



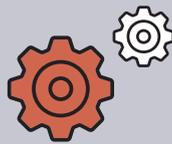
**SOCIAL
RESPONSIBILITY
AND SUSTAINABLE
DEVELOPMENT
REPORT**

2016

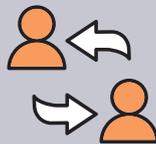
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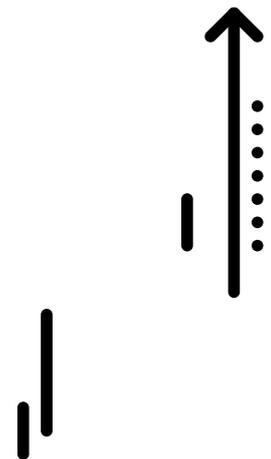
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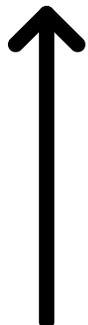
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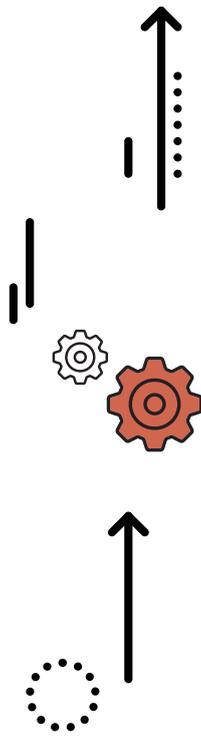
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“We hope that this Social Responsibility and Sustainable Development Report of the FOURLIS Group will constitute an important information and engagement tool for all those who are engaged with our Group, regarding the economic, social and environmental impacts to our stakeholders and to the societies and economies of the countries where we operate”.





CEO MESSAGE

|| GRI 102-10 || GRI 102-14 ||

True to our Values, *Integrity, Respect, Efficiency* and to Our Vision for creating value through responsible business practices, at the FOURLIS Group, in 2016 we continued to operate guided by our contribution to the Group's sustainable development and also to the sustainable development of the societies in the countries where we operate.

Despite the ongoing economic crisis, we achieved sales growth and improved profitability compared to 2015, while we also launched seven new INTERSPORT stores, two new The Athlete's Foot stores and a new IKEA Centre for Orders and Deliveries. In addition, during the same year, the FOURLIS TRADE SA acquisition from HOUSEMARKET SA was finalized and the provision of warehouse and distribution services supply towards all companies of the Group from TRADE LOGISTICS SA was completed. These changes were made in order to gain benefits from synergies and economies of scale that have been achieved within the Group.

We now present the eighth consecutive annual Social Responsibility and Sustainable Development Report of the FOURLIS Group, which was prepared in accordance with the core option of the new Global Reporting Initiative (GRI) Standards and refers to the 2016 financial year. We believe that this choice showcases our commitment to integrate and connect corporate responsibility with our broader strategy, to focus our relevant actions and practices on the FOURLIS Group's sustainable development material topics and to contribute to the sustainable development of the societies and economies in the countries where we operate.

For the first time in this year's report we are attempting to link our economic, social and environmental impacts to the UN's Sustainable Development Goals, embracing the United Nations' vision for a global coordinated effort to improve life in a sustainable way and recognizing our role in achieving this objective. The strong foundations we have established throughout the years, with our voluntary participation in the UN Global Compact and the adoption of the Ten (10) Principles that the Global Compact stands for, as well as by adhering to the GRI guidelines, not only as a framework of objectivity and transparency, but also as a tool for measuring and improving our performance, allow us to coordinate our efforts in order to contribute to the sustainable development, in the context of these Global Goals.

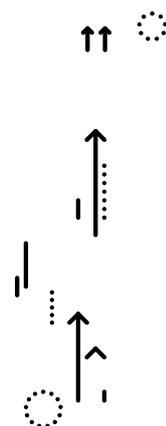
Recognizing that our people constitute an integral part of all that we have achieved until this date and of our future development, for another year we continued to invest in the creation of a safe working environment and to promote respect for human rights, non-discrimination, dignity, education and development and equal opportunities for all. Towards this end, in 2016 we implemented the FOURLIS Retail MBA program, with the main goal of offering our employees a high level of knowledge from University professors and senior Executives both from the market and from the FOURLIS Group, in a range of fields that mainly focus on Retail management.

In 2016, we also continued to implement programs and actions aimed at supporting the local communities in which we operate, demonstrating in practice our commitment to support our fellow citizens. A prominent example is IKEA's "Furnished with Joy" program, through which we fully equipped and refurbished 10 municipal nurseries and kindergartens in different regions of Greece, creating a safe and functional environment for hundreds of children.

In this report you will also find information about our environmental protection practices and initiatives, such as the multiannual recycling and the energy conservation programs, the promotion of eco-friendly products, the measurement and recording of the carbon footprint of our activities, the interventions to improve the energy efficiency of our facilities and the use of renewable energy sources to support our operations.

Recognizing the potential for continuous improvement, we hope that this Social Responsibility and Sustainable Development Report of the FOURLIS Group will constitute an important information and engagement tool for all those who are engaged with our Group, regarding the economic, social and environmental impacts to our stakeholders and to the societies and economies of the countries in which we operate.

Apostolos Petalas
CEO
FOURLIS Group





SOCIAL RESPONSIBILITY DEPARTMENT MESSAGE



|| GRI 102-14 ||

We are in the pleasant position to present the 2016 Social Responsibility and Sustainable Development Report, the eighth Report issued by the FOURLIS Group, aiming to inform its Stakeholders about the actions and Social Responsibility programs it implements and their results.

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

As also revealed by our slogan “TOGETHER FOR A BETTER QUALITY OF LIFE”, at the FOURLIS Group we focus on the design and implementation of actions that aim to create the conditions for a better life for all. In order to achieve our strategic goals for Social Responsibility and Sustainable Development we are in constant contact with our Stakeholders in the societies where we operate. Doing so, we are able to understand their needs, to evaluate them and to become more effective by designing programs and actions that respond, to the extent of our potential, to the most important of them. Staying committed to our Values, *Integrity, Respect, Efficiency*, we keep the commitments that we make in the context of the

FOURLIS Group’s Social Responsibility strategy, we update our practices whenever it is necessary and we ensure that Social Responsibility is integrated into our everyday business as an integral value and practice.

In this context, in 2016 we implemented a wide array of actions that aimed at respecting people, supporting the society and protecting the environment. Especially in terms of supporting the society that is still being affected by the consequences of the crisis, we continued to implement programs with great emphasis on supporting vulnerable social groups and especially children.

Envisioning the future, while believing that the basis for a better tomorrow lies in the present, at the FOURLIS Group we are committed to continue to expand and evolve our practices and to constantly seek new ways to support employees and the society, to protect the environment and to meet our customers’ high expectations; therefore to create through our products, services, operations and actions the conditions for a better life for all.

Lyda Furlis

Corporate Social Responsibility Director
FOURLIS Group

COMMUNICATION

|| GRI 102-53 ||

For any Social Responsibility issue of the FOURLIS Group, please contact:
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Corporate Social Responsibility Director,
FOURLIS HOLDINGS SA
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E-mail: csr@fourlis.gr,
Tel .: 0030 210 6293000,
Fax: 0030 210 6293205

ABOUT THE REPORT

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REPORTING PERIOD

This Social Responsibility and Sustainable Development Report of the FOURLIS Group contains information about the Group's management and performance on sustainable development and covers the period from January 1st 2016 to December 31st 2016. It is the eighth consecutive annual Social Responsibility and Sustainable Development Report issued by the FOURLIS Group and is available online as a pdf file at www.fourlis.gr. The Group's previous Report was published in June 2016 and covered the 2015 financial year.

The Report is addressed to all of the FOURLIS Group's Stakeholders and to all those who are interested in the Group's approach and management of issues that concern its contribution to sustainable development.

REPORTING GUIDELINES AND CONTENT DEFINITION

The 2016 Social Responsibility and Sustainability Development Report has been prepared in accordance with the new GRI (Global Reporting Initiative) 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 sustainable development, in the context of the UN Sustainable Development Goals.

More specifically, for defining the Report's content, the FOURLIS Group conducted a materiality analysis of issues that have impacts on sustainable development, for which more information is available on page 34. The GRI content index was compiled according to the "in accordance - core" option and is available on page 105. Moreover, this Report constitutes the "Communication on Progress" Report of the FOURLIS Group, in compliance with the ten Principles of the United Nations Global Compact.

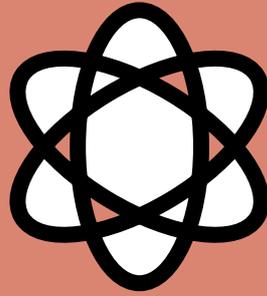
EXTERNAL ASSURANCE

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

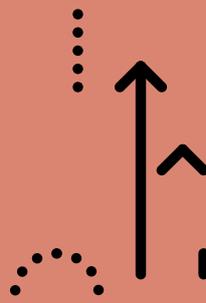
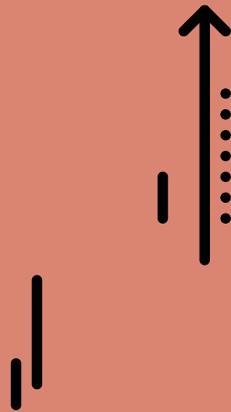


OUR VALUES

|| GRI 102-16 ||



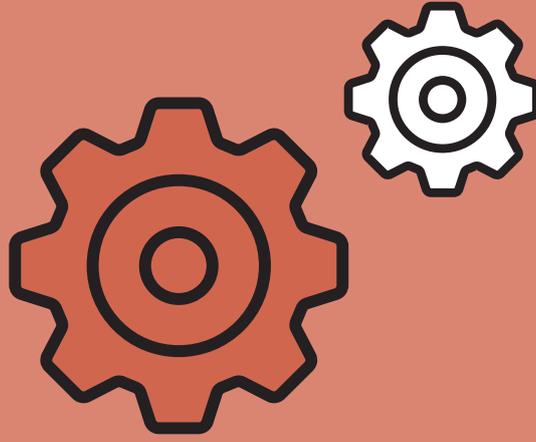
**INTEGRITY,
RESPECT
& EFFICIENCY**



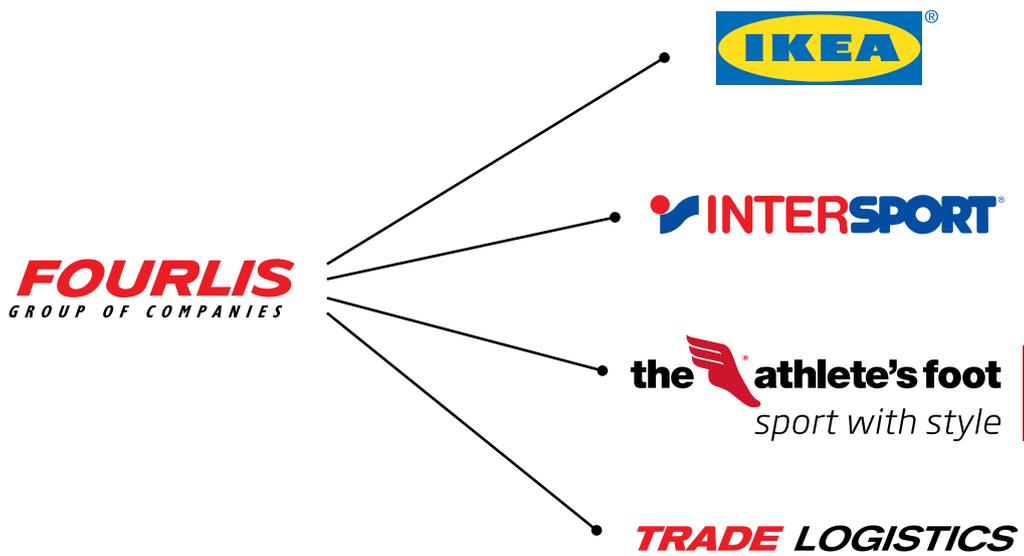
OUR VISION & MISSION

|| GRI 102-16 ||

TO CREATE ADDED
VALUE FOR OUR
CUSTOMERS, PEOPLE,
SHAREHOLDERS AND THE
SOCIETY, BY DELIVERING
GOODS AND SOLUTIONS
FOR A BETTER LIFE.



01 OUR GROUP





PROFILE

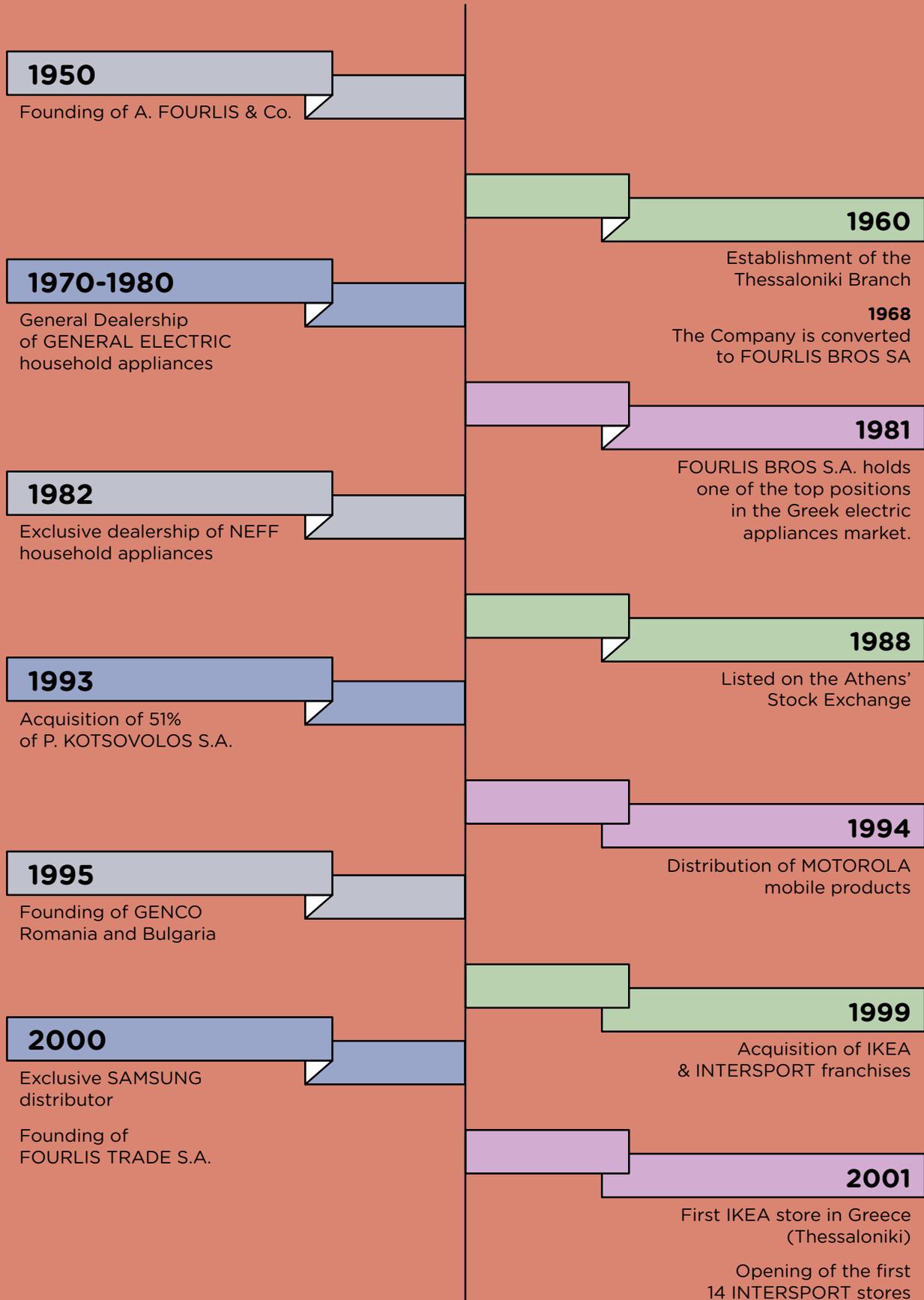
|| GRI 102-1 || GRI 102-2 || GRI 102-3 || GRI 102-4 || GRI 102-5 || GRI 102-6 || GRI 102-7 ||

FOURLIS HOLDINGS S.A. (FOURLIS Group) is a continuation of the A. FOURLIS and Co., which was founded in 1950 in Athens by Anastasios Furlis, in partnership with his brothers, Stelios, Ioannis and Ilias.

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

- Retail sale of household goods through the IKEA stores in Greece, Cyprus and Bulgaria.
- Retail sale of sporting goods through the INTERSPORT stores in Greece, Cyprus, Bulgaria, Romania and Turkey and through The Athlete's Foot stores in Greece and Turkey.
- Warehouse and product delivery services through TRADE LOGISTICS for the support of both retail segments.

MILESTONES IN THE FOURLIS GROUP'S HISTORY



2004

First IKEA store in Athens (Airport)
First INTERSPORT store in Romania

2007

First IKEA store in Cyprus

2009

IKEA store in Larissa

2011

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

2013

New INTERSPORT stores in Greece, Romania and Turkey
3 IKEA Centres for Orders-Deliveries in Patras, Chania and Heraklion

2015

First The Athlete's Foot stores in Greece and Turkey
New INTERSPORT stores in Greece, Romania and Turkey
First IKEA Centre for Orders-Deliveries in Bulgaria (Varna)

2006

First INTERSPORT store in Bulgaria
Founding of SERVICE ONE S.A.

2008

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

2010

IKEA store in Ioannina

2012

New INTERSPORT stores in Greece, Cyprus, Romania and Bulgaria
New NEW LOOK stores in Romania (7 stores in total)
New INTERSPORT online shop (e-shop)
IKEA Centre for Orders-Deliveries in Rhodes

2014

New INTERSPORT stores in Greece, Romania, Bulgaria and Turkey
1 new IKEA Centre for Orders-Deliveries in Komotini
New IKEA online shop (e-shop)
Assumption of franchise agreements rights for the growth of The Athlete's Foot stores in Greece and Turkey.

2016

New INTERSPORT stores in Greece, Romania, Bulgaria and Turkey
New The Athlete's Foot stores in Greece
New Centre for Orders-Deliveries in Bulgaria (Burgas)

OUR PRESENCE ON THE MAP



1

IKEA STORE

IN BULGARIA

2

IKEA CENTRES FOR ORDERS-DELIVERIES

7

INTERSPORT STORES

IN ROMANIA

31

INTERSPORT STORES

1

IKEA STORE

IN CYPRUS

4

INTERSPORT STORES

23

INTERSPORT STORES

2

The Athlete's Foot STORES

IN TURKEY



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 and 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 store in Cyprus and 1 store in Sofia, Bulgaria. Moreover, 5 IKEA Centres for Orders and Deliveries operate in Greece (Patras, Rhodes, Heraklion, Chania and Komotini) and 2 in Bulgaria (Varna and Burgas). Additionally, the IKEA e-shop has been operating since August 2014 for online purchases through the website www.ikea.gr, while e-commerce is active in both Cyprus and Bulgaria.

TRADE LOGISTICS

TRADE LOGISTICS (TRADE LOGISTICS S.A.), based in Schimatari, Viotia, began operating in 2008 and uses modern automation systems for all its activities which are:

1

Warehouse and distribution services for the below stores:

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

2

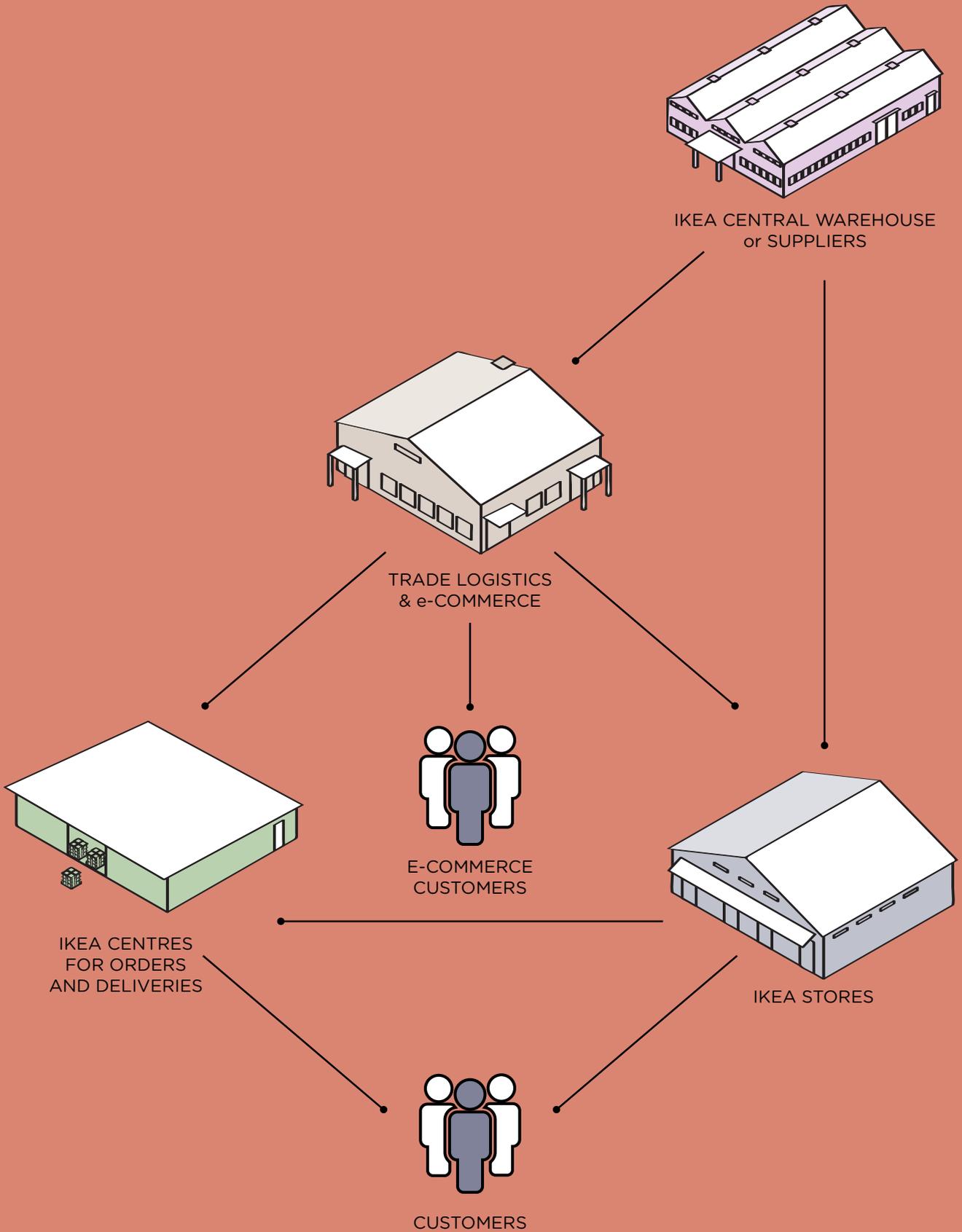
Delivery of e-commerce orders straight to the customers in Greece for:

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

The company, with its specialized and experienced personnel, the use of technology and the application of innovative methods in the field of Logistics, aims at the proper functioning of all warehousing and delivery procedures and at the development of its activities.



IKEA & TRADE LOGISTICS SUPPLY CHAIN GRAPH





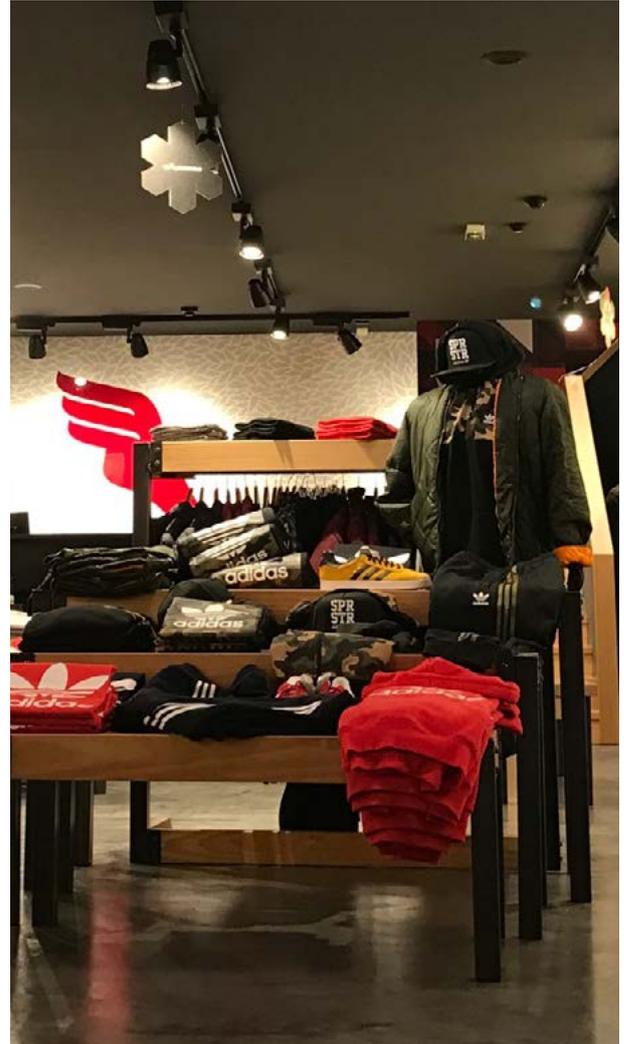
INTERSPORT is the leading sporting goods retailer in the world, with more than 5,500 stores in 44 countries.

In Greece, INTERSPORT (INTERSPORT ATHLETICS S.A.) started its dynamic course in September 2000 and until December 31st, 2016 it operated 48 stores in Greece, 4 in Cyprus, 31 in Romania (GENCO TRADE), 7 in Bulgaria (GENCO BULGARIA) and 23 in Turkey (INTERSPORT ATHLETIK). In addition, e-shops for online purchases operate in Greece and Romania.

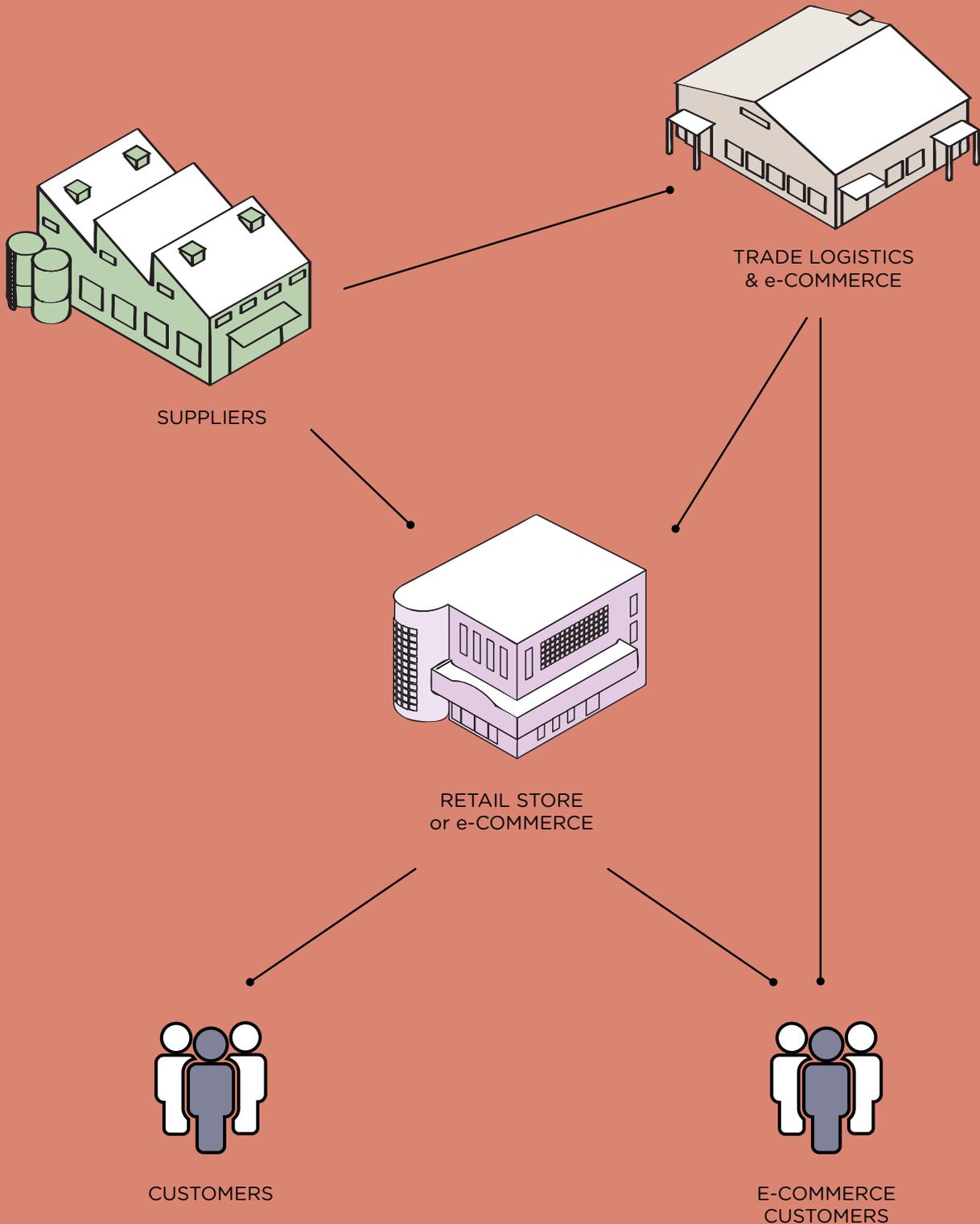


The Athlete's Foot, is an international brand that opened its first store in the U.S.A. in 1971 and offers athletic footwear and apparel that combine fashion with sports style.

In 2015, the international chain entered the Greek and Turkish market with the opening of 2 stores in Greece and 1 in Turkey by the FOURLIS Group and to this day, it operates 8 stores (6 in Greece and 2 in Turkey).



INTERSPORT & The Athlete's Foot SUPPLY CHAIN GRAPH





ECONOMIC PERFORMANCE



WHY IT IS IMPORTANT

Our Group's economic performance and the impacts it has on its stakeholders contribute directly to the sustainable development of the societies and the economies in which we operate. Specifically, our contribution to sustainable development is related to the economic value we produce and distribute to our stakeholders, like for example through employee wages and benefits, dividends from shareholdings, payments to providers of capital, payments to partners and suppliers and payments to government. In addition, through the responsible management of the topic of economic performance, we are contributing to the achievement of Sustainable Development Goal 8 "Decent Work and Economic Growth", by sustaining a per capita economic growth based on national conditions.

OUR MANAGEMENT APPROACH

Despite the unfavorable conditions in the Greek market and the ongoing economic uncertainty, the Group's retail business gained significant market share both in Greece and in the other countries where the Group operates.

In Greece, the Group's Management adapted its actions to the context formed by the macroeconomic environment. In the rest of the countries where the Group operates, the business plan was implemented with selective investments not only in the retail sector of Sporting Goods (INTERSPORT stores) but also in the retail household equipment and furniture sector (IKEA stores).

Following our expectations that in the year 2017 the retail trading in Greece will remain under pressure due to the ongoing high unemployment and taxation of individuals and legal entities but also due to the weakness of the banking system to provide capital for new investments, as well as the fact that the risk of a new recession cycle has not been eliminated, the Group's Management aims:

- › **to maintain and increase its profitability** to which it has returned since 2015
- › **to the continuation of strictly selected investments**, especially in the segment of retail trading of sporting goods where investing opportunities exist and can be implemented with the current funding abilities
- › **to gain benefits from synergies** and economies of scale that have been achieved within the Group, especially after the absorption of the company FOURLIS TRADE SA from the company HOUSEMARKET SA and the completion of warehouse and distribution services supply towards all companies of the Group from the company TRADE LOGISTICS S.A.
- › **to the research of new investment opportunities** in areas of activity such as the management of retail stores that the Group is well aware of and has positive results and to maintain the balance of income source of the Group between domestic and abroad companies for the rational allocation of the political-economic risk in the various countries of operation.

HOW WE EVALUATE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

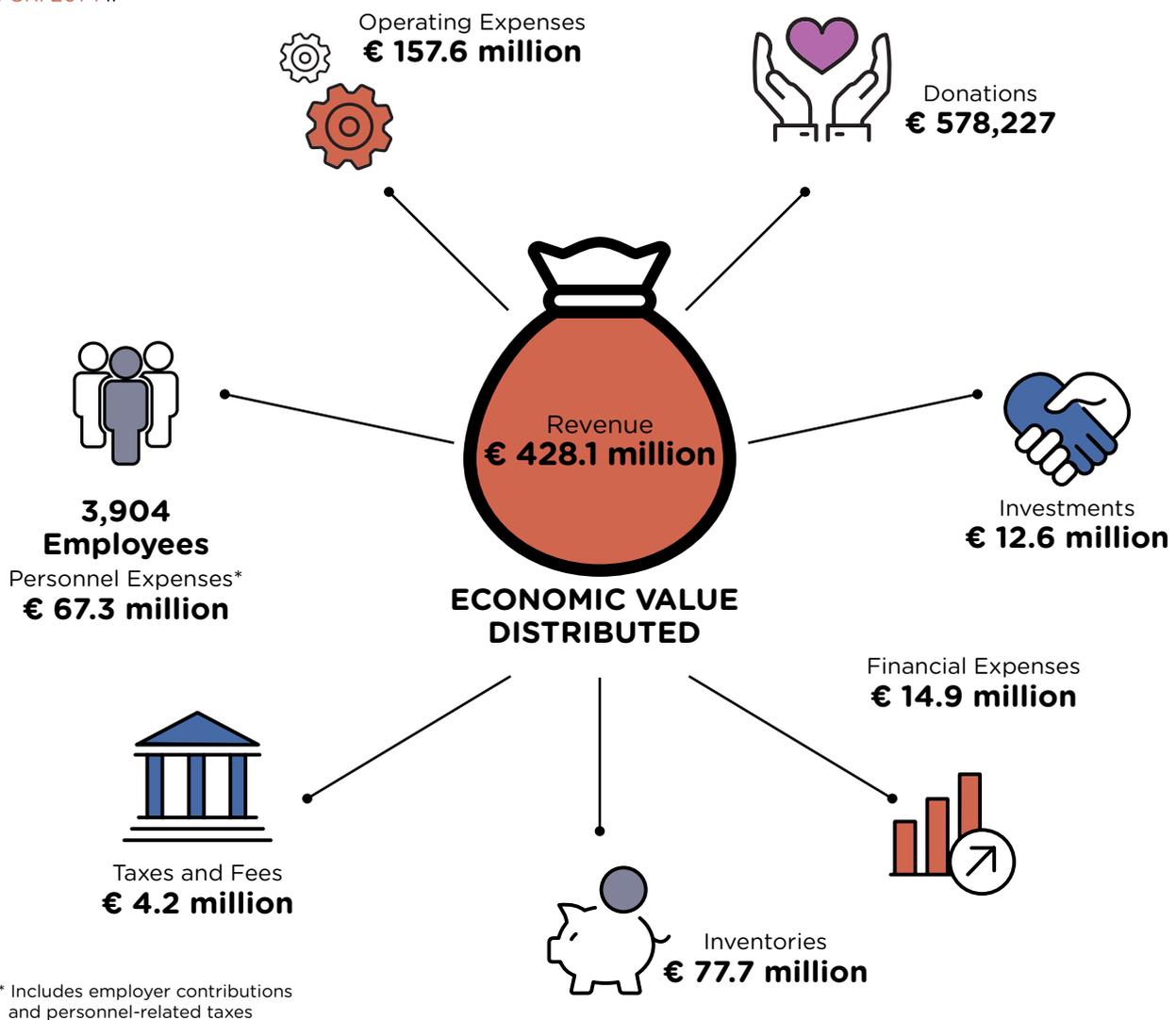
II GRI 102-7 II

In 2016, the FOURLIS Group's net profits after taxes and minority interests were **€ 6.0 million** versus profits of € 0.3 million in 2015.

Revenue reached **€ 428.1 million** increased by 3.3% compared to 2015 (€ 414.4 million)

The Group's total equity amounted to **€ 163.6 million** and the total debt to € 148.1 million.

II GRI 201-1 II



The complete financial results of the FOURLIS Group are available in the Annual Report for 2016 at www.fourlis.gr



REGULATORY COMPLIANCE



|| GRI 102-18 ||

WHY IT IS IMPORTANT

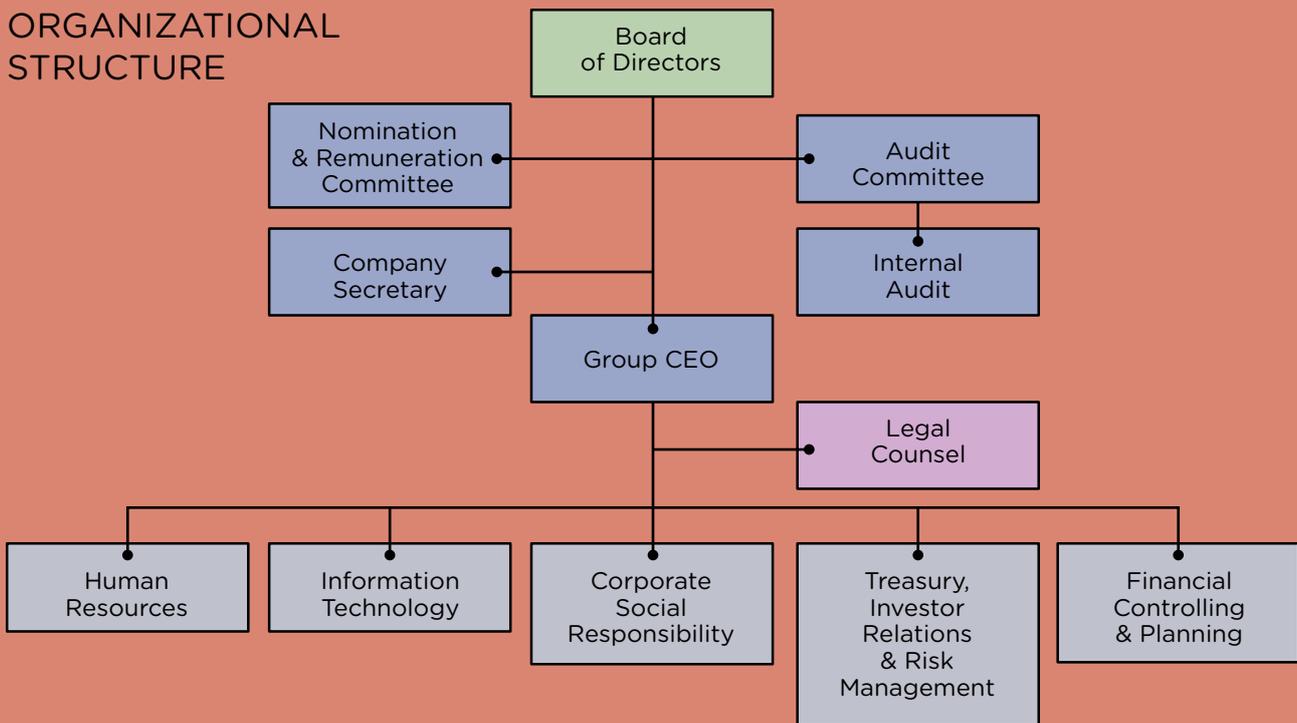
At the FOURLIS Group, corporate responsibility has been integrated to our management style and is an integral part of the Group’s activities and administrative practices. In this context, the proper management of regulatory compliance and anti-corruption issues affects the Group’s reputation and performance while, at the same time, reduces the risks associated with incidents of non-compliance. By managing the issue responsibly, we also contribute to the achievement of the Sustainable Development Goal 16: “Peace, Justice and Strong Institutions” through promoting the rule of law at a national and international level.

OUR MANAGEMENT APPROACH

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

The following organization chart depicts the communication and interaction networks of the Board members with the Committees and the Departments of FOURLIS HOLDINGS SA.

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS (BOD)

The Company has chosen to set up its BoD with the maximum number of members allowed by its Articles of Incorporation (3-9 members) to ensure quality and diversity of gender, age, skills, qualification and experience that serve the Objectives of the Company, as well as the balance between executive and nonexecutive members. The company's Articles of Incorporation provide for a 5-year term for BoD members.

In the following list, we indicatively mention the procedures adopted by the Group related to the election, number, duties and remuneration of the Board members.

- › The Board members are elected by the Annual General Assembly of shareholders. They are proposed to the General Assembly by the BoD after an evaluation of their skills, abilities, professional experience and Curriculum Vitae.
- › Of the nine Directors of the Board, four are executive and five non-executive.
- › The Chairman of the Board is a different person from the CEO.
- › As of 27.05.2014, based on BoD's decision, an Independent non-Executive member is appointed as Independent Vice Chairman.
- › The Managers and members of the BoD are paid according to the company's overall performance and their individual contribution to it, after the proposal made by the Nomination and Remuneration Committee.
- › The Corporate Social Responsibility Director, who is an executive member of the BoD, is responsible for communicating Social Responsibility issues to the Board.

During the Annual General Assembly, the company's shareholders assess the performance and activity of Board members. The Annual General Assembly also elects the BoD, its independent members, as well as the Audit Committee members. The Group's new Board will be elected during the first half of 2017, since their term ends at that time. The Corporate Governance Statement contains detailed information about the BoD's operation and its members. In the same Statement, which is included in the Annual Report, the operation of both the Nomination and Remuneration Committee and the Audit Committee is also described.

More information is available on the website www.fourlis.gr

CORPORATE GOVERNANCE CODE

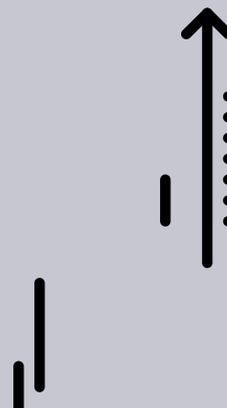
The Company has decided (Board of Directors decision on 28/2/2011) to voluntarily comply with the Greek Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies and was later modified for the first time by the Greek Council of Corporate Governance (GCCG) on 28/06/2013. Both these bodies jointly recognized the contribution of Corporate Governance in the improvement of the competitiveness of Greek businesses and the continuous growth of the credibility of the Greek market.

The Code is adapted to the Greek legislation and business reality and constitutes a standard of leading corporate governance practices, which aim to enhance the transparency of Greek companies and increase the investors' confidence both in the entirety of listed companies and in each one individually, and broadens the horizons to attract investment capital.

The general provisions of the Code provide guidance on issues like: a) the role, responsibilities, size, composition, role, profile, duties and conduct, remuneration, functioning and evaluation of the Chairman and other Board members, b) the internal audit system, c) the level and structure of remunerations, d) communication with shareholders and e) the General Assembly of Shareholders.

Since the 2010 Annual Report, the Company includes in its Annual Report a Corporate Governance Statement, with which it discloses its voluntary compliance with the Code. The Statement also describes how the BoD operates, and includes information on BoD members, risk management and internal control.

More information is available at www.fourlis.gr



CODE OF CONDUCT

II GRI 102-16 II

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

All the FOURLIS Group employees are required to adopt and implement the Code of Conduct. The detailed version of the Code is delivered to all company Executives, while the concise version and any changes are distributed to all employees. Every year, all employees sign the accompanying Code acceptance form. If in the meantime any changes occur in relation to the provisions of the Code on the part of the employees, they in turn must notify the Management.

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

- › **Obligation of adherence to business ethics and compliance with legislation**
- › **Communication of cases where non-ethical or non-lawful behavior is observed**
- › **Conflict of Interest**
- › **Business gifts, payments and fair transactions**
- › **International business behavior**
- › **Precision and preservation of company archives and documents**
- › **Company announcements**
- › **Working environment at the FOURLIS Group**
- › **Trade and competition practices**
- › **Merchandise quality and natural environment protection**
- › **Use of the Group's assets (equipment and services)**
- › **Confidentiality**
- › **Use of electronic mail (e-mail) and Internet within the working environment**
- › **Usage restriction of privileged information for transaction purposes**
- › **Participation in Community Activities and Politics**
- › **Social Media Networks Usage**
- › **Relations between employees working at the FOURLIS Group**

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

"The Code of Conduct Line of the Group is available 24 hours a day and anyone may call the Line in order to report any concerns related to Code of Conduct violations or non-compliance with the valid legislation. The access to the Code of Conduct Line of the Group may be obtained by phone, landline or cell, at (+30)2106293010. 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 Board of Directors and describes the organizational structure, the risk management and the internal audit systems. It includes the basic principles of operation and the relevant procedures, while also describes the composition and responsibilities of the Audit Committee, the Nomination and Remuneration Committee and the Audit Department. Additionally, it contains the basic principles of the transaction Code for its securities and the compliance of the Internal Regulation of Operations with relevant regulation.

Based on the initiative of the Group's CEO, the Internal Regulation Charter is reviewed at regular intervals and at least once a year, to determine whether it complies with the current Group practices and the provisions of relevant laws and/or the decisions of the Securities and Exchange Commission (SEC). The Regulation can also be updated in case the activities of the Group or any of its departments change, or in the case the responsibilities of the Executive Directors are altered or in case the law for other related provisions require.

INTERNAL AUDIT

The Group's Internal Audit Department is organized in such a way that would allow it to carry out an independent, confirmative and advisory role and is designed as such to add value and to improve the company's processes. The Department helps the Group achieve its objectives through assessment, which contributes to improving corporate governance, internal audits and risk management systems. The Audit Committee is the supervising body of the Internal Audit Department and informs, on a quarterly basis, the Board of Directors of the parent company about the projects currently being carried out.

Internal auditors apply the principles of independence, objectivity and confidentiality and act in full compliance with the International Standards for the Professional Practice of Internal Auditing, as well as the policies and procedures of the company. Internal auditors are individuals with adequate qualifications and experience.

The internal auditors have full access to all data, employees, sites and activities of all Group companies that are required to perform an audit. With objectivity and discretion it conducts Operational, Managerial, Economic & Compliance audits and submits an annual audit plan to the Audit Committee for approval.

AUDIT COMMITTEE

Through the Audit Committee, the BoD develops a direct and regular contact with the independent auditors to receive regular updates in relation to the proper functioning of the audit system in order to safeguard the company's assets and to identify and address the most significant risks.

The function of the Audit Committee is detailed in the Corporate Governance Code and the Audit Committee Charter, it is approved by the BoD and is posted on the FOURLIS Group website (<http://www.fourlis.gr>).

Audit Committee Charter contains the following sections:

- › The Purpose of the Audit Committee
- › Members and term of the Audit Committee
- › Responsibilities of the Audit Committee
- › Tasks and duties of the Audit Committee
- › Functioning of the Audit Committee

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee is a single committee responsible for the application procedure for electing Board members and the selection of Senior Executives and prepares proposals to the Board regarding the remuneration (basic salary, bonuses or financial incentives and benefits) of Executive Directors and key Executives. To ensure the principles of fairness and equal treatment, the FOURLIS Group has set and communicated clear and transparent guidelines according to which the salaries of Executive members of the Board are determined. The remuneration policy is based on the objectives and description of the job, the effective evaluation and the management of the performance.

The Nomination and Remuneration Committee charter, which is available at www.fourlis.gr, contains the following sections:

- › The purpose of the Nomination and Remuneration Committee
- › Members and term of the Nomination and Remuneration Committee
- › Responsibilities of the Nomination and Remuneration Committee
- › Tasks and duties of the Nomination and Remuneration Committee
- › Functioning of the Nomination and Remuneration Committee

HOW WE EVALUATE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

II GRI 205-3 II

The evaluation of our performance is realized via the reports we receive through the telephone line and email of the Code of Conduct. For the period 1/1-31/12/2016 three (3) reports from a Group Company's employees were recorded via the telephone line and email of the Code of Conduct. These reports were communicated to the Internal Audit Department. From these reports, one (1) concerned a complaint for a supervisor's abusive behavior, one (1) a request for the settlement of working hours and one (1) explained the reasons for resignation that for the most part concern the settlement of working hours. These reports, after being evaluated by the Internal Audit Department, they were sent to the appropriate Departments and to the Group's Human Resources Department in order for the appropriate measures to be taken, not only for dealing with these specific behaviors but also for preventing similar incidents in the future. None of these reports was related to incidents of corruption or bribery.

Besides the above, in the context of the procedure for informing the Top Management for the response to incidents of fraud, for the period 1/1-31/12/2016 we had eight (8) reports for fraud incidents (low importance ones) that took place by employees or with their participation. These incidents were identified by safeguards in the following areas:

- › Cash management
- › Use of family card points for a cashier's personal gain
- › Reserves management
- › Taking advantage of the position in the company (furniture assembly offer to customer for personal gain)

In all cases, after the members of the Companies' Management were informed, the contracts with the people responsible were terminated.



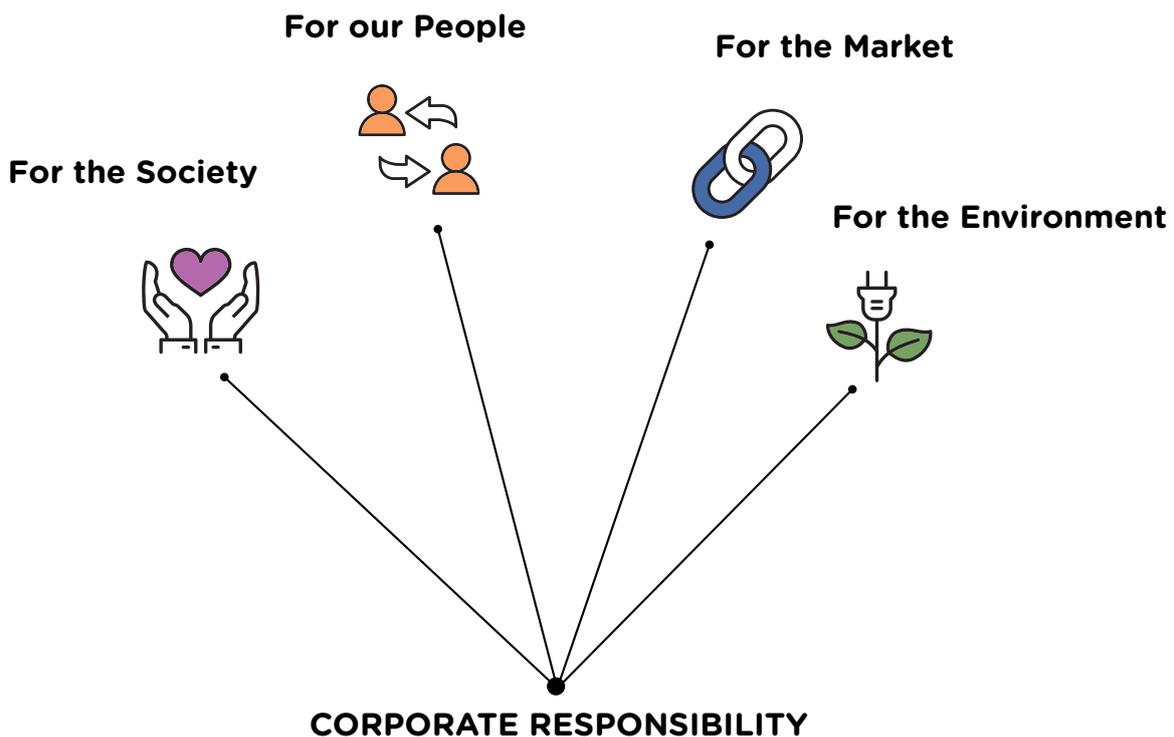
CORPORATE RESPONSIBILITY

SOCIAL RESPONSIBILITY DEPARTMENT

Social Responsibility is a concept inextricably linked with the FOURLIS Group's operations.

The Social Responsibility Department was established in 2008, with the aim to coordinate the Group's companies to take initiatives and actions in the field of Social Responsibility, driven by the Group's Values and Principles. The Department operates and continuously grows with the following priority pillars: respect for our People, support of the Society and the Market and protection of the Environment.

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



STAKEHOLDERS

II GRI 102-42 II

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

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

The following table lists our Stakeholder groups and the practices we follow to maintain a healthy and two-way communication with them.



STAKEHOLDER TABLE

STAKEHOLDER GROUP	COMMUNICATION & ENGAGEMENT METHODS	FREQUENCY OF COMMUNICATION
EMPLOYEES	Employee Insight Survey	Annual
	Corporate Events	Annually or on the occasion of a specific event
	Issuance of electronic or printed versions of Newsletters/Updates	Every 2 or 4 months, or depending on needs
	Announcement Boards	Constant
	Yammer (Intranet)	Constant
	Workshops	In the context of specific actions (e.g. as a follow up to the Employees' Insight Survey)
	360° Evaluation Process	It was launched in 2013 and is implemented annually (biannually per grade)
	Employee Performance Appraisal	Annual
	Meetings	One to One: When a relevant need arises Statutory: At intervals specified by each Division/ Department based on their needs
SHAREHOLDERS	Annual General Assembly	Annual
	Announcements	Whenever there is a need to inform
	Ad hoc Communication	Constant
CUSTOMERS	Contact and communication within the stores and ad hoc (phones / emails)	Constant
	Newsletters delivery / SMS/ Viber / Use of Social Media	Constant
	Satisfaction Surveys	Constant
	"Help Us to Improve" Survey	IKEA: Constant (via computers available to customers within the stores)
	Catalogues and Publications	Catalogues: At least twice a year (Spring and Fall) Publications: According to planning
SUPPLIERS / PARTNERS	Meetings	Constant
	Participation in industry associations	According to planning
	Delivery of joint programs	According to planning
SOCIETY	Contact and provision of information through print media and electronic means	Constant
	Events	According to planning
LOCAL COMMUNITIES (areas where the Group companies operate)	Contacts with local bodies	Constant
	Events	According to planning
	Implementation of Social Responsibility programs and actions	Constant
OFFICIAL & SUPERVISORY AUTHORITIES/STATE	Discussion with representatives of the authorities at national and local levels	Constant
	Participation in organizations and associations	Constant
BUSINESS COMMUNITY/ ASSOCIATIONS	Participation in associations, organizations	Constant
MASS MEDIA	Press Conferences	Constant
	Brochures / Press Kits	Constant
	Meetings	Constant
NGOs	Meetings	Constant
	Collaborations	Constant
COMPETITION	Participation in associations, bodies	Constant

MATERIALITY ANALYSIS

|| GRI 102-44 || GRI 102-46 ||

In the context of continuously improving our approach to social responsibility and sustainable development issues, at the FOURLIS Group we performed a materiality analysis of the Group's issues, in early 2016, in order to prioritize those with the most significant economic, social and environmental impacts and those that significantly influence our Stakeholders.

The methodology used was based on the new 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 current engagement methods.

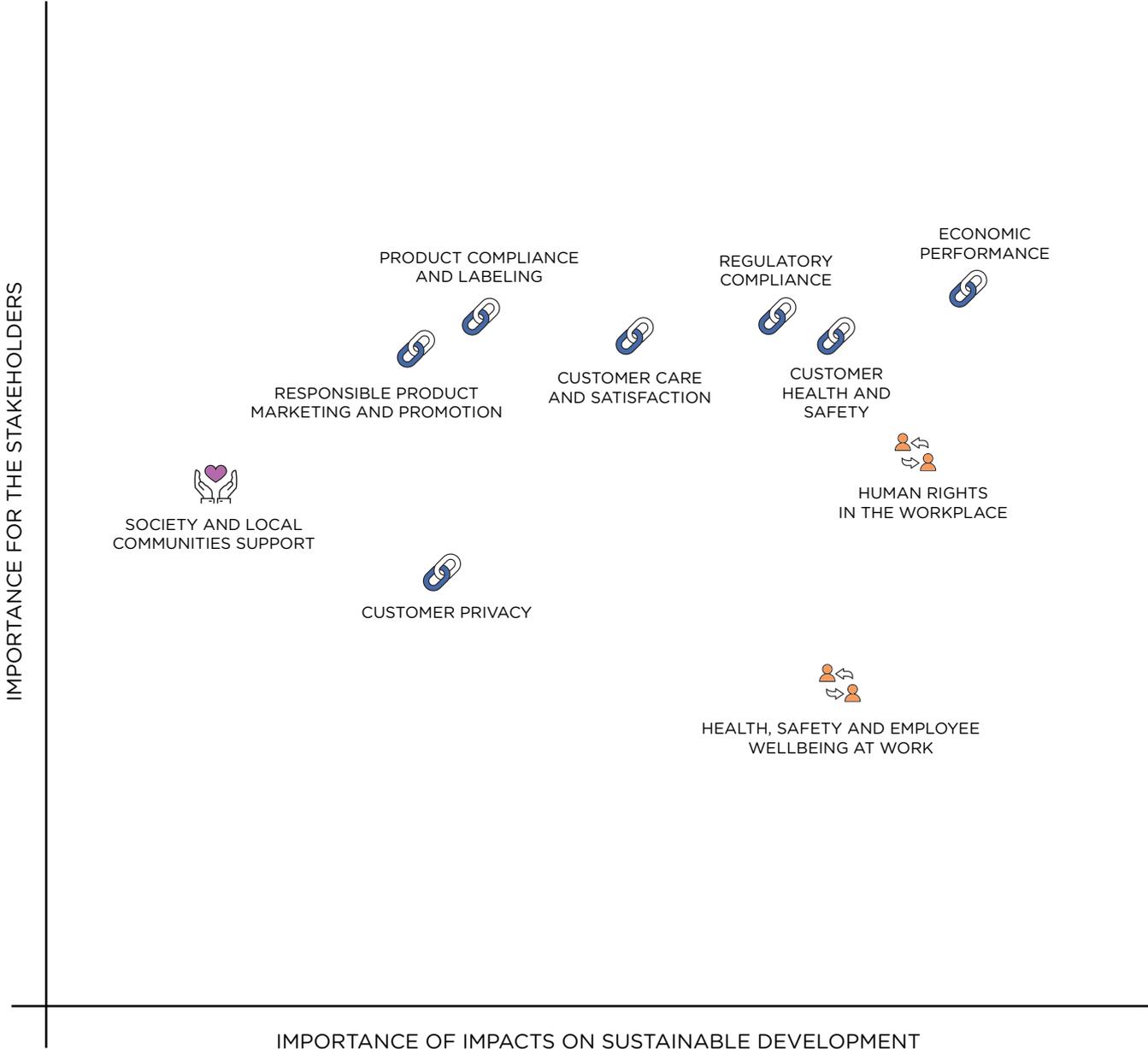
2

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

3

Validation of the results of the process, through a special workshop, which was attended by Senior Executives of the Group. The results of the Group's materiality analysis are presented in the following graph, while the boundaries of material topics can be found on page 110 and their connection with the GRI Standards' disclosures, on pages 105-109 respectively.

MATERIALITY MAP



-  **For the Society**
-  **For the Market**
-  **For our People**

MEMBERSHIPS AND DISTINCTIONS

|| GRI 102-12 || GRI 102-16 ||



UNITED NATIONS GLOBAL COMPACT

United Nations Global Compact

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

The UN Global Compact consists of ten principles that stem from internationally accepted standards that pertain to human rights, labor conditions, anti-corruption and environmental protection. The FOURLIS Group has committed to adopt, support and promote these principles through its business practices.

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

|| GRI 102-13 ||

MEMBERSHIPS IN ASSOCIATIONS

The FOURLIS Group participates in:

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

As a member, the FOURLIS Group also participates in:

- › The Union of Listed Companies
- › The Athens Chamber of Commerce and Industry (A.C.C.I.)
- › The Hellenic Federation of Enterprises (SEV) with active participation in tax, HR, supply chain and technology and transparency groups.

INTERSPORT ATHLETICS S.A. participates in the following bodies:

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

HOUSEMARKET S.A. (IKEA) participates in the following bodies:

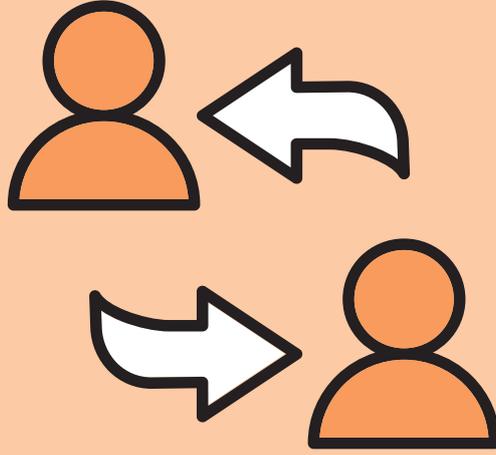
- › Greek People Management Association (GPMA)
- › GRECA (Greek e-Commerce Association)
- › H.R.B.A. (The Hellenic Retail Business Association)
- › SDE (Hellenic Advertisers Association)
- › SEV (Hellenic Federation of Enterprises)
- › ELOT (Hellenic Organization for Standardization)
- › Institute of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

TRADE LOGISTICS (S.A.) participates in the following bodies:

- › HILME (Hellenic Institute for Logistics Management)

AWARDS - DISTINCTIONS 2016

COMPANY	ORGANIZATION	AWARD
	19th HUMAN RESOURCES SYMPOSIUM (KPMG GREECE)	› Human Resources Prize for the "Internal Communication Reinforcement through Social Media (Yammer)"
	FORTUNE MOST ADMIRABLE COMPANIES IN GREECE 2016	› FOURLIS HOLDINGS SA was ranked among the 20 most admired companies in Greece
	BUSINESS AWARDS "HRIMA" 2016	› Best Company 2016
	SUPERBRANDS 2016	› Corporate Superbrand
	RETAIL BUSINESS AWARDS 2016	› Glyfada Store - Category Retail Store / Sportswear
	13th ANNUAL RESPONSIBLE BUSINESS AWARDS - BULGARIAN BUSINESS LEADER FORUM (BBLF)	› 2nd prize for IKEA Bulgaria and UNICEF for the SOFT TOYS FOR EDUCATION campaign



02
FOR OUR PEOPLE

HUMAN RESOURCES PROFILE

The FOURLIS Group is its People, all those who support its operations on a daily basis. At the FOURLIS Group, the creation and safeguarding of employment positions, the occupational health conditions, the meritocracy and personal development, the respect for human rights, as well as the provision of equal opportunities at training, assessment and reward for all, constitute the focus of our Group's philosophy and practices.

Our approach to employment and our relations with our employees directly affect their performance, retention and development, while these issues are also significant for the long term sustainability of our Group.



TOTAL NUMBER OF EMPLOYEES *

In 2016, the FOURLIS Group's total number of employees was out of which 2,743 work in Greece and Cyprus.

3,904

TOTAL NUMBER OF EMPLOYEES PER EMPLOYMENT CONTRACT AND GENDER

Employment Contract	2016		2015	
	Male	Female	Male	Female
Permanent Contracts	1,705	1,899	1,652	1,830
Fixed - Term Contracts	150	150	136	142

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT AND AREA

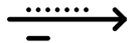
Employment Contract	2016		2015	
	Permanent	Fixed-term	Permanent	Fixed-term
Greece	2,300	127	2,311	82
Cyprus	309	7	245	68
Romania	287	154	265	112
Bulgaria	462	12	418	16
Turkey	246	-	243	-

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT AND GENDER

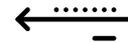
Employment Contract	2016		2015	
	Male	Female	Male	Female
Full Employment Contract	1,268	1,027	1,228	953
Part-time Employment Contract	587	1,022	560	1,019

* The number of employees has been expressed as the number of individuals employed as on 31/12/16 and 31/12/15 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.

HUMAN RIGHTS IN THE WORKPLACE



MATERIAL TOPIC



WHY IT IS IMPORTANT

For the FOURLIS Group, the respect and the protection of Human Rights is an important issue. At the same time, we recognize that it is one of the world's leading issues of sustainability and that the way we approach this issue contributes not only to our Group's sustainable development and stability but also to Sustainable Development in the countries where we operate.

Through responsible Human Rights management, we contribute to the achievement of the following UN Sustainable Development Goals:

> Goal 5

Gender Equality, through the elimination of all forms of discrimination against women

> Goal 8

Decent Work and Economy Growth, through the protection of the labor rights, ensuring a safe working environment for all and eliminating all forms of forced and child labor.

> Goal 10

Reduced inequalities, by supporting and promoting social and economic integration for all people, regardless of age, gender, nationality, religion or economic status.

> Goal 16

Peace, Justice and Strong Institutions, through the promotion and implementation of laws and policies aimed at tackling discrimination and the drastic reduction of all forms of violence.

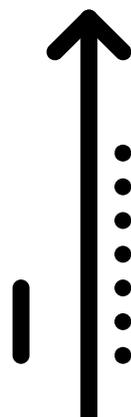


OUR MANAGEMENT APPROACH

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

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 the advocacy for the freedom of association, the elimination of child and forced labor and the discrimination in the Workplace (see Communication on Progress Report, p.104)
- › Internal Labor Regulations, which regulate work issues such as Human Resources wages and benefits, training and performance appraisal, behavior at work, relations between colleagues, Health and Safety Conditions and disciplinary and dismissal procedures.
- › The Code of Conduct, which focuses on employees' obligation for ethical professional conduct and on equality issues.
- › Health and Safety Policy (see section "Customer Health and Safety", p. 75), which has been developed to provide the best possible health and safety conditions for both Group employees and clients/visitors to our premises.
- › The responsible product policies of our Group's subsidiaries, which aim at ensuring safety and at providing integrated end-user product information to the user (see "Product Compliance and Labeling", p. 83)



HOW WE EVALUATE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

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





MERIT-BASED RECRUITMENT AND DEVELOPMENT

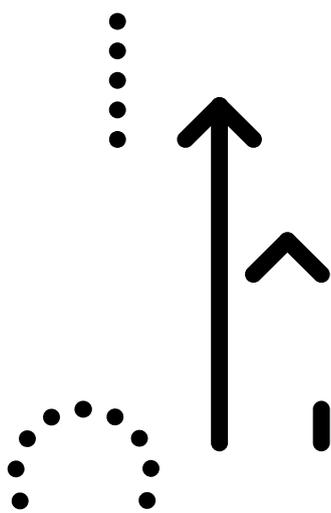
Despite the difficult economic conditions, we aim at creating new job openings through the development of our activities in Greece and abroad. By doing so, we emphasize on the effort to bring the Greek economy back to a stable growth, while we strengthen local communities and stimulate national economies in the countries in which we operate.

When any of our companies require new job positions, those are readily covered either by an internal transfer/promotion of employees (through the Open Resourcing Policy), or by a direct transfer/promotion of an employee (for Executives), or by a new recruit.

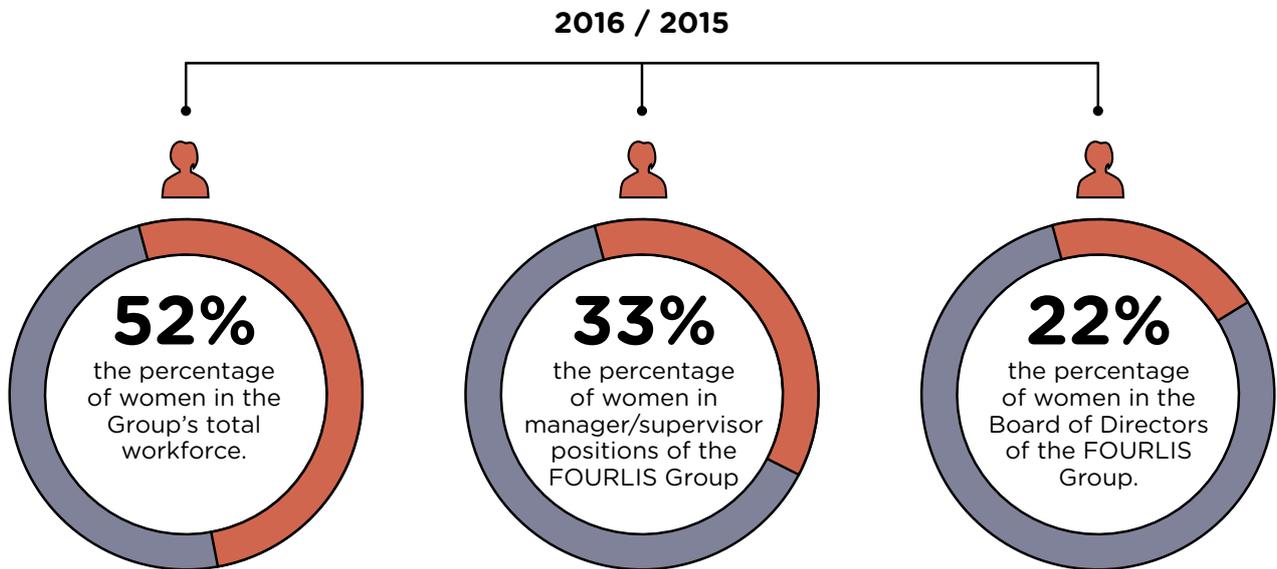
The Open Resourcing Policy, ensures that all the job openings are firstly announced to the Group's employees, giving them the opportunity to apply and to participate in the assessment and selection process.

The main pillars of our Policy on employee recruitment and professional development of our Human Resources, are:

- › The common recruitment evaluation criteria for all Group's companies to ensure equal opportunities and to avoid incidents of discrimination.
- › The provision of equal development opportunities through internal transfer and promotion processes to all employees of the Group.
- › Taking into consideration the balance between the two genders in employee selection and development processes.



It is worth noting that at the FOURLIS Group, we ensure equal advancement opportunities in management positions between men and women, as evidenced by the following information:



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

Furthermore, since 2013, we implement a **360° Evaluation** 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 level (supervisors, subordinates, colleagues), to openly express their opinion, providing constructive comments on the behavior and the management style of the ones who are being evaluated. This way, the 360° Evaluation, is a self-improvement tool that contributes to understanding the needs, to identifying the strengths and the areas for improvement and thus to empowering collaboration. The planning of the 360° Evaluation Process provides that it is performed once a year for a different group of Managers and Supervisors.

TOTAL NUMBER* AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

2015

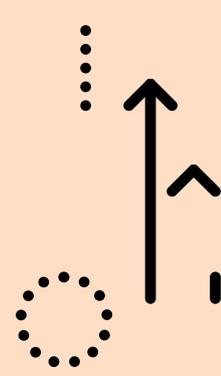
		Employee Turnover	Number of employees	Turnover rate (%)	New Employee Hires	Number of employees	Rate of new employee hires (%)
Age group	<30	860	1,271	67.7	544	1,271	42.8
	30-50	254	2,095	12.1	167	2,095	8.0
	50>	31	394	7.9	9	394	2.3
Gender	Men	595	1,788	33.3	394	1,788	22.0
	Women	550	1,972	27.9	326	1,972	16.5
FOURLIS Group's Total		1,145	3,760	30.5	720	3,760	19.1
Countries	Greece	247	2,393	10.3	220	2,393	9.2
	Cyprus	78	313	24.9	71	313	22.7
	Romania	272	377	72.1	119	377	31.6
	Bulgaria	293	434	67.5	197	434	45.4
	Turkey	255	243	104.9	113	243	46.5

TOTAL NUMBER* AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

2016

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

*The number of employees has been expressed as the number of individuals employed as on 31/12/16 and 31/12/15 respectively.



BENEFITS PROVIDED TO FULLY EMPLOYED AND NOT PROVIDED TO TEMPORARY EMPLOYEES, IN SIGNIFICANT LOCATIONS

	Greece		Cyprus		Romania		Bulgaria		Turkey	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
	Life Insurance	✓	✓	✓	✓			✓	✓	
Health Care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Disability and invalidity coverage	✓	✓	✓	✓			✓	✓		
Parental leave	✓	✓	✓	✓						
Retirement provision	✓	✓	✓	✓						
Stock Option Plan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



TRAINING AND EDUCATION

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

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

Overall, the issue of Employee Training and Education contributes to the achievement of the Sustainable Development Goals 4 "Quality Education" and 8 "Decent Work and Economic Growth".

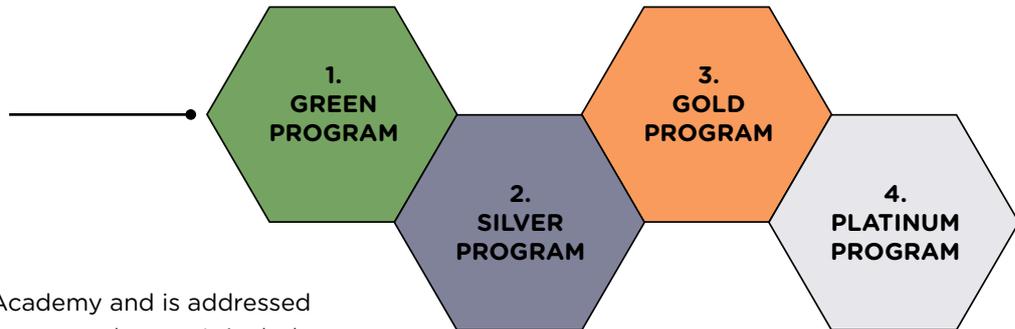


OUR MANAGEMENT APPROACH

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

In addition, in 2011 the FOURLIS Group's Education Academy "Learning Institute Sharing the Knowledge" was established and in 2012 it was renamed to "FOURLIS Learning Academy". All the FOURLIS Group employees are members of the Academy, participating in programs that better suit their role and their needs for personal development.

The FOURLIS Learning Academy consists of a total of 4 programs:



1. GREEN PROGRAM

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

2. SILVER PROGRAM

Development Programs for newly appointed Managers and Supervisors of the FOURLIS Group

3. GOLD PROGRAM

Development Programs for all the Managers and Supervisors of the FOURLIS Group

4. PLATINUM PROGRAM

Development Programs for the FOURLIS Group Top Management Team

The training courses are developed on four pillars: Management / Business Operations / Health & Safety / Sales - Products

In the context of the Academy, in 2016 a new program started, the **FOURLIS Retail MBA**. This program was created in 2015 under the auspices of the Athens University of Economics and Business and the Hellenic Retail Business Association (H.R.B.A.) with the main objective to provide high level knowledge from University Professors and Senior Executives of both the Market and the FOURLIS Group, in a range of fields mainly focusing on Retail Management.

16 Group employees participate in the program in each class and the selection is based on a set of objectives and merit criteria. Every year we have a new class. The courses start in January and the total duration of the program is 2.5 years. In addition to the training programs included in the FOURLIS Learning Academy, for skills development purposes addressed to each employee according to their position level, in 2015 we launched a new institution, the **Open Seminars**. These seminars aim at the skills acquisition by employees in subjects that do not cover knowledge related to their current job position, but are essential for their future development. This new institution was introduced upon employee request, as resulted from the Employees' Insight Survey 2014.

HOW WE EVALUATE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

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

- › The company goal to be achieved through each training
- › Each employee's job position specifications
- › Each employee's skill level

II GRI 404-3 II

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND DEVELOPMENT REVIEW, BY GENDER AND BY EMPLOYEE CATEGORY

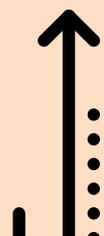
The Performance Appraisal and Development Review, which includes the assessment of agreed measurable objectives and the assessment of employees' skills and behavior, is conducted once a year for all employees in all of the Group's companies. For HOUSEMARKET the evaluation is carried out twice a year.

At the same time, all actions relating to the employees' Development Plan are recorded in the review.

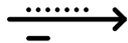


PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS

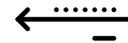
Topics	2016	2015
Concept Awareness Trainings (e.g. Induction Training)	✓	✓
Health & Safety	✓	✓
Selling Techniques / Customer Service	✓	✓
Information Technology	✓	✓
Product Training	✓	✓
Specialized trainings for each function (e.g. payroll training)	✓	✓
Foreign Languages	✓	✓
Developmental tools for all Group's employees	✓	✓
Annual Performance Appraisal and Development Review	✓	✓
Managing Your People Potential	✓	✓
Management Skills for Newly Appointed Managers (Your role and profile as Manager, Giving and Receiving Constructive Feedback, Interviewing Skills, etc)	✓	✓
Managerial Skills for Senior Managers (Managing People, Managing High Performance Teams etc.)	✓	✓
Managerial Skills for Executive Managers/Directors (Managing Excellence & Leadership, Crisis Management, Change Management etc)	✓	✓



EMPLOYEE HEALTH, SAFETY AND WELLBEING AT WORK



MATERIAL TOPIC



WHY IT IS IMPORTANT

Knowing that the creation of a safe and healthy work environment is our obligation, at the FOURLIS Group we not only follow the relevant clauses of the Greek legislation on labor law, but we also attend to the assessment of possible risks that we may face and we take the necessary measures in order to prevent any possible accidents.

We are also implementing a series of actions for the well-being of our employees at work, an issue we also consider important. Overall, Health, Safety and Wellness issues in the workplace have a particularly important impact on our Group's Sustainable Development and the way we manage them is regarded as contributing to the Sustainable Development Goal 8 "Decent Work and Economic Growth" by ensuring a safe working environment for all employees.



OUR MANAGEMENT APPROACH

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

At the FOURLIS Group, as a minimum prerequisite, we comply with the requirements of the Greek legislation and the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases". We also invest in the constant and regular training of all employees, so that they can respond to emergencies affecting both their and our clients' safety. Especially in the IKEA stores we have created internal Safety, Fire Protection and First Aid teams.

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

EF ZIN (WELL BEING) PROGRAM



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

Some of the most important EF ZIN actions that took place in 2016, are presented below:





ANNUAL PREVENTIVE MEDICAL EXAMINATION

In 2016, all the FOURLIS Group's employees in Greece, Cyprus and Bulgaria had the opportunity to participate in a free of charge blood sugar examination that was held at the Group companies' premises. A total number of 620 employees participated in the examinations.



MENU FOR A BALANCED DIET

In 2016, the "EF ZIN" nutrition program continued for the fifth consecutive year. The program is implemented in cooperation with a dietician-nutritionist and is addressed to the employees of IKEA. In the context of this program a nutrition proposal based on the available menus at the IKEA employee restaurants, along with various useful nutritional advice are provided on a weekly basis, aiming to suggest the best possible choice of meals that could contribute to an overall balanced diet.



SPORTS TOURNAMENTS

In 2016, the FOURLIS Group employees in Greece and in Cyprus participated in the established sports tournaments that are organized by the Group on an annual basis. The first tournament of the year was held in Cyprus, where the IKEA and INTERSPORT employees competed in beach sports. This was followed by the sports tournament in Thessaloniki, where employees from our Group in Thessaloniki, Larisa and Ioannina participated, and finally the FOURLIS Group employees participated in the Hellenic Company Sports Games 2016, organized by the Hellenic Organization for Company Sports and Health at the Peace and Friendship Stadium in Attica. Through this event, the employees had the opportunity to compete in individual and team sports, such as football, basket, beach volley, bowling, tennis, a 5km race etc.



HOW WE EVALUATE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

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

The following table contains information about HOUSEMARKET.

II GRI 403-2 II

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

	GREECE									
	Airport		Egaleo		Ioannina		Larisa		Thessaloniki	
										
Injury rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Occupational diseases rate	0.40	0.97	0.82	1.09	0.58	1.31	0.60	1.07	0.19	0.27
Lost Days rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Absenteeism rate	0.00	0.00	2.21	2.92	0.58	1.31	0.18	0.60	0.15	0.02
Work related fatalities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

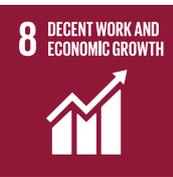
	Chania		Heraklion		Komotini		Rhodes		Patra	
										
	Injury rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Occupational diseases rate	0.00	0.02	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01
Lost Days rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Absenteeism rate	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.05	0.07	0.09
Work related fatalities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Cyprus	
		
	Injury rate	0.00
Occupational diseases rate	0.00	0.00
Lost Days rate	0.00	0.00
Absenteeism rate	0.00	0.00
Work related fatalities	0.00	0.00

II GRI 403-3 II

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.

The data presented in the table refer to 2016



INTERNAL COMMUNICATION

For the FOURLIS Group, internal communication is a priority for the proper operation of our Organization. For this reason, we make sure to inform and engage our People in the Group's initiatives, while at the same time, we provide them with 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:

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

The responsible management of internal communication is considered to contribute to the Sustainable Development Goal 8: "Decent Work and Economic Growth", through safeguarding the labor rights of our employees.

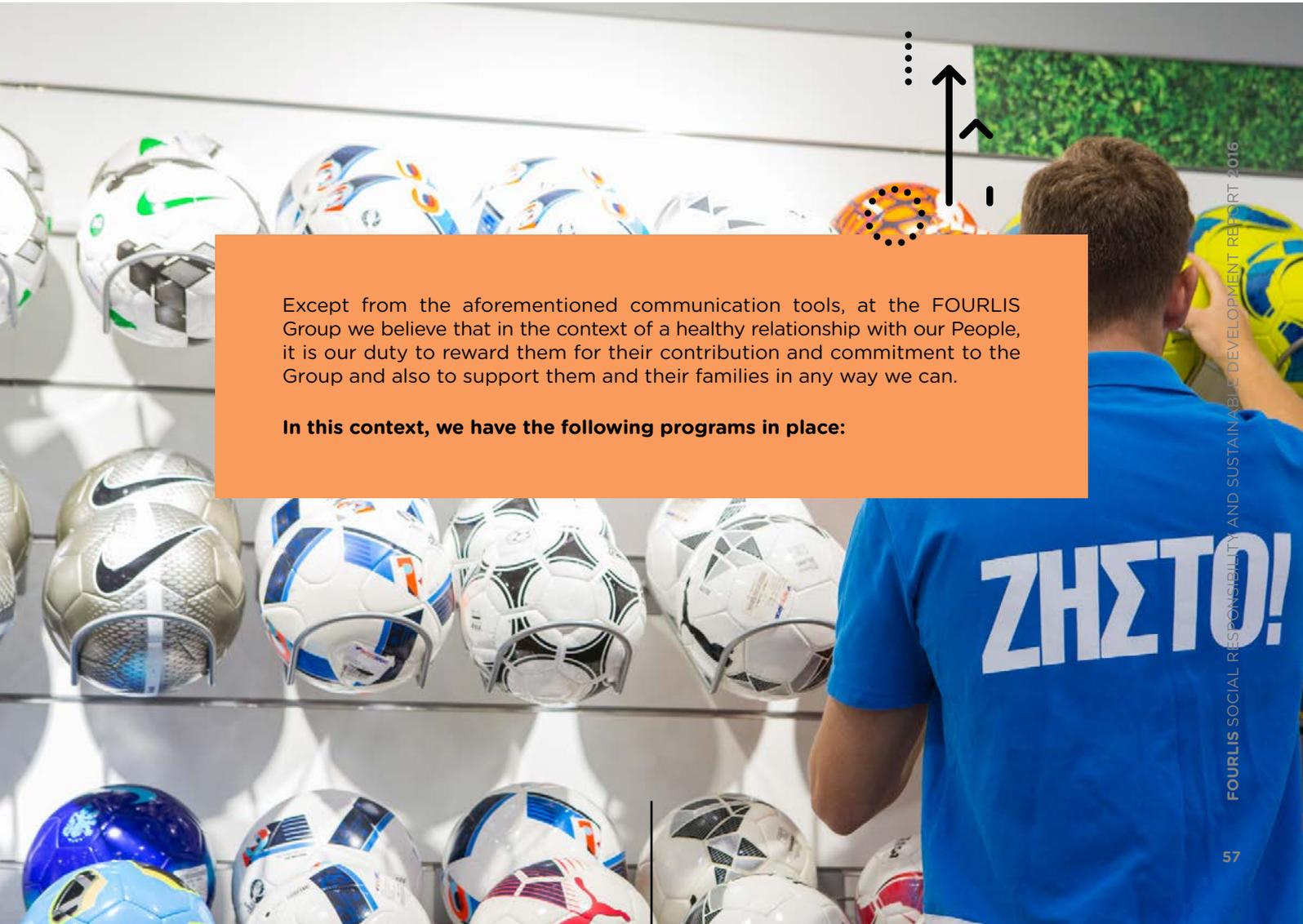
In the context of the ongoing improvement of our internal communication, we aim at periodically evaluating our efforts, through an Employee Insight Survey. Under the slogan “Your opinion counts!” and the primary aim to enhance the satisfaction and commitment of the Group’s Human Resources, all employees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

In February 2016, a new Employees’ Insight Survey was conducted and additional areas for action and further improvement emerged in our Group. In October 2016 we launched a number of respective actions that will be progressively implemented by 2018. The action focus on the following categories:

- › Communication & Collaboration
- › Training & Development
- › Balance between Personal and Work Life
- › Management & Organizational Issues

The new activities and actions aiming to reinforce and strengthen internal communication (yammer, newsletter, etc.), had a particular appeal to the Group’s employees, as reflected by the corresponding indicator in the Employees’ Insight Survey (3.61 out of 5).

RECOGNITION OF CONTRIBUTION AND REWARD OF THE FOURLIS GROUP EMPLOYEES



Except from the aforementioned communication tools, at the FOURLIS Group we believe that in the context of a healthy relationship with our People, it is our duty to reward them for their contribution and commitment to the Group and also to support them and their families in any way we can.

In this context, we have the following programs in place:



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 2016, the long term contribution of 114 employees in Greece, 11 in Romania and 2 in Cyprus, was recognized.

CHOOSE THE BEST - LIVING WITH OUR VALUES

This program aims to designate and award those employees who, through certain behaviors, stand out for their professionalism and distinct contribution, always aligned with the Group's Values and Mission. In 2016, 17 employees were awarded through this program.

OTHER ACTIONS FOR OUR PEOPLE

SCHOLARSHIP PROGRAM

Recognizing the value and importance of education for young people and their right for equal opportunities, during the academic year 2013-2014, at the FOURLIS Group, we introduced a scholarship program named "SPOUD@ZO ME YPOTROFIA" (I study with a scholarship). The program aims at supporting students, children of our employees, 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.

Academic Year	Number of Scholarships	Scholarship Value
2013-2014	5	3,000€ each
2014-2015	5	3,500€ each
2015-2016	5	3,000€ each
2016-2017	5	3,000€ each

AWARDING HONOR STUDENTS

At the FOURLIS Group we annually reward employees' children, either for being honor students in Junior High School and High School, or for their successful admission to Universities. In 2016, 93 students in total, in Greece, Cyprus, Bulgaria, Romania and Turkey were rewarded during events which were organized at the presence of their parents and the Group's Management.



«INVESTORS IN PEOPLE» CERTIFICATION

In 2014, FOURLIS HOLDINGS S.A. was certified for the next three years with the internationally recognized standard “INVESTORS IN PEOPLE” (IiP), which in Greece is officially represented by EEDE (Hellenic Management Association).

The “INVESTORS IN PEOPLE” standard is a tool that helps businesses and organizations to improve their performance in reaching their business objectives through the management and development of their Human Resources.

It consists of three phases (in chronological order): Diagnosis, Implementation of Action Plan and Review by IiP Executives from the UK.

The standard examines the following 10 areas:

1. Business Strategy
2. Learning & Development Strategy
3. People Management Strategy
4. Leadership & Management Strategy
5. Management Effectiveness
6. Recognition & Reward
7. Involvement & Empowerment
8. Learning & Development
9. Performance Measurement
10. Continuous Improvement





03
FOR THE SOCIETY

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



SOCIETY AND LOCAL COMMUNITIES SUPPORT



MATERIAL TOPIC



WHY IT IS IMPORTANT

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

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

Furthermore, through our social responsibility, our goal is to constantly strengthen our wider contribution to the Sustainable Development of the societies where we operate, by contributing through our social work and to the extent possible, to the achievement of the following UN Sustainable Development goals: Goal 1 “No Poverty”, Goal 2 “Zero Huger”, Goal 4 “Quality Education”, Goal 8 “Decent Work and Economic Growth”, Goal 11 “Sustainable Cities and Communities” and Goal 16 “Peace, Justice and Strong Institutions”.

II GRI 413-1 II

OUR MANAGEMENT APPROACH

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

The following are some of the major programs and actions that were implemented in 2016 to support the society.



“FURNISHED WITH JOY” PROGRAM

In 2016, IKEA and the FOURLIS Group continued the “Furnished With Joy” program that was established four years ago and through which they support municipal nursery schools and kindergartens in the broader areas of the IKEA stores throughout Greece, creating functional spaces where children will be able to spend beautiful moments. Every space is always equipped based on the children’s needs, the IKEA decorators’ experience and in cooperation with the respective Municipal Authorities.

RESULTS

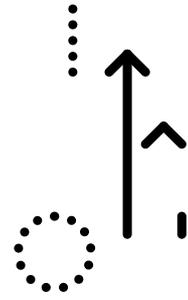
In 2016, IKEA proceeded with the refurbishment of 10 municipal nurseries and kindergartens throughout Greece, while from 2013 to 2016 IKEA has offered products to more than 35 schools in Epirus, Thessaly, Thessaloniki, Crete and Attica.

In 2017, IKEA and the FOURLIS Group will continue implementing the “Furnished with Joy” program, by fully refurbishing 20 nursery schools and kindergartens, in cooperation with the Heads of the schools and the respective local authorities.

IKEA refurbished **10** municipal nurseries and kindergartens in 2016

4 QUALITY EDUCATION





LIBRARIES REFURBISHING PROGRAM

In 2016, IKEA continued and completed, in cooperation with the “Journalists Acting Network of Volunteers”, the refurbishing program of libraries for children and young people in border and remote areas of Greece, where children have limited access to basic knowledge and entertainment infrastructure. In the context of this program, which was launched in 2014, IKEA undertook the planning and design of the libraries, while provided all the necessary equipment and undertook their decoration.

RESULTS

In 2016, four libraries for around 640 children were fully refurbished in the areas of Variko in Florina, Achladochori in Serres, Nevrokopi in Drama and Korestia in Kastoria. The program included the refurbishment of 10 libraries in various border areas throughout Greece (Krania in Grevena, Livadi in Ellassona, Kouklio in Ioannina, Mouries in Kilkis, Dikaia in Evros and Metaxades in Evros) and after its completion approximately 1,500 children and young people have now access to the world of books and also to additional educational material in a pleasant and functional environment.

IKEA refurbished **4** libraries in 2016

4 QUALITY EDUCATION





“TASTES OF OUR COUNTRY”

For the third consecutive year, the “Tastes of our Country” events were held aiming to promote and support local production. The events were hosted by the chef Dimitris Skarmoutsos at the parking areas of the IKEA stores in Thessaloniki, Larisa and Ioannina. The visitors had the opportunity to familiarize themselves with local products and to taste traditional dishes prepared by the famous chef.

RESULTS

On the occasion of the “Tastes of Our Country” events, IKEA carried out a parallel action and offered the equivalent of 5% of the revenue of the IKEA stores from the day these events were held in each city, to support municipal nursery schools and kindergartens of the wider regions by offering furniture and other necessary products.

Promotion and support of local production

8 DECENT WORK AND ECONOMIC GROWTH





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

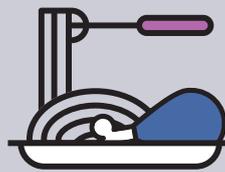
Since 2012, IKEA and the FOURLIS Group have been cooperating with “BOROUME” (“We Can”), the Non-Profit Organization committed to reducing food waste, which acts for the distribution of surplus food for charity throughout Greece. In the context of this cooperation, in 2016 IKEA continued the daily donation of meals not consumed at its stores’ restaurants in Greece and at the Group Headquarters’ restaurant, to people in need.

RESULTS

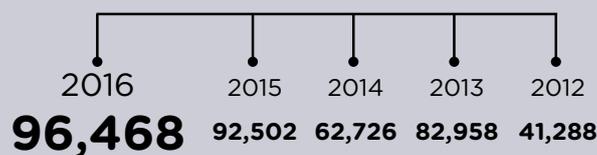
Since 2012, meals have been distributed to the following organizations:

- › RETO Hellas Association (Attica)
- › Social Grocery of the Municipality of Egaleo (Attica)
- › Social Service Department of the Municipality of Egaleo (Attica)
- › Community House “Ariadne” (Attica)
- › Parish breadline of Estavromenos Church in Tavros (Attica)
- › Social Service Department of the Municipality of Thessaloniki
- › Social breadline of Toumba (Thessaloniki)
- › Trion Ierarchon Church of Evosmos (Thessaloniki)
- › Agios Georgios Church in Larisa
- › Agioi Saranta parish (Larisa)
- › Metropolitan Cathedral of Ioannina

Donation of meals to those in need



Meals





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

In 2016, for the 6th consecutive year, INTERSPORT carried out 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 followed by athletes from local sports clubs who inform children about the importance of sports and healthy diet for their lives. The “FTANOUME STA AKRA” (“We reach the Edges”) action is an initiative that serves the mission of INTERSPORT to instill the values of sports to children and to create the necessary conditions for them to have access to it. For this purpose, the priority of this program are the areas and those schools that require greater awareness due to their limited access to sporting events and facilities.

RESULTS

— In 2016, INTERSPORT’s mobile unit visited 26 municipal elementary schools and approximately 2,000 students in the prefectures of Trikala, Karditsa and Evrytania. It is worth noting that since 2011, through this initiative, INTERSPORT has visited 163 schools and more than 17,000 children in various regions throughout Greece. Each time, the voluntary contribution of INTERSPORT’s and the FOURLIS Group’s employees has been important for the successful completion of this program.

INTERSPORT’s mobile unit visited **26** elementary schools and approximately **2,000** students





“LET’S PLAY FOR CHANGE”

IKEA supported, once again, children’s rights by participating in the “Let’s Play for Change” campaign. From November 20th to December 24th 2016, IKEA donated €1 for every purchase of a soft toy or book, in order to support the child’s right to play and proper development through the programs of organizations such as UNICEF and SAVE THE CHILDREN.

RESULTS

The amounts raised are the following:

Greece	59,230 €
Cyprus	15,172 €
Bulgaria	21,035 €

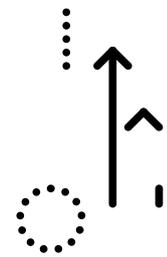


HOSTING ORGANIZATIONS AT THE IKEA STORES

IKEA continued the program of hosting organizations and associations in its stores, giving them the opportunity to inform the public about their work and to gain new supporters.

RESULTS

In the context of this program, in 2016, the IKEA stores hosted FRODIDA (CARE) Association and UNICEF.



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



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

—● For further information and the results of the Association's actions, please visit the website www.diazoma.gr



FOURLIS HOLDINGS S.A. SUPPORTS OPHELTES



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

—● For further information and the results the Association's actions, please visit the website www.opheltes.gr



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

ELLINIKI ETAIRIA - Society for the Environment & Cultural Heritage, as its name suggests, has been active in the fight for the preservation of the environmental and cultural heritage of our country since 1972. In the fight for the preservation of the environment, on account of the complex ecological and environmental crisis which the world is experiencing. In the fight for the preservation of culture, because on the one hand the causes of the environmental crisis

are cultural while on the other the monuments created by traditional societies are usually admirable themselves, often embodying an attitude to life which has much to offer in relation to today's environmental concerns. For this reason ELLINIKI ETAIRIA has from its inception been concerned not only with traditional but also with contemporary culture, especially where this has something positive to contribute to dealing with the complex environmental crisis of our time.

For further information and the results of ELLINIKI ETAIRIA's actions, please visit the website www.ellet.gr



IKEA SUPPORTS THE ASSOCIATION FOR THE PREVENTION AND HANDLING OF VIOLENCE IN THE FAMILY (SPAVO)

IKEA Cyprus carried out the refurbishment and decoration of the new tree-story space of the Association for the Prevention and Handling

of Violence in the Family (SPAVO), which will accommodate victims of domestic violence. This project was realized with the aim to create warm and functional spaces, where people who are provided with accommodation can feel right at home. Offices and boardrooms, which will be used by the personnel, as well as rooms for therapeutic counseling and play areas for children were also refurbished.





IKEA BULGARIA SUPPORTS CHILDREN AND YOUNG PEOPLE

IKEA Bulgaria carried out a series of actions in cooperation with UNICEF Bulgaria aiming to support children and young people from vulnerable social groups.



RESULTS

Specifically, it provided equipment and proceeded to the refurbishment of four centers for the protection, support and provision of counseling services for kids, young people and their families in the towns of Shumen, Nova Zagora, Kotel and Berkovitsa in Bulgaria.

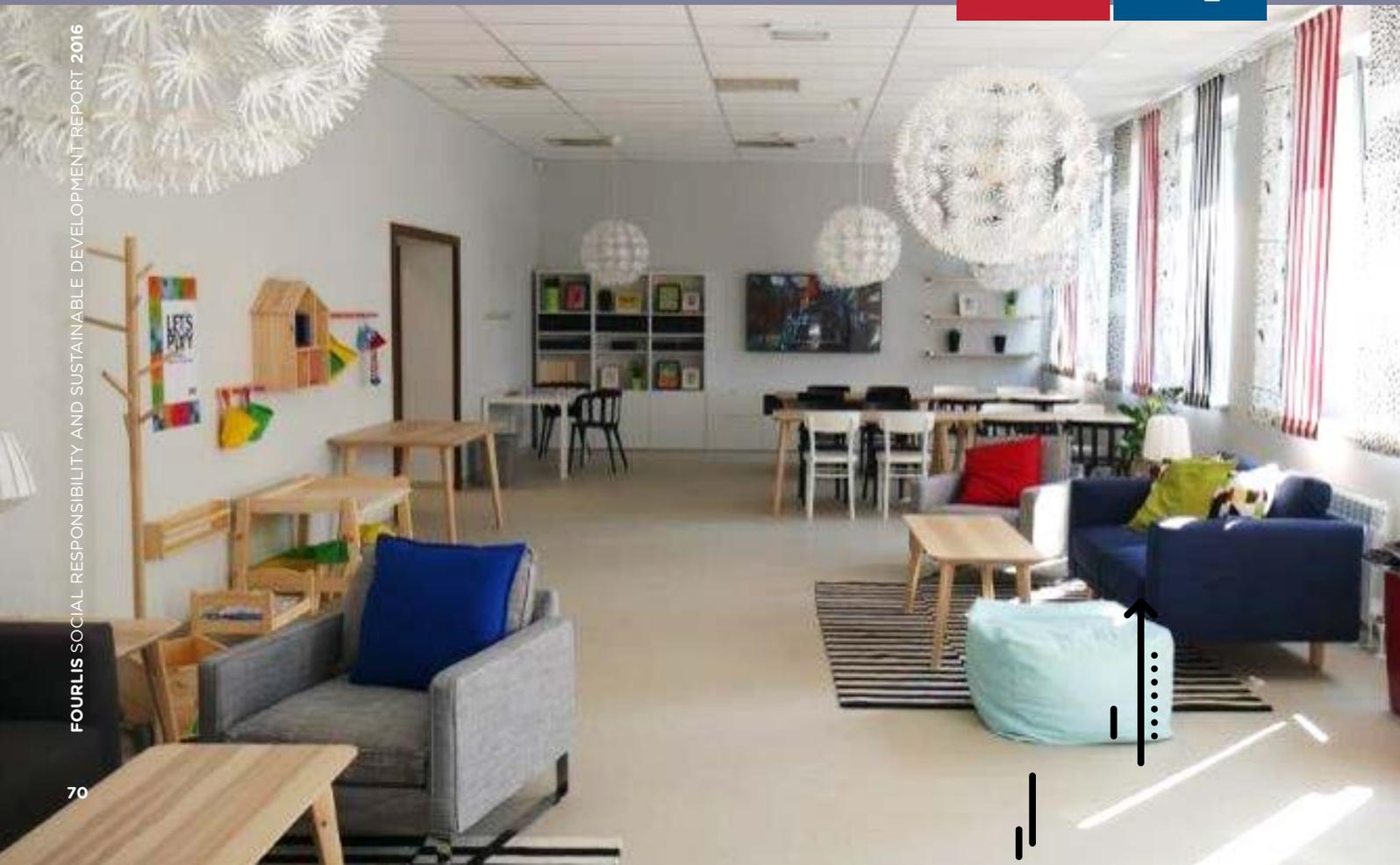


In addition:

- › It hosted UNICEF at its store's premises aiming to inform and stimulate public awareness about refugee children.
- › It created a space for children in the "Museiko" museum, as well as in the National Polytechnic Museum of Sofia.

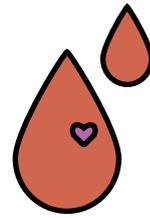
IKEA Bulgaria received an award for its actions in cooperation with UNICEF, at the Bulgarian Business Leaders Forum (BBLF).

4 centers for children, young people and their families were refurbished and equipped by IKEA Bulgaria in 2016



CORPORATE VOLUNTEERING





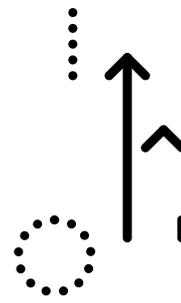
VOLUNTARY BLOOD DONATION 2016

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

	2016	2015	2014	2013	2012
Greece	218	246	307	329	309
Cyprus	57	53	62	66	49
Bulgaria	18	12	10	32	58
Romania	-	152	30	-	-
Turkey	-	-	3	-	8

293 bottles of blood were collected in 2016





DONATION OF FOOD AND OTHER ESSENTIAL SUPPLIES

In 2016, on the occasion of Christmas season, the FOURLIS Group employees collected food and other necessary supplies, which they offered to the following organizations in Greece and Cyprus aiming to support their work.

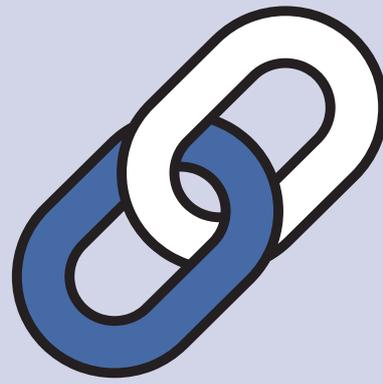
RESULTS

Through this action we supported the following bodies:

- › Attica: The “Meropio Foundation”, the “Agia Anna” Home for Girls and the Xatzikiriakio Foundation for Child Protection
- › Thessaloniki: The “Arsis” and the “Greek Children’s Village at Filiro”
- › Komotini: The Cathedral of the Annunciation
- › Larissa: The Municipality’s Social Grocery
- › Ioannina: The Orphanage run by the Monastery of Panagia Dourachani and “Kivotos tou Kosmou” (Epirus)
- › Heraklion: Family strengthening program of the SOS Children’s Villages
- › Chania: The Municipality’s Social Grocery
- › Patra: The Social Grocery of Patra
- › Cyprus: The “Red Cross”

In total, **100** cartons and **99** bags of products were collected and offered





04
FOR THE MARKET



CUSTOMER HEALTH AND SAFETY



MATERIAL TOPIC



WHY IT IS IMPORTANT

For the FOURLIS Group, customer Health and Safety is a responsibility commitment and a material sustainability topic. Every year, millions of people (34,268,669 in 2016) visit the Group companies' retail stores in all countries where the Group operates and select our products.

The high Health and Safety level significantly increases the quality of provided products and services and strengthens our customers' trust. Ensuring that we strictly adhere to all relevant laws and regulations related to the impact of our products and services on customer health and safety, we contribute to Sustainable Development Goal 16 "Peace, Justice and Strong Institutions" as we promote the rule of law at a national and international level.



OUR MANAGEMENT APPROACH

HEALTH AND SAFETY POLICY AND MANAGEMENT SYSTEM

The Group complies with the applicable legislation and implements a Health and Safety Management System that includes a wide range of relative measures and initiatives. Concurrently, we apply a Common Health and Safety Policy in all the Group's subsidiaries, which aims to cover the relative needs of our employees, visitors and business partners.

Some of the practices we implement at the FOURLIS Group are the following:

- › Cooperation with an external service on accident protection and prevention
- › Written occupational risk assessment based on existing methodology
- › Request from our suppliers to present products' safety certificates
- › Implementation of measures for reducing "emergency pick" incidents aiming to prevent accidents in the IKEA stores
- › Training of First Aid Teams
- › Training of Fire Safety and Firefighting Teams
- › Infirmaries equipped with medical beds and automatic external defibrillators in all the IKEA stores
- › Provision of wheel chairs at the IKEA stores' entrance, as well as of accessible lavatories and parking spaces, aiming to provide safe accommodation and transportation for people with special needs
- › ISO 22000 certification for the safety of the food served at the IKEA stores' restaurants

EMPLOYEE TRAINING ON HEALTH AND SAFETY ISSUES

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

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
- › Training of security personnel on Human Rights issues
- › Monthly testing of personnel's knowledge on safety issues



HOW WE EVALUATE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

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

In 2016, the application of our policies on Health and Safety issues had significant outcomes.

We indicatively mention that:

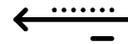
- › No accident occurred in the playgrounds of the IKEA stores.
- › No incident of non-compliance with legislation related to Health and Safety issues occurred during the reporting period.



CUSTOMER CARE AND SATISFACTION



MATERIAL TOPIC

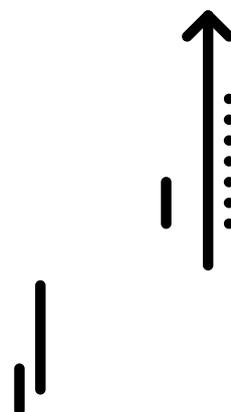


WHY IT IS IMPORTANT

Managing and meeting our customers' needs is our main concern and top priority. We seek to operate responsibly and consistently, setting as our main objective the satisfaction of our customers' needs, while at the same time, we seek to constantly advance and improve our relevant policies and practices. We believe that our responsible approach to the issue of customer service and satisfaction, through the provision of products and services for a better life, creates additional value for our customers, our people, our shareholders and the society, while it contributes to the stimulation of the market and by extension to the economic growth in the areas where we operate.

OUR MANAGEMENT APPROACH

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





At the IKEA stores, the Customer Relations Division covers the entire range of the customer's/visitor's experience (customer journey), i.e. before, during and after their visit to the store, while it is worth noting that a separate Department, the Customer Care Department, deals exclusively with customer care.

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

During the customer's visit to the store, our policies focus on the service inside our stores, offering all the necessary purchasing tools and having the necessary customer service prerequisites for large customer volumes, emphasizing on servicing all age groups and needs.

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





At the INTERSPORT and The Athlete's Foot stores, the responsibility for the excellent quality of customer service lays on the Store Manager, the Area Sales Manager, as well as the Operations Manager, as indicated in their job description.

The quality in customer service is safeguarded through constant guidance, continuous on-the-job training as well as related educational programs, constructive feedback, annual appraisals, weekly staff meetings and a monthly store Managers' meeting. In addition, all new INTERSPORT and The Athlete's Foot employees, regardless of their position, participate in an INDUCTION program, through which they have the opportunity to get informed about the Vision and the Values of INTERSPORT and The Athlete's Foot and for the content of the 6x6 service system. This system serves the main vision of both INTERSPORT and The Athlete's Foot.

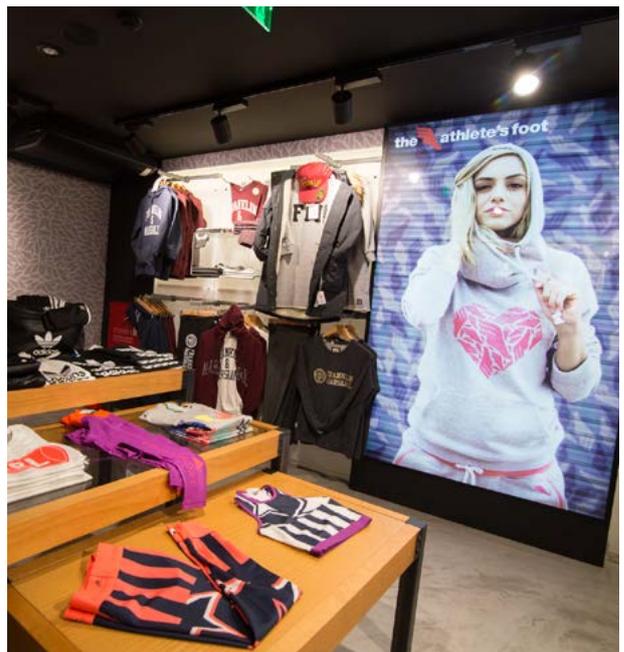
INTERSPORT'S VISION

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

The Athlete's Foot VISION

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

In 2016, an additional institution was launched exclusively for INTERSPORT, the Ambassadors institution, aiming to further develop our employees and also to transfer our knowledge and passion to our clients. The Ambassadors, each one acting as a Coach for a different sports' category, are chosen based on their high performance appraisal scores and their passion for sports.



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

THE 6 STEPS OF SERVICE



THE 6 TOOLS

HOW WE EVALUTE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

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



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

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

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



At INTERSPORT, just like at IKEA, we evaluate the quality of our customer service via the Mystery Shopping survey, carried out on our behalf by a partner company and in the content of which key indicators of customer service inside our stores are being monitored.

We monitor the results on a quarterly basis and if negative performance is recorded, we proceed to ameliorative measures. Some typical assessment areas included in the Mystery Shopping survey are the identification of customer needs, the way employees present the products in stores, as well as checkout service.

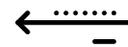
It is worth mentioning that the FOURLIS Group's INTERSPORT store network, participates in the European Brand Awareness survey carried out by INTERSPORT worldwide. For 2016, this survey included a sample of 1,000 customers (with the participation of the Group's customers) with very positive results.

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

PRODUCT COMPLIANCE AND LABELING



MATERIAL TOPIC



WHY IT IS IMPORTANT

The compliance of our products with the manufacturers' and suppliers' standards, as well as with the European or national legislation, is a standard practice for the Group. Through the provision of the necessary information regarding responsible product production and use and disposal practices as well as through our compliance with laws and regulations concerning the labeling and use of our products and services, we contribute to the achievement of Goal 12 "Responsible consumption and production" and Goal 16 "Peace, justice and strong institutions" respectively.



OUR MANAGEMENT APPROACH



The provision of specific labeling and signs on the IKEA products, aiming to provide the most thorough information and advice to customers, is a priority for the IKEA stores chain. Thus, we provide information and labeling regarding potential problems or health impacts, hazardous substances, whether a product can be used only by adults, dimensions, as well as product manufacturing information, etc. The Sales Department and the IFB-IKEA Food and Beverage Department are responsible for monitoring product compliance.

It is also worth mentioning that we provide a perennial product guarantee, which in some cases reaches 25 years, while we adhere to and apply a product withdrawal policy. If necessary, and depending on the importance of the incident, the withdrawal case is publicly disclosed.



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

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

II GRI 419-1 II

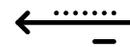
HOW WE EVALUTE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

All the FOURLIS Group companies' products are in full compliance with the European legislation and have the relevant labeling (e.g. CE approval), while during 2016, there was no case of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

RESPONSIBLE PRODUCT MARKETING AND PROMOTION



MATERIAL TOPIC



WHY IT IS IMPORTANT

The method of communication that we choose to promote our products has a major impact on the corporate image and reputation of each of the Group companies and reflects the image of our products.

At each of the Group companies, we make sure that product promotion and marketing practices are governed by responsibility, as we recognize the impact of our way of communication not only on our customers/consumers, but also on our business partners and on the competition (stores and brands). In addition, with the proper management of this topic we are also contributing to the Sustainable Development Goal 16 “Peace, justice and strong institutions” through the full compliance with all applicable laws and regulations regarding the responsible product communication and promotion.



OUR MANAGEMENT APPROACH



For the advertising and promotion of the IKEA products, we follow the communication code applied by IKEA worldwide, while we take into consideration local needs and the particularity of the consumers. For this reason, the configuration of the IKEA stores differs depending on their location, in order to meet the standards and preferences of the respective local community.

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

Since 2000, the year when IKEA started operating in Greece, we constantly support the consumer by offering high quality furniture at very low prices, making furniture more affordable. Especially during the crisis period, 2008-2016, we reduced prices on products available in stock, at the beginning of our catalogue (September) more than 10% of the net value. The reduction concerned basic products and still remains substantive, having a direct impact on consumers' purchasing power.

We also try to constantly make the shopping experience as pleasant as we can, offering free parking and playground facilities. Furthermore, we facilitate our customers' purchases by offering 24 interest-free installments for purchases of 400 euros and above, which is the most competitive market regulation, while we frequently have offers and discounts that cover the 43 out of the 52 weeks on an annual basis (September 2015- August 2016). In addition, we offer quality food at very low prices in our restaurants. Especially under the current difficult circumstances, both IKEA and the FOURLIS Group show their respect to consumers in practice, by daily and consistently responding to consumer needs without compromising quality.

Aiming to reward IKEA customers and to create added value, we developed the IKEA Family program, which at the end of the year 2016 had 579,943 members in Greece, 70,559 in Cyprus and 82,575 in Bulgaria. The IKEA Family is an important initiative of promoting products responsibly and aims to improve consumer faith and to develop consumer bonds with the company. In the context of this program, members are rewarded with points that can be redeemed in discounts on their purchases at the IKEA stores. At the same time, they are given the opportunity to be trained in various topics such as sewing and decoration, house furnishing, cooking, etc., through seminars organized at the stores. Concurrently, the members are informed about the company's promotions and news.





INTERSPORT's marketing and communication strategy is set according to its vision which is to bring Sports to the people, while The Athlete's Foot's is set according to its own vision which is to bring style to Sports. Responsible for the implementation of the marketing policies for INTERSPORT and the Athlete's Foot is the Commercial Department, while both companies' marketing policies focus on two areas: Corporate Communication and product promotion.

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

Especially at INTERSPORT, actions that concern the enhancement of the corporate image are either Social Responsibility actions (WE REACH THE EDGES Program), or sporting events. For example, at INTERSPORT we promote sports and we shape consumers' sport awareness, through the successful organization of sporting events such as tennis, football, basketball and beach volley tournaments as well as running, swimming and outdoor events.

Concurrently, since 2000, the year when INTERSPORT started operating in Greece, we constantly support the consumers by offering a wide variety of quality sports equipment in a range of prices, making sporting goods more affordable, while with the aim to reward INTERSPORT customers and to create shared value, we developed the Score for More program, which has over 380,000 members in Greece. The Score for More loyalty program is an important responsible product promotion initiative aiming to improve consumer loyalty and to develop consumer relationships with the company. In the context of this program, members are rewarded with points that they can redeem on discounts on their purchases at the INTERSPORT stores. At the same time, the members are informed about the company's promotions and news.



HOW WE EVALUTE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS



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

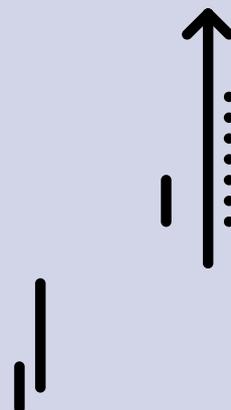


For assessing INTERSPORT's brand image and the communication and marketing policies we use the GFK Brand Vivo survey. This is an annual survey conducted electronically for about 1,000 online users and presents the public's opinion on INTERSPORT's corporate image.

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

II GRI 417-3 II

- › In 2016, there were no cases of non-compliance with regulations and volunteer codes regarding marketing communication, including advertising, promotion and sponsorship.



CUSTOMER PRIVACY



WHY IT IS IMPORTANT

The respect to the protection of customers' personal data constitutes a non-negotiable pillar of our business strategy. By applying the best practices for the protection of customers' privacy, not only we ensure our compliance with the relevant legislation, but we also strengthen our customers' trust and satisfaction.

In addition, through the responsible management of this material topic, we contribute to the achievement of the Sustainable Development Goal 16 "Peace, justice and strong institutions" as we support the rule of law through our compliance with the relevant laws and regulations and we protect, with our practices, basic human rights based on international agreements and the national legislation.



OUR MANAGEMENT APPROACH

The Group applies the existing legislation and follows the best practices that are connected with the respect for customers' privacy. In this context, the Group has adopted its gradual adjustment to EU's 679/2016 Regulation, which concerns the protection of personal data and will be completed by May 25, 2018 for all operations in all countries where it operates. For this purpose, a working group, consisting of Group Executives, has already been created and works for the timely implementation of the aforementioned project.

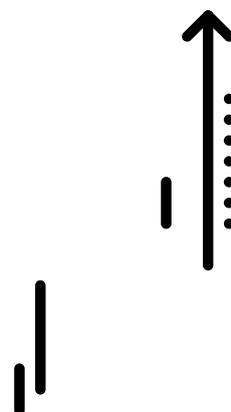
Some of the practices followed, in all of the Group's companies, regarding the respect for the privacy of our customers are the following:

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 using a special password that is subject to regular changes

For Clients

- › Informing the visitor / user 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 the content they contain
- › Informing them about their 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

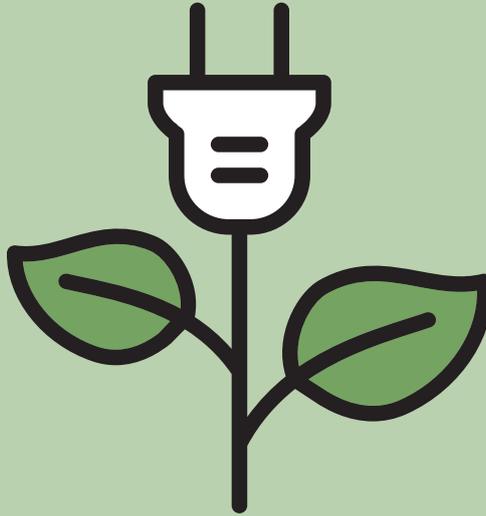


HOW WE EVALUTE OUR MANAGEMENT APPROACH AND PERFORMANCE - RESULTS

II GRI 418-1 II

› In 2016, there were no substantiated complaints concerning breaches of customer privacy for our Group companies.





05 FOR THE ENVIRONMENT

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

II GRI 102-11 II

In this context, we manage our environmental impacts by trying to continuously improve our contribution to the sustainable development of the countries where we operate and to the achievement of the UN Sustainable Development Goals for “Clean Water and Sanitation” (Goal 6), “Affordable and Clean Energy” (Goal 7), “Responsible Consumption and Production” (Goal 12), and “Climate Action” (Goal 13).

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





ENERGY AND EMISSIONS

For energy management purposes, the FOURLIS Group systematically monitors electricity, heating oil and natural gas consumptions and proceeds with the necessary interventions when and where necessary, in order to reduce them.

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

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

At Group level

- › Replacement of IT systems with similar low energy consumption ones
- › 100% use of new technology monitors
- › Use of blade servers
- › Informing and raising employees' awareness about energy conservation in the workplace





At the IKEA stores' facilities, which were designed by taking into account environmental criteria, the Group has proceeded with the application of specific measures to improve energy efficiency, such as:

- › Installation of digital heat sensors at various locations in the stores, which by contacting the management system, automatically adjust heating needs and thus natural gas and electricity consumption.
- › Better management of all facilities' openings like, for example, adjustment of the time and opening distance of that automatic doors, as well as the installation of air curtains.
- › Adjustment of the temperature of the water for use at the restaurant, in order to conserve natural gas.
- › Launch of a 3-year program for the replacement of high consumption light bulbs with LED bulbs in commercial and non-commercial areas of the IKEA stores in Greece, Cyprus and Bulgaria.
- › Gradual installation of inverter systems at boilers to conserve natural gas.
- › Gradual supply and use of peak consumption management systems by optimizing / differing the operation of the facilities and devices that consume electricity.
- › Planning for supplying and using devices of quality power upgrading in order to optimize the air-conditioning.
- › Planning for the supply and use of automations for minimizing the amount of automated expulsion of conditioned air beyond the real use requirements in order to minimize the energy consumption for the air conditioning of the premises.

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

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

Concurrently, in order to avoid the risk of increasing energy consumption due to the age of the basic E/M installations of our buildings, our company proceeded and is now in the process of progressively implementing the installation of electric power generation systems on the roofs of the buildings aiming to maximize the new use of facilities that do not produce any form of burden to the environment. In this context, in 2016, the process of installing a photovoltaic electricity production system with net metering at the IKEA Cyprus store begun and is currently in progress.

Measures aiming at reducing energy consumption:

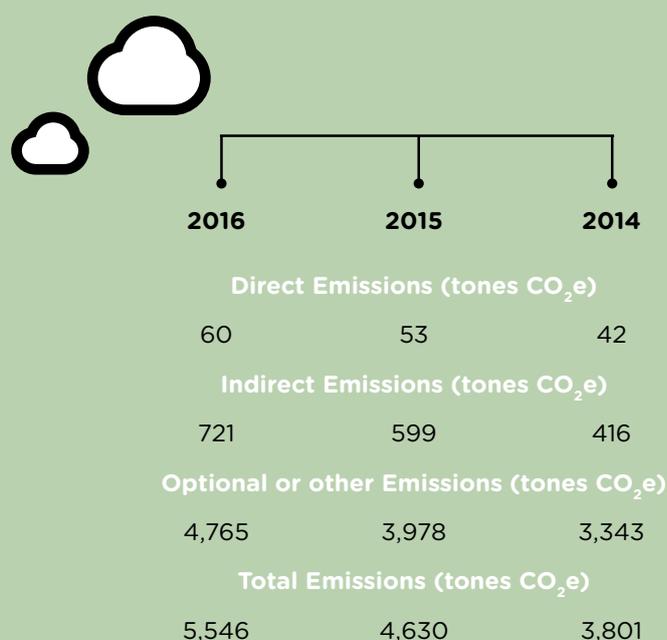
- › Reduction of lighting needs in the areas where the automated machines, responsible for the 70% of activities, operate.
- › Optimization of the automated machines' performance by using a special software, in order to allow them to operate in "full circle". This way, the lifting machines are always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

OPERATION OF A PHOTOVOLTAIC SYSTEM

Since March 2013, the company has installed a 1 MW photovoltaic system for producing electricity, on the roof of the warehouse. In 2016, the total electricity production reached 1,428,112 kWh. In addition, during the same period, 1,298 metric tones of CO₂e were not released to the atmosphere, due to the fact that the electricity from the photovoltaic park is produced from renewable energy sources.

CARBON EMISSIONS

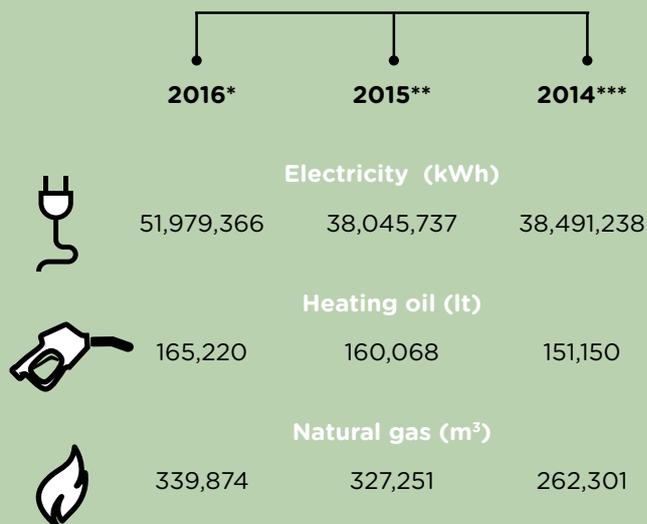
In 2016, TRADE LOGISTICS calculated once again its carbon emissions for the entirety of its operations in order to implement solutions for their reduction. The results of the measurements - the annually increasing company activities must be taken into consideration when evaluating these measurements - are presented in the following table.





Starting with the renovation of INTERSPORT Nea Erithrea store in September 2014, in all new INTERSPORT & The Athlete's Foot stores we use LED technology bulbs, while we implement programs for the gradual replacement of regular bulbs with LED ones for the rest of our stores. More than a third of our stores have LED bulbs, while our goal is to complete the replacement process in all our stores by the end of 2017.

THE GROUP'S TOTAL ENERGY CONSUMPTION



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

** Includes data for SERVICE ONE.

*** Includes data for FOURLIS TRADE & SERVICE ONE.



MATERIALS AND WASTE MANAGEMENT

Aiming at the overall reduction of the produced waste and at their most effective management, at the FOURLIS Group we implement material recycling programs, such as paper, toners, batteries, aluminum, glass, plastics, metals, timber, fluorescent lamps, cooking fat from the IKEA restaurants, as well as small electric appliances.



RECYCLING AND WASTE MANAGEMENT

Recycling programs are implemented in all the FOURLIS Group companies' premises with the participation of employees and the use of special recycling bins placed at the workplaces for this purpose. At the same time, a number of actions and awareness campaigns are also regularly organized, aiming to raise employees' awareness. Recycling bins for plastic, paper, glass, light bulbs and small electric devices, are available to the public at the IKEA stores.

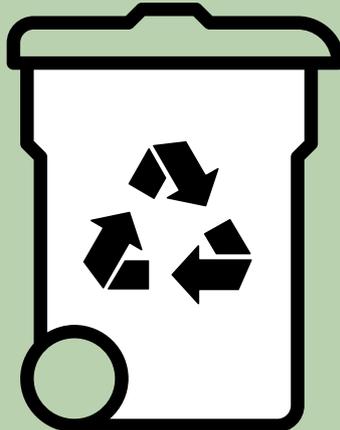
Moreover, the Group's companies through their financial contribution to the Hellenic Recovery Recycling Corporation (HE.R.R.CO), have actively supported the effort to develop recycling infrastructure in our country. Specifically, the total amount of their contributions from 1/1/2016 to 31/12/2016 may be mapped and thus be considered to have financed the purchase of:

From HOUSEMARKET (IKEA stores)

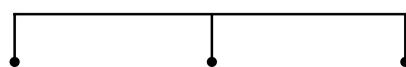
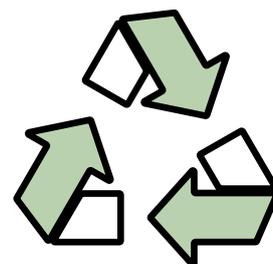
753 blue recycle bins
or 1 recycle garbage
truck

From INTERSPORT (INTERSPORT & The Athlete's Foot stores)

100 blue recycle bins



RECYCLING (INSIDE THE FOURLIS GROUP)



2016 *	2015**	2014***
Paper (kg)		
1,477,363	1,351,788	1,340,655
Batteries (kg)		
17,184	1,596	6,601
Cooking Fat (lt)		
19,897	20,130	18,507
Light bulbs (kg)		
2,087	2,552	3,615
Aluminum (kg)		
520	720	0
Glass (kg)		
0	10	0
Plastic (kg)		
93,090	100,014	87,390
Metals (kg)		
54,510	34,900	15,380
Timber (kg)		
11,082	188,500	4,962

* The data relate to the following companies: FOURLIS HOLDINGS S.A., TRADE LOGISTICS, INTERSPORT & The Athlete's Foot Greece (Headquarters), IKEA GREECE AND IKEA CYPRUS.

** Includes data for SERVICE ONE.

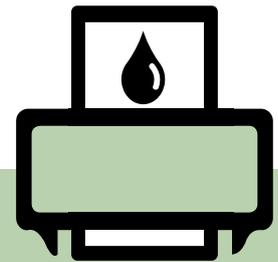
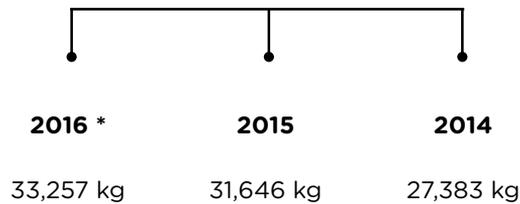
*** Includes data for FOURLIS TRADE & SERVICE ONE.

USING AND SAVING PAPER

At the FOURLIS Group companies in Greece and Cyprus, we have established the use of recycled, recyclable and non-chlorinated paper. Aiming at the reduction of paper consumption across the FOURLIS Group, we implement practices, such as:

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

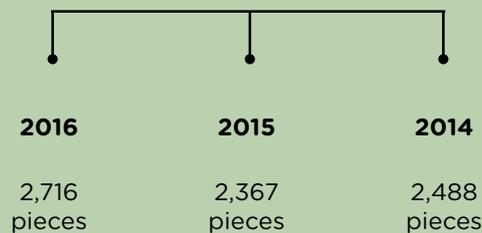
Quantity of paper purchased for office use*



USING AND SAVING INK

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

Pieces of ink cartridges consumed*



The increase in ink consumption between 2015 and 2016 is mainly attributed to the opening of new stores.

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



WATER

Recognizing the significant quantity of water consumed at our facilities due to sanitation needs and to the large number of customers and employees, we take measures for the reduction of water consumption.

Thus, we monitor consumption per subsidiary and we take additional measures where necessary in order to reduce water consumption at our facilities. For example, at the IKEA stores we have proceeded to a gradual supply and installation of automated flow faucets systems in the Water Closets (WC).

Water consumption in litres

	2016	2015	2014
IKEA (Attica excluded)			
	19,000,00 *	21,964,198 *, **	31,176,000
IKEA (Attica)			
	34,557,000	35,641,000	38,290,000
TRADE LOGISTICS			
	2,630,911	960,612	700,270

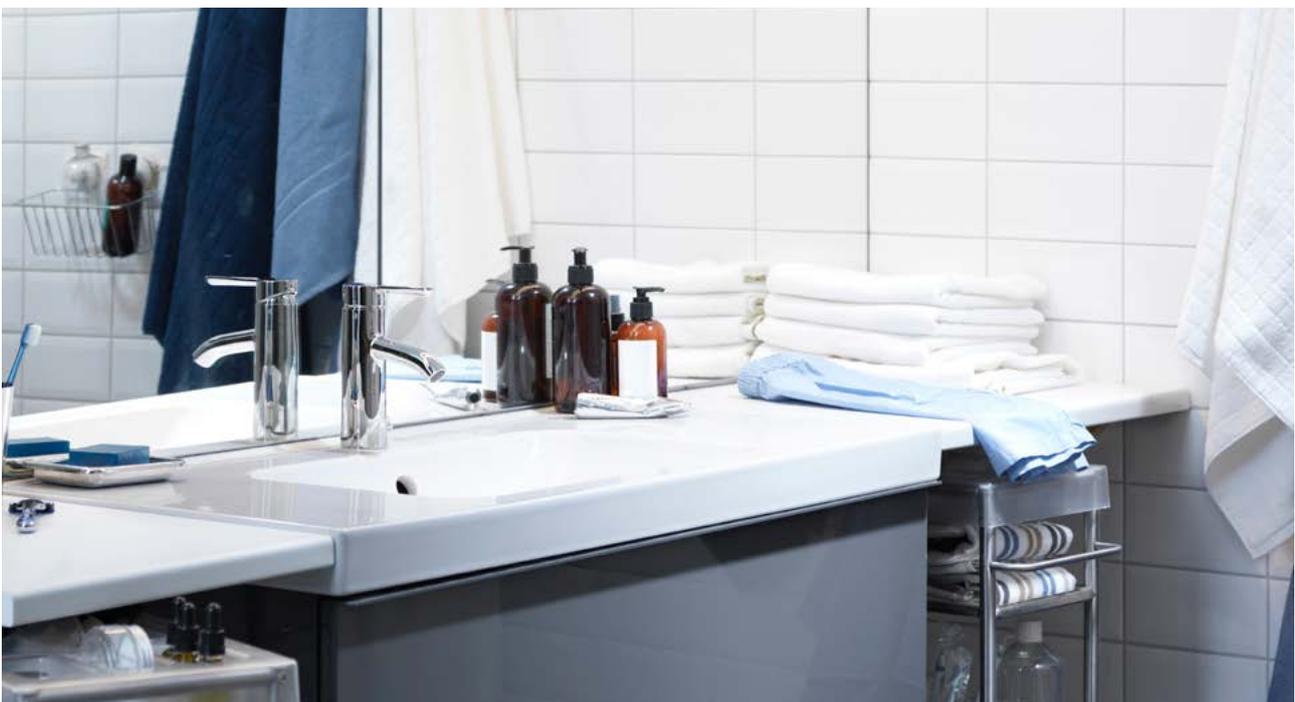
* The IKEA Centre for Orders and Deliveries in HERAKLION is excluded.

** Includes a restatement of information compared to last year's report

ECO-FRIENDLY PRODUCTS

IKEA offers eco-friendly products such as:

- All IKEA washbasin faucets which have a water-saving mechanism, in order to reduce water consumption by 50%, while the flow remains the same. Similarly, kitchen faucets save up to 40% water.
- The MÄSTERBY staircase made of 100% recycled plastic, reinforced with glass fibers for stability and durability.
- The MARIUS staircase made out of 40% recycled steel.
- The BJÖRNÅN bathroom curtain which is made of 100% recycled polyester, which originates from plastic PET bottles.
- All IKEA electric appliances that are assessed as energy class A, A + or A ++.
- The IKEA mirrors which are 100% lead-free.
- LED bulbs and lamps with embedded LED bulbs. At the IKEA stores we only offer LED lighting products. A LED bulb uses 85% less energy, while its lifespan can reach 25,000 hours.



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	<ul style="list-style-type: none"> 1. OUR GROUP Code of Conduct 2. FOR OUR PEOPLE Human Rights in the workplace Health, Safety and Employee Wellbeing at Work 4. FOR THE MARKET Product compliance and labeling
Principle 2	Businesses should make sure that they are not complicit in human rights abuses	<ul style="list-style-type: none"> 1. OUR GROUP Code of Conduct 2. FOR OUR PEOPLE Human Rights in the workplace Health, Safety and Employee Wellbeing at Work 4. FOR THE MARKET Product compliance and labeling
LABOUR		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> 1. OUR GROUP Code of Conduct 2. FOR OUR PEOPLE Human Resources Profile Human Rights in the workplace Merit-based Recruitment and Development
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	<ul style="list-style-type: none"> 1. OUR GROUP Code of Conduct 2. FOR OUR PEOPLE Human Rights in the workplace Merit-based Recruitment and Development
Principle 5	Businesses should uphold the effective abolition of child labour	<ul style="list-style-type: none"> 1. OUR GROUP Code of Conduct 2. FOR OUR PEOPLE Human Rights in the workplace Merit-based Recruitment and Development
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> 1. OUR GROUP Code of Conduct 2. FOR OUR PEOPLE Human Resources Profile Human Rights in the workplace Merit-based Recruitment and Development Training and Education
ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> 5. FOR THE ENVIRONMENT Energy and Emissions Materials and Waste Management Water Eco-Friendly Products
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> 5. FOR THE ENVIRONMENT Energy and Emissions Materials and Waste Management Water Eco-Friendly Products
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> 5. FOR THE ENVIRONMENT Energy and Emissions Materials and Waste Management Water Eco-Friendly Products
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> 1. OUR GROUP Regulatory Compliance

GRI CONTENT INDEX

II GRI 102-55 II

GRI STANDARD	DISCLOSURE	REPORT SECTION or REFERENCE	PAGE	OMISSION
GRI 101: FOUNDATION 2016				
GENERAL DISCLOSURES (CORE OPTION)				
GRI 102: General Standard Disclosures 2016	102-1 Name of the organization	1. OUR GROUP: "Profile"	13	-
	102-2 Activities, brands, products, and services	1. OUR GROUP: "Profile"	13	-
	102-3 Location of headquarters	1. OUR GROUP: "Profile"	13	-
	102-4 Location of operations	1. OUR GROUP: "Profile"	13	-
	102-5 Ownership and legal form	1. OUR GROUP: "Profile"	13	-
	102-6 Markets served	1. OUR GROUP: "Profile"	13, 16	-
	102-7 Scale of the organization	1. OUR GROUP: "Profile" 1. OUR GROUP: "Economic Performance" 2. FOR OUR PEOPLE: "Human Resources Profile"	13, 16, 23, 40	-
	102-8 Information on employees and other workers	2. FOR OUR PEOPLE: "Human Resources Profile"	40	-
	102-9 Supply chain	1. OUR GROUP: "Profile"	19, 21	-
	102-10 Significant changes to the organization and its supply chain	CEO Message	6-7	-
	102-11 Precautionary Principle or approach	5. FOR THE ENVIRONMENT	92	-
	102-12 External initiatives	1. OUR GROUP: "Memberships and Distinctions"	36	-
	102-13 Membership of associations	1. OUR GROUP: "Memberships and Distinctions"	36-37	-
	102-14 Statement from senior decision-maker	CEO Message Social Responsibility Department Message	6-7, 8	-
	102-16 Values, principles, standards, and norms of behavior	Our values Our vision and mission 1. OUR GROUP: "Regulatory Compliance" 1. OUR GROUP: "Memberships and Distinctions"	10, 11, 26, 36	-
	102-18 Governance structure	1. OUR GROUP: "Regulatory Compliance"	24-30	-
	102-40 List of stakeholder groups	1. Our Group : "Corporate Responsibility- Stakeholder Table"	33	-
102-41 Collective bargaining agreements	The FOURLIS Group implements the applicable legislation for bargaining agreements for the 100% of its employees		-	

GRI STANDARD	DISCLOSURE	REPORT SECTION or REFERENCE	PAGE	OMISSION
GRI 101: FOUNDATION 2016				
GENERAL DISCLOSURES (CORE OPTION)				
GRI 102: General Standard Disclosures 2016	102-42 Identifying and selecting stakeholders	1. OUR GROUP : "Corporate Responsibility- Stakeholders"	32	-
	102-43 Approach to stakeholder engagement	1. OUR GROUP : "Corporate Responsibility- Stakeholder Table"	33	-
	102-44 Key topics and concerns raised	1. OUR GROUP : "Corporate Responsibility- Materiality Analysis"	34-35	-
	102-45 Entities included in the consolidated financial statements	The FOURLIS Group Annual Report 2016, page 54-55 http://www.fourlis.gr/Files/IR/Financial%20Reports/Fourlis_Holdings/en/2016/Fourlis_Notes_FY16_en.pdf	-	-
	102-46 Defining report content and topic Boundaries	1. OUR GROUP : "Corporate Responsibility - Materiality Analysis" Boundaries Table	34-35, 110	-
	102-47 List of material topics	Boundaries Table	110	-
	102-48 Restatements of information	There were no restatements of information	-	-
	102-49 Changes in reporting	Boundaries Table	110	-
	102-50 Reporting period	About the Report	9	-
	102-51 Date of most recent report	About the Report	9	-
	102-52 Reporting cycle	About the Report	9	-
	102-53 Contact point for questions regarding the report	Social Responsibility Department Message	8	-
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report	9	-
	102-55 GRI content index	GRI Content Index	105-109	-
	102-56 External assurance	About the Report	9	-

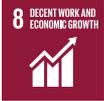
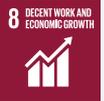
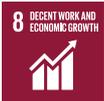
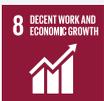
GRI STANDARD	DISCLOSURE	REPORT SECTION or REFERENCE	PAGE	OMISSION
Economic Performance (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 1. OUR GROUP : “Economic Performance”	110, 22	
	103-2 The management approach and its components	1. OUR GROUP: “Economic Performance”	22-23	
	103-3 Evaluation of the management approach	1. OUR GROUP: “Economic Performance”	22-23	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1. OUR GROUP: “Economic Performance”	23	
Regulatory Compliance (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 1. OUR GROUP: “Regulatory Compliance”	110, 24	
	103-2 The management approach and its components	1. OUR GROUP: “Regulatory Compliance”	24-29	
	103-3 Evaluation of the management approach	1. OUR GROUP: “Regulatory Compliance”	30	
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	1. OUR GROUP: “Regulatory Compliance”	30	
Human Rights in the Workplace (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 2. FOR OUR PEOPLE: “Human Rights in the Workplace”	110, 41	
	103-2 The management approach and its components	2. FOR OUR PEOPLE: “Human Rights in the Workplace”	42	
	103-3 Evaluation of the management approach	2. FOR OUR PEOPLE: “Human Rights in the Workplace”	43	
GRI 406: Non - Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2. FOR OUR PEOPLE: “Human Rights in the Workplace”	43	

Merit-Based Recruitment and Development				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2. FOR OUR PEOPLE: "Merit-Based Recruitment and Development"	46	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2. FOR OUR PEOPLE: "Merit-Based Recruitment and Development"	47	
Customer Care and Satisfaction (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 4. FOR THE MARKET: "Customer Care and Satisfaction"	110, 78-82	
	103-2 The management approach and its components	4. FOR THE MARKET: "Customer Care and Satisfaction"	78	
	103-3 Evaluation of the management approach	4. FOR THE MARKET: "Customer Care and Satisfaction"	78-81	
	Customer Satisfaction Surveys	4. FOR THE MARKET: "Customer Care and Satisfaction"	82	The results of customer satisfaction surveys are not disclosed. Reason for omission: Confidentiality constraints
Product Compliance and Labeling (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 4. FOR THE MARKET: "Product Compliance and Labeling"	110, 83	
	103-2 The management approach and its components	4. FOR THE MARKET: "Product Compliance and Labeling"	84	
	103-3 Evaluation of the management approach	4. FOR THE MARKET: "Product Compliance and Labeling"	84	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	4. FOR THE MARKET: "Product Compliance and Labeling"	84	
Responsible Product Marketing and Promotion (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 4. FOR THE MARKET: "Responsible Product Marketing and Promotion"	110, 85	
	103-2 The management approach and its components	4. FOR THE MARKET: "Responsible Product Marketing and Promotion"	86-87	
	103-3 Evaluation of the management approach	4. FOR THE MARKET: "Responsible Product Marketing and Promotion"	88	
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	4. FOR THE MARKET: "Responsible Product Marketing and Promotion"	88	
Society and Local Communities Support (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 3. FOR THE SOCIETY: "Society and Local Communities Support"	110, 61	
	103-2 The management approach and its components	3. FOR THE SOCIETY: "Society and Local Communities Support"	61-73	
	103-3 Evaluation of the management approach	3. FOR THE SOCIETY: "Society and Local Communities Support"	61-73	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	3. FOR THE SOCIETY: "Society and Local Communities Support"	61-73	

Training and Education				
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	2. FOR OUR PEOPLE: "Merit-Based Recruitment and Development"	51	
	404-3 Percentage of employees receiving regular performance and career development reviews	2. FOR OUR PEOPLE: "Merit-Based Recruitment and Development"	50	
Customer Health and Safety (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	1. OUR GROUP : "Corporate Responsibility-Materiality Analysis" Boundaries table 4. FOR THE MARKET: "Customer Health and Safety"	110, 75	
	103-2 The management approach and its components	4. FOR THE MARKET: "Customer Health and Safety"	76	
	103-3 Evaluation of the management approach	4. FOR THE MARKET: "Customer Health and Safety"	77	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4. FOR THE MARKET: "Customer Health and Safety"	77	
Employee Health, Safety and Wellbeing at Work (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 2. FOR OUR PEOPLE: "Health, Safety and Employee Wellbeing at Work"	110, 52	
	103-2 The management approach and its components	2. FOR OUR PEOPLE: "Health, Safety and Employee Wellbeing at Work"	53-54	
	103-3 Evaluation of the management approach	2. FOR OUR PEOPLE: "Health, Safety and Employee Wellbeing at Work"	55	
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	2. FOR OUR PEOPLE: "Health, Safety and Employee Wellbeing at Work"	55	The results of IKEA Bulgaria are not disclosed because data were unavailable for the reporting period. The results of the Group's other companies are not disclosed because data were unavailable for the reporting period.
	403-3 Workers with high incidence or high risk of diseases related to their occupation	2. FOR OUR PEOPLE: "Health, Safety and Employee Wellbeing at Work"	55	
Customer Privacy (Material Topic)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Boundaries table 4. FOR THE MARKET: "Customer Privacy"	110, 89	
	103-2 The management approach and its components	4. FOR THE MARKET: "Customer Privacy"	90	
	103-3 Evaluation of the management approach	4. FOR THE MARKET: "Customer Privacy"	91	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4. FOR THE MARKET: "Customer Privacy"	91	

BOUNDARIES TABLE

|| GRI 102-46 || GRI 102-47 || GRI 102-49 ||

MATERIAL TOPICS	Most Significant Impacts In relation to the UN's Sustainable Development Goals	Boundaries Entities inside or outside the GROUP that may cause or be connected with impacts
Economic Performance		* The FOURLIS Group
Regulatory Compliance		* The FOURLIS Group * Official & Supervisory Authorities/State
Human Rights in the Workplace	   	* The FOURLIS Group
Customer Care and Satisfaction		* The FOURLIS Group
Product Compliance and Labeling		* The FOURLIS Group * Suppliers / Partners
		* The FOURLIS Group * Suppliers / Partners * Official & Supervisory Authorities/State
Responsible Product Marketing and Promotion		* The FOURLIS Group * Official & Supervisory Authorities/State
Customer Health and Safety		*The FOURLIS Group * Official & Supervisory Authorities/State * Partners / Suppliers
Health, Safety and Employee Wellbeing at Work		* The FOURLIS Group * Official & Supervisory Authorities / State
Customer Privacy		*The FOURLIS Group * Official & Supervisory Authorities / State
Society and Local Communities Support	     	* The FOURLIS Group

