

**SOCIAL RESPONSIBILITY
AND SUSTAINABLE DEVELOPMENT
REPORT
2018**

FOURLIS
GROUP OF COMPANIES



CONTENTS

CEO MESSAGE	4-6
HIGHLIGHTS 2018	7
THE GROUP AT A GLANCE	8
Our Values and our Mission	9
Milestones in FOURLIS Group's history	10-11
Who we are	12-14
Our supply chain	15
Our Group's Memberships	16-17
CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP	18
Social Responsibility Department message	20
Social Responsibility Department	21
United Nations Global Compact	22
The UN Sustainable Development Goals	22
Sustainable Development Goals and FOURLIS Group	23
Our Stakeholders	23-25
Materiality analysis	26-27
Our material topics for 2018	28-31
FOR OUR PEOPLE	32-33
Employment creation	34-38
Protection of Human Rights in the workplace	39-40
Investing in employee training and education	41-43
Protection of employee health, safety and well-being	44-47
FOR THE SOCIETY	48-49
Active and responsible social contribution	50-57
FOR THE MARKET	58-59
Creation and distribution of direct economic value to stakeholders	60-61
Regulatory compliance and business ethics	62-65
Protection of customer and visitor health and safety	66-67
Product compliance, labeling and responsible communication	68-71
FOR THE ENVIRONMENT	72-73
Responsible energy management and reduction of GHG emissions	74-77
Proper waste management and responsible materials selection	78-79
Responsible water consumption	80
We offer products that contribute to a more sustainable lifestyle	81
ABOUT THE REPORT	82
COMMUNICATION ON PROGRESS REPORT - UNITED NATIONS GLOBAL COMPACT	83-84
GRI CONTENT INDEX	85-90





CEO MESSAGE

Apostolos Petalas

CEO
FOURLIS Group

GRI 102-14

1. Why is the Group's economic development important for all its stakeholders?



Despite the continuous economic liquidity in Greece, we managed to increase the Group's sales by 3.3% in 2018, which now amount to €448.5 million.

We think it is very important that our successful economic development is balanced with our total socio-economic impacts, as through this development we contribute actively to the United Nations' Goal 8, in the context of the Agenda 2030, for "decent work and economic growth". This is achieved with the creation and distribution of economic value in the countries where we operate, through the cash flows we create for our stakeholders, like for example wages and benefits to employees, direct and indirect taxes to the state, dividends to shareholders and payments to our partners and suppliers. We also contribute to this Goal by generating employment for more than 4,000 direct employees and for thousand more via the indirect jobs we create in our supply chain. Our contribution to the Goal for decent work also relates to our investment in the continuous education of our Human Resources, the protection of their health and safety, as well as in the protection of human rights in the workplace.

2. How does the commitment to health, safety and well-being exceed the boundaries of the Group's stores?



In 2018, we continued to support our people through a series of actions, policies and measures to ensure their health, safety and well-being. As an example, I mention that in order to ensure compliance with the Health and Safety Policy, both intensive inspections and a special occupational risk assessment by safety technicians were continuously carried out at all premises of the Group's companies.

In addition, with the aim to inform employees on health and well-being issues and to motivate them to adopt a healthier lifestyle, the Group's Social Responsibility Department continued the EF ZIN (Well-Being) program implemented in the Group since 2010. In the context of this program, actions such as free preventive medical examinations, health and well-being informative speeches, sports tournaments, etc. are being implemented every year.

Equally important to our employees' health and safety is the health and safety of our customers. Through the cooperation with franchisors who operate under strict quality standards and production specifications to ensure the health and safety of our customers during the use of our products, we contribute to the achievement of Goal 12 "Responsible production and consumption". At the same time, we aim to ensure the health and safety of our partners, visitors and customers during their visit and stay in our stores and facilities, concerning both the safety of the premises as well as the food they consume.

3. What is the role of the Group in the reduction of its products' environmental and social impacts throughout their lifecycle?



Since Goal 12 for responsible production and consumption also relates to environmental (e.g. greenhouse gas emissions, raw materials and waste management) and social (e.g. working conditions and human rights) impacts throughout the products' lifecycle, from the extraction of raw materials to their disposal or re-use, we closely follow our franchisors' developments and guidelines. One such case is IKEA, which has made significant commitments on a global level to change its productive model into a circular economy model by 2030 via, among others, the full use of renewable energy sources, the decoupling from the use of fossil raw materials and fuels, the extension of its products' lifetime and the re-use of its waste.

Our role in the products' lifecycle is exclusively related to their sale and distribution. Nevertheless, we are particularly aware of the environmental impacts from the use of our products, while we offer a wide range of environmentally responsible IKEA products.

It is also worth noting that our Group continued to implement environmental care programs and actions, by undertaking relevant initiatives that showcase environmental consciousness as a special value of the Group. Prime examples are the operation of the photovoltaic system at TRADE LOGISTICS' premises, the interventions, the special measures as well as the practices we implement for the improvement of our buildings' energy efficiency, as well as the recycling programs implemented by the Group companies.

4. How does the Group contribute to quality education inside and outside its facilities?



All Group employees are members of “FOURLIS Learning Academy” and participate in Programs according to the requirements of their role and their needs for personal development.

In the context of the Academy, FOURLIS Retail Diploma program was launched in 2016, which was designed with the main aim of providing high-quality knowledge from University professors and high-level executives, both from the market and from within the Group, in a range of fields focusing primarily on Retail Management.

In addition to our investment in education within the Group, the practical support we continue to provide to society and our fellow citizens, especially children, through the implementation of programs and actions is of equal importance. For example, through IKEA’s “Furnished with Joy” program, 6 years now in Greece and 2 years in Cyprus, we fully equip and refurbish municipal nurseries and kindergartens. Moreover, through INTERSPORT’s “We reach the edges” program, we have been offering free sports equipment to public primary schools in the border and remote areas of Greece for the past 8 years.

Through this effort, both within and outside the Group, we are also actively contributing to UN’s Goal 4 for quality education in the context of the Agenda 2030.

5. Which are the Group’s targets for 2019?

At FOURLIS Group we do not rest with what we achieved during this past year and, despite the challenging times, we continue to look to the future with optimism.

In 2019, remaining true to our Values, we will continue to implement our strategy and investment plans by focusing on responsible entrepreneurship and looking forward to our Group’s constant development, aiming to contribute to the sustainable development of the countries where we operate and to the implementation of the UN Agenda 2030.

In this context, we will continue to implement programs for our People for the protection of their health, safety and well-being, and their continuous education, training and development, but also for the protection of human rights in our workplace.

Regarding the Society and the Market, we closely monitor the efficiency of our programs and we aim at their constant improvement and development, always in line with the expectations and needs of our stakeholders.

Finally, regarding our actions on the Environment, we will continue the recycling and energy saving programs that are already being implemented by our Group companies, while our goal is to inform and inspire our people and our clients through our operations and products about ways in which they can contribute to a more sustainable lifestyle. At this pillar of our strategy, we will have significant developments over the next year.

HIGHLIGHTS 2018

TRADE LOGISTICS

PHOTOVOLTAIC SYSTEM OPERATION

Total annual production

1,394 MWh



IKEA STORES

Completion of a three-year high consumption lamp replacement program with

LED LAMPS

in commercial and non-commercial areas of IKEA stores in Greece, Cyprus and Bulgaria



“WE REACH THE EDGES” PROGRAM

8th year

Donation of free sports equipment to

25

Public Primary Schools in border and remote areas of Greece for more than

4,000 children

“FURNISHED WITH JOY” PROGRAM

Greece

-6th year-

Refurbishment of

12

municipal nurseries and kindergartens for more than

650 children

Cyprus

-2nd year-

Refurbishment of

4

public and community kindergartens for about

100 children



AVERAGE TRAINING HOURS PER EMPLOYEE



Men

14.3

Women

11.6



AWARDS



HR AWARDS 2018

Excellence in Leadership Development Gold Medal for the “Retail Diploma” program



SOCIAL MEDIA AWARDS 2018

Occasion Based Marketing Bronze Award



PEAK PERFORMANCE MARKETING AWARDS 2018

Best Performance in Fashion & Luxury

SOCIAL MEDIA AWARDS 2018

Best Use of Social Media for a Corporate Brand / Retail e-commerce

E-EVOLUTION AWARDS 2018

Email Marketing Strategy

SPORTS MARKETING AWARDS 2018

Intersport Cage Football-Bronze Medal

THE GROUP AT A GLANCE



GRI 102-16

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.

FOURLIS
GROUP OF COMPANIES



MILESTONES IN FOURLIS GROUP'S HISTORY

1950

Founding of A. FOURLIS & Co.

1970-80

General Dealership of
GENERAL ELECTRIC household
appliances

1988

IPO in the Athens' Stock Exchange

1993

Acquisition of 51% of
P. KOTSOVOLOS S.A.

1999

Agreement for the
IKEA & INTERSPORT
franchise rights

2001

First IKEA store in Greece
(Thessaloniki)

Opening of
14 INTERSPORT stores

2004

First INTERSPORT store
in Romania.
Disposal of P. KOTSOVOLOS S.A.
to DIXONS Group.

2006

First INTERSPORT store
in Bulgaria

2007

First IKEA store in Cyprus

2010

Disposal of Samsung Electronics
representation for Greece
and Romania.

2011

Acquisition of INTERSPORT
branch network and franchise
rights in Turkey.

First IKEA store in Bulgaria.

2014

Acquisition of The Athlete's Foot
franchise rights.

Completion of wholesale activity
exit.

WHO WE ARE

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

The history of our Group begins in 1950. FOURLIS HOLDINGS S.A. (FOURLIS Group) is the successor of FOURLIS BROS S.A., which was founded by Anastasios, Stylianos, Ioannis and Ilias Fourlis. Nowadays 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 IKEA stores in Greece, Cyprus and Bulgaria.



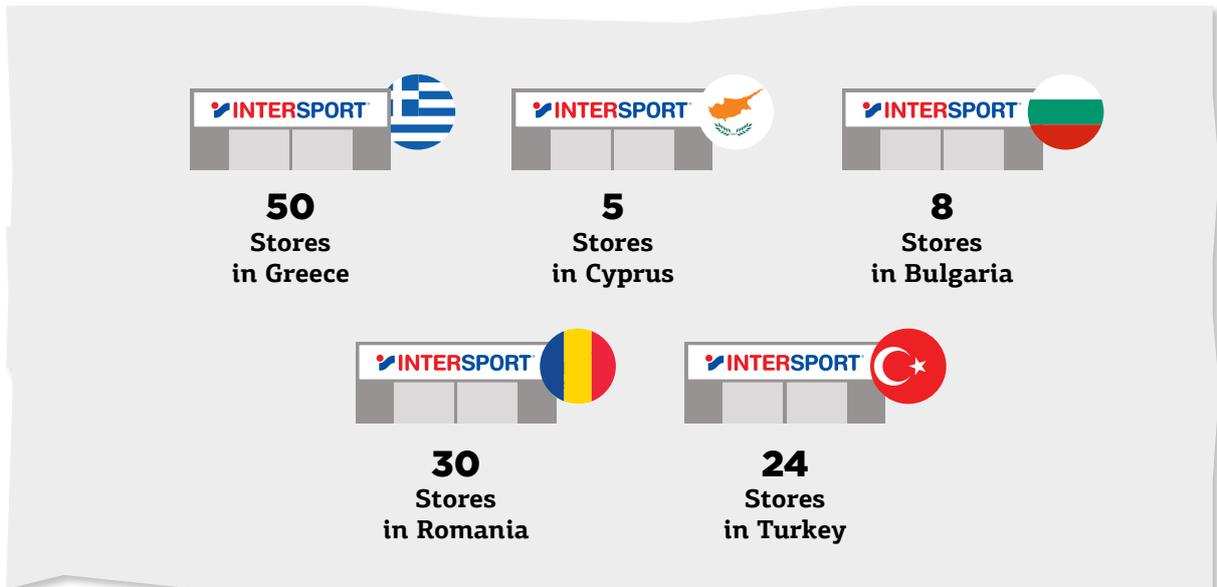
Upon its arrival in Greece, IKEA (HOUSEMARKET S.A.) introduced to the Greek market a new concept which is based on the supply of a wide range of well-designed, functional furniture and household goods at very affordable prices, giving as many people as possible the opportunity to purchase them. Currently, 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 3 in Bulgaria (Varna, Burgas and Plovdiv). Additionally, IKEA e-shops operate for online purchases in all countries where the company operates.





Sporting goods retail sale through INTERSPORT stores in Greece, Cyprus, Bulgaria, Romania and Turkey and through The Athlete's foot stores in Greece and Turkey.



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 31/12/2018 it operated 50 stores in Greece, 5 in Cyprus, 30 in Romania (GENCO TRADE), 8 in Bulgaria (GENCO BULGARIA) and 24 in Turkey (INTERSPORT ATLETIK). In addition, INTERSPORT e-shops for online purchases operate in all countries except for Turkey. Within the first half of 2019 an e-shop will start its operation in Turkey.



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 FOURLIS Group and to this day it operates 14 stores (12 in Greece and 2 in Turkey).

TRADE LOGISTICS

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.

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:

- > 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 for:

- > IKEA's e-shop (www.ikea.gr) in Greece and
- > INTERSPORT's e-shop (www.intersport.gr) in all the Group's countries of operation except Turkey.

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.

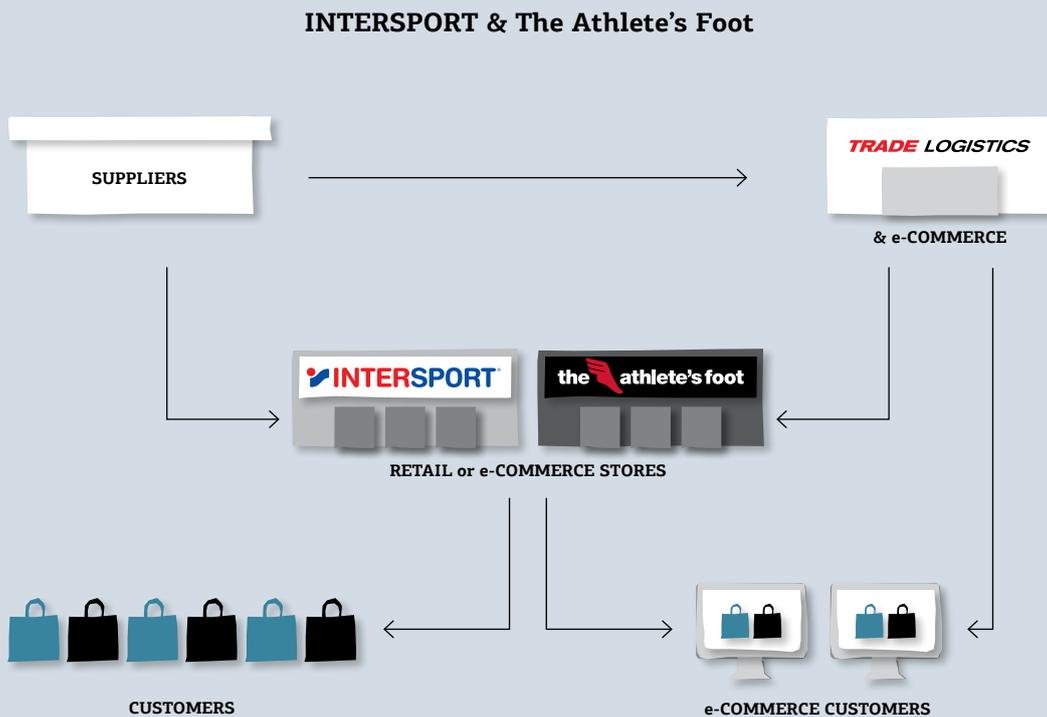
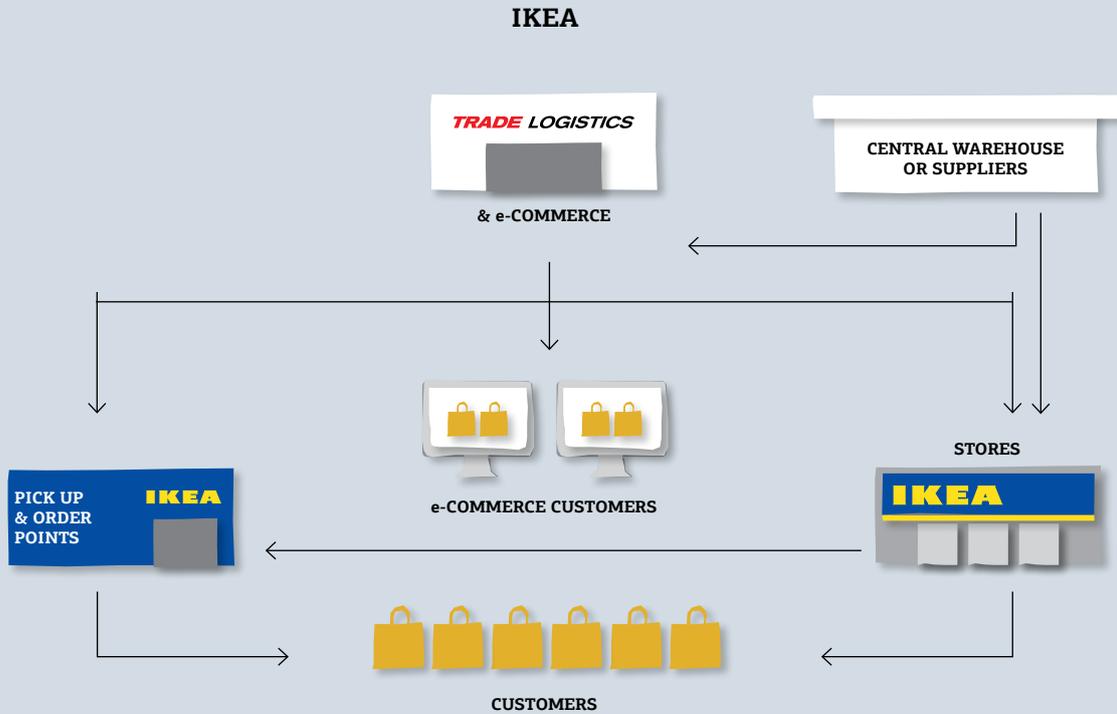
TRADE ESTATES

In 2018, FOURLIS Group decided to enter the real estate investment division through the establishment of a new subsidiary company named "TRADE ESTATES REIC". The Group's new subsidiary company granted an operating license from the Hellenic Capital Market Commission on 28/2/2019. The new company aims to invest in a real estate portfolio consisted of quality retail properties and E-Commerce infrastructure. FOURLIS Group, through its operation in this sector, aims to maximize its flexibility in accessing real estate equity, to improve its overall returns on assets, to centralize ownership and management, streamling administration and tax planning.

Finally, the parent company of the Group is FOURLIS HOLDINGS S.A., which has as its objective the participation in domestic or foreign companies and enterprises of any type that have been established or will be established independently from their object or their legal type.

OUR SUPPLY CHAIN

GRI 102-9



OUR GROUP'S MEMBERSHIPS

GRI 102-13

MEMBERSHIP	FOURLIS HOLDINGS S.A.	INTERSPORT ATHLETICS S.A.	TRADE LOGISTICS S.A.	HOUSEMARKET S.A.
American-Hellenic Chamber of Commerce	✓			
Association of Chief Executive Officers (A.C.E.O.)	✓	✓		✓
Greek People Management Association (G.P.M.A.)	✓	✓	✓	✓
Association of Business and Retail Sales of Greece (H.R.B.A.)	✓	✓		✓
Listed Companies Union	✓			
Athens Chamber of Commerce and Industry (A.C.C.I.)	✓			
Hellenic Federation of Enterprises (SEV)	✓		✓	✓
Hellenic Advertisers Association (SDE)		✓		✓
Greek e-Commerce Association (GRECA)		✓		✓
Piraeus Chamber of Commerce & Industry (PCCI)		✓		

MEMBERSHIP	FOURLIS HOLDINGS S.A.	INTERSPORT ATHLETICS S.A.	TRADE LOGISTICS S.A.	HOUSEMARKET S.A.
Thessaloniki Chamber of Commerce and Industry (TCCI)		✓		✓
Athens Chamber of Commerce and Industry (ACCI)		✓	✓	✓
Hellenic Institute for Logistics Management (HILME)			✓	
European Logistics Association (E.L.A.)			✓	
National Board on Development and Supply Chain Competitiveness (Hellenic Ministry of Development)			✓	
Hellenic Organization for Standardization (ELOT)				✓
Communication Institute				✓
Hellenic-Swedish Chamber of Commerce				✓
Chania Chamber of Commerce and Industry (CCCI)				✓
Achaia Chamber of Commerce and Industry				✓
Greek-Turkish Chamber of Commerce		✓		

CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP

FOURLIS
GROUP OF COMPANIES



TRADE LOGISTICS



GRI 102-14



SOCIAL RESPONSIBILITY DEPARTMENT MESSAGE

Lyda Furlis

Corporate Social Responsibility Director
FOURLIS Group

In 2018, 10 years after the establishment of the Social Responsibility Department, Social Responsibility remains a concept inextricably linked to FOURLIS Group's activities and fully integrated into its strategy and business model. The year 2018 also marks our 10-year UN Global Compact membership and our commitment to adhere to its 10 Principles that relate to human rights, working conditions, the environment and anti-corruption.

Despite the unfavorable economic situation in which Greece has found itself, as well as any difficulties we faced over these ten years, we continued our efforts to improve our existing practices and to bolster our programs and actions.

During 2018, we continued to contribute to the achievement of the UN Sustainable Development Goals, which serve as guidelines for the development of our Group's strategy and as a compass in the search for and the implementation of new, innovative actions that would meet the most important challenges of our time for sustainable growth and prosperity.

In this context, we implemented a series of actions that focus on supporting our people, providing for the society and protecting the environment. Specifically, regarding the support of our Group's Human Resources, we continued the EF ZIN (Well-Being) program, which aims to motivate employees to adopt a healthy lifestyle through actions such as annual preventive medical examinations, participation in sports tournaments, speeches on health and welfare issues and other relevant actions, while we continued the "SPOUDAZO ME IPOTROFIA" (I study with a scholarship) program, in the context of which we provide five scholarships per academic year to our employees' kids who are university students.

At the same time, with the aim to support society, we continued for the sixth year IKEA's "Furnished with Joy" Social Responsibility program, and for the 8th year INTERSPORT's "We Reach the Edges" program. Regarding environmental protection, we continued, among other things, the interventions and practices for improving our buildings' energy efficiency, as well as the recycling programs implemented by the Group companies. Detailed information on our Group's Social Responsibility programs and actions for 2018 is available in the next chapters of the Social Responsibility and Sustainable Development Report that you are holding in your hands.

For the following years, guided by the respect and the transparent communication with all of you, our stakeholders, our goal is to continue our efforts to seek new ways to maximize our positive impact and to constantly improve our performance in line with your expectations.

To conclude, I would like to thank our people who for another year, embracing our Group's Values, have significantly contributed to the realization of our vision. I would also like to assure you that in our Group we will continue to cultivate a culture of contribution and solidarity, boosting volunteerism and motivating our people to daily participate in our effort to create a better life for all.

SOCIAL RESPONSIBILITY DEPARTMENT

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 is constantly growing having as a priority the respect for the Group's People, the support of both the Society and the Market and the protection of the Environment.

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 aforementioned pillars. The Department is also responsible for monitoring and supervising the programs' action flow until their completion.

SOCIAL RESPONSIBILITY

FOR THE SOCIETY
FOR OUR PEOPLE
FOR THE MARKET
FOR THE ENVIRONMENT



UNITED NATIONS GLOBAL COMPACT

GRI 102-12, GRI 102-16

Since 2008, 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. FOURLIS Group has committed to adopt, support and promote these principles through its business practices.

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.

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



SUSTAINABLE DEVELOPMENT GOALS AND FOURLIS GROUP

FOURLIS Group supports the Sustainable Development Goals, an initiative that started with the identification of the Goals that constitute a priority for us.

In order to identify these Goals, we initially proceeded with a materiality analysis (p. 26-27), through which we evaluated our most important economic, social and environmental impacts and prioritized the material sustainable development topics for FOURLIS Group.

We then proceeded to link these material sustainable development topics to the Goals using the appropriate tools, as those provided by the UN, and taking into account the prevailing conditions in the countries where we operate as well as the specificities of our industry (p. 28-31).

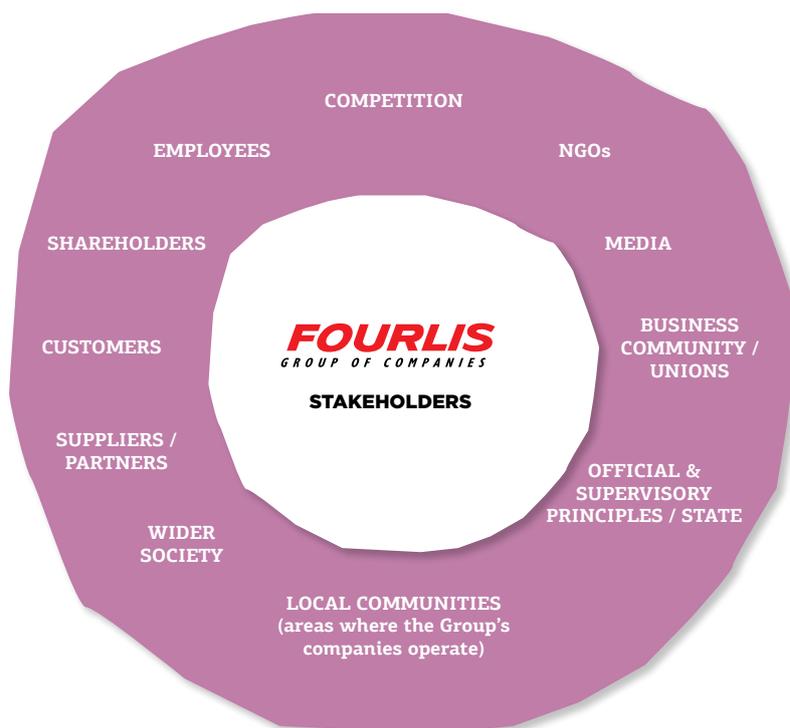
OUR STAKEHOLDERS

GRI 102-40, GRI 102-42

We define as stakeholders anyone related to, affecting or being affected by our products or operations.

We have identified our stakeholders who, due to the nature of our activities, vary and have different needs and expectations. In order to be informed about their needs and expectations, but also to be able to understand and respond to the most important of those, to the extent of our capabilities, we invest in continuous and two-way contact and communication with them in a variety of ways and with different frequency.

The role and the views of our stakeholders are important in our effort to improve our products and services as well as for the sustainable operation and development of our Group.



GRI 102-43

The following table shows the categories of our stakeholders and the practices we follow in order to maintain a balanced and constructive communication with them.

Category	COMMUNICATION & ENGAGEMENT METHODS	COMMUNICATION FREQUENCY
EMPLOYEES	Employee Insight Survey	Biennially
	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
	Intranet (Yammer)	Continuous
	F2F Mobile application	Continuous
	Workshops	Within the framework of specific actions (e.g. following the Employee Insight Survey)
	TV-FOURLIS Group Flash News	Continuous
	360° Evaluation process	Launched in 2013 and implemented on an annual basis (biennially per grade)
	Employee Performance and Development Review	Annually
Meetings	One to one: When a relevant need arises 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

Category	COMMUNICATION & ENGAGEMENT METHODS	COMMUNICATION FREQUENCY
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	IKEA: At least once a year 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	According to relevant planning
	Brochures / Press Kits	Continuous
	Meetings	Continuous
NGOs	Meetings	Continuous
	Collaborations	Continuous
COMPETITORS	Participation in Organizations, Associations and Unions	Continuous

MATERIALITY ANALYSIS

GRI 102-44, GRI 102-46

In the context of continuously improving our approach to social responsibility and sustainable development topics, at FOURLIS Group we performed a materiality analysis in order to prioritize the Group's topics 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.

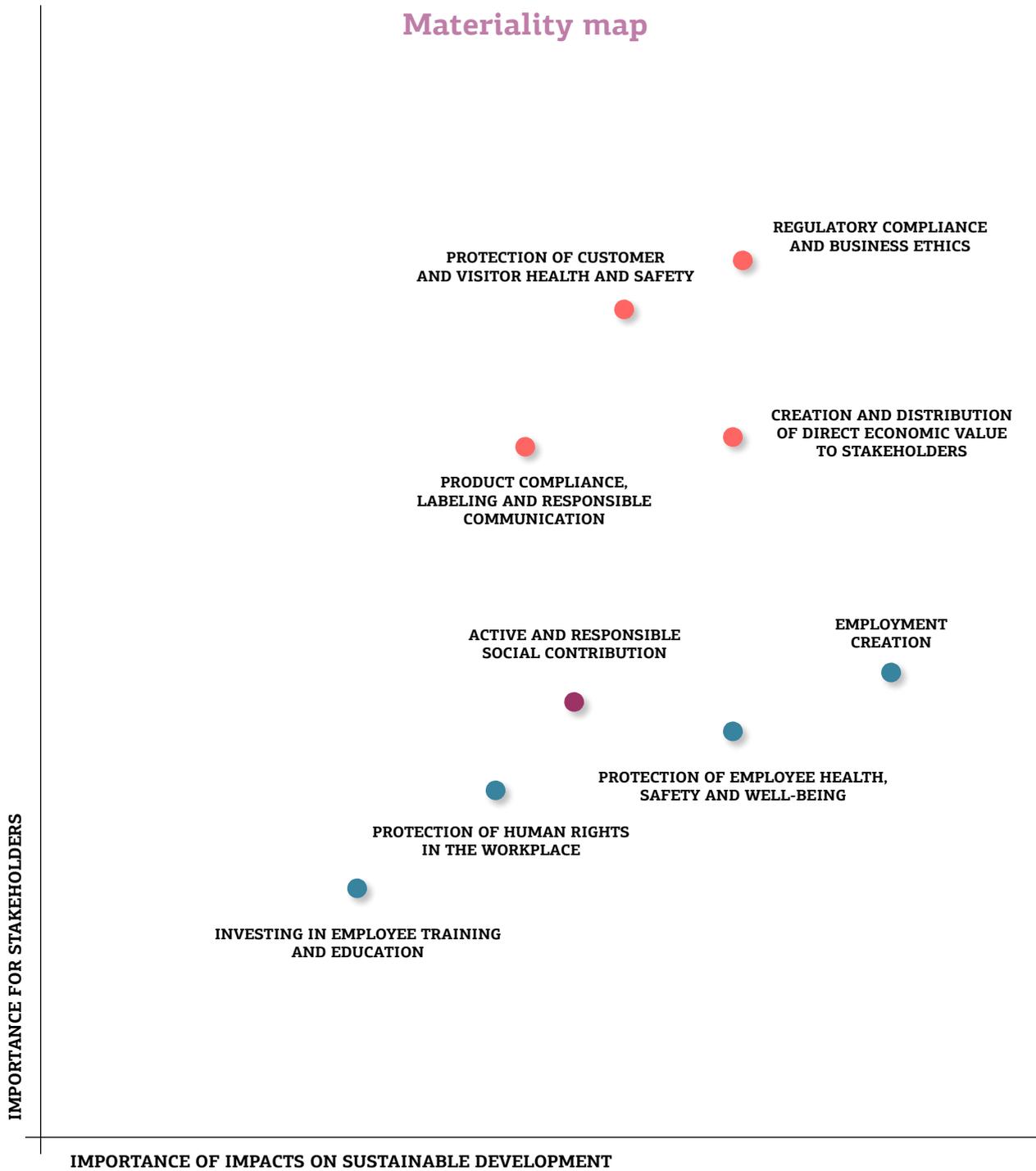
Prioritization of topics (a) by the importance of their impacts on Sustainable Development and (b) by their importance for the stakeholders as identified by Management.

3.

Validation of the results, through a dedicated workshop which was attended by the Group's Senior Executives.

The analysis results are depicted in the following graph, while the list of material topics for 2018 along with their boundaries and their linkage to the Sustainable Development Goals are available on pages 28-31. Their connection with the GRI Standards' disclosures are presented on pages 85-90.

Materiality map

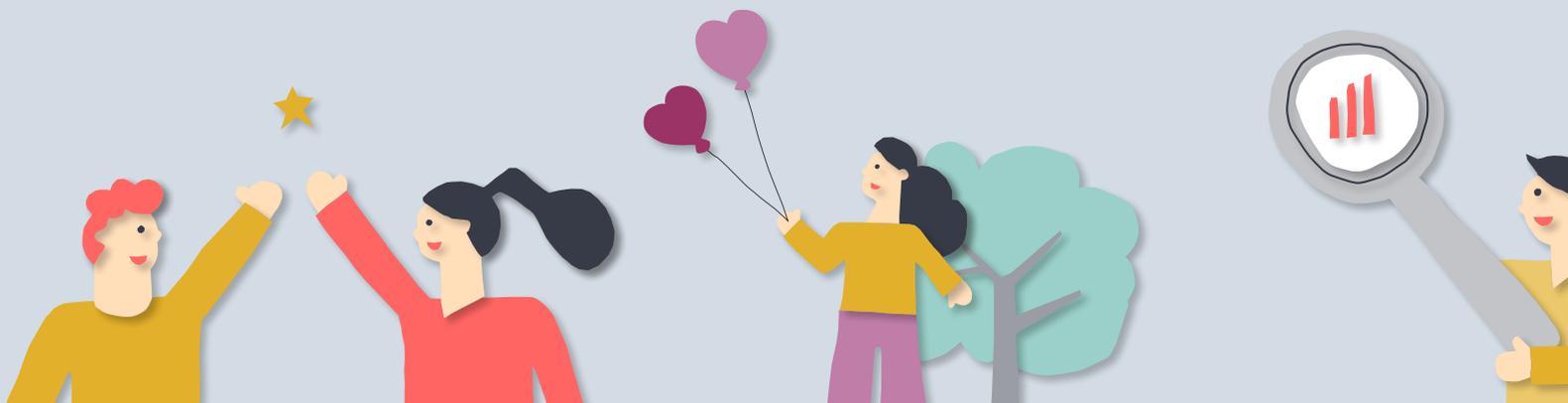


FOR OUR PEOPLE

FOR THE SOCIETY

FOR THE ENVIRONMENT

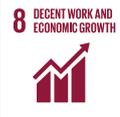
FOR THE MARKET

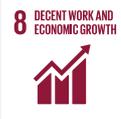
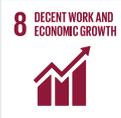


OUR MATERIAL TOPICS FOR 2018

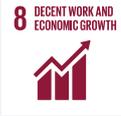
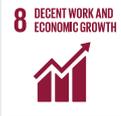
GRI 102-46, GRI 102-47, GRI 102-49

The following table includes a description of each material topic and the reasons why it was prioritized as material for FOURLIS Group, the UN Sustainable Development Goals to which the Group contributes through the responsible management of each material topic and the topic boundaries. The boundaries of the material sustainable development topics, based on the GRI Standards, do not relate to where or on which stakeholders the issue has impacts but, on the contrary, to which stakeholders, inside or outside the Group, may cause these impacts.

MATERIAL TOPIC	UN Sustainable Development Goals to which the Group contributes through the management of each material topic	Material topic boundaries (entities inside or outside the Group that may cause the impacts)	WHY IS IT MATERIAL?
<p>Regulatory compliance and business ethics</p>	 	<ul style="list-style-type: none"> • Management • Employees • Suppliers/ Partners • Customers 	<p>Ensuring the Group's regulatory compliance and business ethics is extremely important because it increases the trust of the internal (e.g. shareholders, employees) and external (e.g. regulatory authorities, customers, suppliers) stakeholders, a fact that contributes more widely to the efficient functioning of the economy and the market, contributes to the strengthening of justice and institutions, strengthens social cohesion and the culture of transparency, and protects the natural environment through compliance with the applicable regulatory framework.</p> <p>The Group recognizes that natural persons or legal entities within (e.g. employees) but also outside the organization (e.g. suppliers, partners, customers) may present risks associated with incidents of non-compliance with laws and regulations relevant to the Group's operations, with corruption practices including blackmail and bribery, with the violation of human rights and the natural environment, etc. The elimination of these risks is managed through a set of practices and actions presented on pages 62-65.</p>
<p>Protection and customer and visitor health and safety</p>	 	<ul style="list-style-type: none"> • Management • Employees • Suppliers/ Partners • Customers 	<p>The protection of the health and safety of customers, partners and visitors in the Group's stores and facilities is an extremely important topic as it concerns the respect and protection of human life, while it also contributes to the strengthening of the relevant regulatory framework and institutions.</p> <p>Impacts on the health and safety of customers during the use of the products may mainly be caused by either defective design or inadequate operating instructions or product misuse or improper assembly of products. To eliminate this risk, the Group ensures cooperation with suppliers and franchisors that meet European and national quality and safety requirements for the products it sells, with regards to their design, their production, their use and their labeling.</p> <p>Regarding the health and safety of employees, customers, partners and visitors during their stay at the Group's premises, the potential risks may be caused by inadequate compliance with the safety regulations both by the Group's own employees and by the customers and store visitors.</p> <p>More information on the responsible management of these topics by the Group is available on pages 66-67.</p>

MATERIAL TOPIC	UN Sustainable Development Goals to which the Group contributes through the management of each material topic	Material topic boundaries (entities inside or outside the Group that may cause the impacts)	WHY IS IT MATERIAL?
<p>Creation and distribution of direct economic value to stakeholders</p>		<ul style="list-style-type: none"> • Management 	<p>The significance of the creation and distribution of direct economic value to the Group's stakeholders can be mainly attributed to its positive impact on their financial position (through remuneration and benefits to employees, dividends to shareholders, payments to providers of capital, payments to partners and suppliers, payments of direct taxes to the State, etc.) as well as due to the wider contribution to the economic development of the countries where it operates, through the direct, indirect, and induced impacts resulting from the aforementioned cash flows.</p> <p>More information on this topic is available on pages 60-61.</p>
<p>Employment creation</p>		<ul style="list-style-type: none"> • Management 	<p>Similar with the creation and distribution of direct economic value to the stakeholders, the creation of employment is yet another material impact of the Group on the economies and societies where it operates, due to the contribution to the improvement of the economic condition of the countries and the social position of its direct and indirect employees, to the increase of productivity, as well as to the contribution to the wider economy through the cash flows from their payrolls as payments to several sectors and companies.</p> <p>More information on this subject is available on pages 34-38.</p>
<p>Product compliance, labeling and responsible communication</p>		<ul style="list-style-type: none"> • Management • Suppliers/ Partners 	<p>The compliance of the Group's companies concerning the labeling and communication of their products, including the provision of information on quality, health and safety issues, as well as on environmental and social impacts caused by the use of raw materials, up to the production processes throughout the supply chain, is important primarily to customers and consumers as it enables them to make informed decisions on what to buy, to ensure the elimination of risks associated with the potential impacts of products on their health and safety, as well as to contribute themselves to the wider goal of responsible consumption. At the same time, the compliance of the Group's companies concerning the labeling and communication of their products strengthens the transparency and trust of its stakeholders and contributes to the promotion of responsible production practices as well as to the strengthening of the relevant regulatory framework and institutions.</p> <p>Potential risks that are connected with the lack of compliance concerning the labeling and communication of its products may be caused either by the Group itself, or by its suppliers and partners.</p> <p>More information on this topic's management is available on pages 68-71.</p>

MATERIAL TOPIC	UN Sustainable Development Goals to which the Group contributes through the management of each material topic	Material topic boundaries (entities inside or outside the Group that may cause the impacts)	WHY IS IT MATERIAL?
<p>Protection of employee health, safety and well-being</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> • Management • Employees • Suppliers/ Partners 	<p>According to the International Labor Organization's 2019 report "Safety and Health at the Heart of the Future of Labor", nearly 3 million workers die each year from work-related accidents and illnesses. Additionally, 374 million workers suffer from non-fatal work-related accidents each year. In addition to this unacceptable human cost - which is obviously the most important - the days lost at work worldwide account for almost 4% of the world's Gross Domestic Product (GDP). The importance of the topic is therefore related both to the health and safety impacts on employees, but also to wider decent work and economic development. The protection of employee, health, safety and well-being topic remains material, mainly due to the wider significance of these topics in terms of both the physical risk for employees' lives and the mental and psychosocial impacts associated with the concept of well-being, work-life balance, as well as non-communicable diseases.</p> <p>The potential risks associated with these topics might be caused either by deficiencies in the organization and management of the safety mechanisms by the companies' own management, or by misapplication of these mechanisms by their employees, their partners or their suppliers.</p> <p>More information on the Group's responsible management of this topic is available on pages 44-47.</p>
<p>Active and responsible social contribution</p>	 <p>1 NO POVERTY</p> <p>2 ZERO HUNGER</p> <p>3 GOOD HEALTH AND WELL-BEING</p> <p>4 QUALITY EDUCATION</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> • Management • Employees • NGOs/ Institutions 	<p>The Group's active and responsible social contribution, in all countries where it operates, constitutes an important factor for the improvement of the lives of citizens in local and wider societies, especially in the areas of fighting poverty and hunger, improving health and well-being, quality education, and the sustainable development of cities and communities through actions to strengthen cultural heritage. At the same time, through its partnerships, mainly with non-profit organizations and other institutions, the Group manages to multiply the impacts of its actions, as well as to financially support these institutions to carry out their work.</p> <p>Hence, the impacts resulting from the management of this topic are caused by the decisions of the Group's Management with regard to the priorities it sets and also, by the employees and their voluntary contribution, as well as by the NGOs/Institutions with which the Group collaborates.</p> <p>More information on the specific actions undertaken by the Group in the context of its active and responsible social contribution is available on pages 48-57.</p>

MATERIAL TOPIC	UN Sustainable Development Goals to which the Group contributes through the management of each material topic	Material topic boundaries (entities inside or outside the Group that may cause the impacts)	WHY IS IT MATERIAL?
<p>Protection of human rights in the workplace</p>	   	<ul style="list-style-type: none"> • Management • Employees • Suppliers/ Partners 	<p>Protecting and safeguarding human rights, in addition to the regulatory requirement, presents a range of benefits for businesses and workers, such as increasing productivity, improving decision making, promoting gender equality, reducing inequalities, enhancing employee retention, satisfaction, corporate culture, etc. As a consequence, this topic is more widely connected with decent work and economic development, social cohesion and the strengthening of justice and institutions.</p> <p>Possible risks associated with incidents of discrimination or violation of human rights in the workplace might be caused either by the lack of an appropriate management framework by the Group's Management or its suppliers and partners as well as by the possible inadequate implementation of the appropriate practices by the employees.</p> <p>More information on this topic is available on pages 39-40.</p>
<p>Investing in employee training and education</p>	 	<ul style="list-style-type: none"> • Management 	<p>The topic of employee training and education is prioritized as material due to the added value it generates for the employees themselves, by improving their knowledge and skills, as well as by creating growth opportunities both inside and outside the Group. In addition, qualified human resources enhances task efficiency and improves the Group's growth rate. Therefore, the wider impacts on the economy and society are the Group's contribution to decent work and economic development, as well as to quality education, through the creation of intellectual capital.</p> <p>These impacts are mainly related to the decisions of the Group's Management regarding the size and choices of the investment in its employees training and education.</p> <p>More information is available on pages 41-43.</p>

FOR OUR PEOPLE



FOURLIS Group is its People, all those who support its operations on a daily basis. At FOURLIS Group, the creation and safeguarding of employment positions, occupational health conditions, meritocracy and personal development, 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 philosophy and practices.





EMPLOYMENT CREATION

MATERIAL TOPIC



Management approach

Despite the difficult economic times, at FOURLIS Group we aim at creating new job openings through the development of our activities in Greece and abroad. By doing so, we contribute to the effort to bring Greek economy back to stable growth rates, while we strengthen local communities and stimulate national economies in the countries where we operate.

In cases where any of the 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.

Specifically, the Open Resourcing Policy we implement 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.

Regarding new hires, FOURLIS Group also 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.

GRI 102-7

Total number of employees*

In 2018, FOURLIS Group's total number of employees was

4,038

GRI 102-8

Total number of employees by employment contract, by gender

Employment Contract	2018		2017	
	Male	Female	Male	Female
Permanent	1,783	1,980	1,786	1,925
Fixed-term	134	141	93	93

Total number of employees by employment contract, by area

Countries	2018		2017	
	Permanent	Fixed-term	Permanent	Fixed-term
Greece	2,324	141	2,328	97
Cyprus	349	2	326	0
Romania	364	106	358	80
Bulgaria	465	26	452	9
Turkey	261	0	247	0

Total number of employees by employment type, by gender

Employment type	2018		2017	
	Male	Female	Male	Female
Full-Time	1,312	996	1,338	1,025
Part-Time	605	1,125	541	993

* The number of employees is defined as the number of individuals employed as of 31/12/18 and 31/12/17 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.

Internal Communication

For FOURLIS Group, internal communication constitutes a priority for the organization's normal operations. 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:

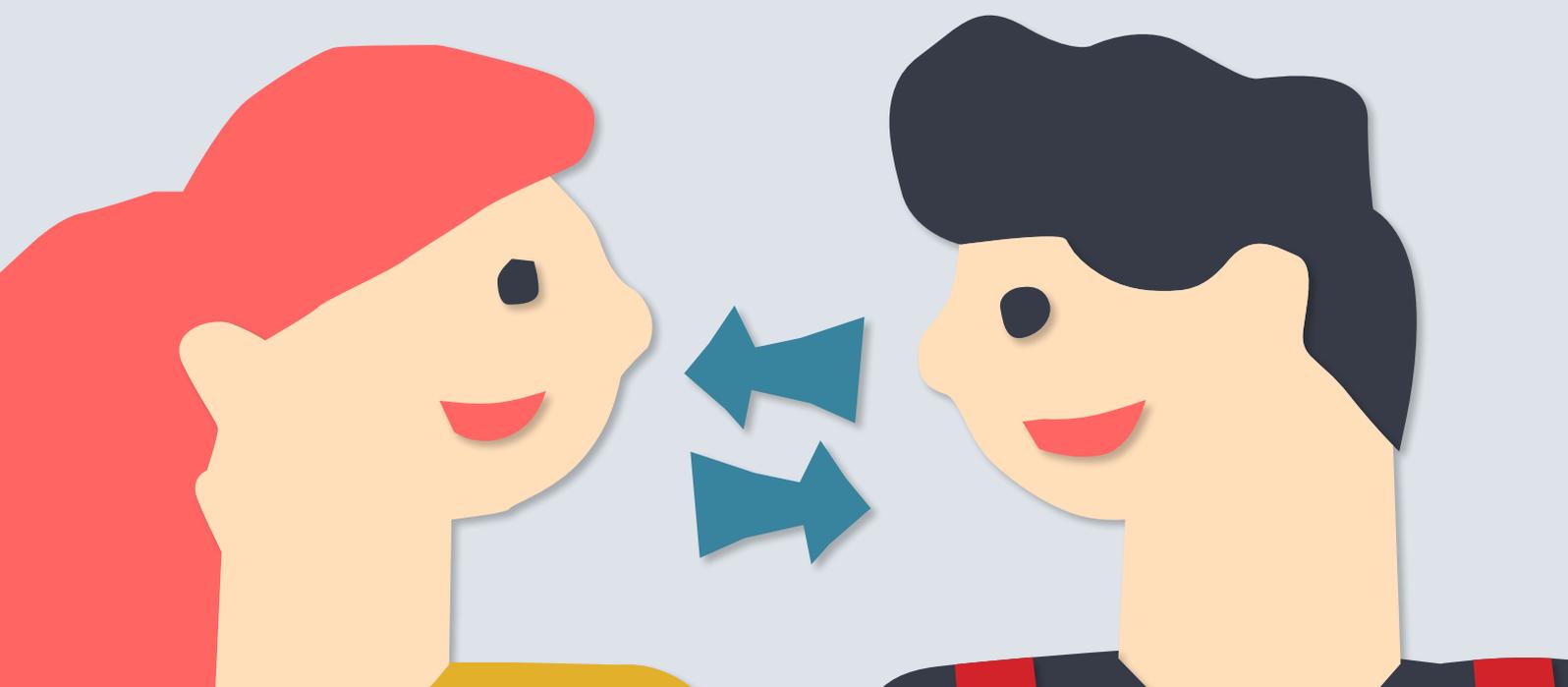
- > Usage, from 2014 till the end of 2018, of the online communication tool called "Yammer". Yammer is a "private" social network, exclusively for FOURLIS Group employees, who have the opportunity to receive information about the Group's latest news and activities as well as to communicate with each other regardless the company they work for or the country they live in. Since November 2018, "Yammer" is used exclusively as a communication tool for executives.
- > Aiming to enhance the information provided to employees via an interactive, user-friendly tool, a new mobile application (social network) was created in 2018, called F2F (FriendtoFriend). F2F was created exclusively for Group employees and is available in five languages. Through this application, our employees are able to browse all Group sites, to attend training programs that concern them, to communicate with all colleagues in real time, as text can be automatically translated, as well as to choose to stay informed on matters that concern them.

- > In the context of the continuous internal communication improvement, we aim at periodically evaluating our efforts through the 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.

Following the "Employee Insight Survey" conducted in 2018, we gathered our employees' proposals, processed them, and then proceeded to the design and implementation of actions, which focus on the following categories:

- > Communication & Collaboration
- > Training & Development
- > Management & Organizational Issues
- > Social Responsibility

Typical such examples are the new mobile application F2F as well as the organization of events (parties) for Group employees.



Other actions for our People

Recognition of contribution and reward of FOURLIS Group employees

Besides the aforementioned communication tools, at FOURLIS Group we believe that in the context of a healthy relationship with our Human Resources, 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 in any way we can.

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 2018, the long-term contribution of 316 employees in Greece, 25 in Cyprus, 21 in Romania and 1 in Bulgaria was recognized.

WE SAY BRAVO!



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. It is worth mentioning that through this process the employees themselves distinguish and reward their colleagues for similar behaviors.

In 2018, through this program, a total of 45 employees were awarded, of which 28 in Greece, 4 in Cyprus, 5 in Bulgaria, 5 in Romania and 3 in Turkey.

SCHOLARSHIP PROGRAM

Recognizing the value and importance of education for young people and everyone's right for equal opportunities, at FOURLIS Group, since 2013, we implement a scholarship program called "SPOUDAZO ME IPOTROFIA" (I study with a scholarship). It's a program that aims to support 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 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 2018, 75 students in Greece, 3 in Cyprus, 16 in Bulgaria, 9 in Romania and 1 in Turkey were rewarded either for their performance in school or for their admission to their countries' universities.

GROUP EMPLOYEES' CHILDREN ACQUIRING WORKING EXPERIENCE DURING SUMMER

Since 2017, FOURLIS Group implements the "Group Employees' children acquiring working experience during summer" program, which aims to give employees' children the opportunity to gain work experience and to familiarize themselves with the work environment.

Teenagers, aged 15-18 in Greece and 16-18 years abroad, participate in the program and are hired by FOURLIS Group companies in accordance with each country's labor laws. The program is implemented only during summer and the children are employed for two weeks.

Through this program, in 2018, 44 children were employed in Group companies and stores, of which 37 in Greece, 5 in Bulgaria and 2 in Romania.



“INVESTORS IN PEOPLE” CERTIFICATION

In 2017, FOURLIS HOLDINGS S.A. was certified for the second consecutive year with the internationally recognized sixth generation standard “INVESTORS IN PEOPLE” (IiP). This certification is valid for three years. 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.

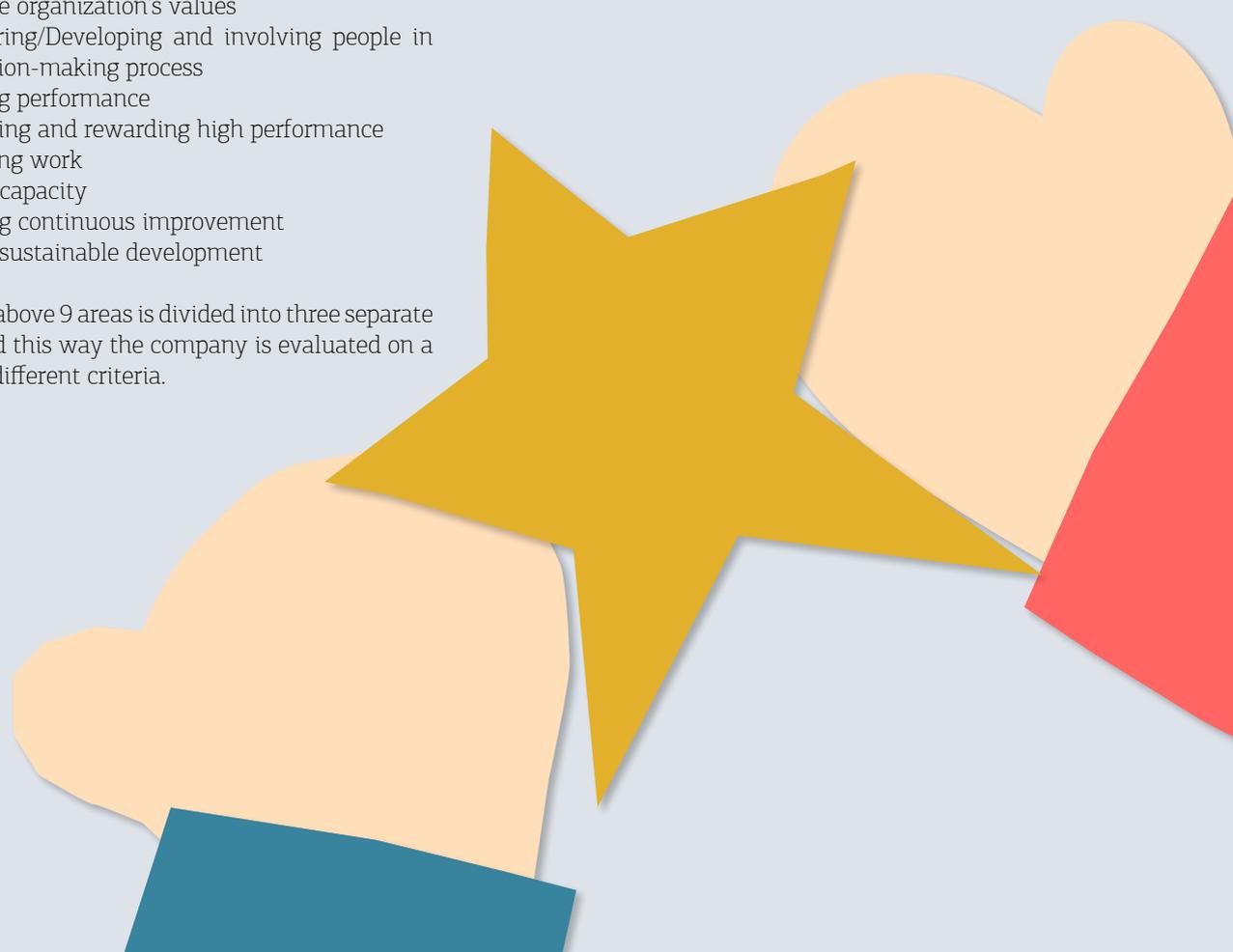
For 2017, FOURLIS HOLDINGS S.A. has achieved the “Established” level in 5 out of the 27 criteria, the “Advanced” level in 2 criteria and finally, the “Developed” level in the 20 criteria.

In the 6th generation standard, a provision is made for a reevaluation both 12 and 24 months after certification. This way, the company has by its side a valuable partner who assists in its efforts to achieve its goals on employee management and development. In September 2018, the reassessment was performed, according to which the Group’s progress is in accordance with the standard’s guidelines.

The organization’s 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.



Results

GRI 401-1

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

2018							
		Employee Turnover	Number of employees	Turnover rate (%)	New Employee Hires	Number of employees	Rate of new employee hires (%)
Age group	<30	712	1,254	56.8	932	1,254	74.3
	30-50	280	2,255	12.4	315	2,255	14.0
	50>	30	529	5.7	29	529	5.5
Gender	Men	579	1,917	30.2	693	1,917	36.2
	Women	443	2,121	20.9	583	2,121	27.5
Total FOURLIS Group		1,022	4,038	25.3	1,276	4,038	31.6
Countries	Greece	289	2,465	11.7	389	2,465	15.8
	Cyprus	145	351	41.3	162	351	46.2
	Romania	198	470	42.1	237	470	50.4
	Bulgaria	206	491	42.0	240	491	48.9
	Turkey	184	261	70.5	248	261	95.0

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
Total FOURLIS Group		988	3,897	25.4	684	3,897	17.6
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

* The number of employees has been expressed as the number of individuals employed as of 31/12/18 and 31/12/17 respectively

GRI 401-2

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

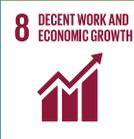
	Greece		Cyprus		Romania		Bulgaria		Turkey	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Life insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Health care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Disability and inability coverage	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Parental leave*	✓	✓	✓	✓						
Retirement provision benefits**	✓	✓	✓	✓						
Stock option plan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* Parental leave is granted according to legislation.

** No retirement benefits are offered in Romania, Bulgaria and Turkey as this is not a common practice in these countries.



PROTECTION OF HUMAN RIGHTS IN THE WORKPLACE



MATERIAL TOPIC



Management approach

At 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.
- > 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 Open Resourcing Policy and Procedure. The core of our Policy on employee recruitment and professional development of our Human Resources is:

- Common recruiting assessment criteria at all Group companies, to ensure equal opportunities and anti-discrimination. It is also worth noting that, in all its countries of activity, FOURLIS Group employs people of 36 different nationalities in total.
- Providing equal opportunities for development through internal mobility and promotion processes to all Group employees.
- Taking into account the balance of gender, national, religious, political or other characteristics, etc., in the selection and development processes of our employees as well as in the remuneration and benefits policies.

> The Health and Safety policy, 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 providing integrated product information to the end-user.

GRI 406-1

Results

All Group employees have signed, according to their position in the corporate hierarchy, the detailed or concise version of the Code of Conduct (the summary is available at www.fourlis.gr).

Additionally, the Group's Code of Conduct line is operational 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 applicable legislation. During the period 1/1-31 /12/2018, three (3) anonymous reports from a Group Company's employees were recorded through the Code of Conduct e-mail and were communicated to the Internal Audit Department. These reports, after being evaluated by the Internal Audit Department, were forwarded to the Group's Human Resources Department, to take appropriate action. These reports did not concern incidents of discrimination or Human Rights violation.





INVESTING IN EMPLOYEE TRAINING AND EDUCATION



MATERIAL TOPIC

Management approach

The first training program for every Group employee is an induction program, through which we make sure that all newly hired employees are informed about the Group's Structure, its Values, the Code of Conduct and each company's Internal Regulation Charter. This program is also available in e-learning and is provided to employees on the day of their recruitment.

In 2011, FOURLIS Learning Academy was established. All FOURLIS Group employees are members of the Academy, participating in programs depending on the requirements of their role and their needs for personal development.

FOURLIS Learning Academy consists of 4 programs in total:

1. GREEN PROGRAM

It is the base of the Academy and is addressed to all 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 FOURLIS Group newly appointed Managers and Supervisors.

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,
which are annually updated,
are developed in four pillars:
Leadership, Business Operations,
Health & Safety, and Sales -
Products*



Within the framework of the Academy a new program, FOURLIS Retail Diploma, 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 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 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.

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's job position specifications
- > The employee's skills level

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.

The Appraisal and Development Review process, which includes the assessment of both measurable agreed goals and the employees' skills and behaviors, takes place once a year for all employees in all Group companies. In addition, the evaluation form also records all actions related to Employees' Development Plan.

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, 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.

Results

GRI 404-1

Average hours of training by Group employee*



* The Group's activities in Turkey are not included.

GRI 404-3

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

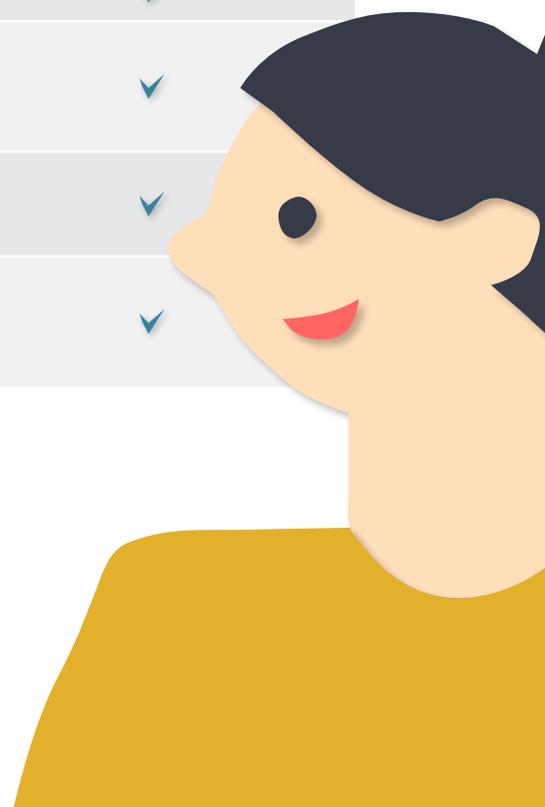
The Performance Appraisal and Development Review, which includes the assessment of the agreed measurable objectives and the assessment of employees' skills and behavior, is conducted once a year for all employees in all Group companies.

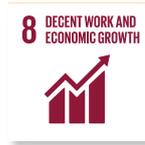
At the same time, all actions related to the employees' Development plan are recorded on the Appraisal Review report.

GRI 404-2

Programs for upgrading employee skills and transition assistance programs

Thematic areas	2018	2017
Concept Awareness Trainings (eg. Induction Training)	✓	✓
Health & Safety	✓	✓
Selling Techniques / Customer Service	✓	✓
IT/ Systems Training	✓	✓
Product Training	✓	✓
Specialized trainings for each function (eg. payroll training)	✓	✓
Foreign languages	✓	✓
Developmental tools for all Group 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.)	✓	✓





PROTECTION OF EMPLOYEE HEALTH, SAFETY AND WELL-BEING

MATERIAL TOPIC

Management approach

An important priority for us is to safeguard compliance with Health and Safety Policy by conducting 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 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 at 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 "Customer Health and Safety" section. The Group's Health and Safety Department 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. In the context of this program, actions such as preventive medical examinations, informational speeches on health and wellness issues, sports tournaments, etc. are organized every year for the Group employees.

Some of the most important EF ZIN actions that took place in 2018, are presented below.



ERGONOMICS SEMINARS

In 2018, Social Responsibility Department organized seminars related to ergonomics, which concerned sedentary work, standing and weight lifting and were implemented at the Group companies' premises in Greece, Cyprus, Bulgaria and Romania. During these seminars, employees had the opportunity to learn about the basic mistakes that lead to body strain as well as how they can take care of their bodies while working, contributing to the improvement of their quality of life.

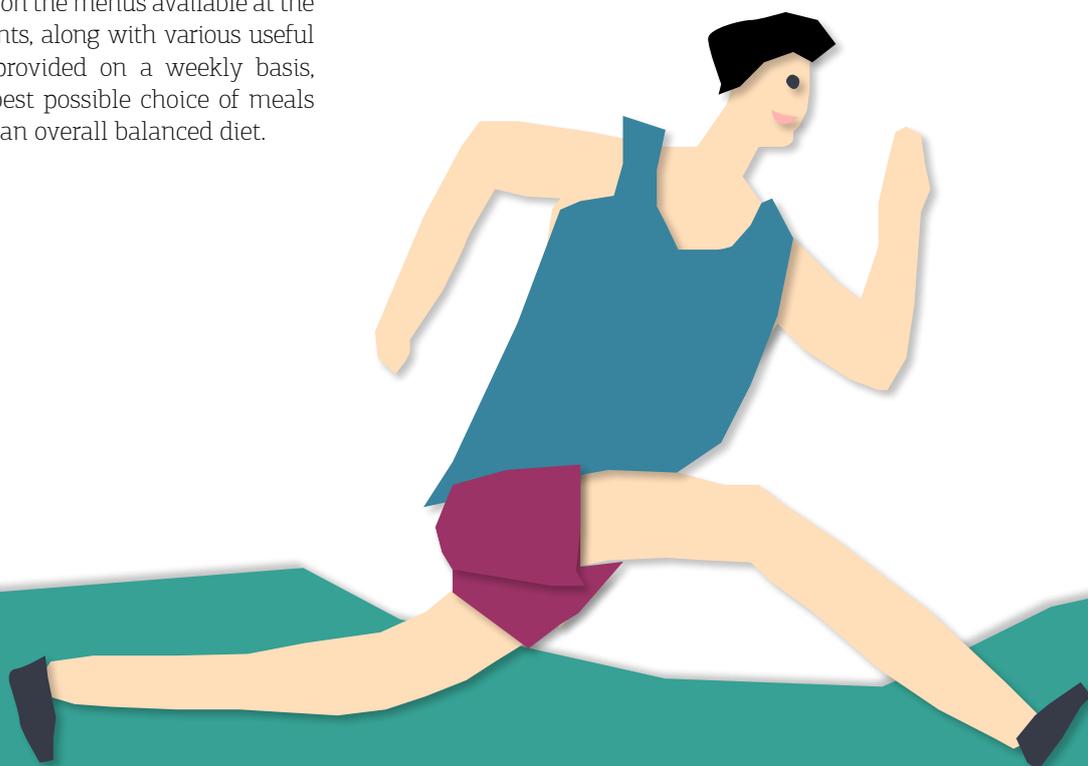
BREAKFAST: THE BEST WAY TO START YOUR DAY

The Social Responsibility Department organized an event at IKEA Cyprus employees' restaurant, where FOURLIS Group employees had the opportunity to be informed, by a well-known chef, about the importance of healthy and energizing breakfast and snacks, as well as for a variety of other food and nutrition issues. As part of the events, employees prepared with the chef and tasted recipes for energizing breakfast and snacks.



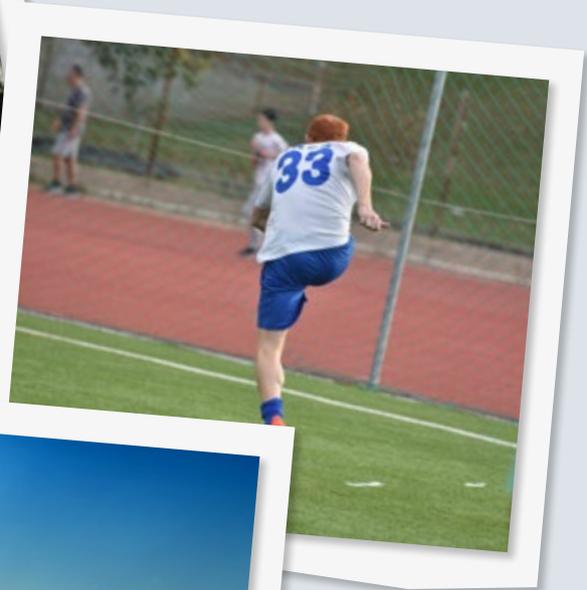
MENU FOR A BALANCED DIET

The EF ZIN nutrition program continued for a seventh year. The program is implemented in cooperation with a dietician-nutritionist and is addressed to IKEA employees in Greece. In the context of this program a nutrition proposal, based on the menus available at the IKEA employee restaurants, 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. The year's first sports tournament took place in June in Larissa, with the participation of Group employees from Larissa, Ioannina and Thessaloniki. This was followed by the tournament in Cyprus, held in July, where FOURLIS Group employees competed in beach sports. Finally in October, FOURLIS Group employees in Attica participated in the Hellenic Company Sports Games 2018, organized by the Hellenic Organization for Company Sports and Health.



Results

In 2018, the number of work-related accidents in all Group companies remained at the same level as in 2017. Also, as a result of our overall management of Health and Safety at work, in the last biennial Employee Insight Survey conducted in 2018, 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	
Injury rate	0	0	0	0	0	0	0	0
Occupational diseases rate	0.0002	0.0003	0.8768	1.1201	0	0	0	0.1154
Lost Days rate	0.0042	0.0059	0.0066	0.0037	0.0003	0	0	0.0001
Absenteeism rate	0.0033	0.0045	2.7938	3.5690	0.2051	0	0	0.1154
Work related fatalities	0	0	0	0	0	0	0	0

	Thessaloniki		Chania		Heraklion		Komotini	
Injury rate	0	0	0	0	0	0	0	0
Occupational diseases rate	0.2050	0.3416	0.0002	0.0003	0.0002	0.0001	0.0068	0.0124
Lost Days rate	0	0.0004	0.0055	0.0082	0.0012	0.0007	0	0
Absenteeism rate	0.0997	0.5370	0.0053	0.0079	0.0012	0.0005	0	0
Work related fatalities	0	0	0	0	0	0	0	0

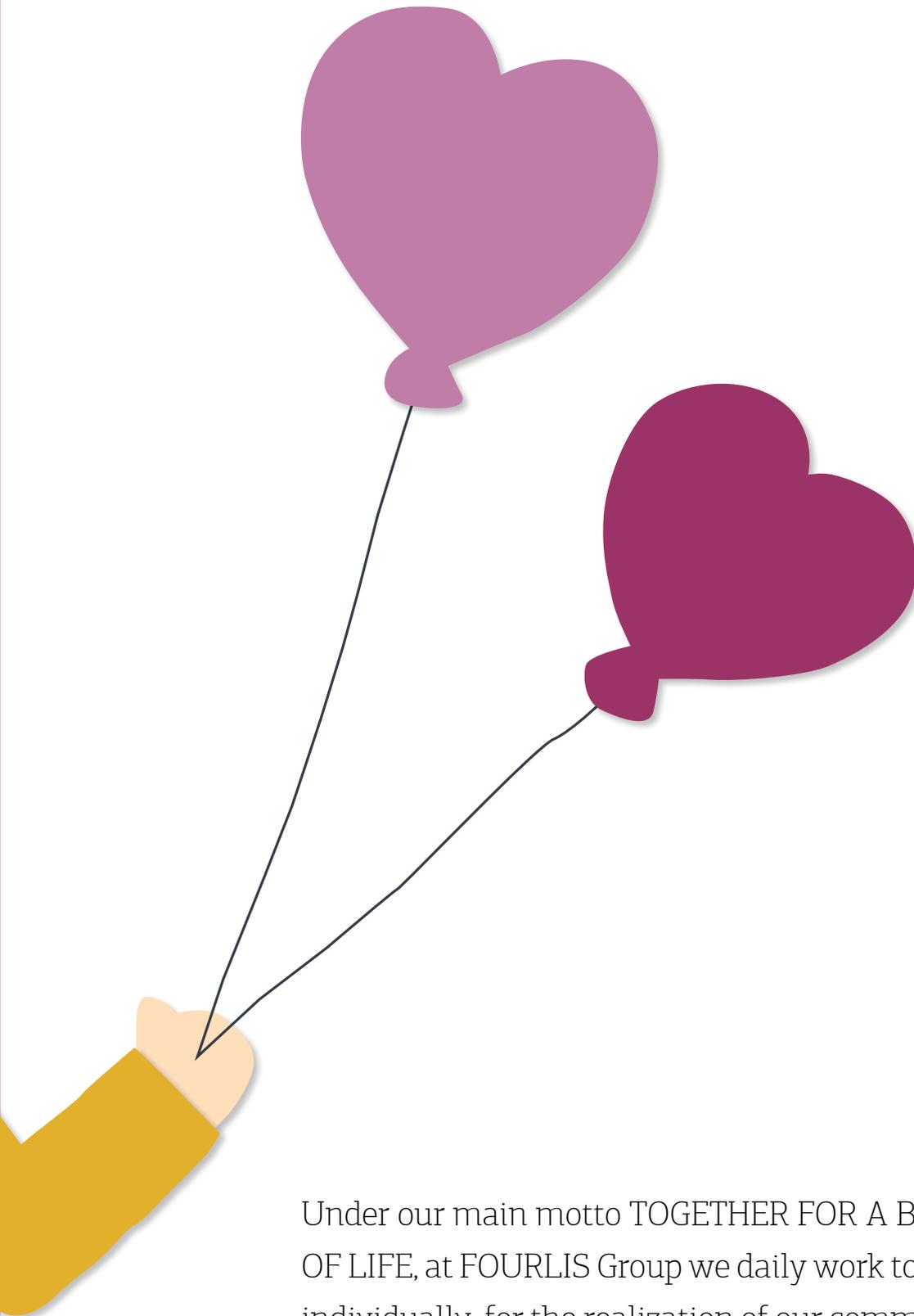
	Rhodes		Patra		Cyprus		Bulgaria	
Injury rate	0	0	0	0	0	0	0	0
Occupational diseases rate	0.0039	0.0026	0.0166	0.0212	0	0	0	0
Lost Days rate	0.0008	0.0007	0.0049	0.0056	0	0	0	0
Absenteeism rate	0.0166	0.0212	0.1233	0.1575	0	0	0	0
Work related fatalities	0	0	0	0	0	0	0	0

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 SOCIETY





Under our main motto TOGETHER FOR A BETTER QUALITY OF LIFE, at 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.



ACTIVE AND RESPONSIBLE SOCIAL CONTRIBUTION

MATERIAL TOPIC

GRI 413-1

Management approach and results

At FOURLIS Group we get informed about the needs of the citizens and the societies where we operate through established communication and consultation channels. We then assess and prioritize these needs in order to design programs and actions that meet the most important ones and also those that are most aligned with our strategy and the nature of our activities. The Social Responsibility Department is constantly in close cooperation with Executives from all Group companies in order to jointly plan, coordinate and implement these actions.

The following are some of the most important programs and actions that were implemented in 2018 to support society.



“FURNISHED WITH JOY” PROGRAM

In 2018, IKEA and FOURLIS Group continued, for the sixth year, the “Furnished With Joy” program through which 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 2018, IKEA proceeded with the total refurbishment of 12 municipal nurseries and kindergartens for more than 650 children in various locations throughout Greece.

The “Furnished With Joy” program was also implemented in Cyprus for a second year. The IKEA Cyprus Store proceeded with the refurbishment of 4 public and community kindergartens for approximately 100 children.

In 2019 IKEA and FOURLIS Group will continue the implementation of “Furnished With Joy” program both in Greece and in Cyprus.



4 QUALITY EDUCATION



17 PARTNERSHIPS FOR THE GOALS





SUPPORT TO “MAKE-A-WISH GREECE” ORGANIZATION

IKEA supports “Make-A-Wish Greece” organization, contributing to granting the wishes of children diagnosed with critical illnesses.

In this context, in 2018 IKEA proceeded with the donation of materials and furniture from its stores, to grant the wishes of 21 children who wished to acquire their dream room. According to research, children regain physical and emotional strength when one of their wishes is granted. This strength helps them deal with their illness.

IKEA and FOURLIS Group’s goal is to create, through their activities and actions, the conditions for a better everyday life for children. In this context, they will continue to support the work of “Make-A-Wish Greece” organization as they share the same belief, which is that we should never stop trying for children.



Make-A-Wish.
Κάνε Μια Ευχή Ελλάδος



17 PARTNERSHIPS
FOR THE GOALS





MEALS DONATION

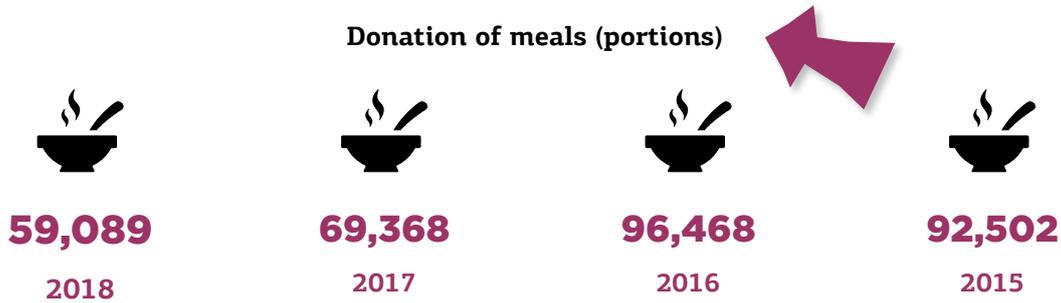
GREECE

Since 2012, IKEA and FOURLIS Group have been cooperating with “BOROUME” (We Can), the non-profit organization whose mission is the reduction of food waste and fighting malnutrition in Greece.

In the context of this cooperation, in 2018 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)



CYPRUS

In 2018, IKEA Cyprus store inaugurated the donation of meals not consumed at the store’s restaurant to people in need and offered meals to the Association for the Prevention and Handling of Violence in the Family (SPAVO) and to Cyprus Red Cross Society.

Donation of meals (portions)





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

In 2018 INTERSPORT carried out, for the 8th consecutive year, the “FTANOUME STA AKRA” (We reach the edges) program, through which it visits public elementary schools in remote and border areas of Greece and offers free sports equipment for the physical education course. INTERSPORT’s delegation is accompanied by distinguished athletes from local sports clubs who have the ideal profile to instill values and ideals in children that would be invaluable for their future development. The “FTANOUME STA AKRA” program is an initiative that serves INTERSPORT’s mission to instill the values of sport to children and to create the necessary conditions for them to have access to it. For this reason, priority is given to those areas and schools that are in need of increased awareness, due to their limited access to sporting events and facilities.

In 2018, INTERSPORT’s mobile unit visited 25 border and remote public elementary schools in the prefectures of Ioannina and Grevena to provide high quality sports equipment for more than 4,000 students as well as to inform them of the benefits of sports and proper nutrition.

The “FTANOUME STA AKRA” program is being implemented since 2011 in cooperation with the respective municipalities and through this initiative INTERSPORT, accompanied by 108 acclaimed athletes, has visited a total of 213 public elementary schools throughout Greece, reaching approximately 25,000 students.

Every year, the voluntary contribution of INTERSPORT’s and FOURLIS Group’s employees is important for the successful completion of the program.





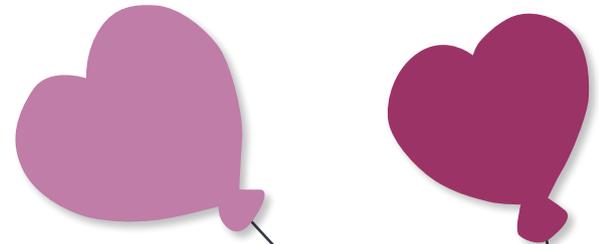
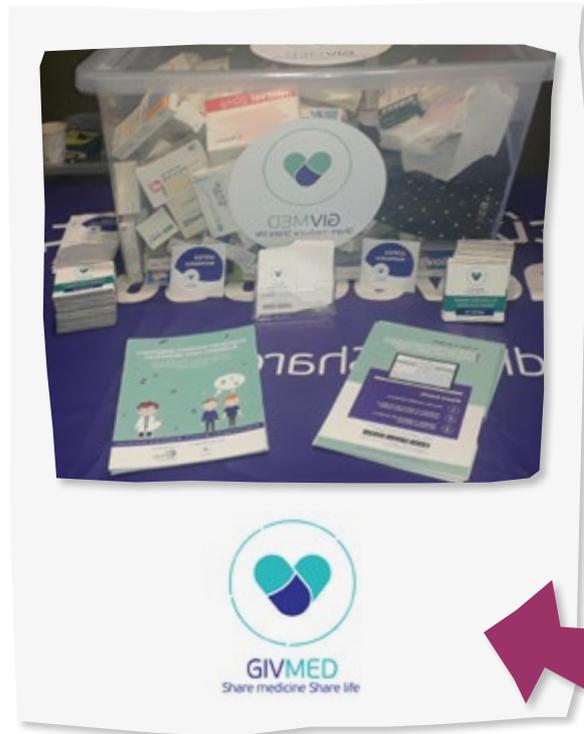
COLLABORATION WITH “GIVMED” ORGANIZATION

In November 2018 FOURLIS Group participated in GIVMED's "Companies Give Meds!" program. GIVMED is a non-profit organization that bridges the gap between the 34,000,000 medicine packages that expire each year in Greece and the 2,300,000 citizens living below the poverty line. The organization's main programs concern the donation of medicines between public benefit bodies, the donation of medicines by citizens and pharmaceutical companies, as well as informative actions for the public.

Under the "Companies Give Meds!" program, the organization was hosted at the premises of FOURLIS Group companies in Attica and specifically at the Group's Headquarters in Maroussi, as well as at the IKEA Airport and Egaleo stores, in order to inform employees about the importance of the donation and utilization of unused drugs and to collect any medicines that were no longer of use.

Through this program, FOURLIS Group employees managed to collect 545 medicine packages, worth a total of 4,044.72 euros, which were offered to 24 public benefit bodies in Greece, including social pharmacies, nursing homes, centers for people with Alzheimer's or autism and centers for the protection of minors. The medicines were distributed in areas within Attica as well as in Chios, Naxos, Lemnos, Preveza and Naoussa.

At the same time FOURLIS Group, wishing to bolster its employees' contribution, proceeded to a financial sponsorship to support the organization's goals.



INTERSPORT ELLINIKON CROSS COUNTRY RACE

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 third year in a row. Ellinikon Cross Country Race is an original race that combines fair play in sports, culture and the area's unique natural environment. Special Olympics also participated in the race with male and female athletes running a 1km special route created by the event's organizers specifically for this cause.





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



FOURLIS Group is a corporate member of DIAZOMA Association, which aims to connect and motivate all 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 as well as for the results of the Association's actions, please visit the website www.diazoma.gr.

FOURLIS HOLDINGS S.A. SUPPORTS OPHELTES



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.

For further information as well as for the results of the Association's actions, please visit the website www.opheltes.gr.

FOURLIS HOLDINGS S.A. SUPPORTS THE SOCIETY FOR THE REVIVAL OF THE NEMEAN GAMES



FOURLIS Group supports the SOCIETY FOR THE REVIVAL OF THE NEMEAN GAMES, which has two basic principles: The games should be as authentic, as true to historic precedent as possible and they should be for the participation of everyone. Their purpose is not to provide entertainment for spectators - although that would be a corollary result - but an opportunity for anyone and everyone to become an ancient Greek athlete if only for ten minutes.

For further information as well as for the results of the Society's actions, please visit the website www.nemeangames.org.

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. For the preservation of the environment, due to the complex ecological and environmental crisis that the world is experiencing. 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 as well as for the results of the ELLINIKI ETAIRIA's actions, please visit the website www.ellet.gr.



IKEA BULGARIA SUPPORTS CHILDREN

IKEA Bulgaria continued its cooperation with UNICEF aiming to support children and their access to education through the program "Together from kindergarten – project for inclusive education". In this context, in 2018 it proceeded with the refurbishment of 4 kindergartens, ideally suited for group activities and the engagement of children from vulnerable social groups. The project was implemented with the voluntary assistance of IKEA Bulgaria employees.



4 QUALITY
EDUCATION



17 PARTNERSHIPS
FOR THE GOALS





CORPORATE VOLUNTEERISM

VOLUNTARY BLOOD DONATION

Under the slogan “Everyone can save a life” FOURLIS Group employees participated, in 2018, in the established voluntary blood donation that took place in January and in June at the Group companies’ premises in Greece, Cyprus and Bulgaria.

With their valuable contribution and active support to this important action, a total of 280 blood bags were collected.

Greece			Cyprus			Bulgaria		
212	225	218	45	42	57	23	33	18
2018	2017	2016	2018	2017	2016	2018	2017	2016





DONATION OF FOOD AND OTHER ESSENTIAL SUPPLIES

On the occasion of Christmas holidays, FOURLIS Group employees in Greece and Cyprus supported, for the ninth year, vulnerable social groups by collecting and offering food and other essentials to Organizations and Foundations.

Altogether, 97 boxes and 135 bags of necessary supplies were collected and distributed to the following organizations:

- > 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 Allilegi” at the Municipality of Kileler
- > In Ioannina: The orphanage run by the Monastery of Panagia Dourachani and the Social Grocery of the Municipality of Pogoni
- > In Komotini: The Association for People with Disabilities “Agioi Theodoroi”
- > In Patra: The Pedagogical Center for People with Disabilities “Merimna”
- > In Rhodes: The Rhodes Orphanage
- > In Heraklion: The Child Care Center
- > In Chania: The “ELEPAP” Rehabilitation for The Disabled
- > In Cyprus: The Cyprus Red Cross Society

FOURLIS Group employees in Greece and Cyprus voluntarily participated in the preparation of the packages distributed to the organizations.

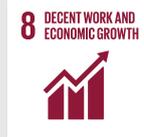
FOURLIS Group employees in Romania and Bulgaria also participated in this important action. Specifically, INTERSPORT Romania employees collected 15 boxes of clothes, shoes, toys and food that they delivered to vulnerable families, while IKEA Bulgaria employees collected dozens of boxes of food, clothes, books and toys covering the needs of many families living in isolated villages of Bulgaria.



FOR THE MARKET







CREATION AND DISTRIBUTION OF DIRECT ECONOMIC VALUE TO STAKEHOLDERS

MATERIAL TOPIC

Management approach

With the expectation that during the year 2019 in Greece, the prospects of economy will improve even more provided that:

- > economic growth continues,
- > the adjustment program and invigoration of banks' liquidity are completed,
- > the climate of confidence is improved and most restrictions in capital movements are removed,
- > the ability of banking system to dispose capitals for new investments is improved,
- > employment is increased and unemployment rate is decreased,
- > high taxation of natural persons and legal entities is reduced,
- > cumulative debt of households and companies is reduced,

the Management of the Group aims to:

- > further increase its profitability,
- > continue strictly chosen investments in both retail segments of activity,
- > further gain benefits from synergies and scale economies that have been achieved within the Group with the completion of new investment in mechanical equipment for the automation of warehouse and distribution services supply of e-commerce products towards all companies of sporting goods segment of the Group by the company TRADE LOGISTICS SA,
- > exploit new investment opportunities and under this context received approval from HCMC for the granting of license for the company under formation "TRADE ESTATES REAL ESTATES INVESTMENT COMPANY",
- > maintain the balance of the income source of the Group between domestic and foreign companies for the rational allocation of risk at the different countries of activity.

GRI 102-7

Results

In 2018, FOURLIS Group's net profits after taxes and minority interests were **€14.3 million** versus profits of **€10.0 million** in 2017.

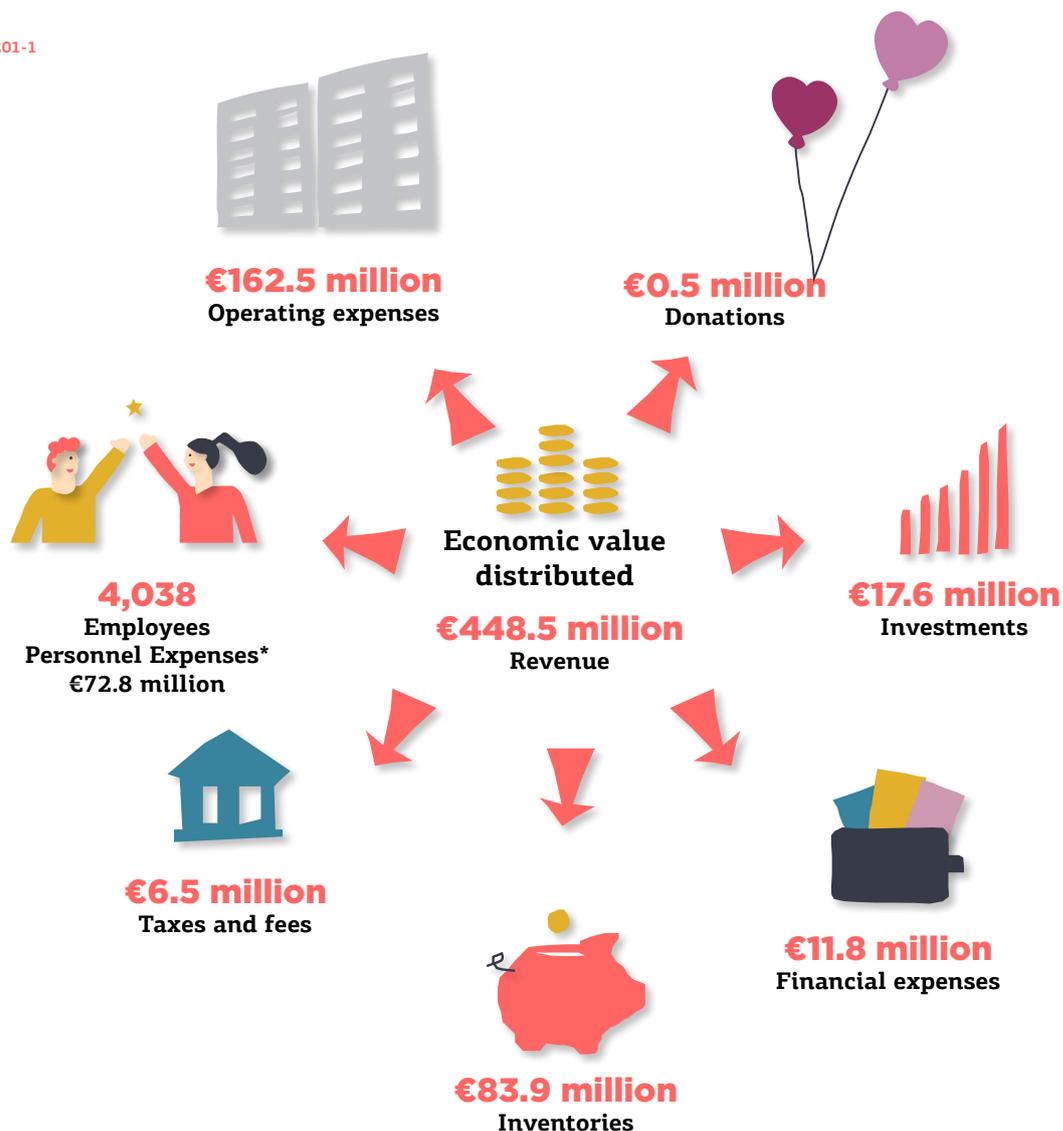
Revenue reached **€448.5 million**, increased by 3.3% compared to 2017 (**€434.1 million**).

The Group's total equity amounted to **€173.8 million** and the total debt to **€134.9 million**

1.8% increase in sales for retail trading of furniture and household goods (IKEA stores) in 2018 compared to the corresponding period of 2017

6.3% increase in sales of the retail trading of sporting goods (INTERSPORT & The Athlete's Foot stores) in 2018 compared to the corresponding period of 2017

GRI 201-1

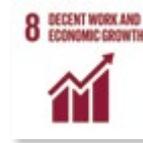


* Includes employer contributions and personnel-related taxes.

The complete FOURLIS Group financial results are available in the 2018 Annual Financial Report at www.fourlis.gr



REGULATORY COMPLIANCE AND BUSINESS ETHICS

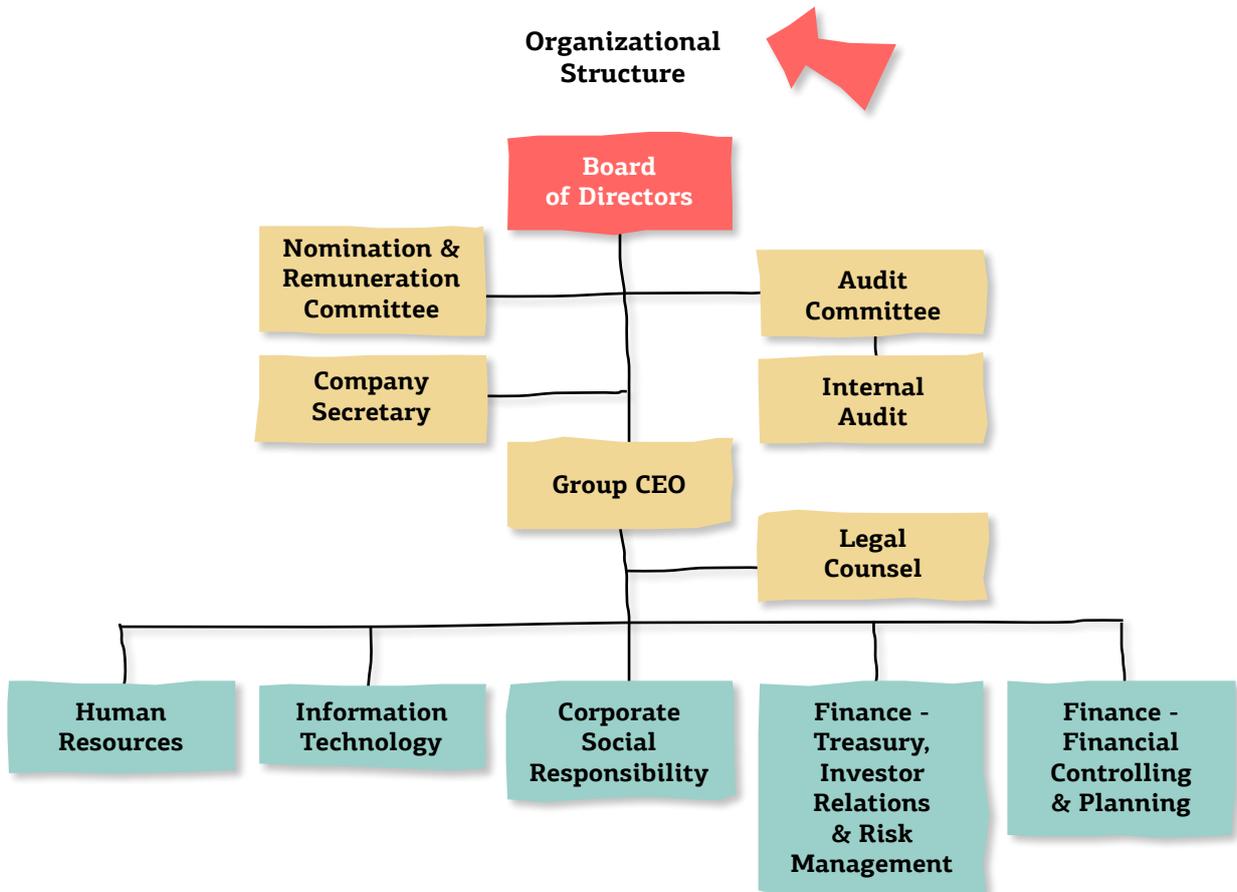


MATERIAL TOPIC

GRI 102-18

Management approach

At 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. The following organizational chart depicts the communication and interaction networks of the Board Members with FOURLIS HOLDINGS S.A. Committees and Departments.



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.

GRI 102-16

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. FOURLIS HOLDINGS S.A. 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

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 Greek legislation and business reality and constitutes a best practices standard for corporate governance. It aims at enhancing Greek companies' transparency and increase 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 Financial 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

CODE OF CONDUCT

The Code of Conduct focuses on creating a working environment that protects and promotes Human Rights. Through the Code, 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, 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.

All employees have signed, based on their position in the company's hierarchy, the Code's detailed or concise version (the concise version is available at www.fourlis.gr).

When changes are made to the provisions of the Code on the part of the company, then employees are required to sign the new version of the Code of Conduct. If in the meantime any changes occur in relation to the Code's prerequisites from the employees' part, the latter must notify Management.

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 unethical or unlawful behavior is observed.
- > Conflicts of interest.
- > Business gifts, payments and fair transactions.
- > Working environment at FOURLIS Group.
- > Trade and competition practices.
- > Merchandise quality and natural environment protection.
- > Confidentiality.



In the second paragraph of the Code of Conduct, which is 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) 210 6293010. There is also an e-mail available: codeofconduct@fourlis.gr"

More information is available at 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 implemented.

AUDIT COMMITTEE

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

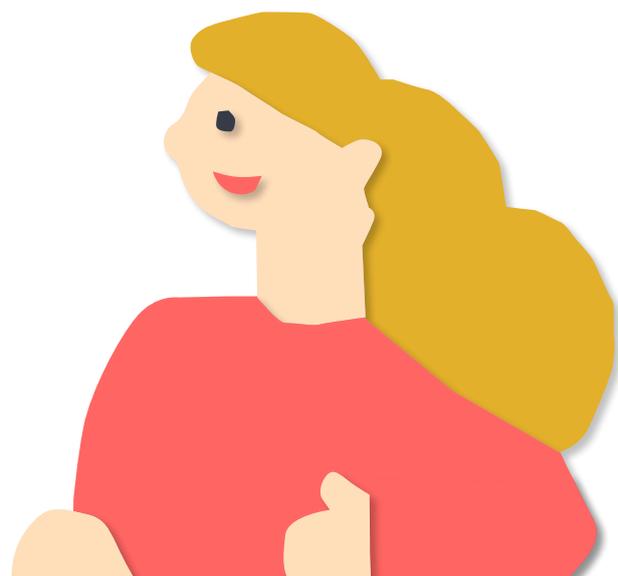
The Audit Committee is appointed by the shareholders General Assembly and its main responsibilities include, inter alia:

- > 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.



PERSONAL DATA PROTECTION

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 the Group. Respect of privacy is part of both the Code of Conduct and the Internal Labor Regulation.

At FOURLIS Group we value the trust of all people involved in transactions with us and we have designed and implemented a personal data protection policy for all people (visitors, partners, customers, suppliers and current, ex and applicant employees). We protect with due diligence 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 General Data Protection Regulation (GDPR), in all the countries where the Group companies operate.

Some of the practices followed by all the Group companies 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.
- > All Group employees, in all countries where it operates, have been trained in GDPR issues either through live seminars or through e-learning. GDPR training is also part of the induction program for new employees.

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.

In 2018, the revision of standards, policies and procedures to fully comply with the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of personal data was completed on time. All policies and procedures are posted, in electronic format, to a site accessible to all employees.

GRI 205-3, GRI 418-1

Results

- > All Group employees have signed, according to their position in the corporate hierarchy, the analytical or concise version of the Code of Conduct.
- > While implementing the Senior Management informational procedure for addressing fraud and corruption incidents, during the period 1/1-31/12/2018, seven (7) cases of small-scale fraud were recorded. These cases were detected by the Group companies' internal safeguards. In all cases, all the necessary measures were implemented and, where required, the policy to remove the responsible employees was implemented. There was no other notification or complaint relating to corruption or bribery incidents that the Group's Management is aware of.
- > In 2018, the applicable personal data and sensitive personal data protection policies and procedures, resulted in no reference, grievances or complaints, by natural persons, concerning violations of their individual rights, freedoms or privacy. Furthermore, we have not been notified of any relevant complaints by the competent authority.



PROTECTION OF CUSTOMER AND VISITOR HEALTH AND SAFETY

MATERIAL TOPIC

Management approach

HEALTH AND SAFETY POLICY

By placing great emphasis on prevention, at 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 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 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 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 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.



GRI 416-2

Results

In order to ensure compliance with 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.

The implementation of our Health and Safety policies led to significant results in 2018. We indicatively mention that no incidents of non-compliance with the legislation related to Health and Safety issues occurred during the reporting period.



PRODUCT COMPLIANCE, LABELING AND RESPONSIBLE COMMUNICATION



MATERIAL TOPIC

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.

For the advertising and promotion of IKEA products, the company follows the communication code applied by IKEA worldwide and all codes of conduct, marketing and communication and the market rules which it is obliged to comply with, 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, 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.





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, while we offer food at our restaurants at very low prices. In addition, we had offers and discounts during the whole previous year (September 2017 - August 2018). Aiming to reward IKEA customers and to create

added value, we developed IKEA Family program, which at the end of 2018 had 786,759 members in Greece, 100,970 in Cyprus and 164,675 in Bulgaria.

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





INTERSPORT and The Athlete's Foot Commercial Division, which is also responsible for product compliance, ensures the adherence to market regulations and European Union CE labeling. The products have specific labelling and indications to provide information and advice to consumers regarding their use, as well as information on their production, etc.

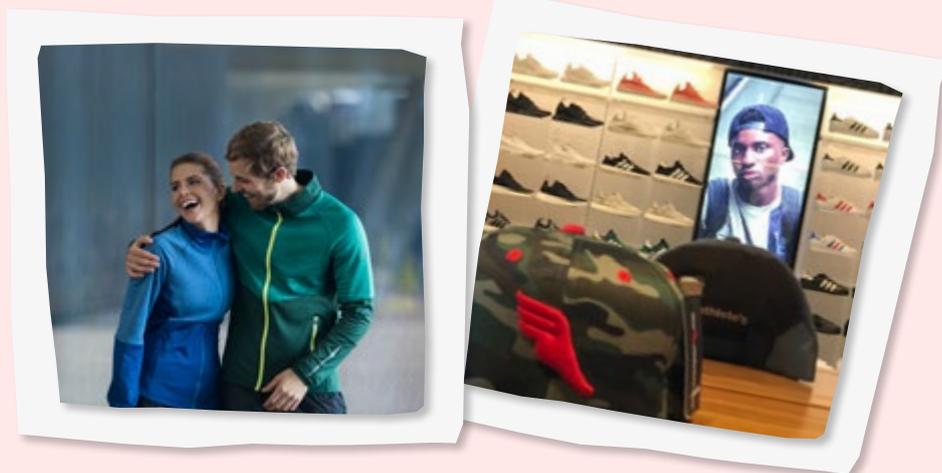
INTERSPORT and The Athlete's Foot product policy focuses on the inclusion of terms, within supplier contracts, which foresee compliance with all the rules and laws applicable to products procured by INTERSPORT ATHLETICS S.A. from them. In the case of defective products, the company proceeds immediately to their withdrawal and repair, as well as to all necessary actions in order to inform any pertinent bodies, such as the Ministry of Commerce, consumer associations and the consumer community, with a special press release.



INTERSPORT ATHLETICS S.A.'s marketing and communication strategy is defined not only by INTERSPORT's vision, which is to bring sports to the people, but also by The Athlete's Foot's vision, which is to bring style to sports, while always having as a principle to meet the needs and particularities of consumers. Both INTERSPORT's and the Athlete's Foot's marketing policies focus on two areas: Corporate Communication and product promotion, while INTERSPORT ATHLETICS S.A.'s Commercial Department is responsible for the implementation of these policies.

The product communication and promotion methods 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 our company is obliged to adhere to, in all countries of operation.

Additionally, since 2000, the year when INTERSPORT ATHLETICS S.A. started operating in Greece, we constantly support 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 530,000 members in Greece (since the end of 2012), 130,000 members in Romania (since September 2017) and 10,000 members in Cyprus (since April 2018). 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, members are informed about the company's promotions and news.



GRI 417-2, GRI 417-3

Results

In 2018 there were no incidents of non-compliance concerning the provision of information and labeling of goods and services.

In 2018, there were no cases of non-compliance with regulations and voluntary codes regarding marketing communications, including advertising, promotion and sponsorship.

FOR THE ENVIRONMENT



GRI 102-11

At FOURLIS Group, the actions we implement to protect the environment are not limited to those dictated by the environmental legislation. We systematically monitor our activities' impacts and implement a number of voluntary actions and interventions aimed at reducing our environmental impacts, saving and recycling natural resources, reducing greenhouse gas emissions, and raising awareness among employees and the public on environmental protection and the adoption of a responsible way of life.



The Group's subsidiaries are responsible for the management of environmental issues 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 their environmental impacts. The role of the Group's parent company, through the Social Responsibility Department, is to monitor the relevant procedures and practices and to collect and compare their results with previous years' data. Through this process, the Group is able to present to its stakeholders the results of the practices it applies.



RESPONSIBLE ENERGY MANAGEMENT AND REDUCTION OF GHG EMISSIONS

FOURLIS Group companies systematically monitor electricity, heating oil and natural gas consumption at their facilities and proceed with the necessary interventions, where and when necessary, in order to reduce it.

Given that the Group's facilities are highly diversified, and aiming to the effectiveness of the interventions made for the reduction of energy consumption, the differences between the companies' facilities are taken into consideration and special measures and practices for improving their energy efficiency are applied.

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

FOURLIS GROUP OF COMPANIES

- > Continuous replacement of IT systems with similar, new technology and lower energy consumption ones.
- > 100% use of new technology LED screens with an off-mode option when not in use.
- > Use of blade servers that consume less power compared to the conventional ones.
- > Informing and raising employees' awareness regarding energy conservation in the workplace.

INTERSPORT

IKEA

TRADE LOGISTICS

the athlete's foot
sport with style

FOURLIS
GROUP OF COMPANIES



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

- > Installation of digital heat sensors at various stores' locations, which by contacting the management system, automatically adjust the heating needs and thus, natural gas and electricity consumption.
- > Better management of all facilities' openings, like, for example, adjustment of automatic doors opening time and distance, as well as air curtains installation.
- > Temperature adjustment for the water used at the restaurant to conserve gas. (Completion 80%).
- > Gradual installation of solar power systems to produce hot water for both general use and for the restaurants. (Completion 40 %.)
- > Completion of the 3-year (2016-2018) lamp replacement program for high consumption bulbs with LED bulbs in commercial and non-commercial areas of the IKEA stores in Greece, Cyprus and Bulgaria.
- > Gradual installation of inventor systems at boilers to conserve natural gas. (Completion 30 %.)
- > Gradual supply and use of peak power consumption management systems, optimizing / deferring the operation of power-operated installations and appliances. (Initial stage.)
- > Planning for the supply and use of power upgrading devices to optimize the air-conditioning.
- > Planning for the supply and use of automations for minimizing the amount of automatic expulsion of conditioned air, beyond actual usage requirements, to minimize the energy consumption for the air conditioning of the premises.

In addition, the company proceeded and is currently at an advanced stage (85%) of restructuring the way it handles the issue of regular / preventive and repairing maintenance of its facilities and 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. (Completion 100 %.)
- > 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. (Completion 30 %.)
- > 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. (Initial stage.)

Concurrently, to avoid the risk of increased 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 the installation of electric power generation systems 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 2018 the process of installing a photovoltaic electricity production system with net metering at the IKEA Cyprus store continued and it is scheduled to be connected in the first half of 2019.



TRADE LOGISTICS

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

- > Conversion of hardware devices in all company's power distribution boards by qualified electrician installers so that all the boards operate in accordance with the modern EL0T HD384 standard. The result of conversions is the optimal partitioning of energy consumption.
- > Electrical autonomy of the loading and unloading areas on the warehouse ramps, in order to illuminate only the ramps that are selected for operation.
- > In the surrounding area, 60% of the lighting that operated with 250W sodium vapor street lighting and 1,000W sodium vapor stadium floodlights are now powered by new 80W LED street lights and 400W LED floodlights respectively. In the high sections of the warehouse that operate with 250W sodium vapor bell-type lights, these are already being replaced by new High Bay LED 100W bell type ones.
- > Electrical autonomy of the warehouse spaces in which the packing stations of the e-shop and the INTERSPORT stores operate, so that their lighting needs are optimally reduced.

PHOTOVOLTAIC SYSTEM OPERATION

Since March 2013, TRADE LOGISTICS has proceeded with the installation and operation of a photovoltaic system for the production of electricity on the roof of its warehouse, with an average annual capacity of 1,400 MWh. In 2018, the total energy production reached 1,394 MWh, while the Greenhouse Gas (GHG) emissions that were not released to the atmosphere during the same period reached 1,274 CO₂e tons, due to the fact that the electricity from the photovoltaic park is produced by renewable energy sources.

GREENHOUSE GAS EMISSIONS

Since 2012, TRADE LOGISTICS calculates its carbon emissions for all its operations, in order to find the most compatible solutions for their mitigation. The results of the measurements are presented in the following table.

	2018	2017*	2016
Direct Emissions (tons CO ₂ e)	63	59	60
Indirect Emissions (tons CO ₂ e)	810	719	721
Optional or other emissions (tons CO ₂ e)	4,076	4,578	4,765
TOTAL EMISSIONS (tons CO₂e)	4,949	5,357	5,546

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





With the renovation of INTERSPORT Nea Erithrea store in September 2014 as a starting point, in all new INTERSPORT & The Athlete's Foot stores we use LED technology bulbs, while the program for the gradual replacement of regular bulbs with LED ones for the rest of our stores continued in 2018.

ENERGY CONSUMPTION

	2018*	2017	2016
Electricity (kWh)	38,171,266	39,268,252	40,241,350
Heating oil (lt)	110,639	158,701	165,220
Natural gas (m ³)	267,921	381,188	339,874

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



PROPER WASTE MANAGEMENT AND RESPONSIBLE MATERIALS SELECTION

At FOURLIS Group we implement material recycling programs aiming at the overall reduction of the waste generated and its more efficient management.

RECYCLING AND WASTE MANAGEMENT

Recycling programs are implemented in collaboration with competent operators for sorting and appropriate treatment of individual categories of waste.

In addition, recycling programs are carried out in the premises of FOURLIS Group companies with the participation of employees and the use of special recycling bins that have been placed in the workplace 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, batteries and small electrical and electronic 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 create recycling infrastructure in our country. The total amount of their monetary contributions from 1/1/2018 to 31/12/2018 can be matched and thus assumed to have financed the purchase of:

From HOUSEMARKET S.A. (IKEA stores)

941 blue recycle bins or **2** garbage trucks

From INTERSPORT S.A. (INTERSPORT & The Athlete's Foot stores)

219 blue recycle bins

Recycling of materials (within FOURLIS Group)



FOURLIS
GROUP OF COMPANIES

	2018*	2017	2016
Paper (kg)	1,716,916	1,626,053	1,477,363
Batteries (kg)	8,979	3,876	17,184
Cooking fat (lt)	23,314	19,845	19,897
Light bulbs (kg)	2,754	2,253	2,087
Aluminum (kg)	2,600	3	520
Plastic (kg)	90,427	89,687	93,090
Metals (kg)	38,502	32,765	54,510
Timber (kg)	35,460	60,940	11,082

* The data refer to the following companies: FOURLIS HOLDINGS S.A., TRADE LOGISTICS, IKEA GREECE & CYPRUS.

USING AND SAVING PAPER

Aiming at the reduction of paper consumption across 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 submission and approval / rejection of purchasing requests
- > Implementation of Managed Print Services

It is also worth mentioning that since September 2016, HOUSEMARKET S.A 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 2018, a total of 757,660 A4 pages were saved at stores, the e-shop, as well as at the IKEA Pick Up and Order Points.

A similar practice is followed by INTERSPORT ATHLETICS S.A., which since November 2017 has proceeded with the electronic archiving of payment copies, an intervention which, in 2018, resulted in the avoidance of printing 2,575,159 copies of documents.

In addition, in 2018 INTERSPORT ATHLETICS S.A. replaced the cardboard boxes with reusable plastic ones for the transportation of its merchandise from its central warehouse (TRADE LOGISTICS) to its stores in Attica and Thessaloniki. It is estimated that through this initiative approximately 120,000 cardboard boxes were not used.

	2018	2017	2016
Quantity of paper purchased for office use (kg)*	29,511	31,990	33,257

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

USING AND SAVING INK

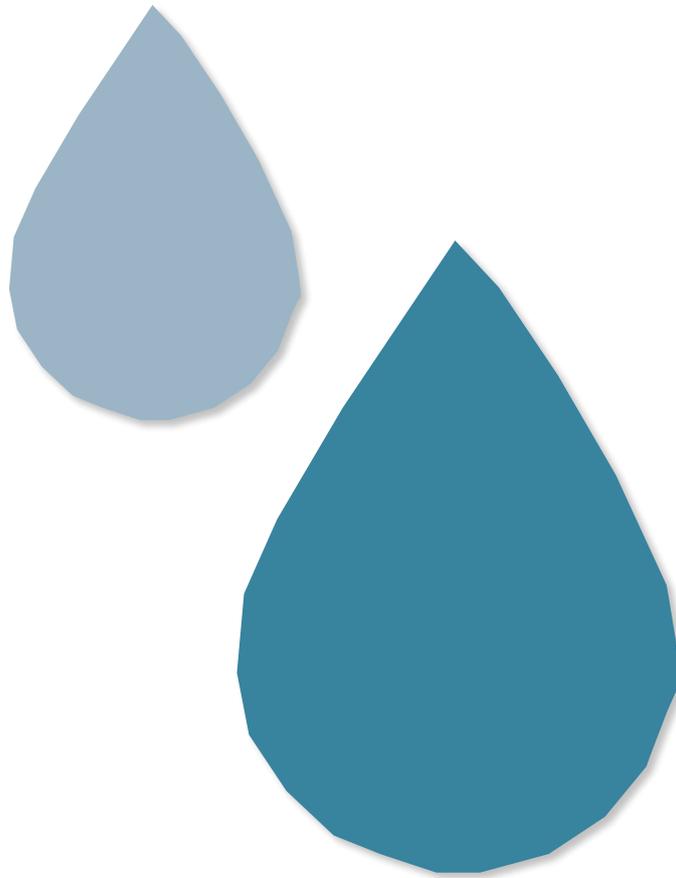
Every year we aim at reducing ink consumption as well as at reducing printing. To achieve this goal we implement new technology practices such as the use of laser printers, which significantly contribute to the protection of the environment, as they require less ink to operate.

Furthermore, in all Group companies' stores and in all countries of operation, all the printers that issue customer receipts are thermal.

	2018	2017	2016
Number of used ink cartridges*	3,004	2,975	2,716

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

The increase in ink consumption between 2015 and 2018 can be mainly attributed to new stores' opening. In addition, all Group companies in all countries of operations implement ink cartridges recycling programs.



RESPONSIBLE WATER CONSUMPTION

At FOURLIS Group we know that a significant quantity of water is consumed at our facilities due to the 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.

	2018	2017	2016
IKEA (Attica excluded)	22,549,000 ¹	24,626,000 ^{1,2}	18,927,000 ¹
IKEA Attica	31,160,000	31,924,000	34,557,000
TRADE LOGISTICS	2,153,118	3,197,321	2,630,911

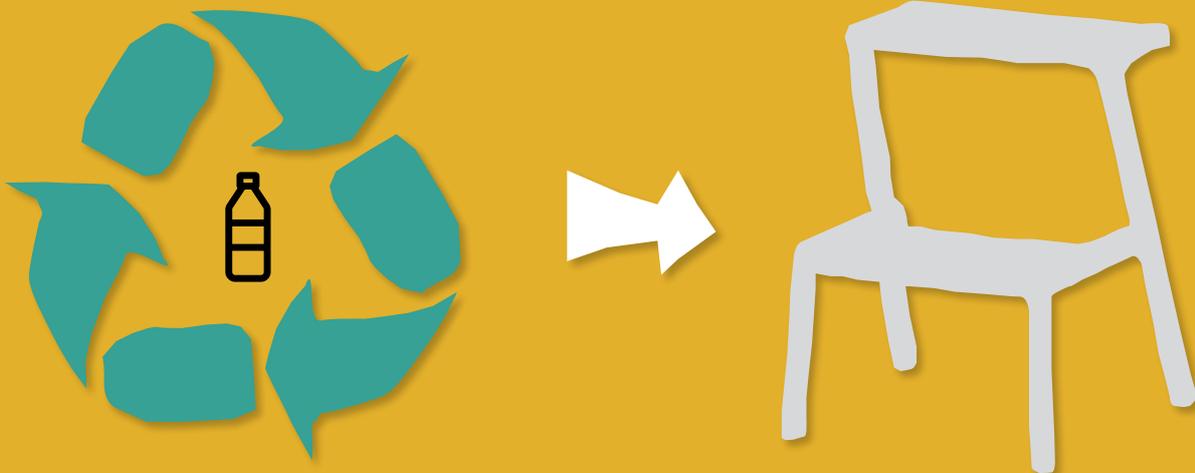
¹ The IKEA Pick Up and Order Point in Heraklion (Crete) is excluded

² It includes a restatement of information compared to the 2017 report.

WE OFFER PRODUCTS THAT CONTRIBUTE TO A MORE SUSTAINABLE LIFESTYLE

IKEA offers products that contribute to a more sustainable lifestyle. We indicatively mention:

- > MÄSTERBY staircase made of 100% recycled plastic.
- > MARIUS staircase made of 40% recycled steel.
- > BJÖRNÅN bathroom curtain made of 100% recycled polyester which originates from plastic PET bottles.
- > IKEA mirrors which are 100% lead-free.
- > JOFRID curtains, throws and covers that get their deep color from natural coloring substances existing in the leaves of plants from crops, which would otherwise be untapped. The dyeing process with natural dyes requires less water, energy and chemicals than conventional methods.
- > The rechargeable LADDA battery which is already charged and can be recharged up to 1,500 times.
- > LED bulbs and lamps with embedded LED lamps.
- > The salmon served at the IKEA Restaurant and sold by the IKEA Swedish food market that originates from Aquaculture Stewardship Council (ASC) certified farms.
- > Seafood served at the IKEA Restaurant and sold by the Swedish food market that originates from fisheries that are independently certified according to the Marine Stewardship Council (MSC) standards.
- > Chocolates and coffee beans that are UTZ certified. This means that cocoa and coffee are sourced from sustainable crops that create better opportunities for their producers and their families.
- > Flat packaging that not only reduces emissions from the transportation from factory to store and from store to home, but also reduces transportation costs.



*"MÄSTERBY staircase
is made of 100% recycled plastic"*

ABOUT THE REPORT

GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54 GRI 102-56

REPORTING PERIOD

This is the tenth, consecutive, annual Social Responsibility and Sustainable Development Report issued by FOURLIS Group. It presents information on the Group's management and sustainable development performance and it covers the period from January 1st to December 31st, 2018. The Group's previous Report was published in June 2018 and covered the 2017 financial year.

The Report is addressed to all FOURLIS Group's stakeholders and to all those who are interested in the Group's approach and management in relation to topics that pertain to its contribution to sustainable development.

STANDARDS AND CONTENT DEFINITION

The Social Responsibility and Sustainable Development Report 2018 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 (p. 22).

Moreover, this Report also constitutes the FOURLIS Group's "Communication on Progress" Report, in compliance with the United Nations Global Compact ten principles (p. 22).

EXTERNAL ASSURANCE

This Report does not contain an independent assurance statement. At 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.

COMMUNICATION

For any issue regarding this Report as well as for any other Social Responsibility issue of FOURLIS Group, please contact: Ms. Lyda Fourlis, Corporate Social Responsibility Director

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

APPENDIXES

COMMUNICATION ON PROGRESS REPORT – UNITED NATIONS GLOBAL COMPACT

GLOBAL COMPACT PRINCIPLES		APPLICATION OF PRINCIPLES AND RESULTS (REFERENCE)
HUMAN RIGHTS		
Principle 1	Businesses should support and respect the protection of internationally proclaimed Human Rights	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP "UN Global Compact" 3. FOR OUR PEOPLE "Protection of Human Rights in the workplace" 5. FOR THE MARKET "Regulatory compliance and business ethics"
Principle 2	Businesses should make sure that they are not complicit in Human Rights abuses	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP "UN Global Compact" 3. FOR OUR PEOPLE "Protection of Human Rights in the workplace" 5. FOR THE MARKET "Regulatory compliance and business ethics"
LABOR CONDITIONS		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP "UN Global Compact" 3. FOR OUR PEOPLE "Protection of Human Rights in the workplace" 5. FOR THE MARKET "Regulatory compliance and business ethics"
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP "UN Global Compact" 3. FOR OUR PEOPLE "Protection of Human Rights in the workplace" 5. FOR THE MARKET "Regulatory compliance and business ethics"
Principle 5	Businesses should uphold the effective abolition of child labor	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP "UN Global Compact" 3. FOR OUR PEOPLE "Protection of Human Rights in the workplace" 5. FOR THE MARKET "Regulatory compliance and business ethics"
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP "UN Global Compact" 3. FOR OUR PEOPLE "Protection of Human Rights in the workplace" 5. FOR THE MARKET "Regulatory compliance and business ethics"

GLOBAL COMPACT PRINCIPLES		APPLICATION OF PRINCIPLES AND RESULTS (REFERENCE)
ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges	6. FOR THE ENVIRONMENT "Responsible energy management and reduction of GHG emissions" "Proper waste management and responsible materials selection" "Responsible water consumption" "We offer products that contribute to a more sustainable lifestyle"
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	6. FOR THE ENVIRONMENT "Responsible energy management and reduction of GHG emissions" "Proper waste management and responsible materials selection" "Responsible water consumption" "We offer products that contribute to a more sustainable lifestyle"
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	6. FOR THE ENVIRONMENT "Responsible energy management and reduction of GHG emissions" "Proper waste management and responsible materials selection" "Responsible water consumption" "We offer products that contribute to a more sustainable lifestyle"
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	5. FOR THE MARKET "Regulatory compliance and business ethics"

GRI 102-55

GRI CONTENT INDEX

GRI Standard	Disclosure	Report Section or Reference	Page	Omission
	GRI 101: Foundation 2016			
	General Disclosures (Core option)			
	102-1 Name of the organization	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
	102-2 Activities, brands, products and services	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
	102-3 Location of headquarters	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
	102-4 Location of operations	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
	102-5 Ownership and legal form	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
	102-6 Markets served	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
	102-7 Scale of the organization	1. THE GROUP AT A GLANCE "Who we are"	12-14	-
		3.FOR OUR PEOPLE: "Employment creation"	34-38	
		5.FOR THE MARKET: "Creation and distribution of direct economic value to stakeholders"	60-61	
	102-8 Information on employees and other workers	3.FOR OUR PEOPLE: "Employment creation"	34-38	-
	102-9 Supply chain	1. THE GROUP AT A GLANCE: "Our supply chain"	15	-
	102-10 Significant changes to the organization and its supply chain	There were no significant changes within 2018.	-	-
	102-11 Precautionary Principle or approach	6.FOR THE ENVIRONMENT	72-81	-
	102-12 External initiatives	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "UN Global Compact"	22	-
	102-13 Membership of associations	1. THE GROUP AT A GLANCE: "Our Group's memberships"	16-17	-
	102-14 Statement from senior decision-maker	CEO MESSAGE	4-6	-
		2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP	20	
	102-16 Values, principles, standards and norms of behavior	1. THE GROUP AT A GLANCE: "Our Values and our Mission"	9	-
		5.FOR THE MARKET: "Code of Conduct"	63	
GRI 102: General Standard Disclosures 2016				

GRI Standard	Disclosure	Report Section or Reference	Page	Omission
GRI 102: General Standard Disclosures 2016	102-18 Governance structure	5. FOR THE MARKET: "Regulatory compliance and business ethics"	62-65	-
	102-40 List of stakeholder groups	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our stakeholders"	23-25	-
	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	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our stakeholders"	23-25	-
	102-43 Approach to stakeholder engagement	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our stakeholders"	23-25	-
	102-44 Key topics and concerns raised	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Materiality analysis"	26-27	-
	102-45 Entities included in the consolidated financial statements	https://www.fourlis.gr/Files/IR/Financial%20Reports/Fourlis_Holdings/el/2018/Fourlis_Notes_FY18_en.pdf		-
	102-46 Defining report content and topic Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Materiality analysis" "Our material topics for 2018"	26-31	-
	102-47 List of material topics	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	102-48 Restatements of information	-	-	-
	102-49 Changes in reporting	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	102-50 Reporting period	ABOUT THIS REPORT	82	-
	102-51 Date of most recent report	ABOUT THIS REPORT	82	-
	102-52 Reporting cycle	ABOUT THIS REPORT	82	-
	102-53 Contact point for questions regarding the report	ABOUT THIS REPORT	82	-
	102-54 Claims of reporting in accordance with the GRI Standards	ABOUT THIS REPORT	82	-
	102-55 GRI content index	GRI CONTENT INDEX	85-90	-
	102-56 External assurance	ABOUT THIS REPORT	82	-

GRI Standard	Disclosure	Report Section or Reference	Page	Omission
Creation & distribution of direct economic value to stakeholders (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	5.FOR THE MARKET: "Creation and distribution of direct economic value to stakeholders"	60-61	-
	103-3 Evaluation of the management approach	5.FOR THE MARKET: "Creation and distribution of direct economic value to stakeholders"	60-61	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	5.FOR THE MARKET: "Creation and distribution of direct economic value to stakeholders"	61	-
Regulatory compliance and business ethics (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	5.FOR THE MARKET: "Regulatory compliance and business ethics"	62-65	-
	103-3 Evaluation of the management approach	5.FOR THE MARKET: "Regulatory compliance and business ethics"	62-65	-
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	5.FOR THE MARKET: "Regulatory compliance and business ethics"	65	-
Employment creation (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	3.FOR OUR PEOPLE: "Employment creation"	34-38	-
	103-3 Evaluation of the management approach	3.FOR OUR PEOPLE: "Employment creation"	34-38	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.FOR OUR PEOPLE: "Employment creation"	38	-
	401-2 Benefits provided to full-time and part-time employees that are not provided to seasonal employees	3.FOR OUR PEOPLE: "Employment creation"	38	-

GRI Standard	Disclosure	Report Section or Reference	Page	Omission
Protection of Human Rights in the workplace (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	3.FOR OUR PEOPLE: "Protection of Human Rights in the workplace"	39-40	-
	103-3 Evaluation of the management approach	3.FOR OUR PEOPLE: "Protection of Human Rights in the workplace"	39-40	-
GRI 406: Non - discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.FOR OUR PEOPLE: "Protection of Human Rights in the workplace"	40	-
Investing in employee training and education (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2. CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	3.FOR OUR PEOPLE: "Investing in employee training and education "	41-43	-
	103-3 Evaluation of the management approach	3.FOR OUR PEOPLE: "Investing in employee training and education "	41-43	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3.FOR OUR PEOPLE: "Investing in employee training and education "	42	-
	404-2 Programs for upgrading employee skills and transition assistance programs	3.FOR OUR PEOPLE: "Investing in employee training and education "	43	-
	404-3 Percentage of employees receiving regular performance and career development reviews	3.FOR OUR PEOPLE: "Investing in employee training and education "	43	-
Active and responsible social contribution (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	4. FOR THE SOCIETY: "Active and responsible social contribution"	50-57	-
	103-3 Evaluation of the management approach	4. FOR THE SOCIETY: "Active and responsible social contribution"	50-57	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	4. FOR THE SOCIETY: "Active and responsible social contribution"	50-57	-

GRI Standard	Disclosure	Report Section or Reference	Page	Omission
Product compliance, labeling and responsible communication (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	5.FOR THE MARKET: "Product compliance, labeling and responsible communication"	68-71	-
	103-3 Evaluation of the management approach	5.FOR THE MARKET: "Product compliance, labeling and responsible communication"	68-71	-
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	5.FOR THE MARKET: "Product compliance, labeling and responsible communication"	71	-
	417-3 Incidents of non-compliance concerning marketing communications	5.FOR THE MARKET: "Product compliance, labeling and responsible communication"	71	-
Protection of employee and customer health and safety (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	5.FOR THE MARKET: "Protection of customer and visitor health and safety"	66-67	-
	103-3 Evaluation of the management approach	5.FOR THE MARKET: "Protection of customer and visitor health and safety"	66-67	-
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	5.FOR THE MARKET: "Protection of customer and visitor health and safety"	67	-

GRI Standard	Disclosure	Report Section or Reference	Page	Omission
Protection of employee health, safety and well-being (MATERIAL TOPIC)				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	3.FOR OUR PEOPLE: "Protection of employee health, safety and well-being"	44-47	-
	103-3 Evaluation of the management approach	3.FOR OUR PEOPLE: "Protection of employee health, safety and well-being"	44-47	-
GRI 403: 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	3.FOR OUR PEOPLE: "Protection of employee health, safety and well-being"	47	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	3.FOR OUR PEOPLE: "Protection of employee health, safety and well-being"	47	-
Personal data protection				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundaries	2.CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT AT OUR GROUP: "Our material topics for 2018"	28-31	-
	103-2 The management approach and its components	5.FOR THE MARKET: "Regulatory compliance and business ethics"	62-65	-
	103-3 Evaluation of the management approach	5.FOR THE MARKET: "Regulatory compliance and business ethics"	62-65	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.FOR THE MARKET: "Regulatory compliance and business ethics"	65	-

