C.A.PAPAELLINAS

CAP GROUP

Values

Passion

We are passionate about our people, our products and our customers. We think positively and act with confidence. We are proud of our history and optimistic about the future.

Integrity

We operate with transparency, ethos and honesty. We lead by setting our own examples. We stay true to our promises.

Simplicity

We aim for simplicity in our work style. We keep open and clear communication lines. We simplify the procedures to stay in close contact with our front-line personnel.

Responsibility

We take responsibility for our actions. We care about our people, our customers, our society and our environment. We are committed to our personal and our team targets.

Leadership

We stay ahead in every one of our sectors. We dare to question the status quo. We embrace change.

Our Mission is

To make More and More People Live and Feel Better!

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- **Every sustainability report should show to the reader:**
  - how the Group identified its most important impacts on the economy, the environment, society and all its stakeholders
  - the actions the Group has taken to reduce its potential negative impacts and increase the positive ones

- **In other words, the Group must show how it has attained "sustainability achieved responsibly":** Identify (materiality)> Measure> Manage> Change.

- **With each Sustainability Report, the C.A.Papaellinas Group aims to:**
  - respond, transparently, to the growing information needs of its stakeholders
  - show how, by following a specific, rigorous methodology, the Group identified its most important impacts on the environment, society and the economy
  - show how the Group achieved the targets set each time

How to use the Sustainability Report of the C.A.Papaellinas Group

Navigation

The reader can find, in the report, the information that interests him / her in three different ways:

- By looking at the table of contents (page 3)
- By looking at the Group's materiality matrix (page 22)
- By looking at the GRI content index (page 70)

Message from the Chief Executive Officer of the C.A.Papaellinas Group

The Chief Executive Officer of the C.A.Papaellinas Group, Mr. Christos Papaellinas, is responsible for setting the Group's strategy regarding sustainable development and the management of the Group's material topics.

Our Group at a glance

- Who we are
- Our mission, retail brands and our products in the Cypriot market (page 12)

Summary of our Targets

In the following four pages (pages 6-9) the reader can see all our targets. The targets set for the current reporting period (2018-19) and whether they were achieved, and the ones we set for the next reporting period (2020-21).

Sustainable development: Our approach

How we manage the Group's sustainable development issues, governance in matters of sustainable development (page 17).

C.A.PAPAELLINAS

Materiality and stakeholder engagement

We explain how we identified, in collaboration with the C.A.Papaellinas Group's stakeholders, the Group's material topics (page 21).

Report structure

The C.A.Papaellinas Group's Sustainability Report consists of 5 chapters:

- Sustainable development: Our approach
- Our Presence in the Marketplace
- Our People, Health & Safety
- Environment
- Society

Each chapter begins with the targets set for the previous reporting period, and how they were achieved. We present our management approach to the chapter's material topics and continue with the actions we have taken to achieve our targets. Each chapter closes with the targets set for the next reporting period.

About the Report

Here, the reader will find general information about the C.A.Papaellinas Group's Sustainability Report and the methodology followed (page 68).

External verification report

The external verification of the C.A.Papaellinas Group's Sustainability Report (page 83).

Key Performance Indicators

The C.A.Papaellinas Group's key sustainable development performance indicators (page 69).

Annexes

- **GRI content index and matching to ISO 26000 and the UN Sustainable Development Goals (SDGs)**

All the GRI Standards used are presented, with details (page 70).

- **Glossary**

The Glossary (page 85) clarifies basic terms and definitions used when submitting sustainability reports in accordance with the GRI Standards and other specialised terms.

- **GRI General Disclosures**

The table with all the General Disclosures of the C.A.Papaellinas Group (GRI Core Option) is available on our website (www.cap.com.cy).

Summary of our Targets

Constantly seeking to continuously improve its performance in each of the strategic sustainability pillars, the C.A.Papaellinas Group sets and achieves specific targets. The Sustainability Team monitors our targets, the progress recorded in accomplishing each target, and takes action, at regular intervals, to ensure their achievement. Each chapter of the report begins and closes with our targets: both the targets we set for the current reporting period (2018-19) and whether they were achieved, and the ones we set for the next reporting period (2020-21).

Our Presence in the Marketplace

Our targets for 2018-2019 and their implementation:

1.	Expansion of the Group's store network with new Holland & Barrett and Yves Rocher stores	Achieved	✔
2.	Apply a new B2B tool for PharmacyLine customers (pharmacies and drug warehouses)	Achieved	✔
3.	Upgrade the ordering system for the consumer, pharmacy and Butterfly departments	Achieved	✔
4.	Install a new CRM B2C system for the Group's loyal customers	Achieved	✔
5.	Upgrade the store network for social Wi-Fi and install digital signage	Partially Achieved	✔
6.	Conduct customer surveys and focus groups for Beauty Line	Achieved	✔
7.	Launch a new Beauty Line App to serve loyal customers	Achieved	✔
8.	Implement a project linking our system with the drug warehouses' systems for direct handling of orders, reports and sales through sales teams	Partially achieved	✔

2020-21 Targets

1. Customer Satisfaction Surveys - Beauty Line Consumers, Partners Supermarkets and Pharmacists
2. Implementation of Online shop for H&B, Sales Application for Beauty Line and eshop for Selekt
3. Increase the percentage of orders electronically by 20%, to make the process easier and more efficient for customers
4. Implement a project linking our system with the drug warehouses' systems for direct handling of orders, reports and sales through sales teams
5. Utilisation of a B2C-CRM (Customer Relationship Management) tool in order to facilitate the Group's chains in their interaction with their customers, sending promotions that meet their needs and rewarding their trust
6. Implementation of an ordering and store replacement system with forecasts, trends and various analyses (Foresight)
7. Implementation of a Business to Business (B2B) tool which provides our network of partners (pharmacies) with, among others, complete product and commercial information, fast online ordering and new features that create value, save valuable time and facilitate the completion of commercial transactions
8. Implementation of actions for a more personalized customer experience for Beauty Line stores. Through the use of technology (proximity marketing) targeted offers will be sent to customers, based on their location
9. Installation of a specialised system for Instore analytics that maps customer traffic to Beauty Line stores and evaluates in-store flow (Dwell Time and Hot Zones)

Our People

Our targets for 2018-2019 and their implementation:

1.	Improve the knowledge of the members of the Group's stores through the use of the electronic platform	Achieved ✔
2.	Smooth integration of employees from companies acquired by the C.A.Papaellinas Group	Achieved ✔
3.	Implement all standards and procedures of C.A.P Retail Academy	The target has been moved to 2020
4.	Create and successfully implement the HR Mobile Application	Achieved ✔
5.	Create a feedback system in electronic form	The target has been moved to 2020 with the implementation of the new Success Factors system

2020-21 Targets

1. Recertification of the Group with Investors in People (Platinum)
2. Complete the digital transformation by integrating digital technologies that transform the way the organisation operates with a focus on employees. The transformation includes applications and tools that help employees in the Group become more efficient and productive (HR Mobile App, Performance Management, E-Platform, Provident Fund Online Portal)
3. Set a Payroll Policy based on the Grading System (pay grades)
4. Improve the knowledge of staff by providing interactive educational programmes through the e-learning electronic platform (synchronous and asynchronous learning)
5. Proper guidance and talent development, constantly improving the Group's level (Recruitment process, onboarding, performance & goals)
6. Implementation of SAP Jam in order to inform employees about various news concerning the Group and their employment
7. Conduct employee feedback surveys
8. Create a feedback system in electronic form

Health & Safety

Our targets for 2018-2019 and their implementation:

1.	Connect the security systems of the Group's stores to a central Security station in order to raise our customers' and employees' security levels	Achieved
2.	Achieve ISO 9001:2015 certification for PharmacyLine's Warehouse	Achieved for the newer ISO 9001:2015 standard ✔
3.	Purchase an order picker for PharmacyLine's Warehouse in order to ensure the safe storage of products on the top shelves	Achieved ✔
4.	Install smoke detectors in PharmacyLine's Warehouse and in headquarters	Achieved ✔
5.	Purchase more protective materials to protect facilities and employees at the New Distribution Centre	Achieved ✔
6.	Meet subcontractors and associates to discuss Health and Safety issues, to examine bad practices documented in 2017, in order to improve	Achieved ✔

2020-21 Targets

1. Upgrade security systems at the New Distribution Centre through a modern closed circuit monitoring system and also upgrade fire safety systems
2. Implement an interactive online training programme on Health & Safety for new Group employees
3. Establish active Health and Safety observers within the Group so that there is more active participation and motivation for people who follow wrong practices during their work
4. Implement and continuously review an internal protocol for the handling of the coronavirus pandemic
5. Reduce accidents at warehouses by 10%
6. Install additional Emergency Lights at the Pharmacy Line warehouse
7. Obtain safety stairs with platform and railings at the Pharmacy Line warehouse

Environment

Our targets for 2018-2019 and their implementation:

1. Actions to reduce the C.A.Papaellinas Group's energy footprint: I. Take advantage of the new state net billing plan. The financial analysis was examined, but the installation of photovoltaics was not considered profitable. There was also a technical issue with the large surface area where the frames were to be installed. II. Replace 80% of light bulbs at the Group's stores with LED lights	Achieved	✔
2. Campaign to inform the customers of the Group's retail stores on recycling and environmental protection	Not achieved	✗
3. Continue the gradual renewal of the company's vehicle fleet with n ew vehicles emitting less CO_2	Achieved	✔
4. PharmacyLine: Replace plastic bags with environmentally friendly ones	Achieved	✔

2020-21 Targets

1. Install a 200 kW Photovoltaic system, which will cover 40% of the total needs of the Group's Headquarters and the Pharmacy Line warehouse
2. Reduce expired and broken products in consumer products by 7% and in food supplements by 5%
3. Replace all light bulbs at the New Distribution Centre with LED technology, in order to achieve a 30% reduction in total electricity consumption
4. Install a new air conditioning system at Pharmacy Line, of higher energy efficiency
5. Reduce paper usage: By enabling POS to send electronic receipts to customers. Through the installation of digital signage at the Group's stores to reduce printing (e.g. for offers). The Group's magazines, BeautyLine, METAXY MAS and the Sustainability Report will only be published in digital format
6. Reduce order preparation and packaging materials (by 20%) and abolish plastic bags (by 100%) used for processing orders
7. Gradually replace Group vehicles which have high fuel consumption and high emissions with hybrid ones and prepare infrastructures so as to add to our fleet electric vehicles
8. Reduce plastic use by abolishing the plastic Benefits card and by replacing plastic bags, where used, with canvas ones. At the same time, launch a campaign to cultivate environmental consciousness among the Group's employees and raise their awareness
9. Implement more environmentally friendly actions in the stores with the installation of screens, so as to replace foam boards and reduce printing. All printing in the Group's cosmetics stores will be carried out with eco-friendly inks. In addition, the bags in all cosmetics stores will be made of recyclable materials
10. Conduct a study for a climate neutral New Distribution Centre

11. Every new Selekt store will be based on sustainability standards (furniture, lighting, bags, boxes, installation of screens to reduce printing, eco-friendly products)
12. Utilise the water removed from PharmacyLine's dehumidifiers for irrigation purposes at the Headquarters' gardens
13. Abolish plastic bags and use reusable boxes to transport products to stores and to the Group's customers
14. The process of packaging products from the Online Shop will include recyclable materials, while also saving time in the preparation of the packages

Society

Our targets for 2018-2019 and their implementation:

1. Foster an environmental consciousness among the citizens of Latsia with the supply of handbags that meet the requirements for environmental protection	Achieved ✔
2. Finance a bridge construction in Latsia Municipality on Yiannos Kranidiotis Avenue, for the safe passage of pedestrians	The project has not started yet, there is the Group's commitment for a Grant (part of the amount has been given to the Municipality)
3. Inform the public on drugs and road safety issues Partially achieved.	Achieved for road safety issues. As regards the issue of drugs, it is scheduled to take place in the first half of 2020. ✔

2020-21 Targets

1. Finance a bridge construction in Latsia Municipality on Yiannos Kranidiotis Avenue, for the safe passage of pedestrians
2. Through the Group, inform the public on drugs and road safety issues
3. Utilise water from rainwater pumps of the New Distribution Centre at Nisou to strengthen the local community's irrigation system
4. Inform the public on healthy eating issues
5. Inform the public about skin cancer

Message from the Chief Executive Officer

Christos Papaellinas
Chief Executive Officer

At the C.A.Papaellinas Group we focus our actions on the realisation on a vision: To make more and more people live and feel better. Our goal, through this effort, is to contribute with all our forces to the sustainable development of the local and global community, with respect for the environment and the resources that support every form of life.

This journey began eleven years ago, when the C.A.Papaellinas Group issued its first sustainability report and the first GRI Standards report in Cyprus.

Since then we have come a long way and the "ideology" of Sustainability has now matured in our organisation. We can now safely claim that sustainable development is an integral part of our Group's culture, strategy and operation.

The creation of structures that are integrated into our organisation chart and support our sustainable development, along with the adoption of procedures for recording and measuring our footprint and evaluating our actions, demonstrate our commitment to a truly sustainable and, therefore, resilient and robust organisation.

Through a specific process we identify and evaluate, in order to prioritise them, all the sustainable development issues that concern the C.A.Papaellinas Group. We then seek the opinions of all stakeholders regarding their own priorities.

Then, we take action to reduce the possible negative effects from the Group's operation on the environment and society. At the same time, these actions make our Group even more competitive

We, at the C.A.Papaellinas Group, consider sustainability as the only business approach to these challenges. In this context, we are committed and focus our efforts on the four strategic sustainability pillars, which we consider vital for the Group's long-term success.

and resilient to the multiple pressures it receives, in an ever-changing and challenging business environment.

The particular challenge that we continue to experience during this time period, with the COVID-19 virus, found us prepared. With e-commerce and teleworking infrastructures we were able, from the first moment, to continue our activities and reduce the negative impact of the pandemic on our business activity. The high-level procedures for protecting the health and safety of our people were key in order to preserve, from the first moment, the health of our staff, partners and customers.

During 2018-19 we reviewed and redefined our material topics through the materiality process and by communicating with the Group's stakeholders. We classified them into four strategic sustainability pillars:

- Customers and Partners Trust
- Human Resources
- Environmental Protection
- Ethical and Responsible Business

For each of these pillars we have identified specific material topics, in order to make our actions clearer and more targeted. In addition, we linked our most important impacts to the UN Sustainable Development Goals (SDGs), following a methodology developed by the Global Reporting Initiative in collaboration with the UN Global Compact.

We are constantly strengthening the governance of the C.A.Papaellinas Group in matters of sustainable development, assigning more and more tasks, responsibilities and targets to the people who make up the Sustainable Development Committee and to the implementation team of the Group's sustainable development strategy. We set specific targets and monitor their accomplishment. By setting and achieving these targets we attain sustainability achieved responsibly.

Sustainability targets are defined on the basis of a process consisting of four stages: Identification of material topics (materiality), Measuring our footprint, Managing our impact and implementing Change. They concern a specific period of two years at the end of which the relevant report is issued with our targets, commitments and actions.

During the reporting period, we achieved:

- The implementation of Online Shop for Holland & Barrett stores, Sales Application for Beauty Line stores and e-shop for Selekt stores
- The launch of a new Beauty Line App to serve loyal customers
- The improvement of the knowledge of the members of the Group's stores through the use of the electronic platform for e-learning
- The smooth integration of employees from companies acquired by the C.A.Papaellinas Group
- The creation and successful implementation of the HR Mobile Application
- The replacement -by 80%- of luminaires at the Group's stores with LED lights
- The continuation of the gradual renewal of the company's vehicle fleet with new vehicles emitting less CO_2
- At PharmacyLine, the replacement of plastic bags / with reusable plastic boxes. The creation of a new concept for stores, Selekt Beauty, with a more ecological philosophy

We recognise our responsibility to promote and implement positive change in a world where new environmental, economic and social challenges are emerging. At the C.A.Papaellinas Group we believe in ethical business growth and consider sustainability as the only business approach to these challenges. We therefore focus our efforts on the four strategic sustainability pillars, which we consider vital for the Group's long-term success. At the same time, we do our best to help ensure social prosperity, economic development and environmental protection.

The C.A.Papaellinas Group
At a glance

The C.A.Papaellinas Group, after a business route of almost a century, has achieved a leading position in the sectors in which it operates. These concern pharmaceuticals, cosmetics, consumer goods and a distribution network. Through the long-lasting relationship of trust with the Cypriot consumer, the Group implements the strategy of its methodical expansion and paves new roads of quality and reliability.

Pharmaceutical products

The C.A.Papaellinas Group distributes the products of the pharmaceutical companies Novartis and Sanofi, and supports the sales and marketing of several other pharmaceutical companies, such as the following:

- AMGEN
- BAXTER
- CELLTRION HEALTHCARE
- FAES FARMA SA
- GLAXOSMITHKLINE
- IPSEN EPE
- ITF HELLAS SA
- HEALTH CONSUMER PRODUCTS HELLAS SOCIETE ANONYME (GSK CH HELLAS SA)
- KYOWA KIRIN HOLDINGS B.V.
- LES LABORATOIRES SERVIER
- NORGINE
- OMEGA PHARMA HELLAS SA
- SEQIRUS
- TEVA B.V.
- VER_SFIELD (UK) LTD
- VIANEX SA

Retail Brands

Beauty Line - 15 stores

The No.1 branded cosmetics retail chain with a leading position in the Cypriot market.
Beauty Line's vision is to make every woman live and feel well, providing a unique beauty experience.

Holland & Barrett - 14 stores

The leading chain of health and wellness stores from the UK with a wide range of nutritional supplements, vitamins, natural cosmetics and health food products.

Yves Rocher - 8 stores

Since 2013, the C.A.Papaellinas Group distributes in Cyprus the products of Yves Rocher, the first herbal cosmetics brand in France.

Selekt - 6 stores

A chain of beauty and personal care products stores that meet the needs of the modern consumer.

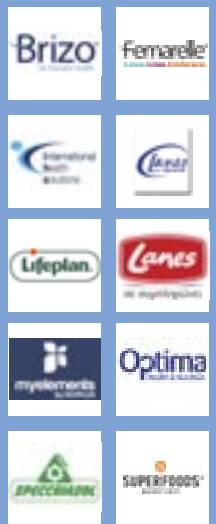
Beauty Outlet - 2 stores

A retail chain of cosmetics and personal care products stores, with brands that the Group has in its range.

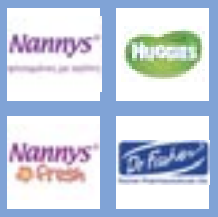
Consumer Products

OTC*

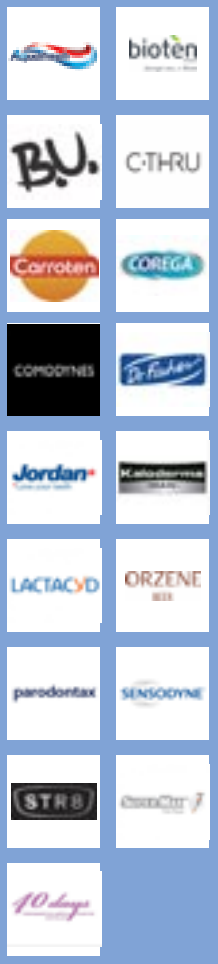
Nutritional supplements



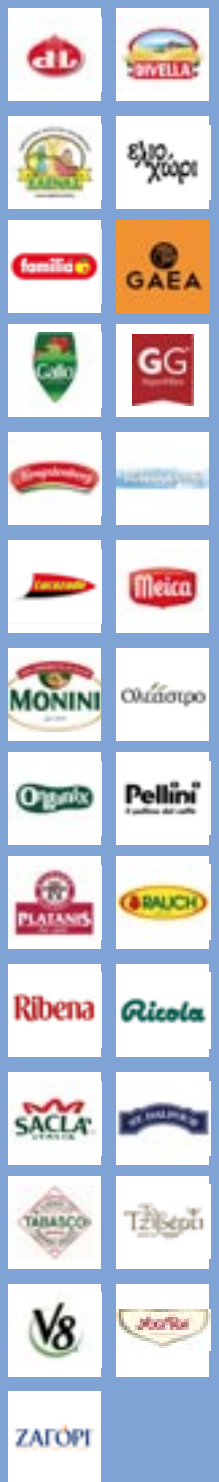
Baby Care products



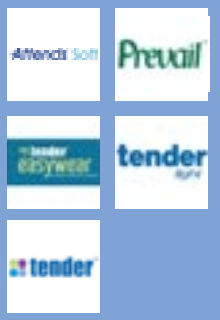
Personal Care



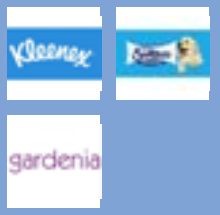
Food and Drinks



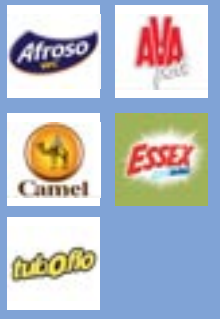
Adult Care



Stationery



Household Products



* OTC: Over the counter

Cosmetics and Perfumes

The C.A.Papaellinas Group
At a glance

C.A.Papaellinas Logistics Services

C.A.Papaellinas Logistics Services Ltd provides quality, reliable services with flexibility and safety, aiming at the greatest possible market penetration. It has a state-of-the-art distribution centre that provides excellent logistics services mainly to the C.A.Papaellinas Group and other companies. The services provided by C.A.Papaellinas Logistics include the storage, distribution and repackaging of consumer products.

PharmacyLine

One of the largest distribution and repackaging centres for medicines, parapharmaceuticals and cosmetics in Cyprus, serving a large network of pharmacies and clinics.

Butterfly Cosmetics

The company represents the products of COTY, one of the largest beauty companies in the world. Butterfly Cosmetics manages the selling, distribution and marketing of these brands in cosmetics stores in pharmacies and supermarkets. The shareholder of Butterfly Cosmetics with 65% is the C.A.Papaellinas Group, while 35% belongs to the House of Beauty company.

C.A.PAPAELLINAS
GROUP

01. Sustainability: Our approach

Sustainable development, the actual environmental and social responsibility of every small or large business is, worldwide, an urgent need. The C.A.Papaellinas Group systematically identifies, in consultation with its stakeholders, the Group's most important impacts on the environment, economy and society and presents, with every sustainability report, the actions it takes to minimise negative impacts and increase positive ones. Our goal is to use our power to make more and more people live and feel better.

Governance on sustainable development issues

Through consultation with the stakeholders of the C.A.Papaellinas Group or by using benchmarking, the C.A.Papaellinas Group's Sustainable Development Committee formulates the Group's sustainable development strategy by examining and methodically evaluating every sustainable development issue, and receives an annual progress update from Business Units managers.

The implementation team of the sustainable development strategy includes representatives from all the C.A.Papaellinas Group's Business Units, who are also responsible for implementing the sustainable development strategy in each Business Unit. The C.A.Papaellinas Group appointed Savvas Hatziyagou to the position of Sustainability Manager, to design and implement, in collaboration with various members of the organisation, sustainable development actions.

Our goal is to use our influence to make more and more people live and feel better.

The implementation team of the sustainable development strategy of the C.A.Papaellinas Group:

Implementation team of the sustainable development strategy
Stelios Finikarides- Senior Director - Pharma
Evi Papadopoulou- Financial Controller
Chrysanthos Yakupiv - Architect
Kostas Krommidas - Head of Supply Chain and Business Intelligence
Andri Koukou- General Manager - Pharmacy Brands
Panayiotis Dionysiou- Head of IT
Sotiris Constantinou - Senior Manager Administration and Procurement
Pantelis Panteli - General Manager - Fast Moving Consumer Brands
Evis Germanos - Senior Commercial Manager - Fast Moving Consumer Brands
Eirini Christodoulou - General Manager Beauty Line
Simoni Avraam - Marketing Director (Beauty Line)
Maria Papaconstantinou- Retail Director (Beauty Line)
Constantinos Panayides- Business Unit Manager (Holland & Barrett)
Andrea Charlambous - Head of Marketing - Fast Moving Consumer Brands
Constantinos Hadjistephanou – Health & Safety Manager

The Sustainable Development Committee:

Christos Papaellinas - Chief Executive Officer
Melanie Michaelidou - Senior Director of Human Resources & Sustainability
Savvas Hadjiyiangou- Sustainability Manager
Maria Germanou- Chief Operating Officer
Chrystala Kouri - Chief Marketing Officer
Carolina Loizou - Chief Financial Officer
Demetra Panayi- Chief Business Development Officer
Andreas Chrysiliou- Innovation and Business Transformation Manager
Natasa Perdiou - Senior Manager Ecommerce, Digital Marketing and Communication

1.1 Stakeholder Engagement

The C.A.Papaellinas Group is in constant consultation with its stakeholders and, through special surveys that capture their views, identifies its material topics.

Through the open, two-way communication with its stakeholders the C.A.Papaellinas Group identifies the issues that concern them, sets priorities and responds to their needs. The fruitful, interactive relationships with them are a very important link in a value added chain that the C.A.Papaellinas Group has created by operating ethically, responsibly and with sustainability as a central value. The C.A.Papaellinas Group communicates with all its stakeholders through specific, targeted communication channels, which are presented in the table below. Through these communication channels, the C.A.Papaellinas Group records, evaluates and prioritises the needs and priorities of all its stakeholders (table page 19), in order to take them into account when formulating strategies and taking actions.

Employees

- Sustainability Report
- Company staff meetings as well as scheduled and unscheduled working group meetings
- "Metaxy mas" magazine (twice a year)
- Emails, Blue Jam and notice boards (daily)
- Employee survey (every two years)
- Departmental meetings (weekly)
- Staff events
- Annual employee evaluation
- Communication to identify the Group's material topics (every two years)

Customers-Consumers

- Sustainability Report
- Corporate website (live chat), social media (daily)
- Daily contact with sales staff at our stores
- Customer Service Department (daily)
- Beauty Line link "Your opinion counts" (daily)
- Company information sheets, SMS & mass media advertising (daily)
- Beauty Line magazine (twice a year)
- Beauty Line application (daily)
- Communication to identify the Group's material topics (every two years)
- Exhibitions and launches of new products

Wholesale Customers

- Sustainability Report
- Constant contact, face-to-face and by phone
- Customer Service Department (daily)
- New product launches / information campaigns
- Corporate website (daily)
- PharmAdvance Programme (once or twice a year)
- Company information sheets & mass media advertising
- Customer Satisfaction Survey (once a year)
- "Metaxy mas" magazine (twice a year)
- PharmAdvance magazine (twice a year)
- Communication to identify the Group's material topics (every two years)

Foreign Firms-Associates

- Sustainability Report
- Continuous communication through the commercial department staff
- Attending associates' exhibitions and events (sometimes every year)
- "Metaxy mas" magazine (twice a year)
- Communication to identify the Group's material topics (every two years)

Local Communities & NGOs

- Sustainability Report
- Constant communication with local bodies, associations, organisations, etc.
- Participation in the activities of local community organisations
- Information campaigns on social and environmental issues
- "Metaxy mas" magazine (twice a year)
- Communication to identify the Group's material topics (every two years)

Suppliers

- Sustainability Report
- Attending suppliers exhibitions and events
- "Metaxy mas" magazine (twice a year)
- Communication to identify the Group's material topics (every two years)

State-Government-Public Agencies

- Sustainability Report
- Participation in professional associations
- Meetings with statutory bodies and participation in relevant conferences / events
- Attending events organised by public agencies
- Communication to identify the Group's material topics (every two years)

Mass Media

- Sustainability Report
- Press releases and announcements
- Local community events and activities
- Communication and updates through the website
- New product launches
- Communication to identify the Group's material topics (every two years)

Shareholders

- Sustainability Report
- Board of Directors meetings at regular intervals
- Meetings with the heads of the Group's Companies
- Communication to identify the Group's material topics (every two years)

Stakeholder Groups	Key Issues / Expectations	Response / Actions
Shareholders	• Profitability of the C.A.Papaellinas Group • Proper corporate governance_ • Transparency in stakeholder relationships • Proper risk management	The Group's Corporate Governance framework is described in detail in the General Disclosures (102-18 Governance structure). In addition, the communication framework with our stakeholders is described in "Stakeholder Engagement".
Employees	• Employee evaluation • Recognition, training, career development and personal growth • Work-related issues • High-level collaboration • Employee retention • Workplace health and safety • Volunteering • Briefings about the Group's goals and how they are to be achieved	At the C.A.Papaellinas Group employee training and development programmes are systematically implemented, in the context of our people-centred approach. Detailed information, by training topics, is presented in "Our People". At the same time, volunteering is a key value for the Group and, in this context, we support and encourage any such activity by our employees. More details on our voluntary activities can be found in "Society"
Wholesale customers	• Complaint resolution • Information campaigns for customers • Regular press releases, announcements and reports on new products or services offered by the Group	At the C.A.Papaellinas Group we have developed a customer-centred philosophy, and are always ready to meet customer demands. More information can be found in "Our Presence in the Marketplace", in "The C.A.Papaellinas Group At a glance" and in the General Disclosures (102-2 Activities, brands, products, and services).
Customers-Consumers	• Information on new products • Immediate response to product-related questions • Sending information sheets • Beauty and health tips • Free product samples	Our Vision - to make more and more people live and feel better - reflects our approach to customer /consumer satisfaction. Through our stores, products and services we seek to constantly improve our customers' lives and to make more and more people live and feel better. More details on our products and services can be found in "Our Presence in the Marketplace", in "The C.A.Papaellinas Group At a glance" and in the General Disclosures (102-2 Activities, brands, products, and services).
Foreign Firms-Associates	• Good company image and reputation • Credibility and reliability • High-level collaboration • Financial robustness	Our suppliers - associates are key to our business activities and growth. More information on our collaboration with Foreign Firms can be found in "The C.A.Papaellinas Group At a glance" and in the General Disclosures (102-2 Activities, brands, products, and services).

Suppliers	• Meritocratic and objective evaluation of suppliers • Support for local suppliers	We recognise our role in the local economy and manage our suppliers responsibly and meritocratically. More details on the Group's support for local suppliers can be found in "Society" (Supporting the local economy).
State-Government-Public Agencies	• Legitimacy • Financial robustness in order to meet tax and contributions obligations • Participation in professional associations • Cooperation and consultation with statutory representatives of the State and regulatory agencies	We comply fully with applicable laws and regulations and ensure we fulfil our obligations to the State and public agencies. More information on our participation in professional associations and networks can be found in the General Disclosures (102-13 Membership of associations).
Local Communities & NGOs	• Direct contact with local government representatives • Sponsorships / product donations • Information campaigns on social, environmental and health & safety issues • Participation in joint activities	• Social welfare activities • Sponsorships and product donations • Information events on health, social and environmental issues • Supporting and participating in activities organised by local bodies • Supporting employees in their participation in activities organised by local bodies Detailed information can be found in "Society".
Mass Media	• Direct contact and cooperation on a constant basis • Communication and updates through the Group's website • Interviews	The constant and sincere communication with the Mass Media forms the basis of the C.A.Papaellinas Group's response to their issues and expectations.

1.2 Responsible business behaviour based on targets

With every sustainability report, we show in practice how we succeed in our mission "to make more and more people live and feel better". Our goal is, through the Identify> Measure> Manage> Change method to achieve, with targeted actions, "development that meets the needs of the present, without compromising the ability of future generations to meet their own needs" (GRI's definition of sustainable development).

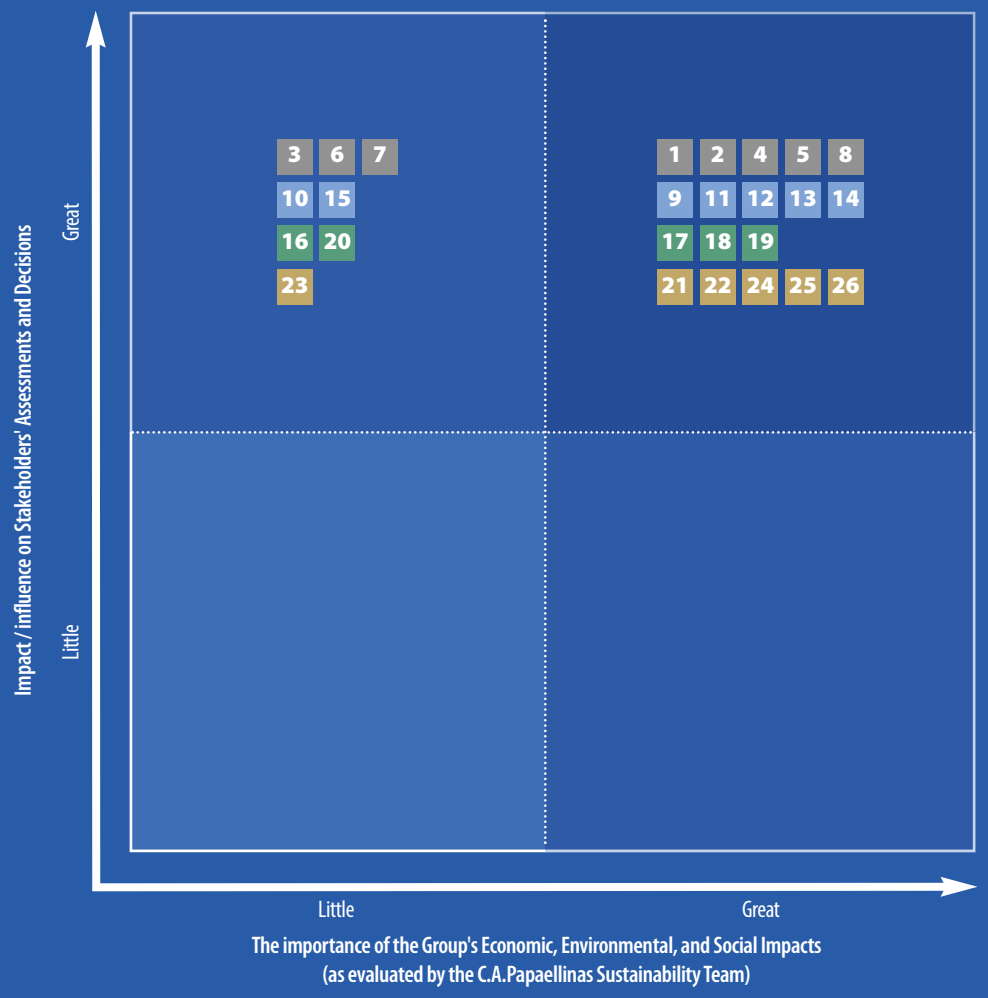
1.3 Materiality and stakeholder engagement

The C.A.Papaellinas Group identifies and evaluates, in order to prioritise them, all the sustainable development issues that concern the Group and its stakeholders. In this way, we can focus our actions on the most critical issues, according to the needs of our stakeholders, making targeted use of available resources.

Every sustainability report of the C.A.Papaellinas Group is prepared in accordance with the principles of the GRI Standards and, in particular, two of the most important principles: the principle of Materiality and the principle of Stakeholder Inclusiveness. In other words, we describe the way in which the C.A.Papaellinas Group, through consultation with its stakeholders, identified the material sustainability topics for which it must take action - and which are presented in the sustainability report.

Initially, we identified and prioritised, in a materiality workshop in which the C.A.Papaellinas Group's management team participated, and under the guidance of our consultants (FBRH Consultants Ltd, www.fbrh.co.uk), the C.A.Papaellinas Group's most important impacts on the environment, society and economy. We then contacted our stakeholders in order for them to prioritise these impacts, according to their severity. The result of this consultation with the C.A.Papaellinas Group's stakeholders were the material topics presented in the report (material topics, diagram page 22).

1.4 The material topics of the C.A.Papaellinas Group 2018-19



How we handle responsibly the material sustainability topics

The table below presents the material sustainability topics of the C.A.Papaellinas Group. On the left, under each Strategic Sustainability Pillar, we present the evaluation of the sustainability topics by our stakeholders and by the C.A.Papaellinas Group based on their importance, on a scale from 1 (not at all important) to 5 (very important). Next, on the right, are our sustainability topics and, to their right, the individual issues each one includes.

Strategic Sustainability Pillar		Sustainability Topic	Issue
Customers and Partners Trust			
Stakeholders	Group		
5	**5**	**1. Trusted products and services**	Quality of our products and services Product safety Sustainable products Product storage and transport conditions
5	**5**	**2. Customer loyalty and retention**	Customer complaint management Communication with customers Customer surveys Forecasting future needs and requirements Customer experience Loyalty and preference reward programmes Training and knowledge of our products
4	**3**	**3. Responsible pricing of products and services**	Fair pricing Avoiding excess profit Providing a fair margin to intermediate channels
5	**4**	**4. Consumer health and safety**	Stores Products Patient safety
4	**4**	**5. Integrity in transactions and meeting commitments**	Retail customers Consumers of our products Trading partners and suppliers
4	**3**	**6. Advertising and promotion**	Responsible advertising and promotion of products and services Advertising and promotion of supplements and pharmaceuticals Honest advertising
5	**3**	**7. Privacy and confidentiality**	Protecting employees' personal data Protecting customers - patients' personal data Cyber security
4	**5**	**8. Innovative products and services**	Importing innovative products and services Access to new trends and products Business model innovation
Our People			
5	**5**	**9. Attracting and developing talent**	Employee training and development Remuneration practices Vision and values Selection and recruitment
4	**3**	**10. Employees' human rights**	Respect for diversity Terms of employment Working hours Equal treatment and equal opportunities Forced labour Freedom of expression and bargaining
5	**4**	**11. Women's rights and opportunities**	Equal pay Equal opportunities for development Women's training and skills Women's safety Facilitating maternity
5	**4**	**12. Relationships of trust between Management and employees**	Keeping commitments Transparency in management at all levels Sense of justice
5	**5**	**13. Employee safety and wellbeing**	The Group's offerings to the families of its people Initiatives to develop road safety awareness and avoid drug use Road Safety Employee health and wellbeing Provident Fund and medical care Work-life balance

Strategic Sustainability Pillar		Sustainability Topic	Issue
Stakeholders	Group		
4	**4**	**14. Fair pay**	Ensuring a minimum living wage Balancing salaries among employees Owners' and managers' salaries
5	**3**	**15. Job security**	Ensuring the organisation's robustness and viability Employee treatment practices Continuous strengthening of skills and knowledge
Environmental Protection			
4	**3**	**16. Action on climate change - Reducing the impact of our activity on the climate**	Vehicle fleet - Fuel Operation of Distribution Centres Sustainable supply chain Access to sustainable energy sources Pollution from our activities Pollution from employee transportation Water consumption Electricity consumption
4	**5**	**17. Reducing waste**	Reducing the use of packaging materials Reuse of packaging Returns and destruction of expired products Office waste Store waste
4	**4**	**18. Recycling**	Packaging of distributed products Product packaging in stores Packaging recycling
4	**4**	**19. Importing and promoting sustainable products**	Organic food Sustainable products Organic cosmetics
4	**3**	**20. Informing and raising public awareness of sustainability issues**	Initiatives to inform customers and partners Informing store customers Environmental awareness actions Promoting sustainable consumer behaviour Issuing a Sustainability Report
Ethical and Responsible Business			
4	**4**	**21. Ethics, values and culture of the organisation**	Values of the organisation Employees' culture Employee involvement in the Group's sustainable development and the management of the Group's impacts on the environment, society and economy Anti-monopoly behaviour Attitude towards competition Compliance with regulations and voluntary codes Transparency in the relationship with institutions Transparency in financial management
5	**4**	**22. The Group's contribution to society**	The Group's donations to charitable organisations and associations Employee volunteering Actions for education - health etc. Employing people with special abilities
5	**3**	**23. Positive impact on our suppliers**	Working conditions Compliance with regulations and legislation Ethics and transparency Environmental protection
4	**4**	**24. Supporting the local economy**	Local hiring Collaboration with local universities Supporting local producers
4	**4**	**25. Responsible product marketing and promotion**	Promotion of medicines - informing scientific associates Responsible and honest advertising Promoting Fair Trade products Promoting and developing Products with Purpose Respect for special population groups
4	**5**	**26. Promoting a healthy lifestyle (Health and Wellness)**	Healthy eating Organic food Natural cosmetics Natural remedies and dietary supplements Overuse of medicines

1.5 Global Sustainable Development Goals

The C.A.Papaellinas Group makes every effort to help achieve the UN Sustainable Development Goals (SDGs), through the use of the GRI Standards - recommended by the UN Global Compact for producing sustainability reports. Priority is given to the Goals that are in line with the C.A.Papaellinas Group's sustainable development strategy and, in this context, we seek to:

- protect the health and wellbeing of our people, while promoting equal treatment for men and women (Goals 3 and 5)
- ensure the inclusive development of local communities by creating job opportunities for all (Goals 8 and 10)
- help meet global climate change mitigation goals (Goal13)

	Sections / Pages in the Report
Good Health and Well-Being	Health and Safety performance indicators (page 49), Our approach to environmental protection (page 53), Emissions, energy consumption and climate change (page 53), Environmental initiatives and actions (page 54), Materials used, recycling, waste management / Recycling and responsible waste management (page 56), Society (Supporting the local economy, page 63)
Gender Equality	Get to know us better (page 38), Attracting talent (page 41), Employee benefits (page 41), Employee training and development (page 46), Our financial contribution - social product (page 61).
Decent Work and Economic Growth	Get to know us better (page 38), Attracting talent (page 41), Employee benefits (page 41), Employee training and development (page 46), Health and Safety Committee (page 48), Health and Safety System and Policy (page 48), Health and Safety performance indicators (page 49), Health and Safety issues addressed in employment contracts (page 50), Our approach to environmental protection / Green Development Programme (page 53), Emissions, energy consumption and climate change (page 53), Materials used, recycling, waste management / Raw and auxiliary materials (page 56), Our financial contribution - social product (page 61), Supporting the local economy (page 63)
Reduced Inequalities	Attracting talent (page 41), Employee benefits (page 41), Society (page 61)
Climate Action	Our approach to environmental protection (page 53), Emissions, energy consumption and climate change (page 53)

More detailed information regarding the C.A.Papaellinas Group's initiatives and actions to help achieve the Sustainable Development Goals is included in the GRI content index (page 70).

1.6 Important distinctions for the C.A.Papaellinas Group

During 2018-2019 and as a result of the initiatives it takes over time in matters of sustainable development, the C.A.Papaellinas Group received the following honorary awards:

Gold and Bronze awards at the Cyprus Responsible Business Awards 2019

The "Cyprus Responsible Business Awards '19" awards aim to highlight excellent practices and innovative actions by every responsible company that follows and applies the principles of sustainable development. At the Cyprus Responsible Business Awards 2019 ceremony held on Thursday, October 10, 2019 at the Presidential Palace, under the auspices of the Republic of Cyprus and the Directorate General for European Programmes, Coordination and Development, the C.A.Papaellinas Group received honorary awards in the "Social Actions" and "Education-Scholarships" categories:

- In the "Social Actions" category the Group was honoured with a Gold award for the multifaceted programme of social actions that it implements for sports, education, health, volunteering, road safety and support for local communities.
- In the "Education-Scholarships" category the Group was honoured with a Bronze award for the way in which it constantly invests in the education and development of its people, providing, systematically, programmes for continuous career and talent development through various forms of training such as e-learning, seminars in Cyprus and abroad, training workshops, participation in conferences, Coaching and Mentoring, on-the-job training, and through the acquisition of Academic and Professional Titles.

Gold and Bronze awards at the Cyprus HR Awards 2019

The Cyprus HR Awards 2019 ceremony took place on Wednesday 30 October at Lemon Park in Nicosia. The awards highlighted the initiatives and actions implemented by companies and organisations for their most important asset: their people. The C.A.Papaellinas Group was distinguished with a Gold award in the Excellence in Leadership Development category and a Bronze award in the Innovative Use of HR Technologies category.

1.7 The C.A.Papaellinas Group in the digital age

The C.A.Papaellinas Group has entered a new era of Digital Transformation, which touches all its activities.

The Group started its digital transformation from the activities of the Human Resources (HR) Department, which has very important responsibilities concerning the Group's human resources, its most important asset.

The first step was the implementation of the electronic e-learning platform, with the ultimate goal of further strengthening the knowledge and skills of the staff members of our stores. Subsequently, the electronic platform was adopted in other Group departments.

Additionally, in November 2019 other digital tools were launched, such as the HR Mobile Application, Blue Jam, SAP Qualtrics, and the Provident Fund Management platform.

PRUS
HP
2019

0.2 Our Presence in the Marketplace

Our targets for 2018-2019 and their implementation:

1.	Expansion of the Group's store network with new Holland & Barrett and Yves Rocher stores	Achieved
2.	Apply a new B2B tool for PharmacyLine customers (pharmacies and drug warehouses)	Achieved
3.	Upgrade the ordering system for the consumer, pharmacy and Butterfly departments	Achieved
4.	Install a new CRM B2C system for the Group's loyal customers	Achieved
5.	Upgrade the store network for social Wi-Fi and install digital signage	Partially achieved
6.	Conduct customer surveys and focus groups for Beauty Line	Achieved
7.	Launch a new Beauty Line App to serve loyal customers	Achieved
8.	Implement a project linking our system with the drug warehouses' systems for direct handling of orders, reports and sales through sales teams	Partially achieved

The financial strength of the C.A.Papaellinas Group is a necessary condition in order to be able to implement, with targeted actions, the sustainable development strategy that we have drawn up. Profitability, which we pursue with transparency and integrity in our activities, is a constant priority, always coupled with environmental and social responsibility. We support local entrepreneurship, promoting the inclusive development of local communities and creating job opportunities for all. At the same time, we take seriously, in order to minimise them, the consequences of our activities on the environment.

2.1 The C.A.Papaellinas Group

The C.A.Papaellinas Group started its activity in the Cypriot market in 1929. The name of the company was C.A.Papaellinas & Partners Ltd, and it was active as a pharmaceutical products agent. Over the years, the C.A.Papaellinas Group expanded its activities in the fields of cosmetics and consumer products, gradually enriching the portfolio of its products and services. In recent years, the C.A.Papaellinas Group developed in the fields of retail, pharmaceuticals and distribution, focusing more on retail and constantly expanding its store network.

In 2019, the C.A.Papaellinas Group acquired the share capital of the Karpasia Health Products Ltd company. Karpasia Health Products Ltd was founded in 1985, to provide the Cypriot consumer and the Pharmacist-partner with quality products at affordable prices, coming from the largest companies internationally in terms of experience, scientific research and meeting needs. It represents well-known names such as: G.R. Lanes Health Products Ltd, Lifeplan, Sarantis Group, ISOPLUS SA, YOGI TEA, Secure Pharmaceuticals Ltd, Natural Balance, Optima Health & Solutions, International Health Solutions, Absolute Aromas, N.DIMOPOULOS SA, Ainsworths, The Heatpack Company, Burkhard's Herbal.

Strategic Development Plan

The needs of its stakeholders play a central role in the formulation of the C.A.Papaellinas Group's strategy. Listening to these needs, the C.A.Papaellinas Group firmly supports Cypriot businesses and Cypriot products. The foundations of our Corporate Strategy:

- Developing Partnerships
- A Broad Store Network
- One-to-one Customer communication
- Sustainable Development
- Management, Storage and Distribution

2.2 Milestones

1929

- The Parent Company C.A.Papaellinas Ltd was founded

1931

- Collaboration with Sandoz Chemicals

1933

- Collaboration with Organon Pharmaceuticals

1948

- Imported Max Factor cosmetics in Cyprus

1954

- Collaboration with Kimberly Clark, imported Kleenex in Cyprus

1960

- The Company expands its activities into the consumer goods and cosmetics sectors

1963

- Collaboration with Beecham Pharmaceuticals, imported "Penbritin", the first penicillin antibiotic

1965

- Collaboration with Beecham Consumer Brands (Brillcream, Vozin)

1997

- Opening of the first Beauty Line store
- Creation of the Demetriades & Papaellinas Joint Venture

2002

- PharmacyLine founded
- Creation of the "Kapakiotis & Papaellinas" Joint Venture and Company

2008

- 1st issue of "Metaxy mas" magazine published

2010

- Acquisition of the Demetriades & Papaellinas Company
- HealthLine founded
- Opening of a New Consumer Goods Distribution Centre

2011

- Holland & Barrett Stores opened

2013

- New Yves Rocher stores opened selling botanical beauty products
- Opening of PharmacyLine's New Pharmaceuticals Distribution and Repackaging Facility

2014

- Strategic Partnership in the 3PL services sector with Diakinisis
- Exceptional Performance Award at the Transport & Logistics Awards
- New modern production facility for KLEENEX products

2015

- New SELEKT retail chain
- Opening of the 1st Make Up Studio store

2016

- H&B: 2 new stores (1 in Nicosia and 1 in Limassol)
- Beauty Line: 1 new store (Nicosia)

2017

- Selekt: 2 new stores in Limassol
- Establishment of B.C. Butterfly Cosmetics Ltd

2018

- New Beauty Line, Holland & Barrett, Selekt and Yves Rocher stores at Nicosia Mall

2019

- Acquisition of the share capital of the Karpasia Health Products Ltd company
- Addition of the Shiseido cosmetics brand
- Creation of a new cosmetics chain, Beauty Outlet

Targeted sustainable development actions

In recent years, the C.A.Papaellinas Group has been implementing targeted social and environmental responsibility actions, starting with the publication of sustainability reports on a biennial basis - the Group's first sustainability report was published in 2009. In addition, the Group is taking initiatives aimed at raising the wider society's awareness about sustainability issues, such as the "Sustainable Development Month" (February 2013 was the 1st Sustainable Development Month).

At the same time, firmly committed to reducing its environmental footprint, the C.A.Papaellinas Group completed, in 2015, the installation of a photovoltaic system at its headquarters in Latsia, achieving savings in energy consumption of 160k (approximately 22% coverage) during 2018-2019. Our goal is to cover 50% of the Group's energy consumption from photovoltaic systems. During these two years, 80% of the Group's light bulbs were replaced with LEDs, the use of plastic in our facilities was reduced and a Sustainability Team was created.

More specifically, as regards the environment, the C.A.Papaellinas Group has set specific targets, taking action to ensure their achievement. These include, by way of example:

- Eco friendly shops
- More hybrid vehicles
- Installing a 200 kW Photovoltaic system, which will cover 40% of the total needs of the Group's Headquarters and the Pharmacy Line warehouse
- Reducing paper use
- Reducing order preparation and packaging materials (by 20%) and abolishing plastic bags (by 100%)
- Utilising the water removed from PharmacyLine's dehumidifiers for irrigation purposes at the Headquarters' gardens

2.3 Complaint Management

Every complaint by a customer, associate or supplier helps us become better. We make sure that all complaints are recorded and dealt with immediately by the relevant department. We receive complaints through salespeople, store employees, pharmaceutical sales representatives and distributors, through our call centre, and by e-mail.

Beauty Line:
We respond to any complaints within 24 hours. Complaints from store customers amounted to 64 for 2018 and 72 for 2019.

Holland & Barrett:
In 2015, a complaints recording team was created, to handle complaints from Holland & Barrett stores customers.

Consumer products:
We respond to any complaints within 24 hours. In 2018, complaints amounted to 7 and in 2019, to 11. As regards Nannys & Huggies products, we record any complaints in a special "Complaints / Returns" form.

PharmacyLine:
We respond to any complaints within 24 hours. In 2018 and 2019, approximately 104,300 orders were executed, for which we received and recorded a total of 730 service complaints - which means roughly 1 complaint per working day (0.7%).

2.4 Customer Surveys

Mystery Shopper Survey
The Mystery Shopper Survey is focused on the customer-consumer and his or her experiences in the stores. The Mystery Shopper evaluates, through the eyes of a "customer", the services provided by the staff of each store, based on a pre-agreed questionnaire. In this way, customer satisfaction with the services offered is explored, so as to improve them. The Mystery Shopper Survey is conducted four times a year across the C.A.Papaellinas Group's store network as well as the competition's stores, with 8 visits annually at each store.

2.5 CEM Tool - Customer Experience _Management

Through the CEM platform, customers can evaluate their last visit to any Beauty Line store. The platform was launched in 2014 and includes both multiple choice and open-ended questions. Beauty consultants and cashiers inform customers, when they have completed their purchases, that with the code they will find on the receipt of their transaction they can, online, record their impressions from their visit at the store. In addition, by completing the relevant questionnaire, customers automatically take part in a monthly draw to win a €100 gift voucher for Beauty Line stores. The information we receive through this process helps improve the services we provide, and solve any problems.

Online Customer Feedback IN MOMMENT: From 2016 onwards, a special online survey is conducted among the customers of Holland & Barrett stores. Through the survey, their views about the image of the stores and the level of service, their shopping experience and what they would most like to see, are recorded.

2.6 Customer Relationship Management

CRM - Customer Relationship Management Tool: The CRM tool was created to increase customer satisfaction across all of the Group's chains, focusing on:

- more targeted marketing actions based on customer needs and interests, avoiding unnecessary communication with customers _
- improved customer segmentation _
- improved buying experience, both in the stores and online

In 2017, a CRM Manager position was created in the C.A.Papaellinas Group, to achieve the relevant targets faster.

2.7 PharmAdvance Magazine

The PharmAdvance magazine was published by the C.A.Papaellinas Group for the first time in July 2014 and, since then, it is published twice a year. The reader can find articles by distinguished scientists around Pharmacy Marketing and Pharmaceutical Care, alongside a variety of topics. The aim of the magazine is to provide the Cypriot pharmacist with continuous and valid information, and to strengthen the C.A.Papaellinas Group's cooperation with pharmacists.

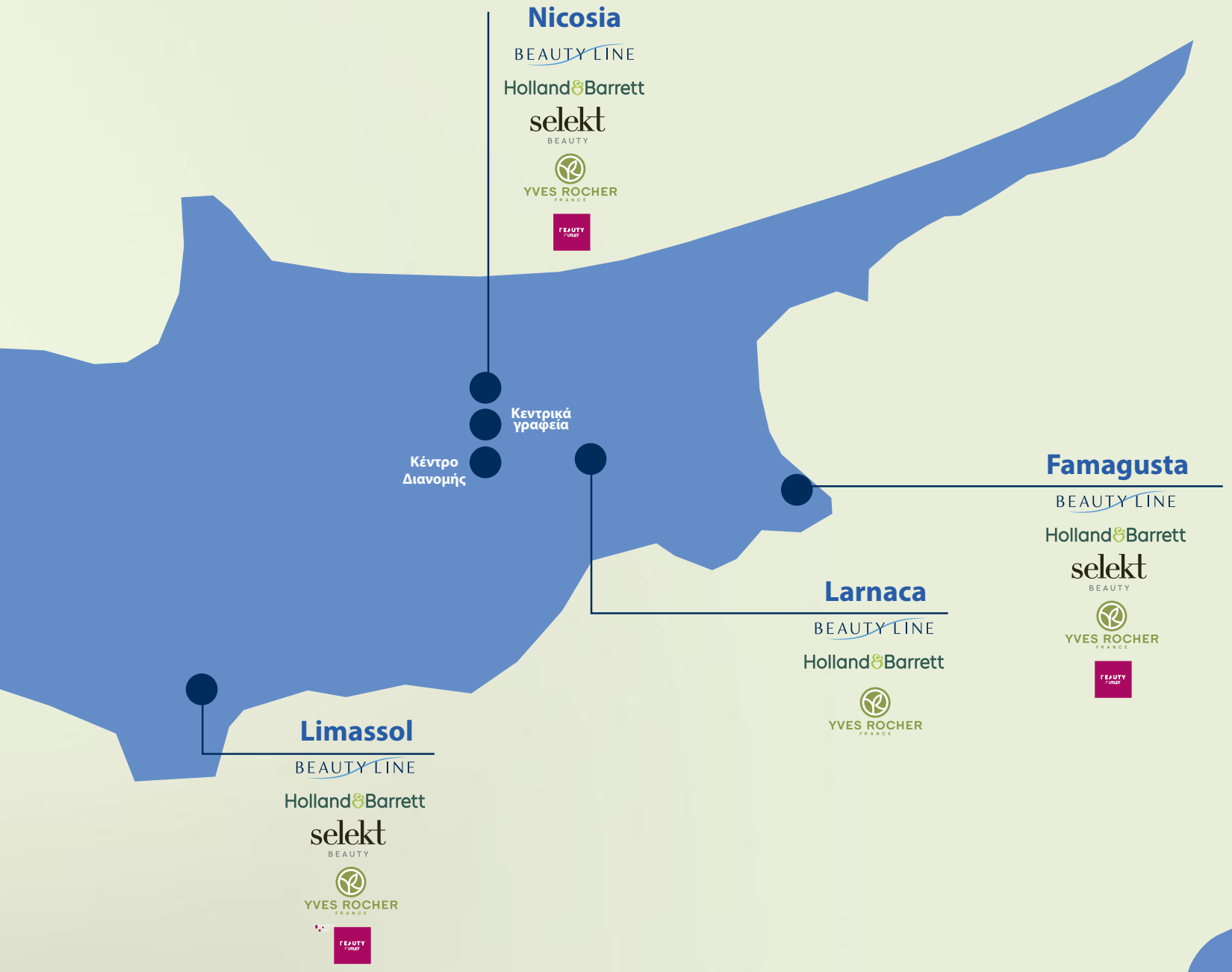
2020-21 Targets

1. Customer Satisfaction Surveys - Beauty Line Consumers, Partners Supermarkets and Pharmacists
2. Implementation of Online shop for H&B, Sales Application for Beauty Line and eshop for Selekt
3. Increase the percentage of orders electronically by 20%, to make the process easier and more efficient for customers
4. Implement a project linking our system with the drug warehouses' systems for direct handling of orders, reports and sales through sales teams
5. Utilisation of a B2C-CRM (Customer Relationship Management) tool in order to facilitate the Group's chains in their interaction with their customers, sending promotions that meet their needs and rewarding their trust
6. Implementation of an ordering and store replacement system with forecasts, trends and various analyses (Foresight)
7. Implementation of a Business to Business (B2B) tool which provides our network of partners (pharmacies) with, among others, complete product and commercial information, fast online ordering and new features that create value, save valuable time and facilitate the completion of commercial transactions
8. Implementation of actions for a more personalized customer experience for Beauty Line stores. Through the use of technology (proximity marketing) targeted offers will be sent to customers, based on their location
9. Installation of a specialised system for Instore analytics that maps customer traffic to Beauty Line stores and evaluates in-store flow (Dwell Time and Hot Zones)

0.2 Our Presence in the Marketplace

Stores	BeautyLine	Holland & Barrett
Nicosia	6	8
Limassol	4	3
Larnaca	2	1
Famagusta	1	1
Paphos	2	1
TOTAL	**15**	**14**

	Yves Rocher	Selekt	Beauty Outlet
Nicosia	4	2	1
Limassol	2	3	1
Larnaca	1	-	-
Famagusta -	-	-	
Paphos	1	1	-
TOTAL	**8**	**6**	**2**


Nicosia
BEAUTY LINE
Holland&Barrett
selekt
BEAUTY
YVES ROCHER
FRANCE
Κεντρικά γραφεία
Κέντρο Διανομής
Famagusta
BEAUTY LINE
Holland&Barrett
selekt
BEAUTY
YVES ROCHER
FRANCE
Larnaca
BEAUTY LINE
Holland&Barrett
YVES ROCHER
FRANCE
Limassol
BEAUTY LINE
Holland&Barrett
selekt
BEAUTY
YVES ROCHER
FRANCE

0.3 Our People

Our targets for 2018-2019 and their implementation:

OUR PEOPLE

1.	Improve the knowledge of the members of the Group's stores through the use of the electronic platform	✔ Achieved
2.	Smooth integration of employees from companies acquired by the C.A.Papaellinas Group	✔ Achieved
3.	Implement all standards and procedures of C.A.P Retail Academy	The target has been moved to 2020
4.	Create and successfully implement the HR Mobile Application	✔ Achieved
5.	Create a feedback system in electronic form	The target has been moved to 2020 with the implementation of the new Success Factors system

HEALTH & SAFETY

1.	Connect the security systems of the Group's stores to a central Security station in order to raise our customers' and employees' security levels	✔ Achieved
2.	Achieve ISO 9001:2015 certification for PharmacyLine's Warehouse	✔ Achieved for the newer ISO 9001:2015 standard
3.	Purchase an order picker for PharmacyLine's Warehouse in order to ensure the safe storage of products on the top shelves	✔ Achieved
4.	Install smoke detectors in PharmacyLine's Warehouse and in headquarters	✔ Achieved
5.	Purchase more protective materials to protect facilities and employees at the New Distribution Centre	✔ Achieved
6.	Meet subcontractors and associates to discuss Health and Safety issues, to examine bad practices documented in 2017, in order to improve	✔ Achieved

Providing job security to our people, satisfying them with their work, creating a work climate free from all forms of discrimination, with respect for human rights and equal opportunities for all, are our constant priorities. At the same time, we make every effort to safeguard the health and safety of our employees and customers through ongoing training, prevention, constant care to identify and eliminate any risk arising from our activities, and the consistently high quality of the products we distribute and trade.

3.1 Get to know us better

Our staff by hierarchical level, gender and origin

By hierarchical level	2017		2018		2019	
Hierarchical level	Men	Women	Men	Women	Men	Women
Senior Management	5	8	6	8	6	8
Management	4	10	10	16	11	18
Supervisory	17	30	13	34	13	40
Other Staff	74	246	165	295	133	312
Total	**100**	**294**	**194**	**353**	**163**	**378**

By gender	2017	2018	2019
Men	100	194	163
Women	294	353	378
Total	**394**	**547**	**541**

By origin	2017	2018	2019
Nicosia	263	306	324
Larnaca	27	91	85
Limassol	78	99	85
Famagusta	9	15	14
Paphos	17	36	33
Total	**394**	**547**	**541**

Information about our People (*)

Hires 2018: 154	18-20	20-25	25-35	35-45	45-55	Over 55
Men	4	6	12	13	6	5
Women	1	39	52	12	2	2
Total	**5**	**45**	**64**	**25**	**8**	**7**

Hires 2019: 159	18-20	20-25	25-35	35-45	45-55	Over 55
Men	1	9	31	8	2	4
Women	5	30	38	19	5	7
Total	**6**	**39**	**69**	**27**	**7**	**11**

Departures 2018: 91	18-20	20-25	25-35	35-45	45-55	Over 55
Men	1	3	14	12	3	1
Women	1	17	31	5	3	0
Total	**2**	**20**	**45**	**17**	**6**	**1**

Departures 2019: 100	18-20	20-25	25-35	35-45	45-55
Men	2	2	12	7	3
Women	1	17	43	11	2
Total	**3**	**19**	**55**	**18**	**5**

	Hires 2018 by region		Departures 2018 by region	
	Men	Women	Men	Women
Nicosia	21	62	17	27
Larnaca	10	2	9	4
Limassol	13	27	7	18
Famagusta	-	1	0	1
Paphos	2	16	1	7
Total	**46**	**108**	**34**	**57**

	Hires 2019 by region		Departures 2019 by region	
	Men	Women	Men	Women
Nicosia	33	55	15	30
Larnaca	15	10	6	12
Limassol	4	20	4	18
Famagusta	1	3	0	4
Paphos	2	16	1	10
Total	**55**	**104**	**26**	**74**

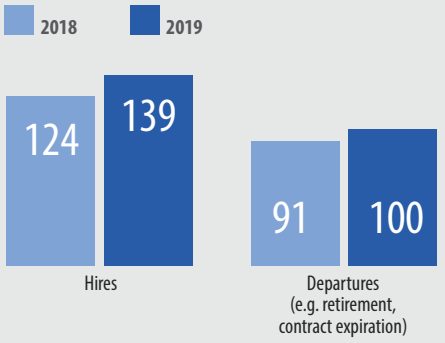
(*) Note: The tables refer only to the C.A.Papaellinas Group's permanent staff. Hourly and part-time workers are not included. Departures include the C.A.P Logistics team

Hires and departures data
Hires and Departures 2018-2019

313 New hires during 2018-2019

219 new recruits are between 25 and 35 years old

62% the percentage of women in the Senior Management Team
37% the percentage of women in the Management Team



Type of employment 2018

	Men	Women	Total
Contract of indefinite duration (permanent staff)	194	353	547
Fixed - term employment contract	4	53	57

	Men	Women	Total
Full - time	194	344	538
Part - time	0	9	9
Hourly employment	4	53	57

Type of employment 2019

	Men	Women	Total
Contract of indefinite duration (permanent staff)	163	378	541
Fixed - term employment contract	5	49	54

	Men	Women	Total
Full - time	163	362	525
Part - time	0	16	16
Hourly employment	5	49	54

Parental leave

	2017	2018	2019
Female employees who have been given parental leave	16	17	12
Percentage of female employees returning to work after parental leave	100%	100%	100%

3.2 We take care of the Group's people

Attracting talent
The Group attaches great importance to attracting high quality human capital for all the organisation's positions. The selection for recruitment is based solely on the individuals' ability to perform in their job role, having the will and ability, by developing their knowledge, to help increase the efficiency of their department. The recruitment process is objective and is in no case influenced by factors such as gender, religion, ethnicity or other characteristics of diversity. In this way, the C.A.Papaellinas Group systematically builds a work environment characterised by meritocracy, transparency and equal development opportunities for all.

Employee benefits
In order to ensure its people's satisfaction from their work, the C.A.Papaellinas Group provides them with extra benefits, in addition to those provided for by law. They include the following:

- 13th salary
- Provident Fund
- Medical Care for employees and their families
- Life Insurance and Total Permanent Disability Insurance
- Discounts on the Group's products
- Child Benefit
- Cash prizes for children of colleagues who excel
- Wedding gift

The Group supports the institution of the family
Recognising the importance of creating a healthy work environment, in which work-life balance is a priority for working women, the Group adopts the following practices to support the institution of the family:

- Extending Maternity Leave to 24 weeks (instead of the 18 weeks provided for by law). Young mothers can choose to take leave for more than 18 weeks, receiving half of their earnings.
- Covering the Costs of Medication for staff members facing child-bearing problems.
- Medical care with 50% employer participation for the employee, his / her spouse or partner and dependent members.
- A Child Benefit of 80 euros per month for each child, for the purchase of children's products until the child becomes 2.5 years old. In addition, the Group offers for each newborn a child car seat.
- Cash prizes for children of staff who excel: The Group rewards high academic performance, offering every year to the children of its employees who excelled in the Lyceum, cash prizes of 1000 € to graduates and 500 € to excellent students of the First and Second grade.
- Flexible working hours: The Group gives the option of flexibility in terms of arrival and departure time (up to one and a half hours), so that employees can balance work with family responsibilities.

School for Parents
In 2017, the Group founded the School for Parents, to offer employee-parents guidance from specialised psychologists so as to better deal with the issues that concern them. In addition, the Group places great emphasis on road safety and has set as a goal no employee to mourn a member of their family. Thus, in 2019, the Group organised a special seminar for the children of staff who either obtained a driving license or will obtain one soon, to cultivate road safety awareness.

Staff Support Fund
In the Group we have established the Staff Support Fund, to financially support employees and their dependents for, mainly, medical issues.

The Fund's income comes from two main sources:
The first is the Fund members, who pay a monthly contribution and the second is the organisation of various events that take place at regular intervals, such as bazaars. At the bazaars, cosmetics and other items are available for sale in order to raise money to support the Fund.

It is important to mention that during the last 3 years the Staff Support Fund allocated a total of 24,640 euros to 24 of our colleagues who had a medical problem.

Over the last seven years, the Staff Support Fund has allocated a total of 50,500 euros to 57 cases of colleagues who had a medical issue.

How we communicate internally

At the C.A.Papaellinas Group we build, every day, a climate of trust, through open communication and consultation between management and employees. The most important channels for the exchange of views and internal communication are:

- "Metaxy mas" magazine: The most important internal communication channel. Since its distribution began in 2006, "Metaxy mas" magazine informs employees about corporate news, new collaborations, C.A.Papaellinas Group's distinctions and sustainable development initiatives. Every employee has the opportunity to write articles on various topics - health and safety, healthy eating, etc. - and to express, through the magazine, opinions and concerns.
- Blue Jam: A digital HR self-service portal where colleagues, among other things, talk to each other, creating chat groups.
- HR Mobile application: Colleagues have a separate personal account, see information concerning them in relation to their employment and receive updates from the Group.
- Regular group meetings between employees from various departments of the C.A.Papaellinas Group or the same department, events and meetings such as the annual staff dance or Provident Fund meetings.

- Informative emails and announcements.
- Training programmes and seminars.
- The sustainability report, through which employees are informed about the C.A.Papaellinas Group's sustainable development actions.

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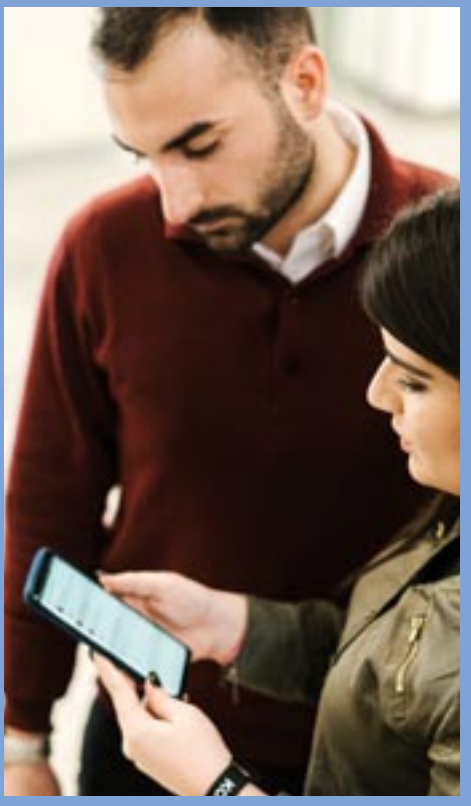

Case study: The Digital Transformation of the C.A.Papaellinas Group

The C.A.Papaellinas Group has entered a new era of Digital Transformation, which touches all its activities. What does digital transformation mean? It is the adoption of digital technology to form and replace the Group's processes, functions and services with digital ones, utilising the possibilities and advantages offered by the internet, digital media and new technologies.

The starting point for Group's digital transformation were the activities of the Human Resources Department, focusing on the following applications in order for the Group to ensure the higher efficiency and simplification of operations, and employee self-service:

• **HR Mobile Application:** Launched in November 2019. Colleagues have a personal account with their details and can, via their mobile phone, send their leave applications to their supervisor for approval, see their payroll, their leave balance and their working hours, and receive updates from the Group.

• **Blue Jam:** This is a digital HR self-service portal. Through Blue Jam, colleagues have access to all the information about their employment, such as: payroll, insurance, Provident Fund, family benefits, and discounts on the Group's products. In addition, they have access to manuals regarding the use of programmes and software and are also informed about Group news, events, new positions, even for the menu of the day in the Group's restaurant. If they wish, through Blue Jam colleagues can also communicate with each other, creating chat groups.

• **E-learning platform:** Through the electronic e-learning platform, colleagues' knowledge and skills are enriched. Trainees can learn remotely, electronically, at their own time and pace, without being physically present at the Group headquarters. The tests and annual exams organised by the Group are now carried out through this electronic platform, saving time.

• **Provident Fund Management Platform:** Another available digital tool is the Provident Fund Management Platform. Through this platform, colleagues have access to their personal account, with all their Provident Fund information. Among others, they see their account balance on a monthly and annual basis, and the rate and amount of contributions, both their own and the Employer's. They also have the opportunity to apply for a loan, change their contribution rate, and see what their account balance will be if they change their contribution rate.

The benefits of using these applications are multiple:

- Through the HR Digital Transformation, the C.A.Papaellinas Group strengthens its business activity by attracting, retaining and developing capable and talented professionals.
- Paper waste has been reduced, since the printing of various forms such as the payroll, leaves, time statements and IR63 has been abolished. In addition, the Group's administration cost also decreased, after a significant simplification of operations.
- Easy and direct access to information for all is provided, enhancing employee commitment to the Group.

3.3 Code of Ethics and Conduct and human rights

The C.A.Papaellinas Group's Code of Ethics and Conduct describes how the Group operates and prohibits all forms of discrimination based on ethnicity, sexual orientation, gender, religion, or other characteristic of diversity. In addition, firmly committed to protecting human rights, the C.A.Papaellinas Group strongly condemns and combats any form of forced or child labour. As a result of this attitude of ours, no case of human rights abuses has yet been reported or emerged in the C.A.Papaellinas Group. Any violation, by our associates, of the Code of Ethics and Conduct's provisions may result in the termination of our cooperation. Our goal, with the Code, is to sensitise and guide employees and associates in matters related to the protection of human rights and to ensure an ethical operating framework for the Group.

3.4 Investors in People Platinum

The C.A.Papaellinas Group achieves the highest international distinction in human resources.

After its independent assessment according to the international Investors in People (IIP) standard, the C.A.Papaellinas Group achieved the Investors In People Platinum accreditation. This distinction comes as a culmination of the efforts made over time and the initiatives taken by the C.A.Papaellinas Group in work environment and human resources matters. At the Investors in People 2018 awards ceremony, the Group was also nominated in the Platinum Employer of the Year category, in which it competed with other companies internationally.

3.5 Employee training and development

Our people are the driving force behind the successful trajectory of the C.A.Papaellinas Group over time. Their continuous, systematic training and the development of their skills and capabilities, contribute decisively to the achievement of our business goals. The C.A.Papaellinas Group invests methodically in the training and development of its people, so as to achieve the Group's goals for long-term, sustainable success.

Employee training topics and methods

In 2018 and 2019 we implemented training programmes on various topics which are presented below, with the methods used.

Training topics

- Administrational (cash register, tablet, JCC)
- Customer service
- Sustainable Development
- Induction training
- Make up skills
- Supply chain
- Sales Development & Marketing Techniques
- Legislation & Financial Issues
- Conferences
- Information Technology / Technology
- Health & Safety
- Product training
- Development of Managerial Competencies, Soft skills

Training methods

Seminars (in Cyprus and abroad)
Training workshops
Participation in conferences
Coaching and Mentoring
On-the-job training
Obtaining Academic and Professional Titles

In total, in 2018 and 2019, 18,338 hours of in-company training at the Group's Training Centre were implemented. Outside our facilities, 2,553 hours of training took place.

	2018			2019		
	Days	Total Hours	No. of Employees*	Days	Total Hours	No. of Employees*
In-company	1,690	9,918	348	1,465	8,420	286
Outside the company	88	622	47	253	1,931	95

** Number of Employees: one employee's participation in a single programme is calculated.*

Training hours per topic

	2018	2019
In-company Administrational (cash register, tablet, JCC)	400	444
Customer Service	750	820
Sustainable Development	6	6
Induction training	1,863	2,250
Make up skills	605	920
Supply chain	255	310
Sales Development & Marketing Techniques	1,215	840
Legislation & Financial Issues	80	50
Conferences	120	96
Information Technology / Technology	80	700
Health & Safety	641	545
Product training	2,950	2,970
Development of Managerial Competencies, Soft skills	1,575	400
TOTAL	**10,540**	**10,351**

Percentage of training hours by hierarchical level

	2018	2019
Senior Management	2%	1.8%
Management	10.3%	4.5%
Supervisory	17%	11.5%
Other staff	70.7%	81.1%

Through these training programmes we achieve the following goals:

- A comprehensive and lasting learning culture is cultivated
- The Group's business goals are achieved with the contribution of highly trained staff
- Performance is maximised and the constant development of employees is ensured, regardless of their position and hierarchical level
- Employees are promoted into new, more appropriate roles within the Group

Employee performance evaluation

We implement an objective, flexible employee evaluation process to optimise employee productivity and ensure employee development. Its main stages: Personal Meeting of the employee under evaluation with the Evaluator, Feedback and guidance, Performance evaluation, Performance planning, Setting targets and Preparation for the next personal meeting.

3.6 Health and Safety

Responsibility for Health and Safety

The C.A.Papaellinas Group makes every effort to ensure a safe and healthy work environment for its people. We have identified the most important risks arising from our activities - mainly concerning the production process and the transport of products - and take all the necessary measures to prevent and deal with them. In addition, we seek - this is a long-term goal - to eliminate the factors that can lead to occupational diseases or accidents, through prevention measures and the continuous training of employees.

Prevention culture for Health and Safety

Prevention is key to protecting the health and safety of employees and, in this context, the C.A.Papaellinas Group takes initiatives and actions that aim to change the attitudes of employees, associates and suppliers in Occupational Health and Safety matters, and promote good Health and Safety practices.

Health and Safety Committee

Aiming to continuously improve our Health and Safety performance, we have set up a Health and Safety Committee. In addition to representatives of the Group, the committee also includes employees from every facility of the C.A.Papaellinas Group. The committee meets every three months or whenever deemed necessary, and aims to actively engage and consult all employees on Occupational Health and Safety matters. Its main responsibilities:

- It investigates the causes of accidents or serious incidents
- It proposes measures to eliminate occupational risks
- It documents employees' observations on Health and Safety issues
- It promotes the cooperation among all stakeholders in order to minimise occupational risks
- It trains and informs employees on Health and Safety issues
- It cooperates with the Group's Medical and First Aid Services, and with the Health and Safety Inspector

Health and Safety System and Policy

At the C.A.Papaellinas Group we implement an integrated Occupational Health and Safety Management System in accordance with OHSAS 18001 and ISO 45001. Through the system we record, monitor and prevent safety incidents, accidents and illnesses, strengthening the health and safety culture among employees and associates. At the same time, through the revised Health and Safety Policy we sensitise employees on occupational risk issues, set goals and ensure the C.A.Papaellinas Group's compliance with the Cypriot and European legislation, as well as with international Occupational Health and Safety standards. Every employee, regardless of their hierarchical level and position, must follow the Health and Safety Policy in every activity.

We take care of Health and Safety in our partnerships

The C.A.Papaellinas Group follows specific Health and Safety rules, which subcontractors and associates must comply with. In addition, throughout the cooperation, inspections are carried out at their workplaces and they are evaluated annually on the basis of strict occupational safety criteria (such as Personal Protective Equipment) and in terms of their compliance with relevant international standards (ISO 22000, ISO 9001, OHSAS 18001).

We focus on the employees

On an annual basis, the C.A.Papaellinas Group implements a specialised training programme, training employees on Health and Safety issues. More specifically, during 2018-2019 the following took place:

- First Aid training seminars and annual defibrillator training
- Training on how to carry an injured or unconscious person by a specialised external partner
- Evacuation drills
- Fire safety and fire extinguisher training
- Driver training to cultivate road safety awareness

In addition, every new employee of the C.A.Papaellinas Group is, during the induction program, immediately informed about all the important occupational risks associated with his or her position and is trained on the Group's Health and Safety rules.

Expenditure and investments

As in previous years, in 2018-2019 the C.A.Papaellinas Group invested in the health and safety of its employees, depending, each time, on the given priorities and needs.

Health and Safety Expenditure

	2018	2019
Safety upgrade projects	10,862	6,185
Employee training on occupational health and safety	5,538	8,981
Cleaning of premises	193,564	190,192
Fire safety (maintenance / upgrading of fire protection equipment)	8,180	5,456

Health and Safety performance indicators

At the C.A.Papaellinas Group we systematically monitor our performance in Health and Safety matters and the effectiveness of our actions through specific indicators. Health and Safety performance indicators help us identify areas that need to be improved and plan new initiatives and actions.

According to the indicators we record, in 2019 there was an increase of 5.46% in accidents compared to 2018. More specifically, in 2019 a total of 55 accidents were recorded (including near misses) comprising C.A.Papaellinas Logistics, while in 2018 52 were recorded.

As regards sickness absences, in 2019 there were more days of absence than in 2018.

Notes:

1. The Group records near misses and minor accidents.
2. When calculating the rates, we only take into account the Group's permanent staff.
3. The 795,000 factor is used to calculate the rates, which is the average number of working hours of all employees in 2016-2019.
4. The rates are calculated based on the formulas given below:
   a. Injury Rate (IR) = (Annual number of injuries or accidents caused by or during work) x 795,000 / Annual number of man-hours of work.
   b. Lost Day Rate (LDR) = (Number of days of absence from work due to accidents affecting employees) x 795,000 / Annual number of man-hours of work.
   c. Absentee Rate (AR) = (Number of days of absence from work due to employees' inability) x 795,000 / Annual number of man-hours of work.

Injury Rate (IR)

	Men	Women	Total
2018	8.3	1.9	10.3
2019	6.9	3.5	10.5

Lost Day Rate (LDR)

	Total
2018	30.9
2019	32

Absentee Rate (AR)

	Men	Women	Total
2018	20,226	18,574	37,800
2019	10,338	20,242	30,580

Workplace safety

The C.A.Papaellinas Group implements specific initiatives to protect the health and safety of its people in the workplace, such as the following:

- External fire extinguisher cabinets have been installed at three locations in each facility
- Internal inspections are carried out at each workplace, potential

risks are recorded, employees are informed and corrective/ preventive measures are taken
- Special Health and Safety manuals are provided to employees in high-risk workplaces
- Protective grills have been installed on the stairs leading to the roof of each facility to check accessibility
- Special pathways for pedestrians and vehicles with speed limit signs and street bumps for reducing vehicles' speed have been created outside each facility, so that pedestrians and vehicles can move safely

In addition, at stores:
- Fully equipped First Aid kits have been installed
- All chemical substances (such as cleaning products) are kept in special areas
- Fire extinguishers are always in accessible spots and are labelled as appropriate
- Smoking is only permitted in specific areas
- All fire extinguishers, fire detections systems maintenance is documented in the special maintenance form

Working at height

We have assessed this risk for each position, not only for our employees but also for subcontractors and associates, and have updated, through a relevant report of the Health and Safety Committee, employees, associates and subcontractors on the risk of working at height.

Health and Safety issues addressed in employment contracts

	2017	2018	2019
Personal protection equipment (if required for certain company activities)	✓	✓	✓
Health and safety committees composed of management and employee representatives	✓	✓	✓
Participation of the Health & Safety Officer (as employee representative) in health and safety inspections, in accident investigations (employees present at the incident also participate in the investigations)	✓	✓	✓
Complaints mechanism	✓	✓	✓
Right to refuse to carry out unsafe work*	✓	✓	✓
Training and education	✓	✓	✓
Periodic inspections	✓	✓	✓
Compliance with the International Labour Organisation's (ILO) conventions	✓	✓	✓
Commitments on standards for performance targets or the level of practice applied	✓	✓	✓

** The person who receives complaints within the organisation is the Health and Safety Officer. Given the Group's culture of open communication, there is no official complaints mechanism and there have been no incidents of employees refusing to carry out unsafe work, since all necessary measures are taken. However, in case an employee does report an issue concerning the protection of his or her health and safety, it will be seriously considered in order for corrective measures to be taken.*

In 2018-2019, the following internal store inspections were carried out on average:

Average internal inspections in stores

	2018	2019
Beauty Line	212	200
Holland & Barrett	160	156
Yves Rocher	49	55
Selekt	37	40

2020-21 Targets

Our People

1. Recertification of the Group with Investors in People (Platinum)
2. Complete the digital transformation by integrating digital technologies that transform the way the organisation operates with a focus on employees. The transformation includes applications and tools that help employees in the Group become more efficient and productive (HR Mobile App, Performance Management, E-Platform, Provident Fund Online Portal)
3. Set a Payroll Policy based on the Grading System (pay grades)
4. Improve the knowledge of staff by providing interactive educational programmes through the e-learning electronic platform (synchronous and asynchronous learning)
5. Proper guidance and talent development, constantly improving the Group's level (Recruitment process, onboarding, performance & goals)
6. Implementation of SAP Jam in order to inform employees about various news concerning the Group and their employment
7. Conduct employee feedback surveys
8. Create a feedback system in electronic form

Health & Safety

1. Upgrade security systems at the New Distribution Centre through a modern closed circuit monitoring system and also upgrade fire safety systems
2. Implement an interactive online training programme on Health & Safety for new Group employees
3. Establish active Health and Safety observers within the Group so that there is more active participation and motivation for people who follow wrong practices during their work
4. Implement and continuously review an internal protocol for the handling of the coronavirus pandemic
5. Reduce accidents at warehouses by 10%
6. Install additional Emergency Lights at the Pharmacy Line warehouse
7. Obtain safety stairs with platform and railings at the Pharmacy Line warehouse

04. Environment

In Holland & Barrett stores, in more than 1000 preparations, their outer membrane was changed from animal to vegetable.

Our targets for 2018-2019 and their implementation:

1. Actions to reduce the C.A.Papaellinas Group's energy footprint:	
I. Take advantage of the new state net billing plan. The financial analysis was examined, but the installation of photovoltaics was not considered profitable. There was also a technical issue with the large surface area where the frames were to be installed.	
II. Replace 80% of lighting fittings at the Group's stores with LED lights	✔ Achieved
2. Campaign to inform the customers of the Group's retail stores on recycling and environmental protection	✗ Not achieved
3. Continue the gradual renewal of the company's vehicle fleet with new vehicles emitting less CO_2	✔ Achieved
4. PharmacyLine: Replace plastic bags with environmentally friendly ones	✔ Achieved

Climate change, global warming and, more generally, the devastating effects of human activity on the environment are becoming more and more felt in society, economy and business. Climate change in particular, is the most critical environmental issue of our time and we are, in terms of dealing with it, at a turning point, where difficult decisions have to be made (https://www.un.org/en/sections/issues-depth/climate-change/).

At the C.A.Papaellinas Group we have realised the seriousness and urgency of the issue, especially for the younger generations, and, with targeted initiatives and actions, contribute to the global fight against climate change. In this context, we make every effort to, year after year, further reduce our environmental footprint.

4.1 Our approach to environmental protection

The protection of the natural environment is, for the C.A.Papaellinas Group, a central priority in every aspect of our activities. We implement actions beyond those provided by Cypriot and EU legislation, so as to minimise our environmental footprint. **We apply the precautionary principle** and make sure that we:

- take energy-saving initiatives
- make rational use of natural resources
- record pollutants emitted by our facilities

Green Development Programme

Since 2010, we have developed and implement a green development programme, based on three key factors: "informing, raising awareness, taking action". The programme includes a series of environmental protection actions and has, as its main goals, the reduction of our energy footprint and the saving of resources.

4.2 Emissions, energy consumption and climate change

Climate change - with its most serious impacts, at every level - has become the most critical environmental issue on the planet. However, it also offers a wealth of opportunities for companies that, realising the urgency of the circumstances, take initiatives to reduce their emissions. At the C.A.Papaellinas Group we fully comply with the applicable legislation and emission ceilings, constantly implementing new, targeted actions to further reduce our emissions.

Energy consumption and savings

We seek to continuously reduce electricity consumption in our activities and, during 2018-2019, we implemented new initiatives to achieve this target.

Calculating our energy footprint

We used a specific emission calculation methodology in order to calculate our energy footprint in terms of carbon dioxide (CO_2) emissions from energy production and consumption in our facilities and buildings:

0.721 Kg CO_2 per kWh[1]
Saved 224 tonnes through the use of photovoltaics

** Based on data from the Department of the Environment of the Ministry of Agriculture, Rural Development and Environment.*

Cyprus electricity generation mix 2019:

Conventional Fuels: 90.5%
Wind Parks, Photovoltaic Systems, Biomass Systems: 9.5%

Emissions from total electricity consumption in buildings and stores*

	2018	2019
CO_2 tonnes	1.325	1.244

Carbon dioxide emissions from transport

Every day, we use means of transport to transport our products between our facilities, stores and customers. Carbon dioxide emissions from product transport through the C.A.Papaellinas Group's vehicle fleet amounted to 1,208 tonnes in 2018 and to 1,217 tonnes in 2019, showing a small increase. Emissions are calculated according to the Greenhouse Gas Protocol of the World Resources Institute (WRI). In addition, in order to reduce these emissions even further, we started replacing old trucks with newer technology trucks and, in 2019, the Group acquired its first brand new hybrid truck - the *Fuso Canter Eco Hybrid* -, aiming to gradually replacing all trucks with hybrids. The *Fuso Canter Eco Hybrid* is equipped with a start-stop fuel saving system of up to 23%, so that, in addition to being cleaner and more environmentally friendly, it also becomes more economical to use. When driving at low speeds, up to 10 km / h, the Fuso Canter Eco Hybrid uses only electric power, and then uses the electric motor in combination with the diesel engine.

4.3 Environmental initiatives and actions

In addition to all the other measures we take, we make efforts to cultivate and consolidate, among our employees and their families, but also in the wider society, a culture of environmental protection. In this context, we have taken the following initiatives:

New Selekt Beauty concept

The new concept for Selekt Beauty stores was created to promote a brand new beauty philosophy in Cyprus, giving great emphasis to customer experience by offering well-known brands from around the world and incorporating ecological solutions and details in the stores' interiors. The first store with the new Selekt Beauty concept opened in November 2019 and all new stores will follow the same line, with a more ecological philosophy. In the store recyclable materials have been used, such as metal and compressed wood, while the store coatings were made with non-toxic paints. Bags and gift boxes are made of recyclable materials, while the prints for advertising material are now made on canvas to reduce paper consumption. Also, vegan products have been added to the product range, along with products whose production does not include animal testing.

Say No to Plastic

The C.A.Papaellinas Group, seeking to contribute to environmental protection, set the goal of minimising the use of plastic. With the slogan "Say No to Plastic", plastic cups in the Group's premises were abolished. All colleagues received, as a gift, a glass that is reused for their coffee, tea and water, so as to reduce the use of plastic cups. In addition, a special campaign was implemented among staff members to strengthen their environmental awareness.

Pharmacyline - reusable plastic boxes

In 2019, PharmacyLine replaced all the plastics bags with which products were sent to pharmacists with reusable plastic boxes. The saving we achieve in pieces is about 80,000.

"Green" products

The Group has added to its product range green and vegan products such as cosmetics, hair care products and toothbrushes.

We help the citizens of Latsia reduce the use of plastic bags

The C.A.Papaellinas Group offered to Latsia Municipality 6,000 bags for its citizens,

which they can reuse for their shopping. These bags will help reduce the use of plastic bags and protect the environment.

Tree planting

In November 2019, Holland & Barrett Cyprus planted trees. With the slogan "Make a difference! Love the planet" our staff members invited the community of Latsia and all our sensitised fellow citizens to a voluntary tree planting on Dimitri Stavrou street in Latsia. 40 new trees were planted in the community, thus creating a new green space for the citizens.

Tiganokinisi: Turning frying oil from waste to biodiesel

The C.A.Papaellinas Group participates in the "Tiganokinisi" programme. Tiganokinisi is an educational, environmental programme for the collection of used cooking oils that is successfully implemented in more than 400 schools in Cyprus. Through "Tiganokinisi" frying oil is turned from waste to biodiesel and resources are given for environmental education actions and the support of environmental infrastructure for schools and students throughout Cyprus! The programme is under the auspices of the Ministry of Education and Culture and is implemented in collaboration with the Ministry, the Pedagogical Institute and the Non-governmental Organisation AKTI, Project and Research Centre. The collection of oils is undertaken by "Akti" with the aim of creating a network of partners and volunteers, cultivating environmental awareness and promoting sustainable development. In 2019 and 2020 the C.A.Papaellinas Group delivered 1,369 and 340 Kg of oil respectively and the amount of € 858 (for 2019) to two schools in Nicosia, which was used to support the schools' environmental actions.

4.4 Materials used, recycling, waste management

At the C.A.Papaellinas Group, environment protection and the rational use of the planet's natural resources are a top priority. In this context, we make every effort to ensure the sustainable use of the materials we use in our activities.

Raw and auxiliary materials

The C.A.Papaellinas Group uses, on a permanent basis, biodegradable bags and packaging materials. Operating with respect for the environment, we are gradually replacing paper packaging with biodegradable.

Recycling and responsible waste management

At the C.A.Papaellinas Group we implement an integrated programme for recycling packaging, plastic, paper, batteries and ink cartridges. At the same time, we participate in Green Dot Cyprus, a collective system for the recovery and recycling of Cypriot businesses' packaging. In addition, in order to responsibly manage the waste resulting from our activities, we comply, in our waste management, with the relevant legislation, further reducing our environmental footprint.

Case study: Aligning with the EU climate neutrality by 2050 policy

As part of its sustainable development strategy, the C.A.Papaellinas Group is taking steps to align with the new European legislation on climate neutrality, which aims to make Europe the first climate-neutral continent by 2050. In the context of this policy, the pressure on the Group, both from the EU and from the companies whose products it distributes, is constantly increasing. Companies abroad request evidence to prove that the Group is taking action around sustainability.

In addition, by September 2023 and every five years thereafter, the European Commission will assess the relevant measures taken and whether they meet the climate neutrality target.

On this basis, and in order to reduce carbon dioxide emissions from the C.A.Papaellinas Group's vehicle fleet, in January 2019 we included in our Group fleet a brand new Fuso Canter Eco Hybrid truck. The Fuso Canter Eco Hybrid uses only electric power at low speeds, and then switches to a combination of diesel and electric. At the same time, it is equipped with an idle Start-Stop system, which contributes to fuel savings of up to 23%. As a result, the Fuso Canter Eco Hybrid emits less carbon dioxide and also becomes more economical to use, while providing high levels of productivity, reliability and safety.

Environmental protection expenditure (in euros)

	2016	2017	2018	2019
Waste management by suitably licensed contractors	43,057	44,265	22,961	23,440
Energy saving costs (lamp replacement, PowerStar system, photovoltaic installation)	30,939	33,442	43,499	82,899
Total	**43,057**	**44,265**	**66,460**	**104,339**

Packaging materials consumed

	2018	2019
Beauty Line paper bags	485 thousand	537 thousand
Holland & Barrett paper bags	229 thousand	340 thousand
Total	714 thousand	877 thousand
Pharmacy Line plastic bags	75 thousand	89 thousand
C.A.Papaellinas Group plastic bags	3 thousand	3 thousand
Total	**78 thousand**	**92 thousand**

Materials

		Management method	2018	2019
Paper/ Cardboard	(quantities in kg)	recycling	44,040	44,460
Plastic (PET, HDPE, C-PLASTIC)	(quantities in kg)	recycling	2,990*	3,210*
Toners	Toners Pieces	recycling	15 pieces	12 pieces
Batteries	(quantities in kg)	recycling	31	29

** Estimate. The recycling company does not provide data.*

4.5 Water management

During 2018-2019, as in previous years, we kept water consumption low. However, appreciating the importance of water as a valuable natural resource, we constantly take water-saving actions in our activities, ensuring the proper maintenance and regular checking of water supply facilities, in order to minimise losses.

Water Consumption	2018	2019
Quantities in m^3	3,533	3,220

** Water consumption does not include stores in malls, due to lack of relevant data from their managers. For reasons of correct presentation and comparability, consumption in previous years is not cited.*

2020-21 Targets

1. Install a 200 kW Photovoltaic system, which will cover 40% of the total needs of the Group's Headquarters and the Pharmacy Line warehouse
2. Reduce expired and broken products in consumer products by 7% and in food supplements by 5%
3. Replace all lighting fittings at the New Distribution Centre with LED technology, in order to achieve a 30% reduction in total electricity consumption
4. Install a new air conditioning system at Pharmacy Line, of higher energy efficiency
5. Reduce paper usage: By enabling POS to send electronic receipts to customers. Through the installation of digital signage at the Group's stores to reduce printing (e.g. for offers). The Group's magazines, BeautyLine, METAXY MAS and the Sustainability Report will only be published in digital format
6. Reduce order preparation and packaging materials (by 20%) and abolish plastic bags (by 100%) used for processing orders
7. Gradually replace Group vehicles which have high fuel consumption and high emissions with hybrid ones and prepare infrastructures so as to add to our fleet electric vehicles
8. Reduce plastic use by abolishing the plastic Benefits card and by replacing plastic bags, where used, with canvas ones. At the same time, launch a campaign to cultivate environmental consciousness among the Group's employees and raise their awareness
9. Implement more environmentally friendly actions in the stores with the installation of screens, so as to replace foam boards and reduce printing. All printing in the Group's cosmetics stores will be carried out with eco-friendly inks. In addition, the bags in all cosmetics stores will be made of recyclable materials
10. Conduct a study for a climate neutral New Distribution Centre
11. Every new Selekt store will be based on sustainability standards (furniture, lighting, bags, boxes, installation of screens to reduce printing, eco-friendly products)
12. Utilise the water removed from PharmacyLine's dehumidifiers for irrigation purposes at the Headquarters' gardens
13. Abolish plastic bags and use reusable boxes to transport products to stores and to the Group's customers
14. The process of packaging products from the Online Shop will include recyclable materials, while also saving time in the preparation of the packages

0.5 Society

Our targets for 2018-2019 and their implementation:

1.	Foster an environmental consciousness among the citizens of Latsia with the supply of handbags that meet the requirements for environmental protection	✔ Achieved
2.	Finance a bridge construction in Latsia Municipality on Yiannos Kranidiotis Avenue, for the safe passage of pedestrians	The project has not started yet, there is the Group's commitment for a Grant (part of the amount has been given to the Municipality)
3.	Inform the public on drugs and road safety issues	✔ Partially achieved. Achieved for road safety issues. As regards the issue of drugs, it is scheduled to take place in the first half of 2020.

5.1 Our financial contribution - social product

The C.A.Papaellinas Group has, as a constant priority, its contribution to the economic development of the local communities in which it operates. We provide employment, pay taxes and royalties, collaborate with our suppliers and make social investments, creating value for all our stakeholders. The distribution of financial value to our stakeholders is presented in the chart and the table below.

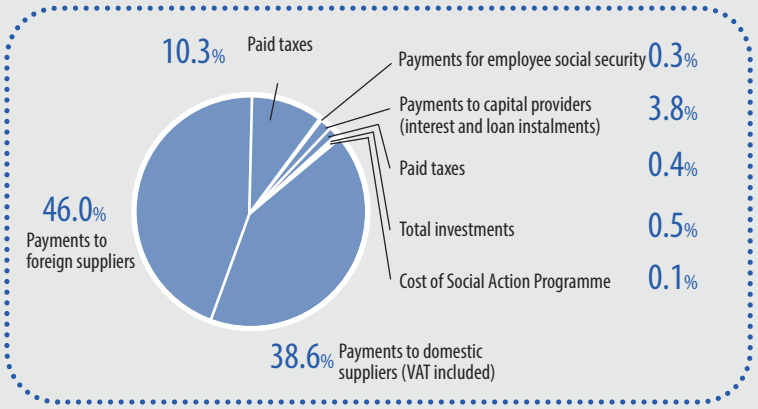

Chart: Direct economic value generated and distributed - EVG & D (Social Product)

Social Product Breakdown (%)

Payroll (gross employee earnings)	10.3
Payments for employee social security (employer contributions and private insurance)	0.3
Payments to capital providers (interest and loan instalments)	3.8
Paid taxes	0.4
Total investments	0.5
Payments to domestic suppliers (VAT included)	38.6
Payments to foreign suppliers	46.0
Cost of Social Action Programme	0.1

SOCIAL PRODUCT 2015-2019 (€)	2018	2019	2018-19	%
Payroll (gross employee earnings)	11.148.273	11.638.900	22.787.181	10.3
Payments for employee social security (employer contributions and private insurance)	353,836	358,938	712,774	0.3
Payments to capital providers (interest and loan instalments)	-265,832	1,290.458*	8,452.905	3.8
Paid taxes	531,031	312,936	843,967	0.4
Total investments	4,290.961	4,161.944	1,024.626	0.5
Payments to domestic suppliers (VAT included)	30,642.586	54,832.033	85,474.619	38.6
Payments to foreign suppliers	47,037.634	54,832.033	101,869.667	46.0
Cost of Social Action Programme	137,400	109,670	247,070	0.1
TOTAL SOCIAL PRODUCT	**93,875.889**	**127,536.920**	**221,412.809**	**100.0**

* Note: In 2018 the Group introduced new Loan facilities for new store openings and upgrading its infrastructure.

5.2 Supporting the local economy

We select our managerial staff from the local community

The C.A.Papaellinas Group's managerial staff comes entirely from individuals residing in Cyprus. In this way, we support employment and the economy of every local community. This choice means, moreover, that our managerial staff have the best possible understanding of the Cypriot socio-political and cultural specificities. They can, therefore, contribute purposefully and effectively to the achievement of the Group's business objectives.

We support local suppliers

We consistently select and support local suppliers, effectively strengthening local entrepreneurship. In addition, through their cooperation with the C.A.Papaellinas Group, our suppliers:

- can redefine, on a new basis, their business activity and growth path
- with the support of the C.A.Papaellinas Group they will be able to optimise their production, developing and applying new standards of quality and innovation.

Our local suppliers for the C.A.Papaellinas Group:

Tziverti Honey

"Our cooperation with the C.A.Papaellinas Group helped us a lot. For a small, local company like ours, which does not have the network and resources to stand alone on the market and successfully support its growth, our collaboration with the C.A.Papaellinas Group offered us stability and safety. We have a serious, valuable partner, with whom we can look forward to the future with optimism."

Oleastro Olive Oil

"The move we made in 2013 to collaborate with the C.A.Papaellinas Group, broadened our horizons and offered us financial stability. Fortunately, the C.A.Papaellinas Group was there, and uncertainty gave its place to confidence and stability. Our cooperation with the various departments of the organisation is impeccable at all levels. Something that we particularly appreciate is the attitude of Mr. Christos Papaellinas when we were faced, besides the events of the financial crisis of 2013, with a big fire that destroyed a significant part of the crop. He showed enormous interest and offered to help us, from all sides. The Group's move to support small Cypriot companies in 2013 was very important for us, and it surely justified its strategy of investing in sustainability."

Elena's Rusks

"Our cooperation with the C.A.Papaellinas Group started in 2013 when, after the big financial crisis, it decided to support Cypriot companies by promoting their products in the market. Choosing the best products, the Group approached our company, suggesting our cooperation. Thus, since then, there has been excellent cooperation and support on the part of the C.A.Papaellinas Group. Together, we created the first advertisement of Elena's Rusks and strengthened the company's growth with many promotional activities. The respect and support of the C.A.Papaellinas Group towards Cypriot family businesses helped the Cypriot market grow. We greatly appreciate the support the Group has given us, especially in the hard times the country's economy went through. We look forward to a long-standing partnership, that will only have positive results for both companies."

5.3 Actions for Sports

Believing in their values and benefits, the C.A.Papaellinas Group actively supports sports. We support national and local bodies, clubs and teams, maintaining the unshakable belief that through sports new generations are taught healthy competition, teamwork, and respect for the rights of others, while learning how to face misfortunes or frustration.

Ethnikos Latsion

Over the past years, the C.A.Papaellinas Group has been supporting financially the Ethnikos Latsion club. Through this sponsorship we also support the local community of Latsia, where the team's headquarters are located. Ethnikos Latsion was founded in 1956 and has volleyball and futsal teams, with 300 athletes of all ages.

Olympias Neapolis

In 2018-2019, as in previous years, the C.A.Papaellinas Group sponsored the Olympias Neapolis club. The Olympias Neapolis club was founded in 1951 and is a refugee club with significant athletic and social action. Although it faced difficulties following its displacement from occupied Neapolis, the Olympias Neapolis club participates in the table tennis and cycling championships, as well as in the pancyprian volleyball championships with eight teams. In addition, it has an Academy for children.

We support Nicolas Vasileiou for new successes

The C.A.Papaellinas Group is a proud supporter of Nicolas Vasileiou. Nicolas, who is among the top in the sport of shooting, is gaining distinctions both in Cyprus and internationally. In 2018 he won 1st place in the Pancyprian Games and participated in the National Team, in the World Championship in Korea. In 2019 he won 1st place in the Pancyprian Games and participated in the World Championship in Mexico. The C.A.Papaellinas Group firmly supports Nicolas and promises to continue to stand by his side, helping him achieve even greater distinctions both in Cyprus and abroad.

5.4 Actions for Education

Scholarships to top students of the MBA Programme of the University of Cyprus

For the tenth consecutive year, the C.A.Papaellinas Group, in the context of its stable cooperation with the MBA Programme of the University of Cyprus, awarded scholarships to students of the Programme.

The scholarship awards ceremony took place on Tuesday, 19 June 2018 at the C.A.Papaellinas Group's facilities in Latsia, in the presence of the Group's Chief Executive Officer Mr. Christos Papaellinas, Professor Constantinos Christofides, Rector of the University of Cyprus, and the co-directors of the MBA Programme, Professors Nikos Vafeas and Hercules Vladimirou.

The scholarships, totalling 10,250 euros, were offered on the basis of academic and socio-economic criteria to Ms. Despina Giannadaki and to students of the Programme with proven financial difficulties. The continuous, uninterrupted support for education by the C.A.Papaellinas Group is an important step to progress and modernisation. By investing consistently in the Cypriot society, the business world lays the foundations of our country's long-term growth.

Prizes for employees' children who excelled in school

Prizes for employees' children who excelled in school On 9 July 2018 and 9 July 2019, at our headquarters, the usual awards ceremony for employees' children who excelled in school took place. In 2018 and also in 2019, five children were awarded for their high academic performance. The Group's Chief Executive Officer, Mr. Christos Papaellinas, praised the children for their efforts and academic performance, also congratulating their parents. Addressing the children, Mr. Papaellinas encouraged them to have faith in their potential and to not give up.

5.5 Employee Volunteering

Blood donation in memory of colleagues

On Wednesday, 16 January 2019, the usual blood donation event took place with great success at the C.A.Papaellinas Group's headquarters. The blood donation was dedicated to the memory of colleagues Nedi Stylianou and Maria Nikolaou and the response by colleagues was great: 31 people came and 28 bottles of blood were collected.

It is worth noting that the Group donates blood twice a year, at the headquarters. During 2018-2019, four blood donations took place, with colleagues responding positively to the call for donating blood.

5.6 Health Actions

Beauty Line: Constantly supporting Europa Donna Cyprus

Beauty Line stores and Europa Donna Cyprus share and serve a common goal: to make every woman who goes through the experience of breast cancer live and feel better. As in previous years, in 2018-2019 Beauty Line stores actively supported the work of Europa Donna Cyprus and the "Bosom Buddies" programme. This programme provides financial support for the purchase of special bras, wigs and silicone prostheses for women who have had breast cancer, also aiming at informing, raising awareness, supporting and rehabilitating these women.

By buying Beauty Line Magazine at the symbolic price of one euro, Beauty Line stores' customers helped raise a total of 35,220 euros, in events that took place in October 2018 and 2019, respectively.

The C.A.Papaellinas Group supports the Cyprus Kidney Association

The Cyprus Kidney Association provides financial assistance and support to kidney patients and their families. In addition, it informs the public about the importance of prompt diagnosis and supports the Nephrology Department of the Nicosia General Hospital and kidney dialysis units in other cities.

The C.A.Papaellinas Group, as the main sponsor of the Cyprus Kidney Association, supports its work, proving in practice its responsible attitude and solidarity towards vulnerable social groups.

Beautiful moments at the School for the Blind

On 19 December 2018, the Christmas Celebration of the School for the Blind was organised and colleagues Niki Konstantinou and Ioanna Katsouridis responded, with great enthusiasm, to the call to apply make up on the people who would participate in the event. Experiencing beautiful, human moments at the School for the Blind, the colleagues are looking forward to the next collaboration with these unique people.

Night half marathon Running "Under The Moon"

The C.A.Papaellinas Group participated, as a major sponsor, in the night half marathon "Running Under The Moon", with a large number of employees and their families participating. The race took place on Saturday, 23 June 2018 and had a charitable purpose. Both in terms of revenue and through parallel events, it supports the "Magic Always Happens" organisation, which aims to raise awareness about autism, promoting ongoing research and the improvement of the quality of life of all involved. The C.A.Papaellinas Group was awarded for its uninterrupted participation in the event, as a gold partner of the race.

ALPHAMEGA RUN AS ONE - We run for our children!

On Sunday, 20 October 2019, the ALPHAMEGA RUN AS ONE road race took place with an extremely large number of runners participating, which now completes four years of being successfully organised, in collaboration with the Cyprus Dietetic & Nutrition Association. Young and old ran, had fun, and supported the ALPHAMEGA Hypermarkets' "Child, Nutrition & Health" programme.

Skin cancer event

On Wednesday, 18 April 2018, the C.A.Papaellinas Group organised an open event at the Latsia Municipal Theatre with the theme "Skin Cancer: The importance of prevention and early diagnosis". The speaker at the event was Dr. Konstantinos Dimitriou, President of the Cyprus Society of Dermatology and Venereology and Member of the Management Committee of the European Academy of Dermatology and Venereology. Participants had the opportunity to ask questions, thus helping to cover the topic more fully.

With the students of the Agios Spyridonas Special School

At the invitation of the School, on Friday, 7 December 2018, Chief Make Up Artist Michalis Orfanidis and Senior Make Up Artist Nicole Perikou of BeautyLine stores, spent a happy morning with the students of the Agios Spyridonas Special School in Larnaca, who were eager to learn the secrets of professional makeup!

5.7 Actions for Road Safety

In 2018-2019 the C.A.Papaellinas Group took the following Road Safety actions:

- Road safety training for C.A.Papaellinas Logistics Services Ltd's distributors (by an external partner).
- Brief updating about road safety issues for PharmacyLine's distributors (twice a year).
- Major sponsor of road safety information campaigns.

2020-21 Targets

1. Finance a bridge construction in Latsia Municipality on Yiannos Kranidiotis Avenue, for the safe passage of pedestrians
2. Through the Group, inform the public on drugs and road safety issues
3. Utilise water from rainwater pumps of the New Distribution Centre at Nisou to strengthen the local community's irrigation system
4. Inform the public on healthy eating issues
5. Inform the public about skin cancer

About the Report

The 2018-19 Sustainability Report is the fifth one prepared by the C.A.Papaellinas Group and was compiled according to the updated GRI Standards and, in particular, the Core option. The C.A.Papaellinas Group aims to submit, on a biannual basis, a Sustainability Report in accordance with the latest GRI Standards.

The Report is addressed to all the Group's stakeholders and includes all the actions and commitments the Group has undertaken in order to respond effectively to their wishes and needs.

This report covers all the operations of the C.A.Papaellinas Group. The financial data comes from our audited financial statements and from the company's internal systems. This report does not include the activities of the Group's suppliers or other activities in the context of partnerships, joint ventures or by third parties. The term "Group" refers to all the companies of the C.A.Papaellinas Group in Cyprus (unless at some points it is otherwise indicated). In cases where calculations and assumptions are made, the main methods of data processing, computation and presentation follow the guidelines of the Global Reporting Initiative - GRI Standards.

The following Principles of the GRI Standards have been applied in defining the Report's content:

Stakeholder Inclusiveness
The reporting organisation shall identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

Sustainability Context
The report shall present the reporting organisation's performance in the wider context of sustainability.

Materiality
The report shall cover Topics that:

- Reflect the reporting organisation's significant economic, environmental, and social impacts; or
- substantively influence the assessments and decisions of stakeholders.

Completeness
The report shall include coverage of Material Topics and their Boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organisation's performance in the reporting period.

The C.A.Papaellinas Group covers the range of topics that have been assessed and identified as material sustainable development topics through the materiality analysis process. These topics relate to the Group's economic, environmental and social impacts without setting specific limitations as regards the Report's scope and boundary. In comparison with the previous Sustainability Report there have been no changes in scope or in the methods for assessing the data presented. Where information has been revised, this has been duly pointed out.

For the preparation of the C.A.Papaellinas Group's 2018-2019 Sustainability Report a team of executives, from all Divisions and Departments involved, was formed. The team's main task was to collect the required information on the Group's different sustainable development axes and to participate in the process of defining material sustainable development topics. Melanie Michaelidou was the team's coordinator.

The 2018-2019 Sustainability Report of the C.A.Papaellinas Group was prepared with the support of FBRH Consultants Ltd (www.fbrh.co.uk).

Contact Information
We welcome any questions, queries, comments or suggestions for improvement. Your opinion matters to us. Please send any comments or observations to the following address, to help us further improve and grow:

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Latsia 2235 Nicosia

The 2018-2019 Sustainability Report of the C.A.Papaellinas Group is available at www.cap.com.cy (Sustainability / Sustainability Reports).

Key Sustainable Development Performance Indicators

In the table below the key performance indicators of the C.A.Papaellinas Group per Sustainable Development axis for 2018-19 are presented

	2018	2019
Economic Growth		
Turnover (million euro)	93	114
Payments to capital providers (thousand euro)	-265,832	1,290.458
Paid taxes (thousand euro)	531,031	312,936
Total investments (thousand euro)	4,290.961	4,161.944
Payroll (gross employee earnings) (thousand euro)	11,148.273	11,638.900
Payments for employee social security (employer contributions and private insurance) (thousand euro)	353,836.557	358,938
Marketplace		
Payments to domestic suppliers (VAT included) (thousand euro)	30,642.586	54,832.033
Payments to foreign suppliers (thousand euro)	47,037.634	54,832.033
Human Resources		
Number of Employees	550	557
Percentage of female employees	65%	70%
Number of hires	154	159
Total training hours	10,540	10,351
Number of female employees who took maternity leave	17	12
Percentage of return to work after parental leave	100%	100%
Number of occupational diseases	0	0
Number of accidents	0	0
Environment		
Quantity of paper and cardboard recycled (kg)	44,040	44,460
Water consumption (m^3)	3,533	3,220
CO_2 emissions (tn)	1,325	1,244
CO_2 emissions from vehicles (tn)	1,208	1,216
Energy consumption (KWh)*	1,812.805*	1,749.061*
Society		
Employees from the local community (%)	100%	100%
Local Suppliers	520	520
Number of units of blood collected from voluntary blood donation	16	69
Total funding programme (in euro)	137,400	109,670

* Malls stores are not included

GRI content index/ ISO 26000 and UN Sustainable Development Goals (SDGs) comparison table

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
General Disclosures						
GRI 102: General Disclosures	The annex "GRI General Disclosures" includes a table with all the Group's general disclosures (GRI core option)	www.cap.com.cy		6.4, 6.4.3, 6.4.1, 6.4.2, 6.2, 4.7, 7.4.2, 4.4, 7.4.3, 5.3, 6.4.4, 6.4.5, 6.3.10, 7.3.2, 7.3.3, 7.3.4, 7.5.3, 7.6.2	8, 16	✔
Material topics						
ECONOMY						
Economic Performance						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 29, Message from the Chief Executive Officer (p. 10), Sustainability: Our approach (p. 17), Our Presence in the Marketplace / Targets (pp. 6, 29 and 33), Code of Ethics and Conduct and human rights (p. 46), Society (pp. 61-67).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
The Group's contribution to society						
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Our financial contribution - social product (p. 61), Society (pp. 63-67), Key Sustainable Development Performance Indicators (p. 69).		6.8.1-6.8.3, 6.8.7, 6.8.9	2, 5, 7, 8, 9	
Supporting the local economy						
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Our financial contribution - social product (p. 61), Supporting the local economy (p. 63), Key Sustainable Development Performance Indicators (p. 69).		6.8.1-6.8.3, 6.8.7, 6.8.9	2, 5, 7, 8, 9	
Market Presence						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 29, Message from the Chief Executive Officer (p. 10), Our Presence in the Marketplace (pp. 29-35).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Fair pay						
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our People (p. 37). Even young people who work for the first time at any of the Group's facilities, receive wages higher than those laid down in the current institutional framework.		6.3.7, 6.3.10, 6.4.3-6.4.4, 6.8.1-6.8.2	1, 5, 8	
Supporting the local economy						
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community	Get to know us better (p. 37), Supporting the local economy / We select our managerial staff from the local community (p. 63). At the C.A.Papaellinas Group we prefer to hire people from the local community at the locations of our operations.		6.8.1-6.8.2, 6.4.3, 6.8.5, 6.8.7	8	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
Indirect Economic Impacts						
GRI 103: Management Approach	103-1, 103-2, 103-3 (p. 17)	p. 29, Society (pp. 61-67).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
The Group's contribution to society						
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	Society (p. 61).		6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8.1-6.8.2, 6.8.5, 6.8.7, 6.8.9	1, 2, 3, 8, 10	
Procurement Practices						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 29, Supporting the local economy (p. 63).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Positive impact on our suppliers						
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Supporting the local economy / Supporting local suppliers (p. 63), Key Sustainable Development Performance Indicators (p. 69).		6.4.3, 6.6.6, 6.8.1-6.8.2, 6.8.7	12	
Anti-corruption						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 29, Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Ethics, values and culture of the organisation						
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	No additional communication and training took place during the reporting period.		6.6.1-6.6.2, 6.6.3, 6.6.6	16	
	205-3 Confirmed incidents of corruption and actions taken	There were no incidents of corruption or such cases under investigation in the C.A.Papaellinas Group, during the reporting period.		6.6.1-6.6.2, 6.6.3	16	
Anti-competitive Behaviour						
GRI 103: Management Approach	103-1, 103-2, 103-3 (p. 17)	p. 29, Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Ethics, values and culture of the organisation						
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions during the reporting period.		6.6.1-6.6.2, 6.6.5, 6.6.7	16	
Responsible pricing of products and services						
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions during the reporting period.		6.6.1-6.6.2, 6.6.5, 6.6.7	16	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
ENVIRONMENT						
Materials						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 53, Our approach to environmental protection (p. 53), Materials used, recycling, waste management (p. 56), Environment / Targets (pp. 8, 53 and 59).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Reducing waste						
GRI 301: Materials	301-1 Materials used by weight or volume	Materials used, recycling, waste management (p. 56).		6.5.4	8, 12	
Recycling						
GRI 301: Materials	301-2 Recycled input materials used	Materials used, recycling, waste management (p. 56).		6.5.4	8, 12	
Products and Services						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 53, Our approach to environmental protection (p. 53), Materials used, recycling, waste management (p. 56), Environment / Targets (pp. 8, 53 and 59).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Reducing waste						
GRI 301: Materials	301-3 Reclaimed products and their packaging materials	Our approach to environmental protection / Green Development Programme (p. 53).		6.5.3, 6.5.4, 6.7.5	8, 12	
Energy						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 53, Our approach to environmental protection (p. 53), Emissions, energy consumption and climate change (p. 53),		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Action on climate change - Reducing the impact of our activity on the climate						
GRI 302: Energy	302-1 Energy consumption within the organization	Emissions, energy consumption and climate change / Energy consumption and savings (p. 54).		6.5.4	7, 8, 12, 13	
	302-2 Energy consumption outside of the organization	Emissions, energy consumption and climate change (p. 53).		6.5.4	7, 8, 12, 13	
	302-3 Energy intensity	Emissions, energy consumption and climate change (p. 53).		6.5.4	7, 8, 12, 13	
Water						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 53, Our approach to environmental protection (p. 53), Water management (p. 58), Environment / Targets (pp. 8, 53 and 59).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Action on climate change - Reducing the impact of our activity on the climate						
GRI 303: Water	303-1 Water withdrawal by source	Water management (p. 58).		6.5.4	6	
	303-2 Water sources significantly affected by withdrawal of water	As water consumption by the Group is limited, the impact on water sources is not considered significant.		6.5.4	6	
	303-3 Water recycled and reused	No water is recycled or reused.		6.5.4	6, 8, 12	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
Emissions						
GRI 103: Management Approach	103-1, 103-2	p. 53, Our approach to environmental protection (p. 53),		6.2, 6.8, 7.3.1, 7.4.3,	1, 5, 8, 12, 13, 14,	
	103-3 (p. 17)	Emissions, energy consumption and climate change (p. 53), Environment / Targets (pp. 8, 53 and 59).		7.7.3, 7.7.5	15, 16	
Action on climate change - Reducing the impact of our activity on the climate						
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Emissions, energy consumption and climate change (p. 53).		6.5.5	3, 12, 13, 14, 15	
	305-2 Energy indirect (Scope 2) GHG emissions	Our approach to environmental protection (p. 53), Emissions, energy consumption and climate change (p. 53).		6.5.5	3, 12, 13, 14, 15	
	305-3 Other indirect (Scope 3) GHG emissions	Our approach to environmental protection (p. 53), Emissions, energy consumption and climate change (p. 53).		6.5.5	3, 12, 13, 14, 15	
	305-5 Reduction of GHG emissions	Our approach to environmental protection (p. 53), Emissions, energy consumption and climate change (p. 53).		6.5.5	13, 14, 15	
	305-6 Emissions of ozone-depleting substances (ODS)	There are no emissions, by the Group, of substances with ozone depletion potential (ODP).		6.5.3, 6.5.5	3, 12, 13	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	No POPs (persistent organic pollutants), HAPs (hazardous air pollutants) or chimney emissions are emitted from the Group's facilities.		6.5.3	3, 12, 13, 14, 15	
Effluents and Waste						
GRI 103: Management Approach	103-1, 103-2	p. 53, Our approach to environmental protection (p. 53),		6.2, 6.8, 7.3.1, 7.4.3,	1, 5, 8, 12, 13, 14, 15, 16	
	103-3 (p. 17)	Materials used, recycling, waste management (p. 56), Environment / Targets (pp. 8, 53 and 59).		7.7.3, 7.7.5		
Reducing waste						
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	Materials used, recycling, waste management / Recycling and responsible waste management (p. 56).		6.5.3	3, 6, 12	
	306-3 Significant spills	There were no spills during the reporting period.		6.5.3	3, 6, 12, 14, 15	
	306-4 Transport of hazardous waste	No waste is transported or imported by the C.A.Papaellinas Group.		6.5.3	3, 12	
	306-5 Water bodies affected by water discharges and/or runoff	There are no discharges of water by the Group affecting the horizon.		6.5.3, 6.5.4, 6.5.6	6, 15	
Compliance						
GRI 103: Management Approach	103-1, 103-2	p. 53, Our approach to environmental protection (p. 53),		6.2, 6.8, 7.3.1, 7.4.3,	1, 5, 8, 12, 13, 14, 15, 16	
	103-3 (p. 17)	Environment / Targets (pp. 8, 53 and 59).		7.7.3, 7.7.5		
Ethics, values and culture of the organisation						
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	During the reporting period there were no cases of fines or sanctions for noncompliance by the Group with environmental laws and regulations.		4.6	16	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
SOCIETY						
Employment						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Stakeholder Engagement (pp. 18-20), We take care of the Group's people / Attracting talent (p. 41), Code of Ethics and Conduct and human rights (p. 46), Our People, Health and Safety / Targets (pp. 7, 37 and 51).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Attracting and developing talent						
GRI 401: Employment	401-1 New employee hires and employee turnover	Get to know us better (p. 38).		6.4.3	5, 8	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	We take care of the Group's people / Employee benefits, The Group supports the institution of the family, School for Parents, Staff Support Fund (pp. 41-42).		6.4.4, 6.8.7	8	
Employee safety and wellbeing						
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	We take care of the Group's people / Employee benefits, The Group supports the institution of the family, School for Parents, Staff Support Fund (pp. 41-42).		6.4.4, 6.8.7	8	
Job security						
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	We take care of the Group's people / Employee benefits, The Group supports the institution of the family, School for Parents, Staff Support Fund (pp. 41-42).		6.4.4, 6.8.7	8	
	401-3 Parental leave	Key Sustainable Development Performance Indicators (p. 69).		6.4.4	5, 8	
Labour/Management Relations						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Stakeholder Engagement (pp. 18-20), We take care of the Group's people (pp. 41-42), Our People, Health and Safety / Targets (pp. 7, 37 and 51).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Relationships of trust between Management and employees						
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	We take care of the Group's people / How we communicate internally (p. 42).		6.4, 6.4.3, 6.4.4, 6.4.5	8	
Occupational Health and Safety						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Responsibility for Health and Safety (p. 48), Prevention culture for Health and Safety (p. 48), Health and Safety System and Policy (p. 48), Our People, Health and Safety / Targets (pp. 7, 37 and 51).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
Employee safety and wellbeing						
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management–worker health and safety committees	Health and Safety Committee (p. 48), Health and Safety System and Policy (p. 48).		6.4.6	8	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety performance indicators (p. 49).		6.4.6	3, 8	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Health and Safety performance indicators (p. 49).		6.4.6, 6.8.8	3, 8	
	403-4 Health and safety topics covered in formal agreements with trade unions	Health and Safety issues addressed in employment contracts (p. 50).		6.4.6	8	
Training and Education						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Employee training and development (p. 46), Our People, Health and Safety / Targets (pp. 7, 37 and 51).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Attracting and developing talent						
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Employee training and development (p. 46). The reported hours of training do not include the hours of training of cosmetics companies at stores. The percentage of training by employee category is: • Senior Management: 2% (2018), 1.8% (2019) • Management: 10.3% (2018), 4.5% (2019) • Supervisory: 17% (2018), 11.5% (2019) • Other staff: 70.7% (2018), 81.1% (2019)		6.4.7	4, 5, 8	
	404-2 Programs for upgrading employee skills and transition assistance programs	We take care of the Group's people / Employee benefits (p. 41), Employee training and development (p. 46). The Provident Fund is a means of providing mainly financial support to employees during retirement.		6.4.7, 6.8.5	8	
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee training and development / Employee performance evaluation (p. 48).		6.4.7	5, 8	
Job security						
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Employee training and development (p. 46). The reported hours of training do not include the hours of training of cosmetics companies at stores. The percentage of training by employee category is:		6.4.7	4, 5, 8	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
		• Senior Management: 2% (2018), 1.8% (2019) • Management: 10.3% (2018), 4.5% (2019) • Supervisory: 17% (2018), 11.5% (2019) • Other staff: 70.7% (2018), 81.1% (2019)				
	404-2 Programs for upgrading employee skills and transition assistance programs	We take care of the Group's people / Employee benefits (p. 41), Employee training and development (p. 46). The Provident Fund is a means of providing mainly financial support to employees during retirement.		6.4.7, 6.8.5	8	
Diversity and Equal Opportunity						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, We take care of the Group's people / Attracting talent (p. 41), Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Attracting and developing talent						
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Get to know us better (p. 38).		6.2.3, 6.3.7, 6.3.10, 6.4.3	5, 8	
Employees' human rights						
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Get to know us better (p. 38).		6.2.3, 6.3.7, 6.3.10, 6.4.3	5, 8	
Women's rights and opportunities						
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Get to know us better (p. 38).		6.2.3, 6.3.7, 6.3.10, 6.4.3	5, 8	
Equal Remuneration for Women and Men						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, We take care of the Group's people / Attracting talent (p. 41), Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Attracting and developing talent						
GRI 405: Diversity and Equal Opportunity	405-2 Ratio of basic salary and remuneration of women to men	We take care of the Group's people / Attracting talent (p. 41), Employee benefits (p. 41). The C.A.Papaellinas Group is opposed to any form of discrimination related to employee salaries and remuneration.		6.3.7, 6.3.10, 6.4.3, 6.4.4	5, 8, 10	
Women's rights and opportunities						
GRI 405: Diversity and Equal Opportunity	405-2 Ratio of basic salary and remuneration of women to men	We take care of the Group's people / Attracting talent (p. 41), Employee benefits (p. 41). The C.A.Papaellinas Group is opposed		6.3.7, 6.3.10, 6.4.3, 6.4.4	5, 8, 10	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
		to any form of discrimination related to employee salaries and remuneration.				
Fair pay						
GRI 405: Diversity and Equal Opportunity	405-2 Ratio of basic salary and remuneration of women to men	We take care of the Group's people / Attracting talent (p. 41), Employee benefits (p. 41). The C.A.Papaellinas Group is opposed to any form of discrimination related to employee salaries and remuneration.		6.3.7, 6.3.10, 6.4.3, 6.4.4	5, 8, 10	
Non-discrimination						
Non-discrimination	103-1, 103-2 103-3 (p. 17)	p. 37, Sustainability: Our approach (p. 17), We take care of the Group's people / Attracting talent (p. 41), Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Employees' human rights						
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	At the C.A.Papaellinas Group there have never been incidents of discrimination, so there was no need for corrective actions.		6.3.6, 6.3.7, 6.3.10, 6.4.3	5, 8, 16	
Women's rights and opportunities						
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	At the C.A.Papaellinas Group there have never been incidents of discrimination, so there was no need for corrective actions.		6.3.6, 6.3.7, 6.3.10, 6.4.3	5, 8, 16	
Investment (Subcategory: Human Rights)						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Sustainability: Our approach (p. 17), We take care of the Group's people (pp. 41-42), Employee training and development (p. 46), Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Ethics, values and culture of the organisation						
GRI 412: Human Rights Assessment	412-2 Employee training on human rights policies or procedures	In 2018-2019 no training on human rights was carried out.		6.3.5		
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening so there was no need for corrective actions.	Our associates in their majority are screened with regard to occupational health and safety and the fulfillment of their obligations in employment issues according to employment law.		6.3.3, 6.3.5, 6.6.6		

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
Customer Health and Safety						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, The C.A.Papaellinas Group At a Glance (p. 12).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Trusted products and services						
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Customer comments and remarks, in their direct communication with the Group, contribute to the continuous improvement of our products and services. Customers are asked to fill in the "Feedback Form for Changing Products", specifying whether and to what extent a product return is due to a skin reaction during or after the use of the product and providing more information about a possible incident. Subsequently, the Group informs the companies that produce the products in order for relevant actions to be taken. All the C.A.Papaellinas Group's products, depending on their type and production company, are specially labelled, in line with Cypriot and European Law. In addition, PharmacyLine frequently undergoes inspections by both the Ministry of Health and companies like Amgen, GSK, Novartis & Sanofi Aventis, and monitors safety data and the expiration dates of pharmaceuticals in its warehouses, in order to ensure that they are managed responsibly and in accordance with Cypriot and European Law. Through the Pharmacovigilance system, we aim to continuously monitor the safety of the medicines we distribute in order to ensure the protection of our patients' health. Information about the occurrence of side effects is obtained directly from Healthcare Professionals (Pharmacists, Doctors, Nurses) and/or through Marketing Authorisation Holders and indirectly from patients, through Healthcare Professionals.		6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services.		4.6, 6.7, 6.7.4, 6.7.5, 6.8.8	16	
Consumer health and safety						
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Customer comments and remarks, in their direct communication with the Group, contribute to the continuous improvement of our products and services. Customers are asked to fill in the "Feedback Form for Changing Products", specifying whether and to what extent a product return is due to a skin reaction during or after the use of the product and providing more information about		6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8		

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
		a possible incident. Subsequently, the Group informs the companies that produce the products in order for relevant actions to be taken. All the C.A.Papaellinas Group's products, depending on their type and production company, are specially labelled, in line with Cypriot and European Law. In addition, PharmacyLine frequently undergoes inspections by both the Ministry of Health and companies like Amgen, GSK, Novartis & Sanofi Aventis, and monitors safety data and the expiration dates of pharmaceuticals in its warehouses, in order to ensure that they are managed responsibly and in accordance with Cypriot and European Law. Through the Pharmacovigilance system, we aim to continuously monitor the safety of the medicines we distribute in order to ensure the protection of our patients' health. Information about the occurrence of side effects is obtained directly from Healthcare Professionals (Pharmacists, Doctors, Nurses) and/or through Marketing Authorisation Holders and indirectly from patients, through Healthcare Professionals.				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services.		4.6, 6.7, 6.7.4, 6.7.5, 6.8.8	16	
Ethics, values and culture of the organisation						
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services.		4.6, 6.7, 6.7.4, 6.7.5, 6.8.8	16	
Marketing and Labelling						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, The C.A.Papaellinas Group At a Glance (p. 12).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Advertising and promotion						
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	All the C.A.Papaellinas Group's products, depending on their type and production company, are specially labelled, in line with Cypriot and European Law. In addition, the C.A.Papaellinas Group ensures that advertisements and promotional activities comply with the provisions of Law 103(I)/2007 on Unfair Business-To-Consumer Commercial Practices and the Marketing Department, in all types of promotions, ensures that the advertised product or the advertised service are clearly identified, without misleading indications or inaccuracies.		6.7.3, 6.7.4, 6.7.5, 6.7.9, 6.7.1-6.7.2	12, 16	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no fines for non-compliance with laws, regulations and voluntary codes relating to communication and marketing, product and service information and labelling.		4.6, 6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9	16	
Responsible product marketing and promotion						
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	All the C.A.Papaellinas Group's products, depending on their type and production company, are specially labelled, in line with Cypriot and European Law. In addition, the C.A.Papaellinas Group ensures that advertisements and promotional activities comply with the provisions of Law 103(I)/2007 on Unfair Business-To-Consumer Commercial Practices and the Marketing Department, in all types of promotions, ensures that the advertised product or the advertised service are clearly identified, without misleading indications or inaccuracies.		6.7.3, 6.7.4, 6.7.5, 6.7.9, 6.7.1-6.7.2	12, 16	
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no fines for non-compliance with laws, regulations and voluntary codes relating to communication and marketing, product and service information and labelling.		4.6, 6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9	16	
Ethics, values and culture of the organisation						
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no fines for non-compliance with laws, regulations and voluntary codes relating to communication and marketing, product and service information and labelling.		4.6, 6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9	16	
Customer Privacy						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Complaint Management (p. 32), Customer Surveys (p. 32).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Privacy and confidentiality						
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no complaints regarding breaches of customer privacy and losses of customer data.		6.7.1-6.7.2, 6.7.7	16	
Compliance						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Ethics, values and culture of the organisation						
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	There were no fines or non-monetary sanctions for noncompliance with laws and regulations in the social and economic area.		4.6	16	

GRI Standard	Disclosure	Page(s) in the Report / Notes	Omission	ISO 26000	Sustainable Development Goals / SDGs	External verification
Material topics that could not be matched to specific GRI Standards						
ECONOMY						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 29, Stakeholder Engagement (pp. 18-20), Our Presence in the Marketplace (pp. 29-35).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Customer loyalty and retention						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 29, The C.A.Papaellinas Group At a Glance (pp. 12-14).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
ENVIRONMENT						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 53, The C.A.Papaellinas Group At a Glance (pp. 12-14).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Importing and promoting sustainable products						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 53, Environmental initiatives and actions (p. 54).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Informing and raising public awareness of sustainability issues						
SOCIETY						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, Code of Ethics and Conduct and human rights (p. 46).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Integrity in transactions and meeting commitments						
GRI 103: Management Approach	103-1, 103-2 103-3 (p. 17)	p. 37, The C.A.Papaellinas Group At a Glance (pp. 12-14).		6.2, 6.8, 7.3.1, 7.4.3, 7.7.3, 7.7.5	1, 5, 8, 12, 13, 14, 15, 16	
Promoting a healthy lifestyle (Health and Wellness)						

INDEPENDENT EXTERNAL VERIFICATION REPORT

To: Management of **C.A.PAPAELLINAS Group**

1. Independent Verification Report

C.A.PAPAELLINAS Group (hereafter **C.A.PAPAELLINAS**) has commissioned **TÜV HELLAS (TÜV NORD) S.A.** (hereafter **TÜV HELLAS**) to provide limited external assurance concerning the Sustainability Report for the period of January 1st of 2018 to December 31st of 2019 (1/1/2018-12/31/2019).

2. Scope of the verification project of the Sustainability Report

Scope of the assurance project is the conduction of the Application Level Check, according to the GRI Sustainability Reporting Standards (**GRI Standards**), referring to the Sustainability Report of **C.A.PAPAELLINAS** for 2018-2019.
The Application Level Check was conducted based on the corresponding correlation table of GRI Standards Indicators stated by **C.A.PAPAELLINAS** in its Sustainability Report, in order to confirm the compliance to the requirements of the GRI Standards for the **"In accordance_Core"** Level.

3. The conclusions of TÜV HELLAS

Based on the scope of the project and as part of the verification procedures followed by **TÜV HELLAS**, the conclusions are as follows:

- During the assurance project carried out, nothing came to the attention of **TÜV HELLAS** which would lead to the conclusion that the Report does not meet to the requirements of the GRI Standards for the **"In accordance_Core"** Level, as reflected on the corresponding correlation table of GRI Standards Indicators.

4. Review Limitations

The range of the review was limited to the activities of **C.A.PAPAELLINAS** in Cyprus. No visits and interviews in subsidiaries and stakeholders of **C.A.PAPAELLINAS** has been conducted. In case of any discrepancy in the translation between Greek and English version of the Sustainability Report, the Greek version shall prevail.

5. Review Methodology

In order to draw conclusions, the external assurance team of **TÜV HELLAS** conducted the following (indicative and not restrictive) methodology:

- Reviewed the procedures followed by **C.A.PAPAELLINAS** to identify and determine the Material issues in order to include them within the Sustainability Report.
- Interviews were conducted with selected executives of **C.A.PAPAELLINAS** having operational role in Sustainability issues in order to understand the current state of Sustainability activities and progress achieved during the period under reference.

INDEPENDENT EXTERNAL VERIFICATION REPORT

- Reviewed the **C.A.PAPAELLINAS** consultation approach with its stakeholders through interviews with executives responsible for communication with the stakeholders at company level and review of selected documents.

6. Responsibilities and Functions

The Team for Sustainability of **C.A.PAPAELLINAS** carried out the Sustainability Report, thus, is exclusively responsible for the information and statements contained therein.

The Level Check conducted does not represent **TÜV HELLAS'** opinion related to the quality of the Sustainability Report and its contents.

The responsibility of **TÜV HELLAS** is to express the independent conclusions on the issues as defined in the project scope and in accordance to the relevant contract. The project was conducted in such a way so that **TÜV HELLAS** can present to **C.A.PAPAELLINAS'** administration the issues mentioned in this report and for no other purpose.

7. Impartiality and Independence of the verification team

TÜV HELLAS states its impartiality and independence in relation to the project of assuring the Sustainability Report of **C.A. PAPAELLINAS**.
TÜV HELLAS has not undertaken work with **C.A.PAPAELLINAS** and did not have any cooperation with the stakeholders that could compromise the independence or impartiality of the findings, conclusions or recommendations.
TÜV HELLAS was not involved in the preparation of the text and data presented in the Sustainability Report of **C.A.PAPAELLINAS**.

Athens, November 13, 2020

For **TÜV HELLAS (TÜV NORD) SA**

Nestor Papaeugenes
Sustainability Product Manager

Independent External Verification Report

To: Management of C.A.PAPAELLINAS Group

1. Independent Verification Report
C.A.PAPAELLINAS Group (hereafter C.A.PAPAELLINAS) has commissioned TÜV HELLAS (TÜV NORD) S.A. (hereafter TÜV HELLAS) to provide limited external assurance concerning the Sustainability Report for the period of January 1st of 2018 to December 31st of 2019 (1/1/2018-12/31/2019).

2. Scope of the verification project of the Sustainability Report
Scope of the assurance project is the conduction of the Application Level Check, according to the GRI Sustainability Reporting Standards (GRI Standards), referring to the Sustainability Report of C.A.PAPAELLINAS for 2018-2019.
The Application Level Check was conducted based on the corresponding correlation table of GRI Standards Indicators stated by C.A.PAPAELLINAS in its Sustainability Report, in order to confirm the compliance to the requirements of the GRI Standards for the "In accordance_Core" Level.

3. The conclusions of TÜV HELLAS
Based on the scope of the project and as part of the verification procedures followed by TÜV HELLAS, the conclusions are as follows:

➢During the assurance project carried out, nothing came to the attention of TÜV HELLAS which would lead to the conclusion that the Report does not meet to the requirements of the GRI Standards for the "In accordance_Core" Level, as reflected on the corresponding correlation table of GRI Standards Indicators.

4. Review Limitations
The range of the review was limited to the activities of C.A.PAPAELLINAS in Cyprus. No visits and interviews in subsidiaries and stakeholders of C.A.PAPAELLINAS has been conducted. In case of any discrepancy in the translation between Greek and English version of the Sustainability Report, the Greek version shall prevail.

5. Review Methodology
In order to draw conclusions, the external assurance team of TÜV HELLAS conducted the following (indicative and not restrictive) methodology:

- Reviewed the procedures followed by C.A.PAPAELLINAS to identify and determine the Material issues in order to include them within the Sustainability Report.
- Interviews were conducted with selected executives of C.A.PAPAELLINAS having operational role in Sustainability issues in order to understand the current state of Sustainability activities and progress achieved during the period under reference.
- Reviewed the C.A.PAPAELLINAS consultation approach with its stakeholders through interviews with executives responsible for communication with the stakeholders at company level and review of selected documents.

6. Responsibilities and Functions
The Team for Sustainability of C.A.PAPAELLINAS carried out the Sustainability Report, thus, is exclusively responsible for the information and statements contained therein.

The Level Check conducted does not represent TÜV HELLAS' opinion related to the quality of the Sustainability Report and its contents.

The responsibility of TÜV HELLAS is to express the independent conclusions on the issues as defined in the project scope and in accordance to the relevant contract. The project was conducted in such a way so that TÜV HELLAS can present to C.A.PAPAELLINAS' administration the issues mentioned in this report and for no other purpose.

7. Impartiality and Independence of the verification team
TÜV HELLAS states its impartiality and independence in relation to the project of assuring the Sustainability Report of C.A. PAPAELLINAS.
TÜV HELLAS has not undertaken work with C.A.PAPAELLINAS and did not have any cooperation with the stakeholders that could compromise the independence or impartiality of the findings, conclusions or recommendations.
TÜV HELLAS was not involved in the preparation of the text and data presented in the Sustainability Report of C.A.PAPAELLINAS.

Athens, November 13, 2020
For TÜV HELLAS (TÜV NORD) SA

Nestor Paparoupas
Sustainability Product Manager

Glossary

Reporting Principles
Concepts that describe the outcomes a report is expected to achieve and that guide decisions taken during its preparation, such as which Indicators should be mentioned and how.

GRI Standards Reporting Principles
The GRI Standards Reporting Principles are divided into two groups: Principles for Defining Report Content and Principles for Defining Report Quality.

The Principles for Defining Report Content:
- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

The Principles for Defining Report Quality:
- Balance
- Comparability
- Accuracy
- Timeliness
- Clarity
- Reliability

Sustainability / sustainable development
Sustainability or sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (World commission on environment and development - "Brundtland Commission", 1987.)

General Disclosures
General Disclosures offer a description of the organisation and the reporting process.

Stakeholders
Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-a_-vis the organisation.

Stakeholders can include those who are invested in the organisation (such as employees, shareholders, suppliers) as well as those who have other relationships to the organisation (such as vulnerable groups within local communities, civil society).

Impacts
"Impacts" refer to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.

Topic Boundary
Refers to the description of where impacts occur for each material Topic. In setting the Topic Boundaries, an organisation should consider impacts within and outside of the organisation. Topic Boundaries vary based on the Topics reported.

Material Topics
Material Topics are those topics that reflect the organisation's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. Thus, to determine if a Topic is material, qualitative analysis, quantitative assessment and discussion are needed.

Reporting period
Reporting period is the specific time span covered by the information reported.

Sustainability Report Feedback Form

By filling out the following questionnaire, you can help us improve our Report and the Sustainable Development actions of the C.A.Papaellinas Group.
Please help us respond better to your expectations!

1. What is your impression regarding the overall Report and each one of its sections?

REPORT SECTIONS	Excellent	Good	Average	Needs improvement
Sustainability: Our approach	☐	☐	☐	☐
Our Presence in the Marketplace	☐	☐	☐	☐
Our People, Health & Safety	☐	☐	☐	☐
Environment	☐	☐	☐	☐
Society	☐	☐	☐	☐
Overall Report	☐	☐	☐	☐

2. How would you rate:	Excellent	Good	Average	Needs improvement
The C.A.Papaellinas Group as a Socially Responsible Group of Companies	☐	☐	☐	☐
The way the Report is written	☐	☐	☐	☐
The Report's design	☐	☐	☐	☐
The way sections are balanced	☐	☐	☐	☐
The coverage of the Group's material topics	☐	☐	☐	☐

3. What is your relationship to the C.A.Papaellinas Group?

- ☐ Employee
- ☐ Supplier
- ☐ Retail customer
- ☐ Wholesale custome
- ☐ Associate
- ☐ Other, Please state:
- ☐ Local Community resident
- ☐ NGO representative
- ☐ Mass media representative
- ☐ Public agency / organisation representative

4. Did you get a complete picture of our Group's activities through the Report?

☐ **Yes** ☐ **Not exactly**

5. Is there some issue or piece of information you would like us to mention or develop in more detail in our next Report?

Please describe: .....

.....

6. Are there any other comments / suggestions you would like to make?

Please describe: .....

.....

Thank you for taking part!

Please send the completed questionnaire:

- E-mail address: melanie@papaellinas.com.cy
  or
- By post to: Attn Melanie Michaelidou
  Human Resources Division,
  179 Y.Kranidiotis Avenue,
  Latsia 2235 Nicosia

Personal Details (optional)*:

Full name: .....
Company/Organisation: .....
Address: .....
Tel./Fax: .....
E-mail: .....

* *All data obtained from this questionnaire will only be used for internal evaluation by the relevant management team. Your views and data will be managed in accordance with the applicable statutory framework on personal privacy.*