustainable Development Report that you now hold in your hands.

Staying true to our Group's Values, Integrity - Respect - Efficiency and reinforcing our efforts for a better future, we hope that every day we will be getting closer to achieving our goals, responding to our Stakeholders' expectations.

**Apostolos Petalas**

CEO  
FOURLIS Group



## SOCIAL RESPONSIBILITY DEPARTMENT

The FOURLIS Group is a purely Greek organization that since 1950 has been operating with responsibility, consistency, transparency and vision, contributing to strengthening the economy and supporting the society in Greece, as well as in all countries where it operates.

2017 was yet another year during which the resilience of Greek businesses, as well as that of the Greek society was tested. Amidst this multifaceted crisis and the uncertainty that it causes, we are particularly proud that, in the FOURLIS Group we continued to work seamlessly following our strategy, driven by our Values “Integrity, Respect, Efficiency”, in order to adapt to the contemporary demands and to respond to our stakeholders’ expectations.

In 2017, in order to achieve our Social Responsibility and Sustainable Development strategic goals, we fulfilled the commitments undertaken and ensured that Social Responsibility is integrated into our everyday business as an integral value and practice. Concurrently, we maintained a two-way communication with our stakeholders in the regions where we operate, a practice that allows us to understand and evaluate their needs and to design programs and actions that respond, to the extent of our potential, to the most important of them.

Within this framework, in 2017, we implemented a wide range of actions on our three Social Responsibility pillars i.e. the respect for our people, the support of the society and the protection of the environment. Especially in terms of supporting the society that is still affected by the consequences of the long-term crisis, we continued to implement programs that were embraced by the society and our fellow citizens, like the “Furnished with Joy” and the “Ftanoume sta Akra” (We reach the Edges) programs, that aim to support children and their families.

Hence, we are in the pleasant position to present the 2017 Social Responsibility and Sustainable Development Report, the ninth Report issued by the FOURLIS Group, aiming to inform its Stakeholders about the Social Responsibility actions and programs that has implemented during 2017 and their results.

At the FOURLIS Group we look to the future with optimism, aiming to be able to face future challenges and to respond to our Stakeholders’ demand for transparency, trust and responsibility. In 2018 we are committed to continue to operate in a way that builds relationships of mutual trust with our stakeholders. Following our vision, we will constantly try to find ways to expand and evolve our practices in order to create the conditions for a better life for all through our products, services, operations and initiatives.

### **Lyda Furlis**

Corporate Social Responsibility Director  
FOURLIS Group

## Communication

For any Social Responsibility issue of the FOURLIS Group, please contact:

Ms. Lyda Furlis, Corporate Social Responsibility Director

**FOURLIS HOLDINGS SA** 18-20, Sorou Street, (Building A), P.O.15125, Maroussi, E-mail: [csr@fourlis.gr](mailto:csr@fourlis.gr),  
Tel.: 0030 210 6293000, Fax: 0030 210 6293205

## Reporting period

This FOURLIS Group Social Responsibility and Sustainable Development Report contains information about the Group’s management and performance on sustainable development covering the period from January 1st 2017 to December 31st 2017. It is the ninth consecutive annual Social Responsibility and Sustainable Development Report issued by the FOURLIS Group and is available in electronic format at [www.FOURLIS.gr](http://www.FOURLIS.gr). The Group’s previous Report was published in June 2017 and covered the 2016 financial year.

The Report is addressed to all the FOURLIS Group’s Stakeholders and to all those who are interested in the Group’s approach and management in relation to its contribution to sustainable development.

## Standards and content definition

This report has been prepared in accordance with the GRI Standards (Core option). We believe that this choice reflects the Group’s commitment to connect its broader strategy with its economic, social and environmental impacts and its contribution to the overall sustainable development within the UN Sustainable Development Goals framework.

More specifically, for defining the Report’s content, the FOURLIS Group conducted a relevant materiality analysis on issues that have an impact on sustainable development. More information is available on page 26. The GRI content index was compiled according to the “in accordance - core” option and is available on page 93. Moreover, this Report also constitutes the FOURLIS Group’s “Communication on Progress” Report, in compliance with the United Nations Global Compact ten principles.

## The UN Sustainable Development Goals (SDGs)

On September 25th 2015, the UN member states, including Greece, adopted a set of goals as part of a new sustainable development agenda for the next 15 years. According to the UN, these goals aim to promote actions that concern people, the planet, prosperity, peace and partnership. The Goals’ adoption constitutes an ambitious commitment that may well be the roadmap for the modern way of making business.

### SUSTAINABLE DEVELOPMENT GOALS



## External assurance

This Report does not contain an independent assurance statement. At the FOURLIS Group we recognize the importance of the assurance process regarding both the reliability of the Report’s content as well as the internal value of improving our processes. We will examine the possibility to proceed with external assurance in future Reports.

# OUR VALUES

INTEGRITY,  
RESPECT &  
EFFICIENCY

## OUR MISSION



To create superior value for our customers, people, shareholders and society, by delivering goods and solutions for better living.



# OUR GROUP

**FOURLIS**  
GROUP OF COMPANIES



## PROFILE

// GRI 102-1 // GRI 102-2 // GRI 102-3 // GRI 102-4 // GRI 102-5 // GRI 102-6 // GRI 102-7 //

The history of the Group begins in 1950. FOURLIS HOLDINGS S.A. (FOURLIS Group) is the successor of FOURLIS BROS SA., which was founded by Anastasios, Styllianos, Ioannis and Ilias FOURLIS.

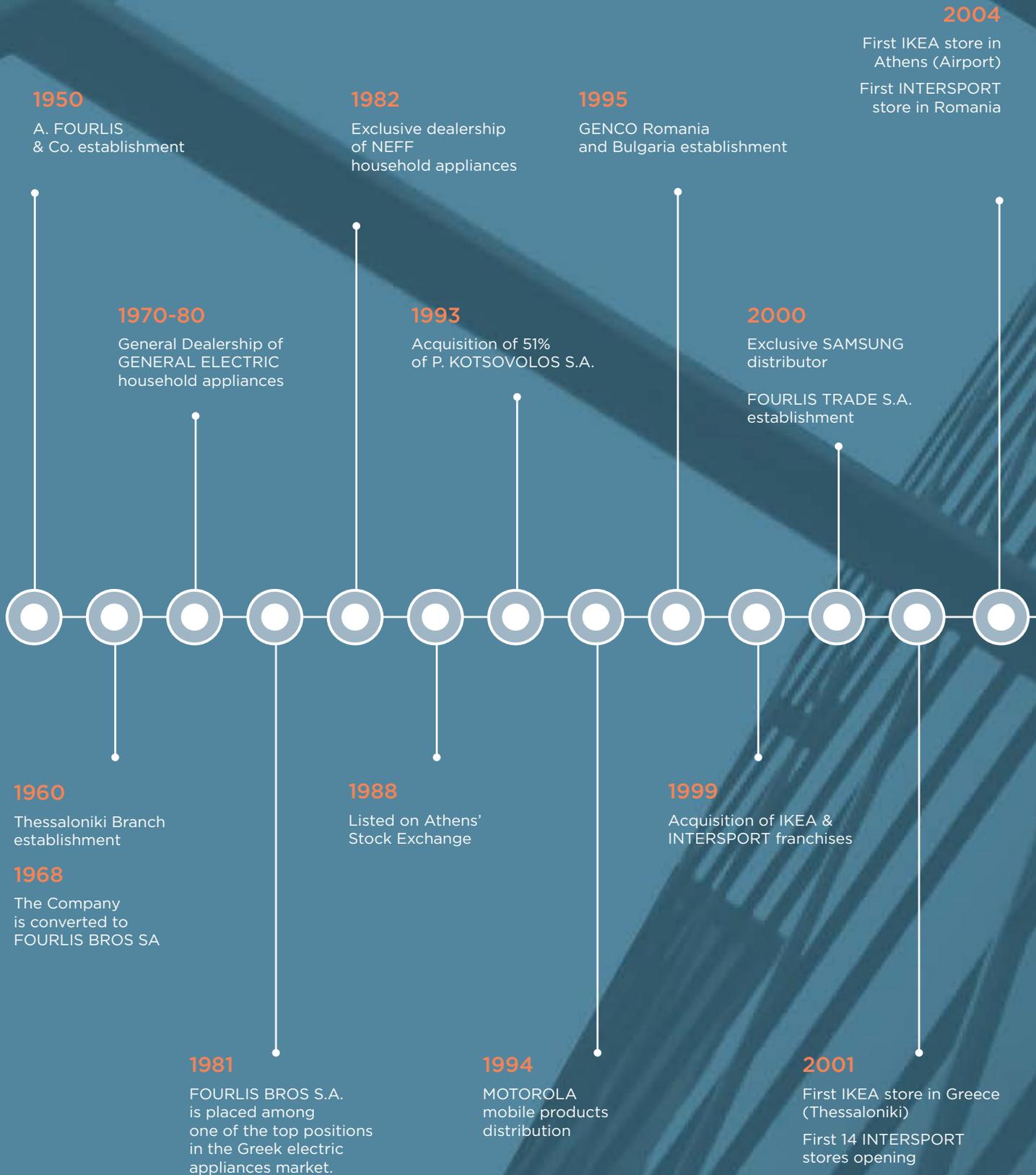
Nowadays the FOURLIS Group, headquartered at 18-20 Sorou Street, (Building A) P.O. 15125 Maroussi, is one of the largest retail groups in Greece, Cyprus, Bulgaria, Romania and Turkey, in the following fields of business activity:

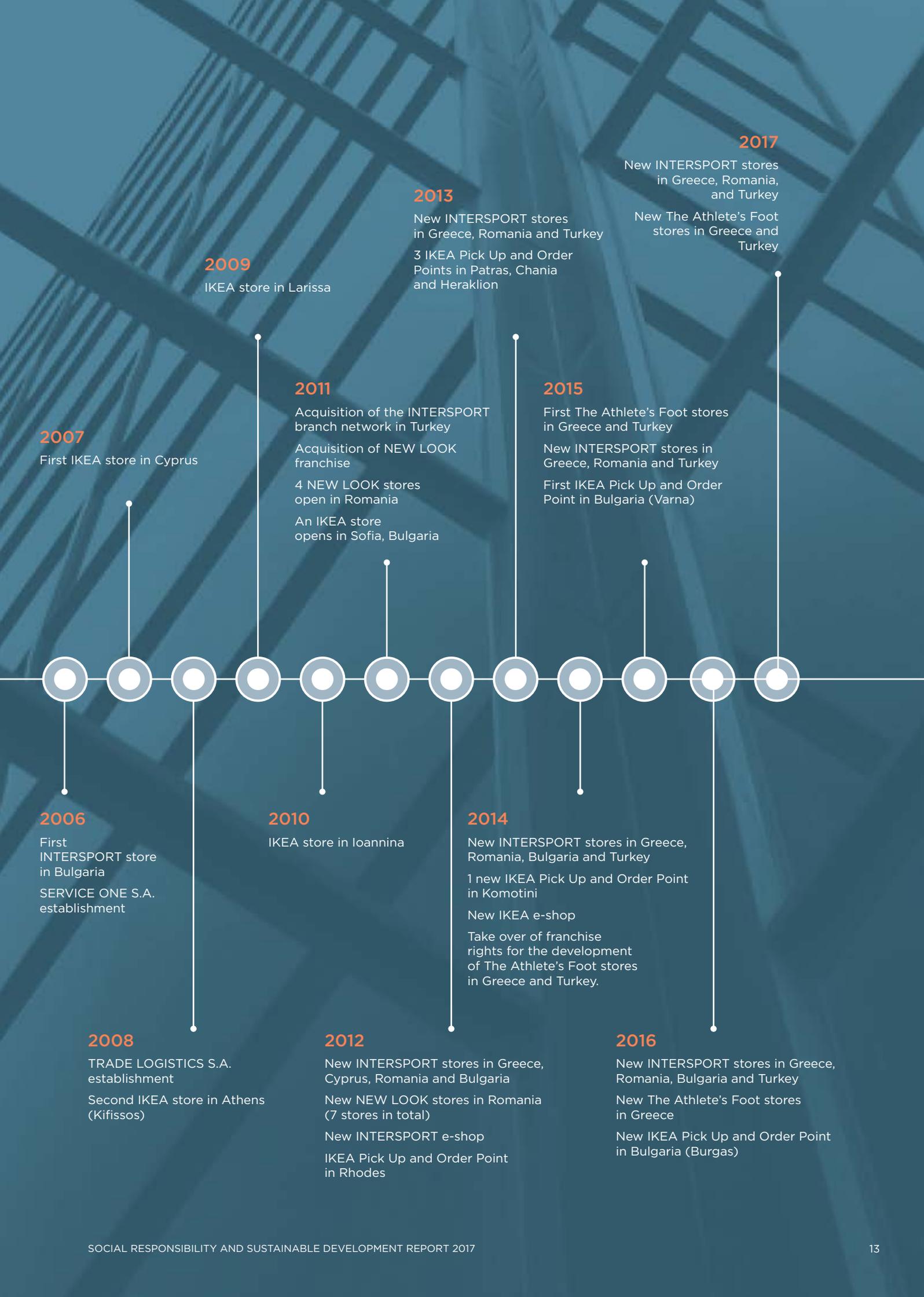
- Home furniture and household goods retail sale through the IKEA stores in Greece, Cyprus and Bulgaria.
- Sporting goods retail sale through the INTERSPORT stores in Greece, Cyprus, Bulgaria, Romania and Turkey and through the Athlete's Foot stores in Greece and Turkey.

The above activities are complemented by e-commerce stores, while in the context of gaining benefits from synergies between the Group's companies, TRADE LOGISTICS S.A., a Group subsidiary, provides storage and distribution services to support IKEA, INTERSPORT and the Athlete's Foot stores.



# Milestones in the FOURLIS Group's history





**2006**

First INTERSPORT store in Bulgaria  
SERVICE ONE S.A. establishment

**2007**

First IKEA store in Cyprus

**2008**

TRADE LOGISTICS S.A. establishment  
Second IKEA store in Athens (Kifissos)

**2009**

IKEA store in Larissa

**2010**

IKEA store in Ioannina

**2011**

Acquisition of the INTERSPORT branch network in Turkey  
Acquisition of NEW LOOK franchise  
4 NEW LOOK stores open in Romania  
An IKEA store opens in Sofia, Bulgaria

**2012**

New INTERSPORT stores in Greece, Cyprus, Romania and Bulgaria  
New NEW LOOK stores in Romania (7 stores in total)  
New INTERSPORT e-shop  
IKEA Pick Up and Order Point in Rhodes

**2013**

New INTERSPORT stores in Greece, Romania and Turkey  
3 IKEA Pick Up and Order Points in Patras, Chania and Heraklion

**2014**

New INTERSPORT stores in Greece, Romania, Bulgaria and Turkey  
1 new IKEA Pick Up and Order Point in Komotini  
New IKEA e-shop  
Take over of franchise rights for the development of The Athlete's Foot stores in Greece and Turkey.

**2015**

First The Athlete's Foot stores in Greece and Turkey  
New INTERSPORT stores in Greece, Romania and Turkey  
First IKEA Pick Up and Order Point in Bulgaria (Varna)

**2016**

New INTERSPORT stores in Greece, Romania, Bulgaria and Turkey  
New The Athlete's Foot stores in Greece  
New IKEA Pick Up and Order Point in Bulgaria (Burgas)

**2017**

New INTERSPORT stores in Greece, Romania, and Turkey  
New The Athlete's Foot stores in Greece and Turkey

## Our presence on the map



### IN GREECE

- 5** IKEA stores
- 50** INTERSPORT stores
- 5** IKEA Pick Up and Order Points
- 12** The Athlete's Foot stores



### IN TURKEY

- 24** INTERSPORT stores
- 2** The Athlete's Foot stores



### IN BULGARIA

- 1** IKEA store
- 7** INTERSPORT stores
- 2** IKEA Pick Up and Order Points



### IN CYPRUS

- 1** IKEA store
- 4** INTERSPORT stores



### IN ROMANIA

- 29** INTERSPORT stores



Upon its arrival in Greece, IKEA (HOUSEMARKET S.A.) introduced to the Greek market a new concept which is based on the supply of a wide range of well-designed, functional furniture and household goods at very affordable prices, giving as many people as possible the opportunity to purchase them.

Currently, 5 IKEA stores operate in Greece (2 in Athens, 1 in Thessaloniki, 1 in Larissa, 1 in Ioannina), 1 in Cyprus and 1 in Sofia, Bulgaria. Moreover, 5 IKEA Pick Up and Order Points operate in Greece (Patra, Rhodes, Heraklion, Chania and Komotini) and 2 in Bulgaria (Varna and Burgas). Additionally, IKEA e-shops operate for online purchases in all countries where the company operates.

## TRADE LOGISTICS

TRADE LOGISTICS (TRADE LOGISTICS S.A.), located in Schimatari, Viotia, was established in 2008 and operates via the use of modern automation systems for all its activities which are:

### 1. Warehouse and distribution services for the:

- IKEA stores in Greece, Cyprus and Bulgaria
- INTERSPORT stores in Greece, Cyprus, Romania, Bulgaria and Turkey (central warehouse)
- The Athlete's Foot stores in Greece and Turkey

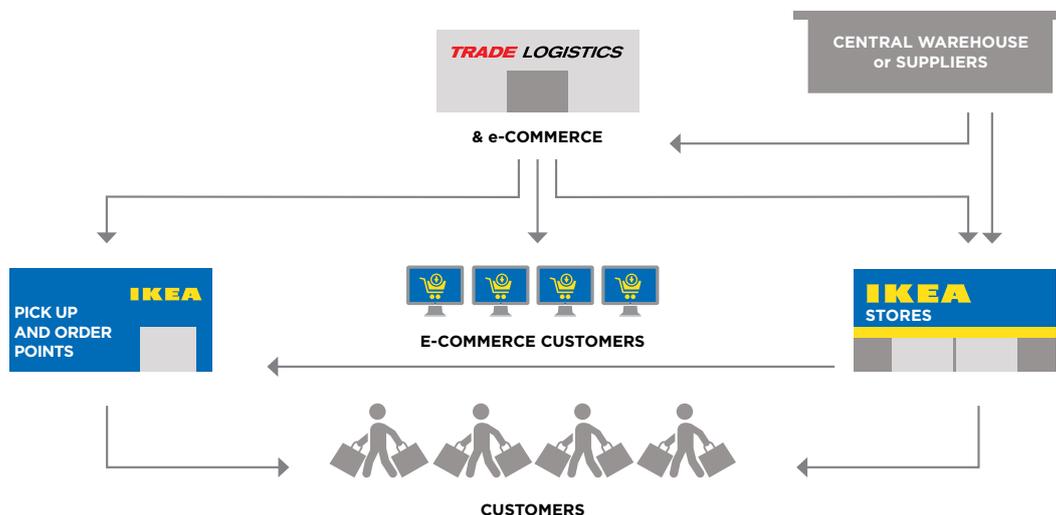
### 2. Delivery of e-commerce orders directly to customers in Greece for:

- IKEA's e-shop (www.IKEA.gr) and
- INTERSPORT's e-shop (www.INTERSPORT.gr)

The company, with its specialized and experienced employees, the use of technology and the implementation of innovative methods in logistics, aims at all warehousing and delivery procedures' proper operation as well as at its activities' development.

// GRI 102-9 //

### IKEA & TRADE LOGISTICS SUPPLY CHAIN GRAPH





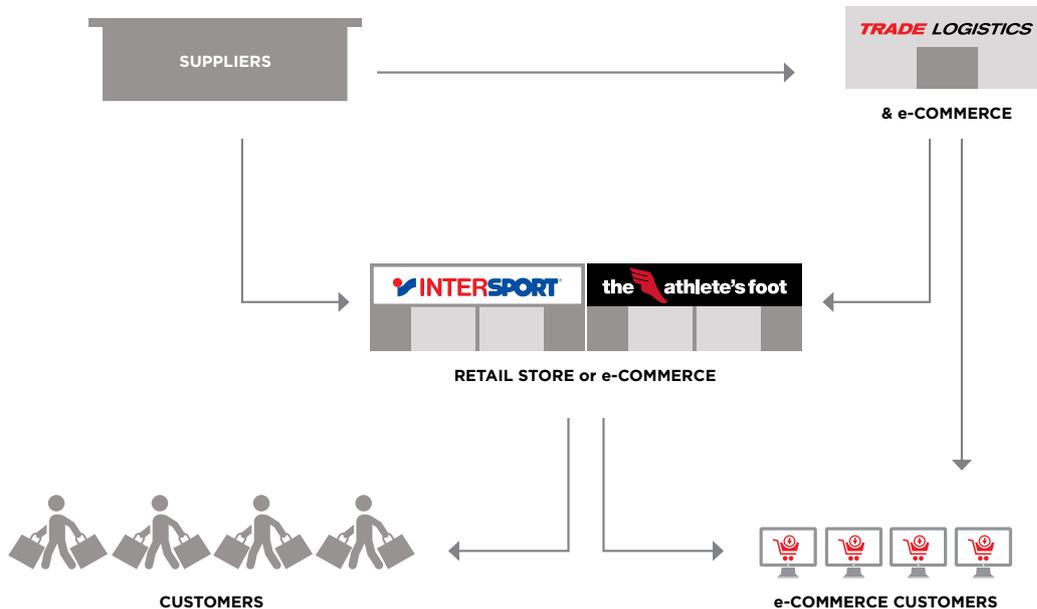
INTERSPORT is the leading sporting goods retailer in the world, with more than 5,600 stores in 44 countries. In Greece, INTERSPORT (INTERSPORT ATHLETICS S.A.) started its dynamic course in September 2000 and until December 31st, 2017 it operated 50 stores in Greece, 4 in Cyprus, 29 in Romania (GENCO TRADE), 7 in Bulgaria (GENCO BULGARIA) and 24 in Turkey (INTERSPORT ATLETIK). In addition, INTERSPORT e-shops for online purchases operate in Greece and Romania.

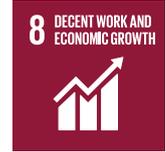


The Athlete's Foot is an international brand that opened its first store in the U.S.A. in 1971 and offers athletic footwear and apparel that combine fashion with sports style. In 2015 the international chain entered the Greek and Turkish market with 2 stores opening in Greece and 1 in Turkey by the FOURLIS Group and to this day it operates 14 stores (12 in Greece and 2 in Turkey).

// GRI 102-9 //

**INTERSPORT & The Athlete's Foot  
SUPPLY CHAIN GRAPH**





## Why it is material

Our Group's economic performance and the impacts it has on its stakeholders contribute directly to the sustainable development of the societies and the economies where we operate.

Specifically, our contribution to sustainable development is related to the economic value we produce and distribute to our stakeholders,

like for example through employee wages and benefits, shareholders dividends, payments to capital providers, payments to partners and suppliers and payments to Government.

## Our management approach

Sales of furniture and household goods retail trading (IKEA stores) did not change compared to 2016, while retail trading of sporting goods sales (INTERSPORT and The Athlete's Foot stores) increased by 4.6%.

With the expectation that in Greece, despite the existing pressure on the economy and especially in retail trading during 2018 due to individuals and businesses high taxation, the household and businesses cumulative debt, the ongoing high unemployment rates (despite its gradual de-escalation), the capital existing

restrictions, the banking system's limited ability to dispose capitals for new investments and also due to the fact that the risk of a new recession cycle has been reduced but has not yet fully eliminated, the Group's Management aims among others to:

- increase its profitability,
- continue strictly chosen investments, especially in the retail trading of sporting goods segment, where investing opportunities exist and can be implemented with the current funding abilities,
- Gain benefits from synergies and economies of scale that have been achieved within the Group, with the completion of warehouse and distribution services supply towards all companies of the Group by TRADE LOGISTICS S.A.,
- Identify new investment opportunities in activity areas such as retail stores management that the Group is well aware of and has positive results,
- maintain the balance of the Group's income source (between domestic and foreign companies) for the rational risk allocation at different operational countries.

# How we evaluate our management approach and performance – Results

// GRI 102-7 //

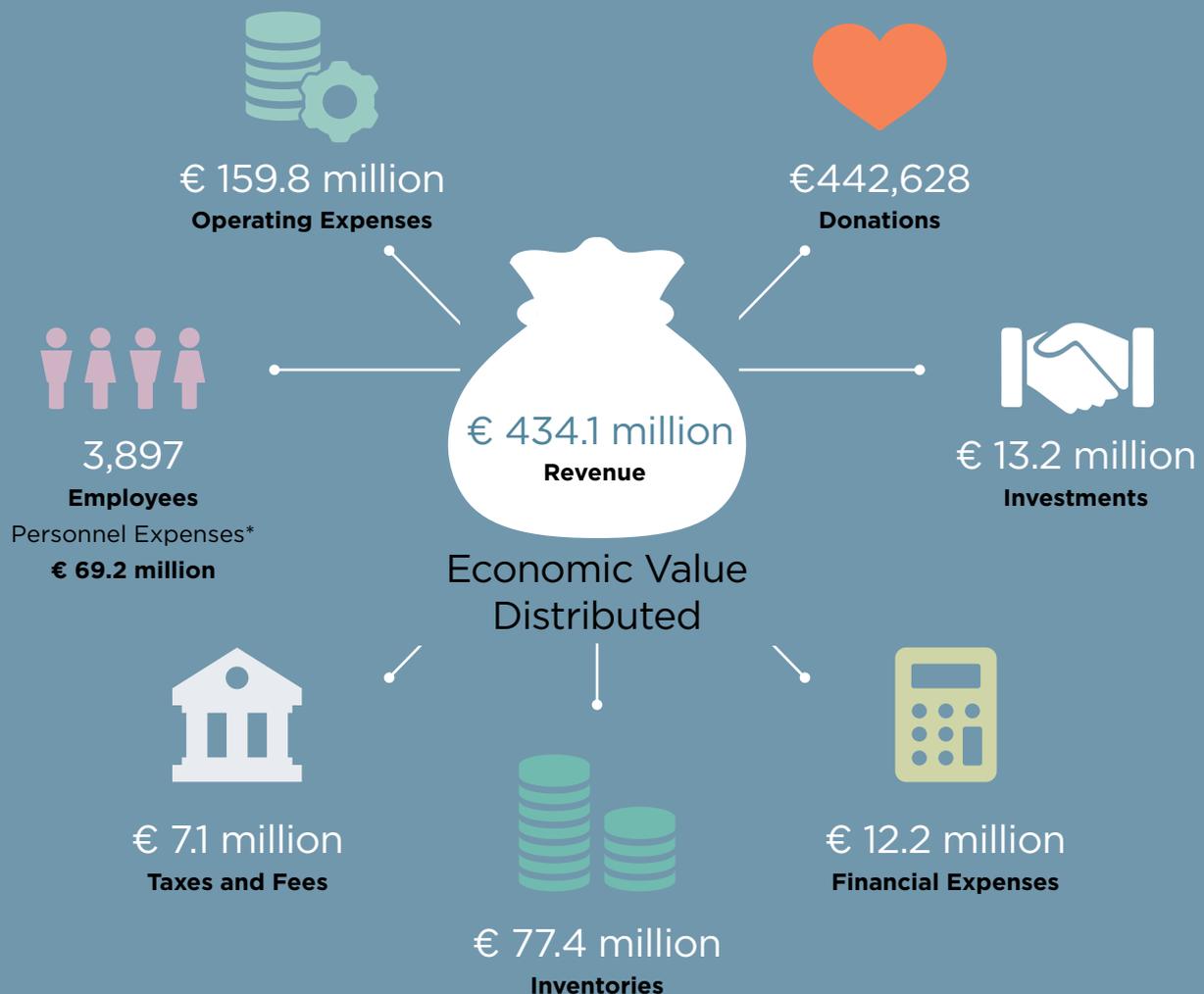
In 2017, the FOURLIS Group's net profits after taxes and minority interests were €10.0 million

versus profits of € 6.0 million in 2016.

Revenue reached € 434.1 million,  
increased by 1.4% compared to 2016 (€ 428.1 million)

The Group's total equity amounted to € 167.9 million and  
the total debt to € 144.4 million.

// GRI 201-1 //



The complete financial results of the FOURLIS Group are available in the 2017 Annual Report at [www.fourlis.gr](http://www.fourlis.gr)

\* Includes employer contributions and personnel-related taxes.

## Why it is material

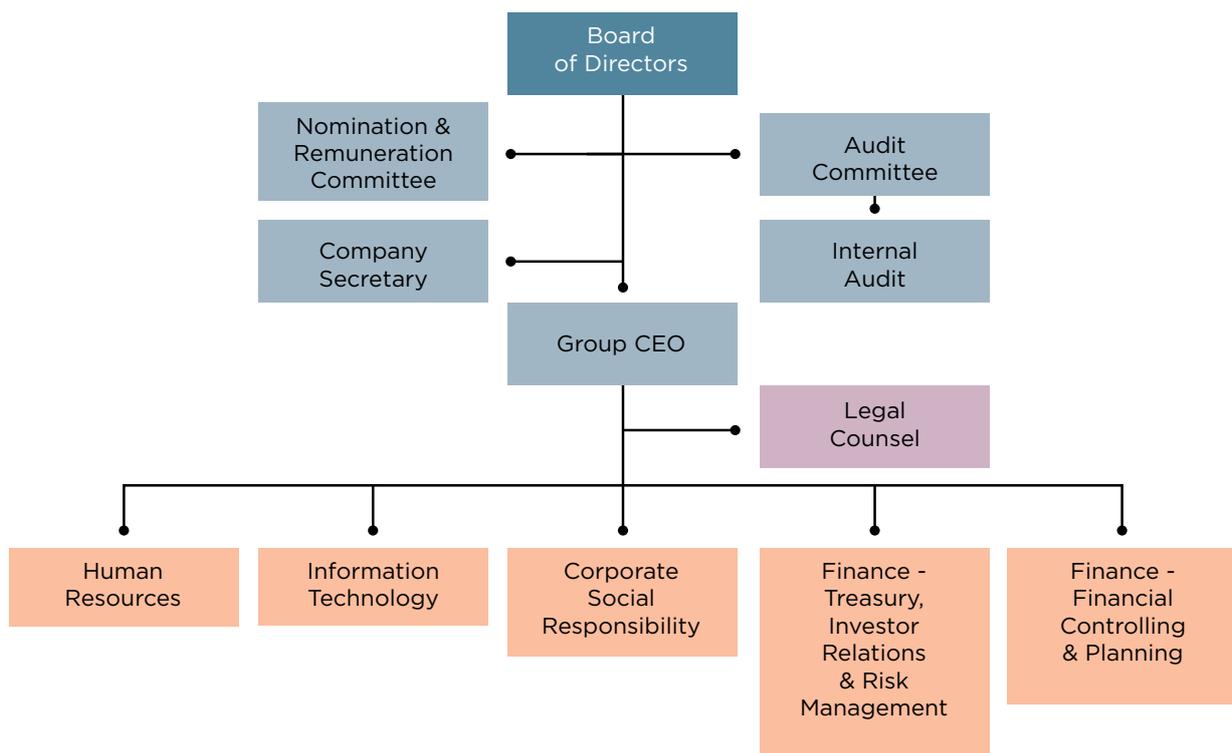
At the FOURLIS Group, corporate responsibility is integrated to our management style and constitutes an integral part of the Group’s activities and management practices.

Within this framework, regulatory compliance and anti corruption issues’ proper management affects the Group’s reputation and performance while, at the same time, reduces the risks associated with non-compliance incidents.

## Our management approach

Our approach on Regulatory Compliance issues is based on and has as a prerequisite three key pillars: Corporate Governance, Business Ethics and Anti-Corruption and Anti-competitive Behavior. The way we manage each one of these pillars is described below.

The following organization chart depicts the communication and interaction networks of the Board Members with the FOURLIS HOLDINGS S.A. Committees and Divisions.



## **BOARD OF DIRECTORS (BoD)**

The Company has chosen to set up its BoD with the maximum number of members allowed by its Articles of Association (9 members) to ensure quality, gender, age, skills diversity, qualification and experience that serve the Company's objectives, as well as the balance between executive and non-executive members. The Company's Articles of Association provide a 5-year service for BoD Members.

During the Annual General Assembly, the company's shareholders evaluate the Board Members' performance and activity. The Annual General Assembly also elects the BoD, its independent Members, as well as the Audit Committee Members. The Group's new Board was elected in 16.6.2017. The Corporate Governance Statement contains detailed information about the BoD operation and its Members. In the same Statement, which is included in the Annual Report, the operation of both the Audit Committee and the Nomination and Remuneration Committee is also described.

**More information is available at [www.fourlis.gr](http://www.fourlis.gr)**

## **CORPORATE GOVERNANCE CODE**

The Company has decided (Board of Directors decision on 28/2/2011) to voluntarily comply with the Hellenic Corporate Governance Code for listed Companies.

The Code is adapted to the Greek legislation and business reality and constitutes a best practices standard for corporate governance. It aims at enhancing Greek companies' transparency and increase the investors' confidence both on listed companies overall, as well as in each one individually, while it broadens the horizons to attract investment capital.

The Company includes in its Annual Report a Corporate Governance Statement, with which it discloses its voluntary compliance with the Code. The Statement also describes how the BoD operates and includes information on BoD Members, risk management and internal control.

**More information is available at [www.fourlis.gr](http://www.fourlis.gr)**

## CODE OF CONDUCT

// GRI 102-16 //

The Code of Conduct focuses on creating a working environment that protects and promotes Human Rights. Through the Code, the FOURLIS Group promotes and implements an equal opportunities policy applicable to all employees, as well as a policy that prohibits sexual harassment and is in full compliance with labor legislation. Furthermore, the FOURLIS Group's "Violence prevention in the workplace" policy, as it is set out in the Code, strictly prohibits acts of violence, threatening messages or behavior and weapons' use or possession by any person in the workplace or during any transactions with external partners.

All FOURLIS Group employees are obliged to adopt and implement the Code of Conduct. The Code's detailed version is delivered to all company Executives, while the concise version and any potential changes are distributed to all employees. Every two years, all employees sign the Code's acceptance form. If in the meantime any changes occur in relation to the Code's prerequisites from the employees' part, they in turn must notify Management.

**The FOURLIS Group has adopted high business ethics standards which are included in the Group's Code of Conduct, ensuring the commitment and cooperation of all Executives, concerning, among others, the following:**

- Obligation of adherence to business ethics and compliance with legislation
- Communication of cases where non-ethical or non-lawful behavior is observed
- Conflicts of interest
- Business gifts, payments and fair transactions
- Working environment at the FOURLIS Group
- Trade and competition practices
- Merchandise quality and natural environment protection
- Confidentiality

In Code of Conduct paragraph 2, available at the Company's website, instructions are provided for "Communicating unethical or unlawful behavior", as follows:

"The Group Code of Conduct line is available 24 hours a day and anyone can call in order to report, anonymously or not, any concerns related to Code of Conduct violations or non-compliance with the legislation. Access to the Group's Code of Conduct line is possible via phone, mobile or landline, at (+30)2106293010. There is also an e-mail available: [codeofconduct@fourlis.gr](mailto:codeofconduct@fourlis.gr)"

**More information is available at [www.fourlis.gr](http://www.fourlis.gr)**

## INTERNAL REGULATION CHARTER

The Internal Regulation of operations of the parent company of the Group (FOURLIS HOLDINGS S.A.) is approved by the BoD. It refers to the organizational structure and the risk management and internal control systems. It includes the main company procedures and operating principles, while it describes the Audit Committee, the Nomination and Remuneration Committee and the Internal Audit Department composition and responsibilities.

Additionally it contains the transaction code basic principles for its securities and compliance with the relevant regulation.

## INTERNAL AUDIT DEPARTMENT

The Group's Internal Audit Department is organized in such a way that allows its independent, confirmative and advisory role, and is designed to add value and to improve the company's processes. The Department supports the Group to achieve its objectives through assessment, which contributes to corporate governance, internal audit and risk management systems improvement. The Audit Committee is the supervising body of the Internal Audit Department and informs, on a quarterly basis, the parent company's BoD about the projects currently implemented.

## AUDIT COMMITTEE

The BoD operation at FOURLIS HOLDINGS S.A. is supported by its Audit Committee.

**The Audit Committee is appointed by the shareholders General Assembly and its main responsibilities include, inter alia:**

- Monitoring the financial reporting process and financial statements credibility,
- Supervision of any formal announcement regarding the Company's financial performance and review of the company's key announcements
- Monitoring the effectiveness of internal control and risk management systems
- Ensuring the independence of internal audit and evaluation of the head of internal audit
- Examining cases of conflict of interest
- Monitoring the progress of statutory audit
- Reviewing and monitoring issues related to the existence and maintenance of objectivity and independence of the external auditor

The Audit Committee operation is analytically described in the Corporate Governance Code and the Audit Committee Charter approved by the BoD.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is a single committee responsible for the procedure for electing Board Members and the selection of Senior Executives, as well as for the proposals preparation to the Board regarding the remuneration (basic salary, bonuses or financial incentives and benefits) of Executive Directors and key Executives.

# How we evaluate our management approach and performance – Results

// GRI 205-3 //

Our performance evaluation is implemented via the reports we receive through the Code of Conduct telephone line and email as well as via safeguards and internal information.

Within the framework of these procedures, there was no communication or complaint brought to the Group Management's attention that relates to corruption incidents.

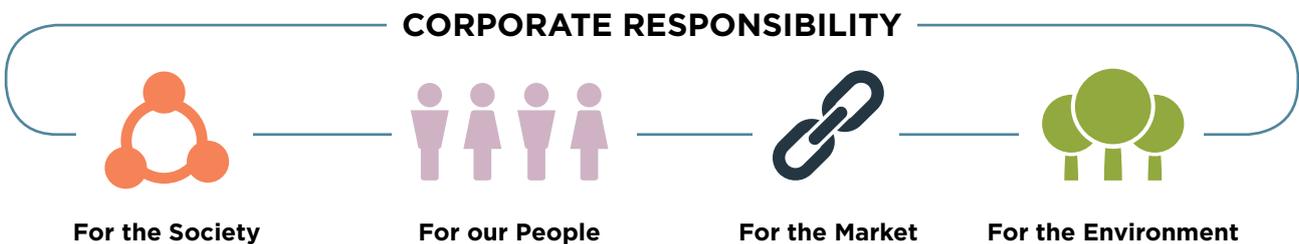


## Social Responsibility Department

Social Responsibility is an embedded concept in the FOURLIS Group's operations.

The Social Responsibility Department was established in 2008, aiming to coordinate the Group's companies in taking initiatives and actions in the field of Social Responsibility, driven by the Group's Values and Principles. The Department operates and continuously grows having as priority the following pillars: (a) respect for our People, (b) support of the Society and the Market and (c) Environmental protection.

The Social Responsibility Department plans and implements the Group's Annual Social Responsibility program in cooperation with Executives of the Group's subsidiaries, who act as coordinators for issues related to the afore-mentioned pillars. The Department is also responsible for monitoring and supervising the programs' action flow until their completion.



// GRI 102-42 //

## Stakeholders

At the FOURLIS Group, we operate in retail commerce in Greece and abroad and as a result our Stakeholders vary. We define as Stakeholders anyone related to, affecting or being affected by our operations.

Having identified and prioritized our Stakeholders, we invest in the continuous and interactive contact and communication with them, in order to maintain a steady flow of information, to and from the company, in relation to their demands, concerns and expectations. We believe that a better understanding of our Stakeholders' needs and expectations as well as their role and views, are important elements in our effort to improve our products and services for our responsible and sustainable operation and growth, as well as for the reduction of any possible negative impact deriving from our activities.

Our Stakeholder groups and the practices we follow in order to maintain a healthy and two-way communication with them are depicted in the following table.

**STAKEHOLDERS TABLE**

| STAKEHOLDER GROUP   | COMMUNICATION & ENGAGEMENT METHODS   | COMMUNICATION FREQUENCY  |
|---|--|--|
| EMPLOYEES   | Employee Insight Survey  | Annually   |
|   | Corporate Events   | Annually or on the occasion of a specific event  |
|   | Newsletters/Leaflets (printed or electronic)                                     | Every 2 or 4 months, or depending on briefing needs  |
|   | Announcement boards  | Continuous   |
|   | Yammer (Intranet)  | Continuous   |
|   | Workshops  | Within the framework of specific actions (e.g. following the Employee Insight Survey)  |
|   | 360° Evaluation process  | Launched in 2013 and implemented on an annual basis (biannually per grade)   |
|   | Employee Performance and Development Review                                      | Annually   |
|   | Meetings   | One to one: When a relevant need arises<br>Statutory: At intervals specified by each Division/ Department based on their needs |
| SHAREHOLDERS  | General Assembly   | Annually   |
|   | Announcements  | Depending on briefing needs  |
|   | Ad hoc Communication   | Continuous   |
| CUSTOMERS   | Contact and communication within the stores and ad hoc (via telephone or emails) | Continuous   |
|   | Newsletters dispatch / SMS/ Viber / Social Media Use                             | Continuous   |
|   | Satisfaction Surveys   | Continuous (IKEA & INTERSPORT)   |
|   | "Help Us to Improve" Survey  | IKEA: Continuous (via computers available to customers within the stores)  |
|   | Catalogues and Publications  | Catalogues: At least twice a year (Spring and Fall)<br>Publications: According to relevant planning                            |
| SUPPLIERS/ PARTNERS   | Meetings   | Continuous   |
|   | Participation in industry Associations   | According to relevant planning   |
|   | Joint programs implementation  | According to relevant planning   |
| WIDER SOCIETY   | Contact and informing through print and electronic media                         | Continuous   |
|   | Events   | According to relevant planning   |
| LOCAL COMMUNITIES (AREAS WHERE THE GROUP COMPANIES OPERATE) | Contacts with local authorities  | Continuous   |
|   | Events   | According to relevant planning   |
|   | Implementation of Social Responsibility Programs and Actions                     | Continuous   |
| OFFICIAL & SUPERVISORY AUTHORITIES/ STATE                   | Discussions/ mailing with National and Local Authorities' representatives        | Continuous   |
|   | Participation in Organizations and Unions  | Continuous   |
| BUSINESS COMMUNITY/ ASSOCIATIONS                            | Participation in Organizations, Associations and Unions                          | Continuous   |
| MEDIA   | Press Conferences  | Continuous   |
|   | Brochures / Press Kits   | Continuous   |
|   | Meetings   | Continuous   |
| NGOs  | Meetings   | Continuous   |
|   | Collaborations   | Continuous   |
| COMPETITORS   | Participation in Organizations, Associations and Unions                          | Continuous   |

# Materiality Analysis

In the context of continuously improving our approach to social responsibility and sustainable development issues, at the FOURLIS Group we performed a materiality analysis of the Group's issues, in order to prioritize those with the most significant economic, social and environmental impacts and those that significantly influence our Stakeholders.

**The methodology used was based on the GRI Standards and included the following steps:**

1.

Identification of potential topics and their boundaries within and outside the Group based, among others, on the wider sustainability context of the Group's countries of operation, the Group's strategy and wider objectives, the review of practices of peer companies at an international level in order to recognize sectorial issues, as well as the expectations of the Group's Stakeholders as those were identified by the Management through existing engagement methods.

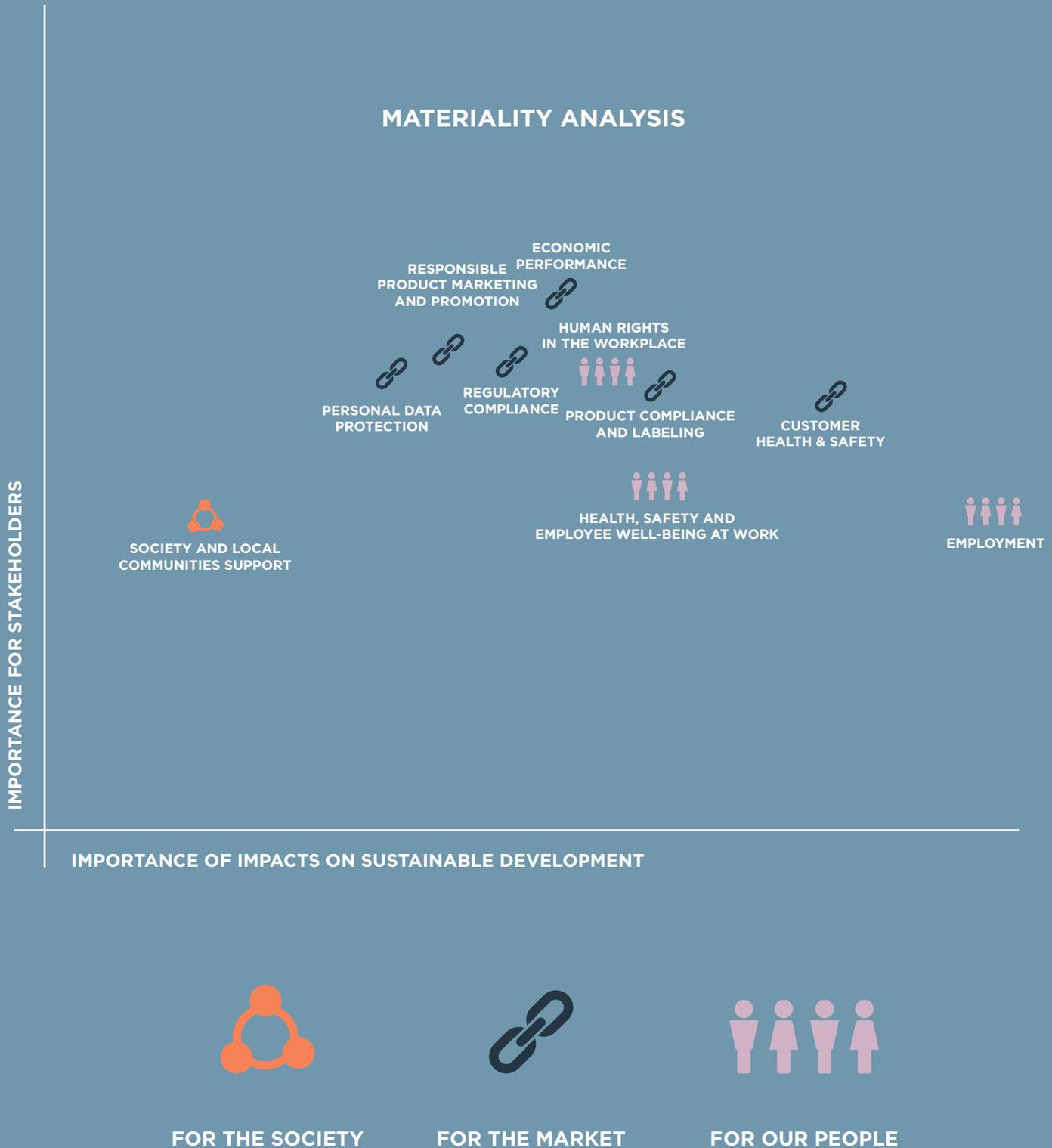
2.

Prioritization of topics (a) by the importance of their impacts on Sustainable Development using as a frame of reference the UN's Sustainable Development Goals and (b) by their importance for the stakeholders as identified by Management.

3.

Validation of the results of the materiality process, through a dedicated workshop which was attended by the Group's Senior Executives. The Group's materiality analysis results are depicted in the following graph, while the material issues' boundaries are available on page 98 and their connection with the GRI Standards' disclosures on pages 93-97 respectively.

# Materiality Map



## MEMBERSHIPS AND DISTINCTIONS



// GRI 102-12 // GRI 102-16 //

### UNITED NATIONS GLOBAL COMPACT

Since 2008, the FOURLIS Group is an official member of the United Nations Global Compact, the largest international voluntary initiative for responsible business practices.

The UN Global Compact consists of ten Principles that derive from internationally accepted standards pertaining to Human Rights, Labor Conditions, Fight against Corruption and Environmental Protection. The FOURLIS Group has committed to adopt, support and promote these principles through its business practices.

The FOURLIS Group's Annual Communication on Progress Reports, as well as the Social Responsibility and Sustainable Development Reports (the latter including the Group's Communication on Progress Report regarding the 10 UN Global Compact Principles) are available at [www.fourlis.gr](http://www.fourlis.gr).

// GRI 102-13 //

## Memberships in Associations



### The FOURLIS Group participates in:

- The Board of the Hellenic Corporate Governance Council (HCGC) through its Chairman Mr. Vassilis Fourlis, while Group Executives participate in its working groups.
- The Corporate Governance Committee of the American-Hellenic Chamber of Commerce.
- The Association of Chief Executive Officers of Greece (represented by the CEO, Mr. Apostolos Petalas).
- The Greek People Management Association (GPMA) (represented by the Human Resources' Director, Mrs. Natasha Spirou).
- The Hellenic Retail Business Association (HRBA).

### As a member, the FOURLIS Group also participates in:

- The Listed Companies Union.
- The Athens Chamber of Commerce and Industry (ACCI).
- The Hellenic Federation of Enterprises (SEV) with active participation in Tax, HR, Supply Chain, Technology and Transparency groups.



**INTERSPORT ATHLETICS S.A. participates in:**

- GPMA (Greek People Management Association)
- SDE (Hellenic Advertisers Association)
- GRECA (Greek e-Commerce Association)
- PCCI (Piraeus Chamber of Commerce and Industry)
- H.R.B.A. (The Hellenic Retail Business Association)
- ACEO (Association of Chief Executive Officers)
- TCCI (Thessaloniki Chamber of Commerce and Industry)
- ACCI (Athens Chamber of Commerce and Industry)
- SEV (Hellenic Federation of Enterprises)

**TRADE LOGISTICS**

**TRADE LOGISTICS S.A. participates in:**

- HILME (Hellenic Institute for LOGISTICS Management)
- SEV (Hellenic Federation of Enterprises -Supply Chain and Business Parks teams)
- ACCI (Athens Chamber of Commerce and Industry)
- E.L.A. (European LOGISTICS Association)
- National Board on Development and Supply Chain Competitiveness (Hellenic Ministry of Development)



**HOUSEMARKET S.A. (IKEA) participates in:**

- Greek People Management Association (GPMA)
- GRECA (Greek e-Commerce Association)
- H.R.B.A. (The Hellenic Retail Business Association)
- SDE (Hellenic Advertisers Association)
- SEV (Hellenic Federation of Enterprises)
- ELOT (Hellenic Organization for Standardization)
- Institute of Communication
- ACCI (Athens Chamber of Commerce and Industry)
- ACEO (Association of Chief Executive Officers)
- TCCI (Thessaloniki Chamber of Commerce and Industry)
- Hellenic-Swedish Chamber of Commerce
- CCCI (Chania Chamber of Commerce and Industry)
- Achaia Chamber of Commerce and Industry



# Awards - Distinctions 2017



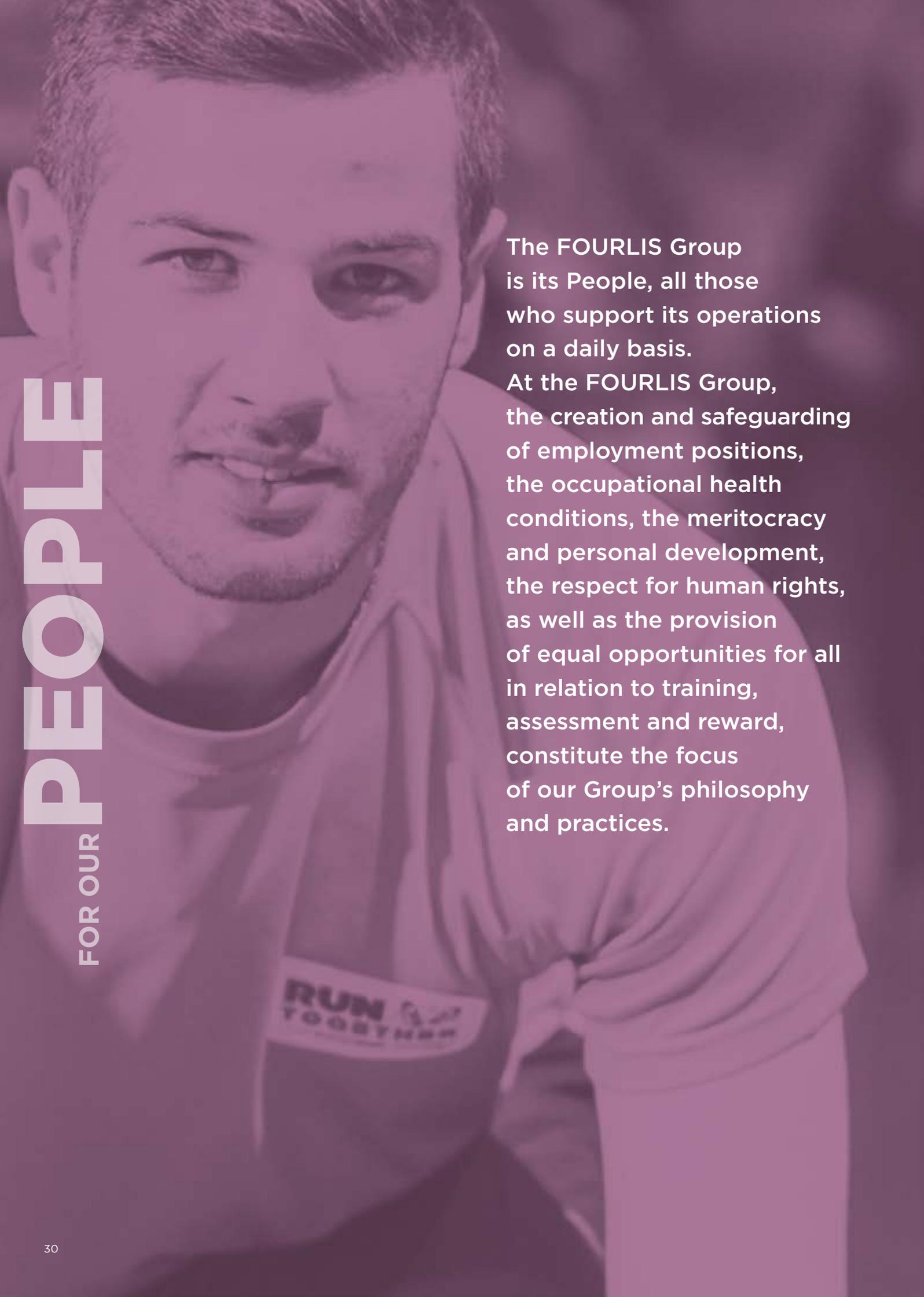
**RETAIL INTERIOR AWARDS 2017**

Best Store Innovation - New Retail Concept (The Mall Athens INTERSPORT Store)

**DEREE COLLEGE**

Honorary Distinction for the support to the College's internship & apprenticeship program





# PEOPLE

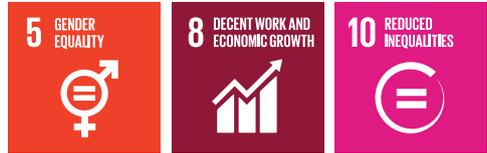
FOR OUR

The FOURLIS Group is its People, all those who support its operations on a daily basis.

At the FOURLIS Group, the creation and safeguarding of employment positions, the occupational health conditions, the meritocracy and personal development, the respect for human rights, as well as the provision of equal opportunities for all in relation to training, assessment and reward, constitute the focus of our Group's philosophy and practices.

## EMPLOYMENT

MATERIAL TOPIC 



## Why it is material

Our approach to employment and our relationships with our employees directly affect their performance, retention and development. These issues are significant for our Group's long term sustainable development.



**Total number of employees\***

In 2017, the FOURLIS Group's total number of employees was 3,897

**Total number of employees per employment contract and gender**

| Employment Contract | 2017  |       | 2016  |       |
|---------------------|-------|-------|-------|-------|
|                     | Men   | Women | Men   | Women |
| Permanent           | 1,786 | 1,925 | 1,705 | 1,899 |
| Fixed-Term          | 93    | 93    | 150   | 150   |

**Total number of employees per type of employment contract and area**

| Employment Contract | 2017      |            | 2016      |            |
|---------------------|-----------|------------|-----------|------------|
|                     | Permanent | Fixed-Term | Permanent | Fixed-Term |
| Greece              | 2,328     | 97         | 2,300     | 127        |
| Cyprus              | 326       | 0          | 309       | 7          |
| Romania             | 358       | 80         | 287       | 154        |
| Bulgaria            | 452       | 9          | 462       | 12         |
| Turkey              | 247       | 0          | 246       | 0          |

**Total number of employees by type of employment contract and gender**

| Employment Contract | 2017  |       | 2016  |       |
|---------------------|-------|-------|-------|-------|
|                     | Men   | Women | Men   | Women |
| Full-Time           | 1,338 | 1,025 | 1,268 | 1,027 |
| Part-Time           | 541   | 993   | 587   | 1,022 |

\* The number of employees is defined as the number of individuals employed as on 31/12/17 and 31/12/16 respectively. The term "employees" refers to the individuals who are directly employed by the Group. It is noted that no significant percentage of the work is carried out by people that are not in the "employees" category as defined above. Finally, there are no variations in the number of employees in the Group, such as seasonal fluctuations.

# Our management approach

Despite the difficult economic times, we aim at creating new job openings through the development of our activities in Greece and abroad.

By doing so, we emphasize on the effort to bring the Greek economy back to a stable growth, while we strengthen local communities and stimulate national economies in the countries where we operate.

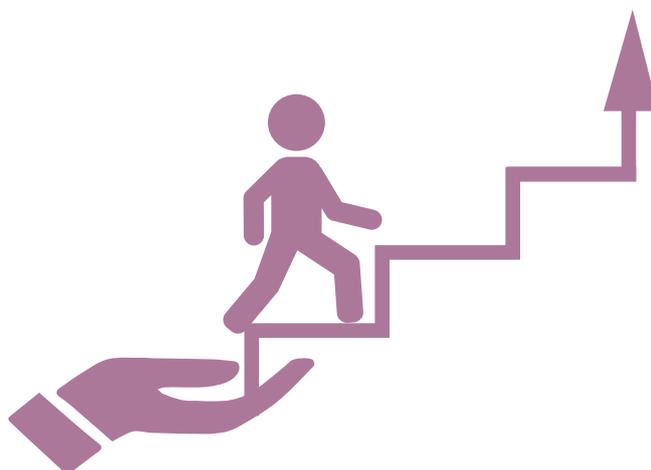
In cases where any of our companies have new job openings, these are readily covered either by internal employee transfers/promotions (through the Open Resourcing policy), or by a direct proposal to an employee for a transfer/promotion (for Executives), or by a new recruit.

The Open Resourcing Policy ensures that all job openings are firstly announced to the Group's employees, giving them the opportunity to apply for and to participate in the assessment and selection process.

## **The main pillars of our employee recruitment and professional development Policy, are:**

- The common recruitment evaluation criteria for all Group's companies that ensure equal opportunities and avoidance of discrimination incidents. It is worth mentioning that people of 36 ethnicities are employed in the FOURLIS Group companies, in all countries where the Group operates.
- The provision of equal development opportunities through internal transfer and promotion processes to all Group employees.
- Taking into consideration the balance between the two genders in employee selection and development processes, as well as in the remuneration and benefits policies.

In addition, the FOURLIS Group helps young people take their first professional steps and gain working experience through their participation in the paid employment program for young people called "ReGeneration" and through the Group's cooperation with universities, private institutions and organizations like, for example, the Athens University of Economics and Business and the Deree College.



|  | 2017       | 2016       |
|--|------------|------------|
| Percentage of women in the FOURLIS Group                                 | <b>52%</b> | <b>52%</b> |
| Percentage of women in manager/supervisor positions of the FOURLIS Group | <b>35%</b> | <b>33%</b> |
| Percentage of women in the Board of Directors of the FOURLIS Group       | <b>22%</b> | <b>22%</b> |

Since 2008, we have adopted a single Performance Appraisal and Development Review Process for all Group employees, to ensure that the employees' appraisal process is and will remain transparent. In this way we ensure a fair working environment and we create an operational succession plan for Executives at high responsibility positions.

Furthermore, since 2013, we implement a 360° Evaluation Procedure for the Group's Executives (Managers and Supervisors), in cooperation with an independent consulting company. The 360° Evaluation is a tool that offers the opportunity to those collaborating at any job level (supervisors, subordinates, colleagues), to openly express their opinion, providing constructive comments on the behavior and the management style of the employees under evaluation. This way, the 360° Evaluation, is a self-improvement tool that contributes to understanding the needs, to identifying the strengths and the areas for improvement and thus to empowering collaboration.



# How we evaluate our management approach and performance – Results

// GRI 401-1 //

## Total number\* and rates of new employee hires and employee turnover by age group, gender and region

2017

|                            |          | Employee Turnover | Number of employees | Turnover rate (%) | New Employee Hires | Number of employees | Rate of new employee hires (%) |
|----------------------------|----------|-------------------|---------------------|-------------------|--------------------|---------------------|--------------------------------|
| Age group                  | <30      | 455               | 1,165               | 39.1              | 456                | 1,165               | 39.1                           |
|                            | 30-50    | 291               | 2,188               | 13.3              | 205                | 2,188               | 9.4                            |
|                            | 50>      | 242               | 544                 | 44.5              | 23                 | 544                 | 4.2                            |
| Gender                     | Men      | 603               | 1,879               | 32.1              | 388                | 1,879               | 20.7                           |
|                            | Women    | 385               | 2,018               | 19.1              | 296                | 2,018               | 14.7                           |
| <b>Total FOURLIS Group</b> |          | <b>988</b>        | <b>3,897</b>        | <b>25.4</b>       | <b>684</b>         | <b>3,897</b>        | <b>17.6</b>                    |
| Countries                  | Greece   | 252               | 2,425               | 10.4              | 284                | 2,425               | 11.7                           |
|                            | Cyprus   | 118               | 326                 | 36.2              | 93                 | 326                 | 28.5                           |
|                            | Romania  | 209               | 438                 | 47.7              | 118                | 438                 | 26.9                           |
|                            | Bulgaria | 231               | 461                 | 50.1              | 145                | 461                 | 31.5                           |
|                            | Turkey   | 178               | 247                 | 72.1              | 44                 | 247                 | 17.8                           |

2016

|                            |          | Employee Turnover | Number of employees | Turnover rate (%) | New Employee Hires | Number of employees | Rate of new employee hires (%) |
|----------------------------|----------|-------------------|---------------------|-------------------|--------------------|---------------------|--------------------------------|
| Age group                  | <30      | 882               | 1,331               | 66.3              | 1,079              | 1,331               | 81.1                           |
|                            | 30-50    | 337               | 2,144               | 15.7              | 347                | 2,144               | 16.2                           |
|                            | 50>      | 35                | 429                 | 8.2               | 23                 | 429                 | 5.4                            |
| Gender                     | Men      | 687               | 1,855               | 37.0              | 795                | 1,855               | 42.9                           |
|                            | Women    | 567               | 2,049               | 27.7              | 654                | 2,049               | 31.9                           |
| <b>Total FOURLIS Group</b> |          | <b>1,254</b>      | <b>3,904</b>        | <b>32.1</b>       | <b>1,449</b>       | <b>3,904</b>        | <b>37.1</b>                    |
| Countries                  | Greece   | 358               | 2,427               | 14.8              | 427                | 2,427               | 17.6                           |
|                            | Cyprus   | 123               | 316                 | 38.9              | 127                | 316                 | 40.2                           |
|                            | Romania  | 245               | 441                 | 55.6              | 333                | 441                 | 75.5                           |
|                            | Bulgaria | 320               | 474                 | 67.5              | 350                | 474                 | 73.8                           |
|                            | Turkey   | 208               | 246                 | 84.6              | 212                | 246                 | 86.2                           |

\*The number of employees has been expressed as the number of individuals employed as of 31/12/17 and 31/12/16 respectively

**Benefits provided to full-time and part-time employees and not provided to seasonal employees, by significant locations of operation**

|                                   | Greece |      | Cyprus |      | Romania |      | Bulgaria |      | Turkey |      |
|-----------------------------------|--------|------|--------|------|---------|------|----------|------|--------|------|
|                                   | 2017   | 2016 | 2017   | 2016 | 2017    | 2016 | 2017     | 2016 | 2017   | 2016 |
| Life Insurance                    | ✓      | ✓    | ✓      | ✓    |         |      | ✓        | ✓    |        |      |
| Health Care                       | ✓      | ✓    | ✓      | ✓    | ✓       | ✓    | ✓        | ✓    | ✓      | ✓    |
| Disability and inability coverage | ✓      | ✓    | ✓      | ✓    |         |      | ✓        | ✓    |        |      |
| Parental leave                    | ✓      | ✓    | ✓      | ✓    |         |      |          |      |        |      |
| Retirement provision benefits     | ✓      | ✓    | ✓      | ✓    |         |      |          |      |        |      |
| Stock Option Plan                 | ✓      | ✓    | ✓      | ✓    | ✓       | ✓    | ✓        | ✓    | ✓      | ✓    |



# HUMAN RIGHTS IN THE WORKPLACE

MATERIAL TOPIC 



## Why it is material

The respect and the protection of Human Rights is an important issue for our Group.

At the same time, we recognize that it is one of the world's top sustainability issues and that the approach we adopt contributes not only to our Group's sustainable development and stability, but also to the sustainable development of the countries where we operate.

Through the responsible management of this topic, as well as through the implementation of laws and policies which aim at fighting discrimination and at the drastic reduction of all forms of violence, we do our utmost to eliminate all forms of discrimination against women and all forms of forced and child labor. In addition, we ensure a safe working environment and we promote the social and economic integration of all people regardless of age, gender, nationality, religion or economic status.

## Our management approach

At the FOURLIS Group we approach the issues of respect and protection of Human Rights in a systematic way through the policies we adopt and the initiatives we undertake.

### **This effort has the following main axes:**

- Our participation in the UN GLOBAL COMPACT through which we commit to adhering to the respective principles such as those relating to freedom of association advocacy and to child, forced labor and discrimination in the Workplace elimination (see Communication on Progress Report, p. 92).
- Our Internal Labor Regulations, that regulate working issues such as training and performance appraisal, workplace behavior, relationships between colleagues, Health and Safety conditions, the disciplinary procedure as well as the dismissal procedure.
- The Code of Conduct which focuses on employees' obligation for ethical professional conduct, equality and protection of personal data issues.
- The Health and Safety policy (see section "Customer Health and Safety", p. 63), which has been developed to provide the best possible health and safety conditions for both Group employees as well as clients and visitors at our premises.
- The responsible product policies of our Group's subsidiaries which aim at ensuring safety and at providing integrated end-user product information to the user (see "Product Compliance and Labeling", p. 66)

# How we evaluate our management approach and performance – Results

// GRI 406-1 //

Our performance is evaluated based on the reports we receive via the Code of Conduct telephone line and email. No incidents of discrimination or Human Rights violation were recorded during the reporting period.



## TRAINING AND EDUCATION



At the FOURLIS Group we believe that the employees' need for training is continuous and ever increasing, as the competition and the current market requirements are constantly generating new vocational training and educational needs.

For this reason, the training of each employee begins upon his/her recruitment.

With our management approach on this issue we ensure and enhance equal and quality access to technical and professional education for all our employees.

## Our management approach

The first training program for every Group employee is an induction program, through which we make sure that all the newly hired employees are informed about the Group's Structure, its Values, the Code of Conduct and each company's Internal Regulation Charter.



In 2011, the **FOURLIS Learning Academy** was established. All the FOURLIS Group employees are members of the Academy, participating in programs that better suit their role and their needs for personal development.



The FOURLIS Learning Academy consists of 4 programs in total:

### 1. GREEN PROGRAM

It is the base of the Academy and is addressed to all the FOURLIS Group employees. It includes Induction as well as Product/ Technical Training and Specialization programs, essential for any job position at all levels.



### 2. SILVER PROGRAM

Development programs for newly appointed Managers and Supervisors at the FOURLIS Group.

### 3. GOLD PROGRAM

Development programs for all FOURLIS Group Managers and Supervisors.

### 4. PLATINUM PROGRAM

Development programs for FOURLIS Group Top Management Team.

**The training courses are developed in four pillars: Leadership/Business Operations/Health & Safety/ Sales - Products**



Within the framework of the Academy a new program, the FOURLIS Retail MBA, was launched in 2016. This program was designed in 2015 aiming to provide high level knowledge from University professors and Senior Executives of both the Market and the FOURLIS Group in a range of fields, mainly focusing on Retail Management.

Each class is attended by 16 Group employees from all the countries where the Group operates. Their selection is based on a set of objectives and merit criteria. Every year a new class starts, while the program's total duration is 2.5 years.

Apart from the training programs for skills development purposes that are addressed to each employee according to their position level and are included in the FOURLIS Learning Academy, in 2015 a new institution called the "Open Seminars" was launched. These seminars aim at skills acquisition by employees in subjects that do not cover knowledge related to their current job position but are essential for their future development. This new institution was introduced upon employee request, as resulted from the Employees' Insight Survey conducted in 2014.

# How we evaluate our management approach and performance – Results

**In order to ensure the training programs' effectiveness for each employee the following parameters are assessed:**

- The company's goal that has to be achieved through each training
- The employee job position specifications
- The employee skills level

// GRI 404-3 //

## **Percentage of employees receiving regular performance and development review, by gender and by employee category**

The performance Appraisal and Development Review, which includes the assessment of the agreed measurable objectives and the assessment of employees' skills and behavior, is conducted once a year for all employees in all of the Group companies. At HOUSEMARKET this procedure is carried out twice a year.

At the same time, all actions related to the employees' Development plan are recorded on the Appraisal Review report.



## Programs for upgrading employee skills and transition assistance programs

| Topics   | 2017 | 2016 |
|--|------|------|
| Concept Awareness Trainings (e.g. Induction Training)  | ✓    | ✓    |
| Health & Safety  | ✓    | ✓    |
| Selling Techniques / Customer Service  | ✓    | ✓    |
| IT/ Systems Training   | ✓    | ✓    |
| Product Training   | ✓    | ✓    |
| Specialized trainings for each function (e.g. payroll training)  | ✓    | ✓    |
| Foreign Languages  | ✓    | ✓    |
| Developmental tools for all Group's employees  | ✓    | ✓    |
| Annual Performance Appraisal and Development Review  | ✓    | ✓    |
| Potential Training   | ✓    | ✓    |
| Leadership Skills trainings for newly appointed Managers (Your Role and Profile as a Manager, Constructive Feedback, Interviewing Skills etc.)   | ✓    | ✓    |
| Leadership Skills Trainings for Senior Managers (Managing People, Managing High Performing Teams etc.)   | ✓    | ✓    |
| Leadership Skills Trainings for Executive Managers/ Directors (Managing Excellence & Self Leadership, Crisis Management, Change Management etc.) | ✓    | ✓    |

# EMPLOYEE HEALTH, SAFETY AND WELL-BEING AT WORK



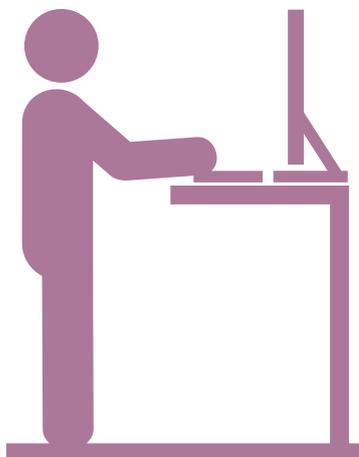
MATERIAL TOPIC 

## Why it is material

Given that the creation of a safe and healthy work environment constitutes a basic Group principle, which is also highlighted through our Group's Values, we not only follow the relevant legislation clauses on labor law in all countries where we operate but we also assess the possible risks we might face and we take the necessary measures in order to prevent any possible accidents.

In addition, we implement a series of actions for the well-being of our employees in the workplace, an issue we also consider of great importance.

Overall, Health, Safety and Well-being issues in the workplace have a particularly important impact on our Group's Sustainable Development.



## Our management approach

An important priority for us is to safeguard compliance with the Health and Safety policy by the conduction of intensive inspections by safety technicians throughout the Group companies' facilities and by having the safety technician draw up a special occupational risk assessment study, which is then monitored for any recommendations so as to proceed with corrective actions.

At the FOURLIS Group, as a minimum prerequisite, we comply with the local regulatory frameworks' requirements in the countries where we operate, as well as with the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases". We also invest in the continuous and regular employee training so that they can respond to emergencies affecting both themselves and our clients'/visitors' safety. Especially in the IKEA stores we have created internal Safety, Fire Protection and First Aid teams, while at INTERSPORT and The Athlete's Foot stores selected employees have been trained in managing related issues.

Our approach to employee and customer Health and Safety issues is common and is described in the "Customer Health and Safety" section. The Group's Health and Safety Division is responsible for the implementation of our policy.

# EF ZIN (Well-being) program

The EF ZIN (Well-being) program was launched by the Social Responsibility Department in 2010 with the main objective to inform employees on health and well-being issues and to encourage them to adopt a healthier lifestyle.

Some of the most important EF ZIN actions that took place in 2017, are presented below.



## BREAKFAST: THE BEST WAY TO START YOUR DAY

The Social Responsibility Department organized events at the Group's companies' premises in Greece, hosted by the famous Greek chef Dimitris Skarmoutsos, aiming to inform employees about the importance of a healthy breakfast and snacks, as well as about many other food and nutrition issues. In the context of these events employees had the opportunity to prepare and taste, together with the chef, recipes for healthy and energizing breakfasts and snacks.



## MENU FOR A BALANCED DIET

The “EF ZIN” nutrition program continued for the sixth consecutive year. The program is implemented in cooperation with a dietician-nutritionist and is addressed to the IKEA employees. In the context of this program a nutrition proposal, based on the available at the IKEA employee restaurants menus along with various useful nutritional advice are provided on a weekly basis, aiming to propose the best possible choice of meals that could contribute to an overall balanced diet.



## SPORTS TOURNAMENTS

FOURLIS Group employees in Attica, Northern Greece and Cyprus participated in the established local sports tournaments organized by the Group’s Social Responsibility Department on an annual basis. In this context, the year’s first sports tournament took place in May at Ioannina, with the participation of Group employees from Ioannina, Larissa and Thessaloniki. This was followed by the sports tournament in Cyprus which was held in June and where the FOURLIS Group employees competed in beach sports. Finally in October, the FOURLIS Group employees in Attica participated in the Hellenic Company Sports Games 2017, organized by the Hellenic Organization for Company Sports and Health. During the event employees competed against corporate and independent teams and athletes both at individual and team sports and won important distinctions.





## How we evaluate our management approach and performance – Results

As a result of our overall management approach regarding Health and Safety issues in the workplace, in the latest biennial Employee Insight Survey conducted in 2016, the area with the highest satisfaction rate was Safety.

The following table contains information about HOUSEMARKET.

// GRI 403-2//

**Type of injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities, by region and by gender\***

|                            | Airport   |   | Egaleo  |   | Ioannina  |   | Larissa   |   | Thessaloniki  |   |
|----------------------------|---|---|---|---|---|---|---|---|---|---|
|                            |  |  |  |  |  |  |  |  |  |  |
| Injury rate                | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Occupational diseases rate | 0.004   | 0.002   | 0.004   | 0.002   | 0.004   | 0.002   | 0.002   | 0.001   | 0.004   | 0.002   |
| Lost Days rate             | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Absenteeism rate           | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Work related fatalities    | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |

|                            | Chania  |   | Heraklion   |   | Komotini  |   | Rhodes  |   | Patra   |   | Cyprus  |   |
|----------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                            |  |  |  |  |  |  |  |  |  |  |  |  |
| Injury rate                | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Occupational diseases rate | 0.004   | 0.002   | 0   | 0   | 0   | 0   | 0.004   | 0.003   | 0   | 0   | 0   | 0   |
| Lost Days rate             | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Absenteeism rate           | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| Work related fatalities    | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |

\*The data presented in the table refer to 2017

// GRI 403-3//

We note that there are no employees who are involved in occupational activities who have a high incidence or high risk of specific diseases and that most incidences are musculoskeletal in nature.

For the FOURLIS Group, internal communication is a priority for the proper operation of the organization.

For this reason, we make sure to inform and engage our people in the Group's initiatives, while at the same time we give them the opportunity to communicate with each other regardless of their level of seniority.

**The management of internal communication is realized through a number of activities and tools such as:**

- Usage, since 2014, of a new online communication tool called "Yammer". Yammer is a "private" social network, exclusively for the FOURLIS Group employees, who have the opportunity to receive information about the Group's current news and activities as well as to communicate with each other regardless the company they work for or the country they live in.
- Information related to INTERSPORT activities and its new products, via a newsletter in which employees themselves are involved with personal stories inspired by sports. This newsletter is distributed electronically to all Group's employees via Yammer on a monthly basis.

In the context of the continuous internal communication improvement, we aim at periodically evaluating our efforts through a biennial Employee Insight Survey. Under the slogan "Your opinion counts!" and the primary aim to enhance the satisfaction and commitment of the Group's Human Resources, all employees are invited, every two years, to participate in the survey and to express their views on issues pertaining administration, communication, organization, cooperation, training and development, work climate, remuneration, etc. Through the survey's results, areas for action and further improvement for the Group are highlighted and respective actions are taken.

In 2017, following the proposals of the employees recorded in the Employees' Insight Survey that was conducted in February 2016, we continued the planning and implementation of actions which focus on the following categories:

- Communication & Collaboration
- Training & Development
- Management & Organizational Issues
- Rewards & Benefits
- Corporate Social Responsibility

## Other actions for our People

### RECOGNITION OF CONTRIBUTION AND REWARD OF THE FOURLIS GROUP EMPLOYEES

Besides the aforementioned communication tools, at the FOURLIS Group we believe that in the context of a healthy relationship with our employees it is our moral duty to reward our people for their commitment and their contribution to the Group's success and also to support them and their families by all means possible.

**In this context, we implement the programs that are presented below.**

### YEARS IN SERVICE AWARD

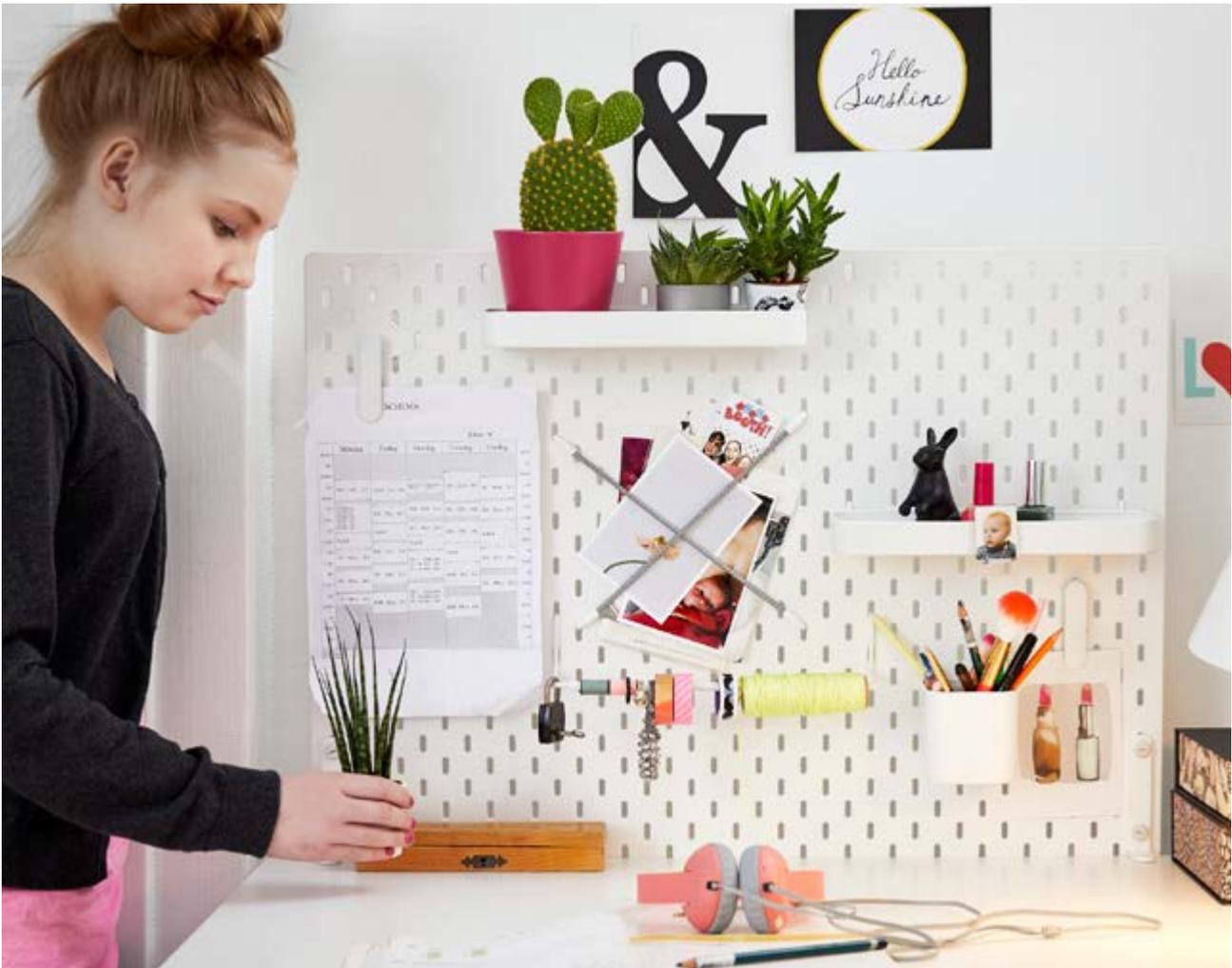
Through this program, employees who have contributed for numerous years to the achievement of the Group's objectives are rewarded (10, 20 and 30 years of recognition and contribution). In 2017, the long term contribution of 154 employees in Greece, 69 Cyprus, 11 in Romania and 1 in Bulgaria was recognized.



## Choose the Best – Living with our Values

This program aims to highlight and award those employees who, through certain behaviors, stand out for their professionalism and distinct contribution, always in alignment with the Group's Values and Mission. As a result of the 2016 Employees' Insight Survey, in 2017 we proceeded to the strengthening of the program's framework and renamed it to "BRAVO", while maintaining the process in which employees themselves stand out and reward their colleagues' behavior that are in line with our Group's Values.

We say  
**Bravo**



## SCHOLARSHIP PROGRAM

Recognizing the value and importance of education for young people and their right for equal opportunities, at the FOURLIS Group, since 2013, we implement a scholarship program named “SPOUDAZO ME YPOTROFIA” (I study with a scholarship). The program aims at supporting employees’ children who study in public Universities in Greece and Cyprus, away from their permanent residencies, and whose families face difficulties in meeting the financial requirements of covering the cost of accommodation in another city. Every academic year we offer five scholarships worth €3,000 each.

## AWARDING HONOR STUDENTS

At the FOURLIS Group we annually reward employees’ children, either for being honored students in Junior High School and High School, or for their successful admission to Universities. In 2017, 95 students in Greece, Bulgaria, Romania and Turkey were rewarded either for their school performance or for their admission to their countries’ universities.

## “INVESTORS IN PEOPLE” CERTIFICATION



In 2017, FOURLIS HOLDINGS S.A. was certified for the next three years with the internationally recognized sixth generation standard “INVESTORS IN PEOPLE” (IiP). The “INVESTORS IN PEOPLE” standard is a tool that helps businesses and organizations improve their performance in achieving their business objectives through Human Resources management and development. It consists of four phases (in chronological order):

- Diagnosis: During this phase, a discussion is held with an IiP representative regarding the organization’s ambitions and objectives, as well as the way it operates (policies, procedures).
- Online Assessment: Employees complete a short electronic questionnaire.
- Employee interviews and observation: In this phase, an IiP representative visits the company’s premises and holds meetings with both the Company’s Management as well as its employees.
- Relevant report development.

**The organization ambitions lie “at the heart” of the standard, while the standard examines the following 9 areas:**

1. Leading and inspiring people
2. Living the organization’s values
3. Empowering/ Developing and involving people in the decision-making process
4. Managing performance
5. Recognizing and rewarding high performance
6. Structuring work
7. Building capacity
8. Delivering continuous improvement
9. Creating sustainable development

Each of the above 9 areas is divided into three separate sections and this way the company is evaluated on a total of 27 different criteria.

For 2017, FOURLIS HOLDINGS S.A. has achieved the “Established” level in 5 out of the 27 criteria, the “Advanced” level in 2 criteria and finally, the “Developed” level in the rest 20 criteria.

**In the 6th generation standard, a provision is made for a reevaluation after 12 months and then in 24 months after certification. Thus, the company has by its side a valuable partner who assists in its efforts to achieve its goals on employee management and development.**

**FOR THE**  
**SOCIETY**

**TOGETHER  
FOR A BETTER  
QUALITY OF LIFE!**

## SOCIETY AND LOCAL COMMUNITIES SUPPORT

MATERIAL TOPIC 

// GRI 413-1 //

### Why it is material

Under our main motto **“TOGETHER FOR A BETTER QUALITY OF LIFE”**, at the FOURLIS Group we daily work together as well as individually, for the realization of our common commitment and vision: the establishment of the preconditions for a better life for all.

In this context, we seek to be in constant connection with the local communities and the wider society, citizens, local authorities, bodies, organizations, non-governmental organizations, etc., in the countries and areas where we operate, since in this way we are able to get informed about their needs, to understand and assess them and to proceed to the design and implementation of programs and actions that respond to the most important of them.

Furthermore, through our social responsibility work, our goal is to continuously strengthen our wider contribution to the Sustainable Development of the societies where we operate by contributing, among others, to the support of vulnerable social groups.

### Our management approach

Following the assessment and prioritization of the most important needs of the citizens and the societies where we operate, the Social Responsibility Department is constantly in close cooperation with Executives from all Group companies, both centrally and regionally, in order to jointly plan, coordinate and implement actions that meet those needs.

**The following are some of the most important society support programs and actions that were implemented during 2017.**





## “FURNISHED WITH JOY” PROGRAM

### Results

In 2017, IKEA and the FOURLIS Group continued the “Furnished With Joy” program that was established five years ago. Through this program they support municipal nursery schools and kindergartens throughout Greece, creating functional spaces where children can enjoy their stay. The program is implemented in cooperation with the respective Municipal Authorities, while every space is always equipped in cooperation with the schools’ teachers, taking into consideration the children’s needs and the IKEA decorators’ experience.

In 2017, IKEA proceeded with the refurbishment of **19 municipal nurseries and kindergartens** for more than **950 children** in Attica, Larissa, Heraklion (Crete), Rhodes, Syros, Lefkada, Thessaloniki, Pella, Volos, Pieria, Ioannina and Igoumenitsa. Since the launch of the program, IKEA has offered products to 54 schools, for more than 2,000 children, in various locations across Greece. In 2017, the program was extended to Cyprus, where IKEA Cyprus undertook the total refurbishment of the Agios Stylianos Community Kindergarten in Lakatamia.

**In 2018, IKEA and the FOURLIS Group will continue the implementation of the “Furnished with Joy” program in both Greece and Cyprus.**





**FOURLIS**  
GROUP OF COMPANIES



## MEALS DONATION IN COOPERATION WITH THE NON-PROFIT ORGANIZATION “BOROUME” (WE CAN)



### Results

Since 2012, IKEA and the FOURLIS Group have been cooperating with “BOROUME” (We Can), the Non-profit organization whose mission is to reduce food waste and to fight malnutrition in Greece. As part of this cooperation, in 2017, IKEA continued the daily donation of meals not consumed at its stores’ restaurants in Greece, as well as at the Group Headquarters’ restaurant, to people in need.



#### Since 2012, meals have been distributed to the following organizations:

- RETO Hellas Association (Attica)
- Municipality of Egaleo Social Grocery (Attica)
- Municipality of Egaleo Social Service Department (Attica)
- Community House “Ariadne” (Attica)
- Parish breadline of Estavromenos Church in Tavros (Attica)
- Western Athens Direct Social Intervention Network (Attica)
- Municipality of Thessaloniki Social Service Department
- Social breadline of Toumba (Thessaloniki)
- Trion Ierarchon Church of Evosmos (Thessaloniki)
- Agios Georgios Church (Larissa)
- Agioi Saranta parish (Larissa)
- Metropolitan Cathedral of Ioannina
- Church of the Assumption perivleptou (Ioannina)

### Donation of Meals

- PORTIONS -

| 2015   | 2016   | 2017   |
|--------|--------|--------|
| 92,502 | 96,468 | 69,368 |



## “FTANOUME STA AKRA” (WE REACH THE EDGES) PROGRAM

### Results

In 2017, for the 7th consecutive year INTERSPORT carried out the “FTANOUME STA AKRA” (We reach the Edges) program, that includes visits at public elementary schools in remote and border areas of Greece and to offer free sports equipment for the physical education course. INTERSPORT’s delegation is followed by athletes from local sports clubs who inform children about the importance of sports and healthy diet for their lives. The “FTANOUME STA AKRA” program is an initiative that serves INTERSPORT’s mission to instill the values of sports to children and to create the necessary conditions for them to have access to it. For this purpose, the priority of this program are the areas and schools that require greater awareness, due to their limited access to sporting events and facilities.

In 2017, INTERSPORT’s mobile unit visited **25 municipal elementary schools** and more than 5,000 students in the prefectures of Thessaloniki, Serres and Drama. It is worth noting that since 2011, through this program, INTERSPORT has visited 188 elementary schools and more than 21,000 students in various regions of Greece. Each time, the voluntary contribution of INTERSPORT’s and the FOURLIS Group’s employees has been important for the successful completion of this program.



## SUPPORT TO “KIVOTOS TOU KOSMOU”

INTESPORT donated 612 jackets to meet the needs of all “Kivotos tou Kosmou” children while offering, for this cause, 5% of children’s clothing category net sales, during the time period 4-17 December.



## ELLINIKON CROSS COUNTRY RACE



The FOURLIS Group was the main sponsor of INTERSPORT ELLINIKON Cross Country Race supporting, together with INTERSPORT and IKEA, the event that took place in Elliniko village, in Arcadia, for the second year in a row. ELLINIKON Cross Country is an original race that combines fair play in sports, culture and the area’s unique natural environment. For the first time, in 2017, Special Olympics participated in the race with **100 athletes** who ran on a 1km special route created by the event’s organizers specifically for this cause.





## **FOURLIS HOLDINGS S.A., A CORPORATE MEMBER OF DIAZOMA**



The FOURLIS Group is a corporate member of the DIAZOMA Association, which aims to connect and motivate all the forces of the Greek society (e.g. citizens, mayors/regional governors, Universities, cultural institutions, etc.) for the promotion and universal protection of a special category of monuments, that of the ancient theaters.

**For further information and the Association's actions' results, please visit the website [www.diazoma.gr](http://www.diazoma.gr)**



## **FOURLIS HOLDINGS S.A. SUPPORTS OPHELTES**



The FOURLIS Group supports the non-profit Association OPHELTES – THE FRIEND OF NEMEA, which was founded with the aim to promote the cultural heritage of Nemea's archeological site. The Opheltes' goal is to partially restore the temple of Zeus in Nemea and to establish the Nemean Games in their authentic form, while its vision is to promote the archeological site of Nemea and to make it a nationally and internationally acclaimed "Tourist Destination" for high-caliber visitors with cultural interests.

**For further information and the Association's actions' results, please visit the website [www.opheltes.gr](http://www.opheltes.gr)**



## **FOURLIS HOLDINGS S.A. SUPPORTS ELLINIKI ETAIRIA - SOCIETY FOR THE ENVIRONMENT & CULTURAL HERITAGE**



ELLINIKI ETAIRIA - Society for the Environment & Cultural Heritage, as its name suggests, has been actively fighting for the preservation of the environmental and cultural heritage of our country since 1972. In the fight for the preservation of the environment, due to the complex ecological and environmental crisis that the world is experiencing. In the fight for the preservation of culture, because on the one hand the causes of the environmental crisis are cultural while on the other the monuments created by traditional societies are usually admirable themselves, often embodying an

attitude to life which has much to offer in relation to today's environmental concerns. For this reason ELLINIKI ETAIRIA has from its inception been concerned not only with traditional but also with contemporary culture, especially where this has something positive to contribute in dealing with the complex environmental crisis of our time.

**For further information and the ELLINIKI ETAIRIA's actions' results, please visit the website [www.ellet.gr](http://www.ellet.gr)**



## IKEA BULGARIA SUPPORTS CHILDREN

### Results

IKEA Bulgaria continued its cooperation with UNICEF aiming to support children and their access to education.

In this context, IKEA Bulgaria proceeded, among others, with:

- The refurbishment of **16 kindergartens**, making them an ideal place for group activities for children from vulnerable social groups. The project was implemented with the voluntary assistance of IKEA Bulgaria's employees.
- The **creation of a guide** that other kindergartens can consult in order to refurbish similar spaces in their facilities.

In addition, IKEA Bulgaria **fully refurbished the "Pirogov" Children's hospital in Sofia**, in cooperation with the "America for Bulgaria Foundation".



## CORPORATE VOLUNTEERISM

### VOLUNTARY BLOOD DONATION 2017

#### Results

The FOURLIS Group employees participated in the established annual voluntary blood donation, held twice a year at the Group companies' premises.

|                 | 2017       | 2016 | 2015 |
|-----------------|------------|------|------|
| <b>Greece</b>   | <b>225</b> | 218  | 246  |
| <b>Cyprus</b>   | <b>42</b>  | 57   | 53   |
| <b>Bulgaria</b> | <b>33</b>  | 18   | 12   |
| <b>Romania</b>  | -          | -    | 152  |
| <b>Turkey</b>   | -          | -    | -    |





## DONATION OF FOOD AND OTHER ESSENTIAL SUPPLIES

### Results

In 2017, on the occasion of Christmas season, the FOURLIS Group employees gathered food and other necessary supplies which they offered to organizations in Greece and Cyprus, aiming to support vulnerable social groups.



Through this action they supported:

- In Attica: The “Meropio Foundation”, the “Agia Anna” Home for Girls and the “Floga” Parents Association of Children with Cancer
- In Thessaloniki: The “Greek Children’s Village at Filiro”, the “Arsis” and the “Gerontas Paisios” Association
- In Larissa: The women’s association “Arogi and Allilegii” at the Municipality of Kileler
- In Ioannina: The orphanage run by the Monastery of Panagia Dourachani and “Kivotos tou Kosmou” of Epirus
- In Komotini: The Cathedral of the Annunciation
- In Heraklion: The Child Protection Center
- In Chania: The “ELEPAP” Rehabilitation for The Disabled
- In Cyprus: The “Red Cross”

**In total, 195 boxes of products were gathered and distributed.**

Similar activities were carried out by the FOURLIS Group employees in Romania and Bulgaria. In particular, INTERSPORT Romania employees collected 27 boxes of clothes, shoes, toys and food that they offered to organizations supporting vulnerable families. Respectively, IKEA Bulgaria’s employees collected 103 boxes of food that they offered to their country’s food bank.

# MARKET

FOR THE



## CUSTOMER HEALTH AND SAFETY

MATERIAL TOPIC 



### Why it is material

For the FOURLIS Group, customer Health and Safety is a responsibility commitment and a material sustainable development topic, given that every year, millions of people (38,822,661 in 2017) visit the Group companies' retail stores in all countries where the Group operates and select our products.

Based on our Values and Mission, at the FOURLIS Group we strictly adhere to all relevant laws and regulations, in order to ensure the provision of quality products and services and the safety of our customers and visitors on our premises.



# Our management approach

## HEALTH AND SAFETY POLICY AND MANAGEMENT SYSTEM

By placing great emphasis on prevention, at the FOURLIS Group we comply with the applicable legislation and we implement a Health and Safety policy for all Group subsidiaries, in all countries where we operate. The policy includes a wide range of relevant procedures, measures and initiatives regarding the safety of visitors, customers and business partners on the Group's premises. Any variations in the relevant procedures per country or region depend on the premises' size and on the existing legislation of the country where each Group company operates.

**In this context, some of the practices we implement at the FOURLIS Group are the following:**

- Cooperation with an external service on accident protection and prevention
- Written occupational risk assessment based on existing methodology
- Implementation of measures for reducing "emergency pick" incidents aiming to prevent accidents in the IKEA stores
- Training of first Aid Teams
- Training of fire Safety and firefighting Teams
- Operation of infirmaries equipped with medical beds and automatic external defibrillators in all IKEA stores
- Provision of wheel chairs at the IKEA stores' entrance, as well as of accessible lavatories and parking spaces, aiming to provide safe accommodation and transportation for people with disabilities
- ISO 22000 certification for the safety of the food served at the IKEA stores' restaurants

## EMPLOYEE TRAINING ON HEALTH AND SAFETY ISSUES

We regularly train employees, so as to be able to respond to emergency incidents that affect not only their own safety, but also the safety of the visitors on our premises.

**In particular, employee training includes the following:**

- Scheduled annual exercise on store evacuation with the participation of clients
- Scheduled biannual exercise on store evacuation without the participation of clients
- Monthly fire safety exercise
- Training of stores' Managers on Health and Safety issues

## How we evaluate our management approach and performance – Results

In order to ensure compliance with the Health and Safety policy, regular inspections are conducted by safety technicians for all Group operations. All Health and Safety incidents occurring within the Group's premises and stores are reported and in the context of this policy a Safety Report for each store as well as a consolidated one for all of them are compiled. The reports include information not only on the number and type of incidents, but also on the way they were addressed. Through these reports we are able to receive useful information on the effectiveness of our policies and to improve our practices, where needed.

In 2017, the implementation of our Health and Safety policies led to significant results.

### We indicatively mention that:

- No accident occurred in the IKEA stores' playgrounds.
- No non-compliance with the legislation incident related to Health and Safety issues occurred during the reporting period.



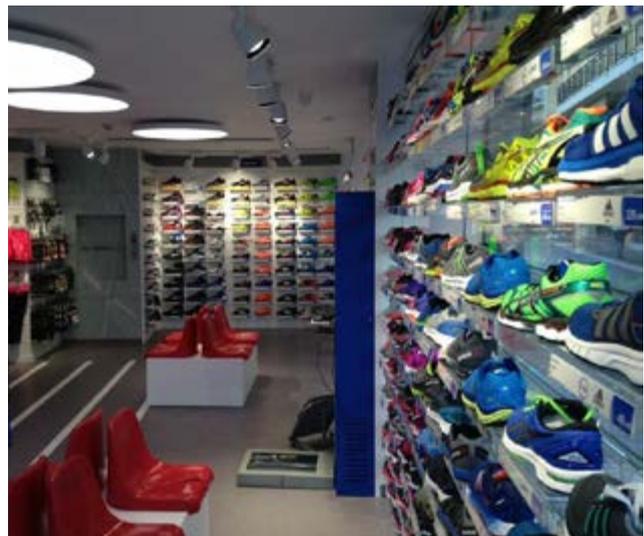
# PRODUCT COMPLIANCE AND LABELING

MATERIAL TOPIC 



## Why it is material

In all countries where the Group operates, the compliance of products, offered by the Group's companies, with the manufacturers' and suppliers' standards as well as with the European or national legislation, is a standard practice of our Group. In this context, we provide all necessary information regarding responsible production and use and disposal practices and we comply with laws and regulations concerning the labeling and use of our products and services.



# Our management approach



IKEA products have special labeling and signs, aiming to provide information and advice to customers, like for example whether a product must be used only by adults, as well as product manufacturing information, dimensions, etc. It is also worth mentioning that we provide a multiannual product guarantee, which in some cases reaches 25 years, while we apply a product withdrawal policy. If necessary and depending on the importance of the incident, the withdrawal case is publicly disclosed.



INTERSPORT and The Athlete's Foot Commercial Department, which is also responsible for product compliance, ensures the adherence to market regulations as well as to European Union CE labeling. The policies of both INTERSPORT and The Athlete's Foot focus on the inclusion of terms in contracts with suppliers which demand the compliance with all rules and laws that apply to products the companies purchase from them.

In cases of defective products, the companies immediately proceed to their withdrawal and repair and initiate all the necessary actions in order to inform all the pertinent institutions like, for example, the Ministry of Commerce, Consumers' Associations and the general consumer public via special press releases.

// GRI 419-1 //

## How we evaluate our management approach and performance – Results

All the FOURLIS Group companies' products are in full compliance with the European legislation and hold the relevant labeling (e.g. CE approval). During 2017, there was no case of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services, in all countries where the Group operates.

# RESPONSIBLE PRODUCT MARKETING AND PROMOTION



MATERIAL TOPIC 

## Why it is material

The communication methodology we use to promote our products has a major impact on the corporate image and reputation of each Group company and reflects our products' image.

In each Group company we comply with all laws and regulations concerning responsible product promotion and marketing, while we make sure that the product promotion, marketing and communication practices we use are governed by responsibility.



# Our management approach



For the advertising and promotion of the IKEA products, the company follows the communication code applied by IKEA worldwide while it takes into consideration all local needs in all countries where it operates. The company's policy concerning product marketing is adapted to both local as well as to consumers' needs. For this reason, the IKEA stores differ depending on their location, in order to meet the standards and preferences of the respective local community.

We mainly use print and electronic media, with a steady increase in the use of new forms of communication such as digital media and social networks. The Communication Department and the Marketing Department are responsible for the company's marketing policy.

Since 2000, the year when IKEA started operating in Greece, we constantly support the consumer by offering high quality furniture at very low prices, making furniture more affordable.

During the financial crisis period, 2008-2017, we have reduced prices on products available in stock in September 2017, almost 8% of the net value, while we still offer many products at very competitive prices.

The reduction concerned basic products and still remains substantive, having a direct impact on consumers' purchasing power.

During the period 2017-2018 we managed to reduce or maintain our prices at more than 84% of the available products in all of our stores.

Additionally, aiming to constantly making the shopping experience as pleasant as we can, we offer free parking and playground facilities. Furthermore, we facilitate our customers' purchases by offering 36 interest-free installments for purchases of €500 and above, which is the most competitive market regulation. During the period September 2016- August 2017 we had offers and discounts that covered 47 out of the 52 year's weeks. In addition, in our restaurants we offer quality food at very low prices.

Aiming to reward IKEA customers and to create added value, we developed the IKEA family program, which at the end of 2017 had 748,565 members in Greece, 91,809 in Cyprus and 133,965 in Bulgaria.

The IKEA family is an important initiative of promoting products responsibly and aims to improve consumer loyalty and to develop consumer bonds with the company. In the context of this program, members are rewarded with points that can be redeemed in discounts on their purchases at the IKEA stores. Concurrently, the members are informed about the company's promotional activities and news.



INTERSPORT's and The Athlete's Foot's marketing and communication strategy is defined according to their visions which are to bring sports to the people and to bring style to sports accordingly. The Commercial Department is responsible for the implementation of the marketing policies for INTERSPORT and the Athlete's Foot, while both companies' marketing policies focus on two areas: Corporate communication and product promotion.

The product communication and promotion methods we choose include various media such as TV and radio, online advertising, etc., while we follow all conduct, marketing and communication codes as well as the market regulations that we are obliged to adhere to, such as the Hellenic Retail Business Association (HRBA) Code.

Especially at INTERSPORT, actions that concern the enhancement of the corporate image are either Social Responsibility actions (WE REACH THE EDGES program), or sporting events. For example, at INTERSPORT we promote sports

and we shape consumers' sport awareness, through organizing successful sporting events such as tennis, football, basketball tournaments as well as running, swimming and outdoor events.

Additionally, since 2000, the year when INTERSPORT started operating in Greece, we constantly support the consumers by offering a wide variety of quality sports equipment in a range of prices, making sporting goods more affordable, while with the aim to reward INTERSPORT customers and to create shared value we developed the Score for More program, which has over 500,000 members in Greece. The Score for More loyalty program is an important responsible product promotion initiative aiming to improve consumer loyalty and to develop consumer relationships with the company. In the context of this program, members are rewarded with points that they can redeem on discounts on their purchases at INTERSPORT stores. At the same time, the members are informed about the company's promotions and news. In the last quarter of 2017 the program was also launched in Romania.



# How we evaluate our management approach and performance – Results



For assessing IKEA's brand image and the communication and marketing policies, we use the Brand Capital survey. This is an annual survey conducted in the areas where the stores are located and records the public's opinion on products' quality and variety, prices, corporate image, in-store services and the IKEA catalogue.

Concurrently, we conduct in-store surveys to the general public, in order to evaluate their purchasing experience. Such surveys are the ICSS and the Mystery Shopper survey.



For assessing INTERSPORT's brand image and the communication and marketing policies, we use the GFK Brand Vivo annual survey which is conducted electronically at about 1,000 online users and records the public's opinion on INTERSPORT's corporate image.

We monitor the effectiveness of INTERSPORT and The Athlete's Foot marketing activities using sales as our main indicator and we review our practices wherever and whenever needed.

-- In 2017, there were no cases of non-compliance with regulations and volunteer codes regarding marketing communication, including advertising, promotion and sponsorship.



# PERSONAL DATA PROTECTION

MATERIAL TOPIC 



## Why it is material

Respect towards the protection of people's personal data constitutes a non-negotiable pillar of our business strategy.

By applying practices for the protection of personal data, we ensure our compliance with the relevant legislation, while we also strengthen the trust and satisfaction of the parties who transact with us.

In addition, through the responsible management of this material topic, through our compliance with the relevant laws and regulations and the implementation of relevant practices, we support the rule of law and we protect basic human rights based on international agreements and the applicable national legislation.



# Our management approach

The Group adheres to both the European legislation, where applicable, as well as the local laws of the countries where it operates, in order to protect the personal data of the natural persons involved in transactions with our Group. Respect of privacy is part of both the Code of Conduct and the Internal Labor Regulation.

At the FOURLIS Group we value the trust of all people involved in transactions with us and we have designed and implement a personal data protection policy for all people (visitors, partners, customers, suppliers and employees). We protect with due care the personal information we collect for business needs, after legal consent where necessary, and we make sure to safeguard the rights of natural persons, in accordance with the existing legislation and the instructions of the Protection Authority, in all the countries where the Group's companies operate.

**Some of the practices followed by all the Group's companies until the end of 2017, regarding the protection of personal data are the following:**

## For Employees

- Commitments they undertake through the Code of Conduct (according to the position they hold) for the application of confidentiality
- Controlled access to sensitive personal data electronic files with the use of a special password that is subject to regular changes

## For Customers

- Informing visitors/users of the Group companies' web pages and e-commerce websites for their acceptance and unconditional agreement with the terms of use that apply to all content
- Informing them about their required consent in order to participate in customer loyalty programs (IKEA family, INTERSPORT Score for More)
- Providing information on corporate websites and forms, where customers' personal data is required regarding:
  - // their rights relating to the use of their personal data
  - // their consent to the use of their personal data by the Group companies

The review of standards, policies and procedures in order to fully comply with Regulation (EU) No 2016/679 of the European parliament and of the Council of 27th April 2016, on the protection of personal data, started in 2017.

# How we evaluate our management approach and performance – Results

The policies and procedures relating to the protection of personal data (general and specific - sensitive) resulted in no reference, protest or complaint by natural persons involved in transactions with us related to the violation of their individual rights, freedom or privacy, while we have not been notified of any relevant complaint by the competent authority.



## CUSTOMER CARE AND SATISFACTION



Managing and meeting our customers' needs is our main concern and top priority.

Depending on the structure and operations of each Group subsidiary, we apply a combination of policies and initiatives aiming to constantly improve our customer care and satisfaction. These policies relate, among others, to customer care and satisfaction both before and while visiting our stores and after the sale of our products, as well as to the management of orders and to the reception and management of complaints.





At the IKEA stores, the Customer Relations Division covers the entire range of the customer's/visitor's experience (customer journey), i.e. before, during and after their visit to the store. It is worth noting that the Customer Care Department deals exclusively with customer care and the improvement of the purchasing experience we offer at our stores, the e-shop and the Pick Up and Order Points.

In the first stage – i.e. before customers' visit to our store- our goal is, through the IKEA catalogue, hotline and website, to offer ideas and inspiration, to inform about our commercial activities, the services we offer and the purchasing options and to guide customers to easily make their purchases on their own.

In the second stage i.e. during customers' visit to the store, our policies focus on the service inside our stores, offering all the necessary purchasing tools and having the necessary customer service prerequisites for large customer volumes, emphasizing in serving all age groups and needs.

In the third and last stage of customer service – i.e. after the products' sale - we have the infrastructure, services and procedures in order to cover any potential customer need and demand.





The high quality in customer service is safeguarded through constant guidance, continuous on-the-job training, as well as related educational programs, constructive feedback, annual appraisals, weekly staff meetings and a monthly store Managers' meeting.

Moreover, all new INTERSPORT and The Athlete's Foot employees participate in an INDUCTION program regardless of their job position, where they have the opportunity to be informed about INTERSPORT and The Athlete's Foot Vision and Values and for the content of the 6x6 service system. This system serves the main vision of both INTERSPORT and The Athlete's Foot.

**INTERSPORT'S VISION**  
Sport to the People



**The Athlete's Foot VISION**  
Sport with Style

“ To share with our customers the passion for athletics and sports. We are here to provide the sports equipment they need to enjoy their favorite sport, in order to get the maximum satisfaction out of what they do. Besides the necessary equipment, we are here to also give valuable advice to our customers!

“ We can help our customers become the athletes of their dreams and add more style to their effort!



The 6x6 Customer Service system includes six service steps and six tools which are the following:

## The 6 steps of service

## The 6 tools of service

Preparation

1

Sales representative image

Greeting, welcoming, customer approach

2

Store image

Customer needs identification

3

Catalogues (product leaflets), products, samples, mirrors, changing rooms

Sale (proposal-handling objections)

4

Special offers - payment methods

Supplementary sale

5

Customer statistics

Closing sale

6

Service manual

# How we evaluate our management approach and performance – Results

Aiming at the best possible evaluation of our policies on customer service issues and seeking to maintain a constant connection with our customers and their needs, we regularly carry out surveys.



At IKEA we annually conduct a Customer Satisfaction Survey in our stores, with the participation of approximately 1,000 customers. Additionally, once a year, we carry out a Customer Satisfaction Survey via the corporate website, while we also evaluate the customer service quality through the Mystery Shopping Survey, which is carried out four times per year by a partner company and lasts about 10 days.

At any time our customers can also express their comments at specific spots within our stores, either by filling out a form with their comments or by answering a series of predefined questions regarding their experience in the store.

The results of the aforementioned surveys and practices are used to adapt the company's policies, always aiming at improving our services and at our customers' satisfaction.



At INTERSPORT, similarly to IKEA, we evaluate our customer service quality via the Mystery Shopping survey, carried out on our behalf by a partner company and in the content of which key indicators of customer service inside our stores are being monitored. We monitor the results on a quarterly basis and if negative performance is recorded, we proceed to ameliorative measures.

It is worth mentioning that the FOURLIS Group's INTERSPORT store network participates in the European Brand Awareness survey carried out by INTERSPORT worldwide. For 2017, this survey included a sample of 1,000 customers (among them Group's customers as well) and concluded with very positive results.

Finally, at both INTERSPORT and The Athlete's Foot, we respectfully monitor and manage our customers' complaints either directly in-store, by phone or through the corporate website, while it is worth noting that at the INTERSPORT e-commerce an electronic method for measuring customer satisfaction is also available.

# FOR THE ENVIRONMENT

// GRI 102-11 //

At the FOURLIS Group, the actions we take for environmental protection are not limited to those dictated by the environmental legislation. Our environmental management includes a precautionary principle that is accompanied by a series of voluntary actions and interventions. Our aim is to reduce our environmental impacts, to conserve natural resources as well as to raise the employees' and the public's awareness regarding environmental protection issues and the adoption of a responsible way of life.

In this context, we manage our environmental impacts by trying to continuously improve our contribution to the sustainable development of the countries where we operate.

The Group's subsidiaries are responsible for the environmental issues management that concern them, including the monitoring and application of the legislation related to their activities, as well as the measures taken and the implementation of procedures and practices, aiming to reduce the consumption of natural resources, energy and the waste produced. The role of the Group's parent company, via the Social Responsibility Department, is to monitor the relevant procedures and practices and to collect, monitor and compare their results with previous years' data. Through this process, the Group is able to present to its stakeholders the progress and the results of the applied practices.



## ENERGY AND EMISSIONS



The FOURLIS Group systematically monitors electricity, heating oil and natural gas consumption and proceeds with the necessary interventions, when and where necessary, in order to reduce it.

Given that the Group's facilities are highly diversified, in order to be able to effectively intervene for energy consumption reduction, we take into consideration the differences between our facilities and we apply special measures and practices for improving their energy efficiency.



**Below we present some indicative examples of practices that are applied aiming to reduce energy consumption at the FOURLIS Group companies' premises.**

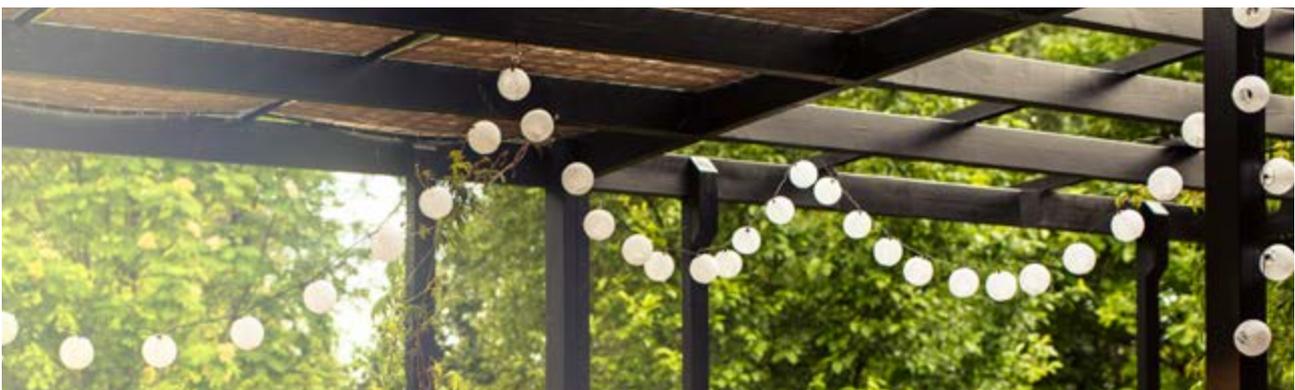
- Continuous replacement of IT systems with similar, new technology and lower energy consumption ones
- 100% use of new technology monitors
- Blade servers use
- Informing and raising employees' awareness regarding energy conservation in the workplace





**At the IKEA stores' facilities, which are designed by taking into account environmental criteria, the Group has applied specific measures to improve energy efficiency, such as:**

- Digital heat sensors installation at various stores' locations, which by contacting the management system automatically adjust heating needs and thus, natural gas and electricity consumption
- Better management of all facilities' openings like, for example, adjustment of automatic doors time and opening distance, as well as air curtains installation
- Temperature adjustment for the water used at the restaurant in order to conserve natural gas
- Gradual installation of solar energy systems for the production of hot water for both general use and for the restaurants
- Continuation of a 3-year program, that started in 2016 and will be completed in 2018, for the replacement of high consumption light bulbs with LED bulbs in commercial and non-commercial areas of the IKEA stores in Greece, Cyprus and Bulgaria
- Gradual installation of inverter systems at boilers to conserve natural gas
- Gradual supply and use of peak consumption management systems, optimizing / deferring the operation of both the facilities and the devices that consume electricity
- Planning for the supply and use of quality power upgrading devices, in order to optimize the air-conditioning
- Planning for the supply and use of automations for minimizing the amount of automated expulsion of conditioned air, beyond the real use requirements, in order to minimize the energy consumption for the air conditioning of the premises



**In addition, the company proceeded and is currently in advanced stages of restructuring the way it handles the issue of regular/preventive and repairing maintenance of buildings and their systems, aiming at three key areas of results:**

- The full integration and implementation of all European legislation provisions, e.g. the full implementation of procedures to ensure the provisions of European Regulation EU 517/2014, which replaced the corresponding previous EC 842/2006 on the use control and the emissions of fluorinated greenhouse gases to the environment
- The management and assurance of the proper operational quality of all buildings' systems and facilities, in order to avoid operational failures, to maximize their performance and longevity and to ensure the economy of operations and to minimize any kind of environmental impacts
- The management and assurance of the maintenance and / or the upgrade of the building envelope quality to ensure its maximum participation in the economy of operations and the minimization of any kind of environmental impacts

Concurrently, in order to avoid the risk of increasing energy consumption due to the aging of the basic E/M buildings' installations, our company proceeded and is now in the process of progressively implementing electric power generation systems installation on the buildings' roofs aiming to maximize the facilities' new use that do not produce any form of burden to the environment.

In this context, in 2017, the process of installing a photovoltaic electricity production system with net metering at the IKEA Cyprus store continued and it is expected to be in full operation in the summer of 2018.



**Some of the measures taken by TRADE LOGISTICS, aiming at the reduction of energy consumption at its facilities, are:**

- Reduction of lighting needs in the areas where the automated machines, responsible for the 70% of the activities, operate.
- Optimization of the automated machines' performance by using a special software, in order to allow them to operate in "full circle". This way, the lifting machines are always carrying a load and are not performing empty routes.
- Adjustment of employees' shifts so that, during periods of decreased workload, the majority of their work to be performed during the day.
- Inspection of all distribution boards of TRADE LOGISTICS, by specialized mechanics. As a result, equipment changes were made aiming to reduce the risk of short circuit and energy consumption.
- The gradual replacement of sodium vapor (high pressure) lamps with LED lamps, an initiative which started in 2015 and is currently in progress. In the new part of the warehouse where INTERSPORT's automatic system is installed, all bulbs (350 in total) are LED. In 2017, 180 incandescent lamps of 225W were replaced with a new type of 80W LED ones.

**PHOTOVOLTAIC SYSTEM OPERATION**

Since March 2013, the company has installed a photovoltaic system for producing electricity on the warehouse roof, with an annual capacity of 1,400 MWh. In 2017, the total electricity production reached 1,461,867 kWh, while 1,304 Greenhouse Gas Emissions (GHG) metric tons were not released to the atmosphere, due to the fact that the electricity from the photovoltaic park is produced by renewable energy sources.

**GHG EMISSIONS**

In 2017, TRADE LOGISTICS calculated its carbon emissions for all its operations, in order to implement reduction solutions. The measurements results are presented in the following table.



|  | 2017*        | 2016         | 2015         |
|--|--------------|--------------|--------------|
| Direct Emissions (tons CO <sub>2</sub> e)            | 59           | 60           | 53           |
| Indirect Emissions (tons CO <sub>2</sub> e)          | 719          | 721          | 599          |
| Optional or other Emissions (tons CO <sub>2</sub> e) | 4,578        | 4,765        | 3,978        |
| <b>Total Emissions (tons CO<sub>2</sub>e)</b>        | <b>5,357</b> | <b>5,546</b> | <b>4,630</b> |

\*The difference between the total emissions and the sum of the individual categories is due to rounding.

Starting with the renovation of the INTERSPORT Nea Erithrea store in September 2014, in all new INTERSPORT & The Athlete's Foot stores we use LED technology bulbs, while we implement a program for the gradual replacement of regular bulbs with LED ones for the rest of our stores. The program continued in 2017.

## ENERGY CONSUMPTION

|                               |  | 2017*      | 2016         | 2015       |
|-------------------------------|--|------------|--------------|------------|
| Electricity (kWh)             |  | 39,268,252 | 40,241,350** | 38,045,737 |
| Heating oil (lt)              |  | 158,701    | 165,220      | 160,068    |
| Natural gas (m <sup>3</sup> ) |  | 381,188    | 339,874      | 327,251    |

\* The data refer to the following companies: FOURLIS HOLDINGS S.A. TRADE LOGISTICS, INTERSPORT Greece & The Athlete's Foot Greece, IKEA Greece and IKEA Cyprus.

\*\* Includes an information restatement compared to the 2016 report.

## MATERIALS AND WASTE MANAGEMENT



Aiming at the overall reduction of waste produced and at their most effective management, at the FOURLIS Group we implement recycling programs for materials such as paper, toners/ cartridges, batteries, aluminum, glass, plastics, metals, timber, fluorescent lamps, cooking fat from the IKEA restaurants, as well as small electrical and electronic household devices.

### RECYCLING AND WASTE MANAGEMENT

Recycling programs are implemented in the FOURLIS Group companies' premises with the participation of employees and the use of recycling bins placed at the workplaces for this purpose. At the same time, the Social Responsibility Department regularly organizes awareness campaigns, aiming to raise employees' awareness on recycling and environmental protection issues. Recycling bins for plastic, paper, glass, light bulbs and small electrical and electronic household devices are also available to the public at the IKEA stores.

Moreover the Group's companies, through their financial contribution to the Hellenic Recovery Recycling Corporation (HE.R.R.Co), have actively supported the effort to develop recycling infrastructure in our country. The total amount of their contributions from 1/1/2017 to 31/12/2017 can be matched and be considered to have financed the purchase of:

**From  
HOUSEMARKET S.A.  
(IKEA stores)**

1,013 blue recycle bins  
or 2 recycle garbage trucks



**From  
INTERSPORT ATHLETICS S.A.  
(INTERSPORT  
& The Athlete's Foot stores)**  
219 blue recycle bins



## RECYCLING OF MATERIALS (WITHIN THE FOURLIS GROUP)

|  | 2017*     | 2016      | 2015      |
|--|-----------|-----------|-----------|
|  Paper (kg)       | 1,626,053 | 1,477,363 | 1,351,788 |
|  Batteries (kg)   | 3,876     | 17,184    | 1,596     |
|  Cooking Fat (lt) | 19,845    | 19,897    | 20,130    |
|  Light bulbs (kg) | 2,253     | 2,087     | 2,552     |
|  Aluminum (kg)   | 3         | 520       | 720       |
|  Glass (kg)     | 0         | 0         | 10        |
|  Plastic (kg)   | 89,687    | 93,090    | 100,014   |
|  Metals (kg)    | 32,765    | 54,510    | 34,900    |
|  Timber (kg)    | 60,940    | 11,082    | 188,500   |

\* The data refer to the following companies: FOURLIS HOLDINGS S.A. TRADE LOGISTICS, IKEA Greece and IKEA Cyprus.

## USING AND SAVING PAPER

Aiming at the reduction of paper consumption across the FOURLIS Group, we implement practices such as:

- Use of fax servers
- Use of duplex printing printers
- Use of Human Resources software applications
- Document scanning and electronic archiving
- Electronic archiving and monitoring of contracts (e docs system)
- Electronic system for the submission and approval / rejection of purchasing requests
- Implementation of managed print services

It is also worth mentioning that since September 2016, HOUSEMARKET S.A. (IKEA Greece) has proceeded with a system implementation for the invoices and credit notes electronic archiving, with significant paper-saving benefits. Specifically, through this practice it is calculated that in 2017, a total of 533,933 A4 pages were saved at the stores, the e-shop as well as at the IKEA Pick Up and Order Points. A similar practice is followed by INTERSPORT Greece, which, since November 2017, has proceeded with the electronic archiving of evidence of payment copies, an intervention that we also expect to lead to a reduction in paper consumption.



## USING AND SAVING INK

Each year we aim at reducing ink consumption as well as at reducing printing, by using new technology practices such as laser printers, which significantly contribute to environmental protection since they require smaller amounts of ink for their operation.



The increase in ink consumption between 2015-2017 is mainly attributed to new stores' opening.

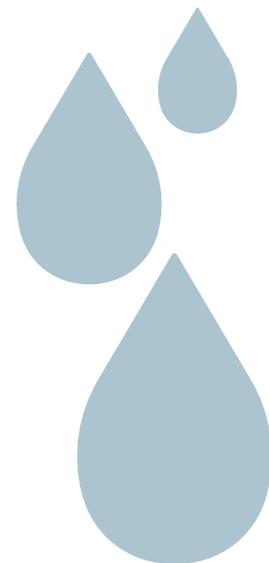
\* The data refer to the FOURLIS Group companies operating in Greece.

# WATER



At the FOURLIS Group we know that a significant quantity of water is consumed at our facilities due to sanitation needs and to the large number of customers and employees.

For this reason, we monitor consumption per subsidiary and we take additional measures where necessary, in order to reduce water consumption at our facilities.



## WATER CONSUMPTION IN LITERS

|                        | 2017  | 2016  | 2015   |
|------------------------|---|---|--|
| IKEA (Attica excluded) | <br><b>24,669,000<sup>1, *</sup></b> | <br><b>18,927,000<sup>*,**</sup></b> | <br><b>21,964,198<sup>*</sup></b> |
| IKEA (Attica)          | <br><b>31,924,000</b>                | <br><b>34,557,000</b>                | <br><b>35,641,000</b>             |
| TRADE LOGISTICS        | <br><b>3,197,321</b>                 | <br><b>2,630,911</b>                 | <br><b>960,612</b>                |

<sup>1</sup> The IKEA Pick Up and Order Point in Chania (Crete) is only included for the period 19/1/2017-11/10/2017.  
<sup>\*</sup> The IKEA Pick Up and Order Point in Heraklion (Crete) is excluded.  
<sup>\*\*</sup> Includes a restatement of information compared to the 2016 report.

## ECO-FRIENDLY PRODUCTS



### IKEA offers eco-friendly products

#### We indicatively mention:

- The MÄSTERBY staircase made of 100% recycled plastic
- The MARIUS staircase made out of 40% recycled steel
- The BJÖRNÅN bathroom curtain which is made of 100% recycled polyester which originates from plastic PET bottles
- The IKEA mirrors which are 100% lead-free
- LED bulbs and lamps with embedded LED bulbs. At the IKEA stores we only offer LED lighting products. A LED bulb uses 85% less energy, while its lifespan can reach 25,000 hours
- The salmon served at the IKEA Restaurant and sold by the IKEA Swedish food market, originates from Aquaculture Stewardship Council (ASC) certified farms
- Seafood served at the IKEA Restaurant and sold by the IKEA Swedish food market, originates from fisheries that are independently certified according to Marine Stewardship Council (MSC) standards
- Chocolate and coffee beans that are UTZ certified. This means that cocoa and coffee come from sustainable crops that create better opportunities for producers and their families.

## COMMUNICATION ON PROGRESS REPORT - UNITED NATIONS GLOBAL COMPACT

| GLOBAL COMPACT PRINCIPLES |   | APPLICATION OF PRINCIPLES AND RESULTS (REFERENCE)   |
|---------------------------|---|---|
| <b>HUMAN RIGHTS</b>       |   |   |
| <b>Principle 1</b>        | Businesses should support and respect the protection of internationally proclaimed human rights                         | 1. OUR GROUP<br>Code of Conduct<br>2. FOR OUR PEOPLE<br>Human Rights in the Workplace<br>Health, Safety and Employee Well-being at Work<br>4. FOR THE MARKET<br>Product Compliance and Labeling |
| <b>Principle 2</b>        | Businesses should make sure that they are not complicit in human rights abuses  | 1. OUR GROUP<br>Code of Conduct<br>2. FOR OUR PEOPLE<br>Human Rights in the Workplace<br>Health, Safety and Employee Well-being at Work<br>4. FOR THE MARKET<br>Product Compliance and Labeling |
| <b>LABOUR</b>             |   |   |
| <b>Principle 3</b>        | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | 1. OUR GROUP<br>Code of Conduct<br>2. FOR OUR PEOPLE<br>Employment<br>Human Rights in the Workplace   |
| <b>Principle 4</b>        | Businesses should uphold the elimination of all forms of forced and compulsory labour                                   | 1. OUR GROUP<br>Code of Conduct<br>2. FOR OUR PEOPLE<br>Employment<br>Human Rights in the Workplace   |
| <b>Principle 5</b>        | Businesses should uphold the effective abolition of child labour  | 1. OUR GROUP<br>Code of Conduct<br>2. FOR OUR PEOPLE<br>Employment<br>Human Rights in the Workplace   |
| <b>Principle 6</b>        | Businesses should uphold the elimination of discrimination in respect of employment and occupation                      | 1. OUR GROUP<br>Code of Conduct<br>2. FOR OUR PEOPLE<br>Employment<br>Human Rights in the Workplace<br>Training and Education   |
| <b>ENVIRONMENT</b>        |   |   |
| <b>Principle 7</b>        | Businesses should support a precautionary approach to environmental challenges  | 5. FOR THE ENVIRONMENT<br>Energy and Emissions<br>Materials and Waste Management<br>Water<br>Eco-Friendly Products  |
| <b>Principle 8</b>        | Businesses should undertake initiatives to promote greater environmental responsibility                                 | 5. FOR THE ENVIRONMENT<br>Energy and Emissions<br>Materials and Waste Management<br>Water<br>Eco-Friendly Products  |
| <b>Principle 9</b>        | Businesses should encourage the development and diffusion of environmentally friendly technologies                      | 5. FOR THE ENVIRONMENT<br>Energy and Emissions<br>Materials and Waste Management<br>Water<br>Eco-Friendly Products  |
| <b>ANTI-CORRUPTION</b>    |   |   |
| <b>Principle 10</b>       | Businesses should work against corruption in all its forms, including extortion and bribery                             | 1. OUR GROUP<br>Regulatory Compliance   |

## GRI CONTENT INDEX

| GRI Standard  | Disclosure  | Report Section or Reference   | Page           | Omission |
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| <b>GRI 101: Foundation 2016</b>                                   |   |   |                |          |
| <b>General Disclosures (Core option)</b>                          |   |   |                |          |
| <b>GRI 102:<br/>General<br/>Standard<br/>Disclosures<br/>2016</b> | 102-1 Name of the organization                                      | 1. OUR GROUP: "Profile"   | 11             | -        |
|   | 102-2 Activities, brands, products, and services                    | 1. OUR GROUP: "Profile"   | 11             | -        |
|   | 102-3 Location of headquarters                                      | 1. OUR GROUP: "Profile"   | 11             | -        |
|   | 102-4 Location of operations  | 1. OUR GROUP: "Profile"   | 11             | -        |
|   | 102-5 Ownership and legal form                                      | 1. OUR GROUP: "Profile"   | 11             | -        |
|   | 102-6 Markets served  | 1. OUR GROUP: "Profile"   | 11, 14         | -        |
|   | 102-7 Scale of the organization                                     | 1. OUR GROUP: "Profile"<br>1.OUR GROUP: "Economic Performance"<br>2. FOR OUR PEOPLE: "Employment"                 | 11, 14, 18, 32 | -        |
|   | 102-8 Information on employees and other workers                    | 2. FOR OUR PEOPLE: "Employment"   | 32             | -        |
|   | 102-9 Supply chain  | 1. OUR GROUP: "Profile"   | 15, 16         | -        |
|   | 102-10 Significant changes to the organization and its supply chain | CEO Message   | 4              | -        |
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|   | 102-13 Membership of associations                                   | 1. OUR GROUP: "Memberships and Distinctions"  | 28-29          | -        |
|   | 102-14 Statement from senior decision-maker                         | CEO Message<br>Social Responsibility<br>Department Message  | 4-5, 6         | -        |
|   | 102-16 Values, principles, standards, and norms of behavior         | Our Values & our Mission<br>1. OUR GROUP: "Regulatory Compliance"<br>1. OUR GROUP: "Memberships and Distinctions" | 8-9, 21, 28    | -        |
|   | 102-18 Governance structure   | 1. OUR GROUP: "Regulatory Compliance"   | 19             | -        |
|   | 102-40 List of stakeholder groups                                   | 1. Our Group : "Corporate Responsibility- Stakeholder Table"  | 25             | -        |
|   | 102-41 Collective bargaining agreements                             | The FOURLIS Group implements the applicable legislation for bargaining agreements for the 100% of its employees   |                | -        |
| 102-42 Identifying and selecting stakeholders                     | 1. OUR GROUP : "Corporate Responsibility- Stakeholders"             | 24  | -              |          |
| 102-43 Approach to stakeholder engagement                         | 1. OUR GROUP : "Corporate Responsibility- Stakeholder Table"        | 25  | -              |          |
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| <b>General Disclosures (Core option)</b>      |   |  |           |          |
| <b>GRI 102: General Disclosures 2016</b>      | 102-45 Entities included in the consolidated financial statements | The FOURLIS Group Financial Report FY17, <a href="http://www.fourlis.gr/Files/IR/Financial%20Reports/Fourlis_Holdings/en/2017/Fourlis_Notes_FY17_en.pdf">http://www.fourlis.gr/Files/IR/Financial%20Reports/Fourlis_Holdings/en/2017/Fourlis_Notes_FY17_en.pdf</a> |           | -        |
|   | 102-46 Defining report content and topic Boundaries               | 1. OUR GROUP : “Corporate Responsibility –Materiality Analysis” Boundaries table   | 26-27, 98 | -        |
|   | 102-47 List of material topics                                    | Boundaries table   | 98        | -        |
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|   | 102-51 Date of most recent report                                 | About the Report   | 7         | -        |
|   | 102-52 Reporting cycle  | About the Report   | 7         | -        |
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|   | 102-54 Claims of reporting in accordance with the GRI Standards   | About the Report   | 7         | -        |
|   | 102-55 GRI content index  | GRI Content Index  | 94-97     | -        |
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| <b>GRI 103: Management Approach 2016</b>      | 103-1 Explanation of the material topic and its Boundaries        | Boundaries table<br>1. OUR GROUP : “Economic Performance”  | 98, 17    |          |
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|   | 103-3 Evaluation of the management approach                       | 1. OUR GROUP: “Economic Performance”   | 18        |          |
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| <b>GRI 103: Management Approach 2016</b>      | 103-1 Explanation of the material topic and its Boundaries        | Boundaries table<br>1. OUR GROUP: “Regulatory Compliance”  | 98, 19    |          |
|   | 103-2 The management approach and its components                  | 1. OUR GROUP: “Regulatory Compliance”  | 19-23     |          |
|   | 103-3 Evaluation of the management approach                       | 1. OUR GROUP: “Regulatory Compliance”  | 23        |          |
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|   | 103-3 Evaluation of the management approach  | 2. FOR OUR PEOPLE: "Employment"  | 35-36  |          |
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|   | 103-2 The management approach and its components   | 2. FOR OUR PEOPLE: "Human Rights in the Workplace"                               | 37     |          |
|   | 103-3 Evaluation of the management approach  | 2. FOR OUR PEOPLE: "Human Rights in the Workplace"                               | 38     |          |
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| GRI 413: Local Communities 2016                               | 413-1 Operations with local community engagement, impact assessments, and development programs           | 3. FOR THE SOCIETY: " Society and Local Communities Support"                     | 53-61  |          |

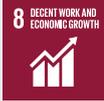
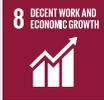
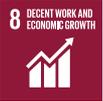
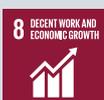
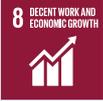
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| <b>Product Compliance and Labeling (Material Topic)</b>             |   |  |        |          |
| GRI 103: Management Approach 2016                                   | 103-1 Explanation of the material topic and its Boundaries  | Boundaries table<br>4. FOR THE MARKET: "Product Compliance and Labeling "            | 98, 66 |          |
|   | 103-2 The management approach and its components  | 4. FOR THE MARKET: "Product Compliance and Labeling "                                | 67     |          |
|   | 103-3 Evaluation of the management approach   | 4. FOR THE MARKET: "Product Compliance and Labeling "                                | 67     |          |
| GRI 419: Socioeconomic Compliance 2016                              | 419-1 Non-compliance with laws and regulations in the social and economic area                      | 4. FOR THE MARKET: "Product Compliance And Labeling "                                | 67     |          |
| <b>Responsible Product Marketing and Promotion (Material Topic)</b> |   |  |        |          |
| GRI 103: Management Approach 2016                                   | 103-1 Explanation of the material topic and its Boundaries  | Boundaries table<br>4. FOR THE MARKET: "Responsible Product Marketing and Promotion" | 98,68  |          |
|   | 103-2 The management approach and its components  | 4. FOR THE MARKET: "Responsible Product Marketing and Promotion"                     | 69-70  |          |
|   | 103-3 Evaluation of the management approach   | 4. FOR THE MARKET: "Responsible Product Marketing and Promotion"                     | 71     |          |
| GRI 417: Marketing and Labeling 2016                                | 417-3 Incidents of non-compliance concerning marketing communications                               | 4. FOR THE MARKET: "Responsible Product Marketing and Promotion"                     | 71     |          |
| <b>Customer Health and Safety (Material Topic)</b>                  |   |  |        |          |
| GRI 103: Management Approach 2016                                   | 103-1 Explanation of the material topic and its Boundaries  | Boundaries table<br>4. FOR THE MARKET: "Customer Health and Safety"                  | 98, 64 |          |
|   | 103-2 The management approach and its components  | 4. FOR THE MARKET: "Customer Health and Safety"                                      | 64, 65 |          |
|   | 103-3 Evaluation of the management approach   | 4. FOR THE MARKET: "Customer Health and Safety"                                      | 65     |          |
| GRI 416: Customer Health and Safety 2016                            | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 4. FOR THE MARKET: "Customer Health and Safety"                                      | 65     |          |

# GRI CONTENT INDEX

| GRI Standard   | Disclosure  | Report Section or Reference   | Page   | Omission  |
|--|---|---|--------|---|
| <b>GRI 101: Foundation 2016</b>  |   |   |        |   |
| <b>General Disclosures (Core option)</b>                               |   |   |        |   |
| <b>Health, Safety and Employee Well-being at Work (Material Topic)</b> |   |   |        |   |
| GRI 103:<br>Management Approach 2016                                   |   | Boundaries table  |        |   |
|  | 103-1 Explanation of the material topic and its Boundaries  | 2. FOR OUR PEOPLE: "Health, Safety and Employee Well-being at Work" | 98, 43 |   |
|  | 103-2 The management approach and its components  | 2. FOR OUR PEOPLE: "Health, Safety and Employee Well-being at Work" | 43-45  |   |
|  | 103-3 Evaluation of the management approach   | 2. FOR OUR PEOPLE: "Health, Safety and Employee Well-being at Work" | 46-47  |   |
| GRI 403:<br>Occupational Health and Safety 2016                        | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 2. FOR OUR PEOPLE: "Health, Safety and Employee Well-being at Work" | 47     | The results of IKEA Bulgaria are not disclosed because data was unavailable for the reporting period. The results of the Group's other companies are not disclosed because data was unavailable for the reporting period. |
|  | 403-3 Workers with high incidence or high risk of diseases related to their occupation.   | 2. FOR OUR PEOPLE: "Health, Safety and Employee Well-being at Work" | 47     |   |
| <b>Personal Data Protection (Material Topic)</b>                       |   |   |        |   |
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|  | 103-1 Explanation of the material topic and its Boundaries  | 4. FOR THE MARKET: "Personal Data Protection"                       | 98, 72 |   |
|  | 103-2 The management approach and its components  | 4. FOR THE MARKET: "Personal Data Protection"                       | 73     |   |
|  | 103-3 Evaluation of the management approach   | 4. FOR THE MARKET: "Personal Data Protection"                       | 74     |   |
| GRI 418:<br>Customer Privacy 2016                                      | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data                                  | 4. FOR THE MARKET: "Personal Data Protection"                       | 74     |   |
| <b>Customer Care and Satisfaction</b>                                  |   |   |        |   |
|  | Customer Satisfaction Surveys   | 4. FOR THE MARKET: «Customer Care and Satisfaction»                 | 79     | The results of customer satisfaction surveys are not disclosed. Reason for omission: Confidentiality constraints  |

## BOUNDARIES TABLE

| MATERIAL TOPICS                                | Most Significant Impacts<br>In relation to the UN's Sustainable Development Goals   | Boundaries<br>entities inside or outside the GROUP that may cause the impacts  |
|--|---|--|
| Economic Performance                           |    | The FOURLIS Group  |
| Regulatory Compliance                          |    | * The FOURLIS Group<br>* Official & Supervisory Authorities/State  |
| Employment                                     |    | The FOURLIS Group  |
| Human Rights in the Workplace                  |       | The FOURLIS Group  |
| Product Compliance and Labeling                |     | * The FOURLIS Group<br>* Suppliers / Partners<br>* The FOURLIS Group<br>* Suppliers / Partners<br>* Official & Supervisory Authorities/State |
| Responsible Product Marketing and Promotion    |    | * The FOURLIS Group<br>* Official & Supervisory Authorities/State  |
| Customer Health and Safety                     |    | *The FOURLIS Group<br>* Official & Supervisory Authorities/State<br>* Suppliers / Partners   |
| Health, Safety and Employee Well-being at Work |    | * The FOURLIS Group<br>* Official & Supervisory Authorities/State  |
| Personal Data Protection                       |    | *The FOURLIS Group<br>* Official & Supervisory Authorities/State   |
| Society and Local Communities Support          |       | * The FOURLIS Group  |



