

FOURLIS
GROUP OF COMPANIES

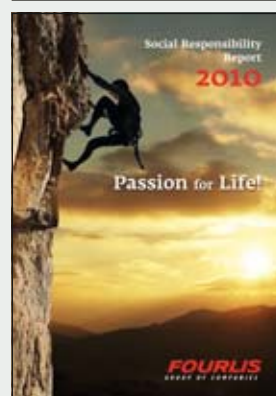
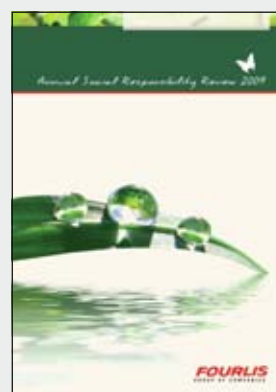
Together for a Better Quality of Life



**SOCIAL
RESPONSIBILITY
REPORT** **2012**



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The 2012 Social Responsibility Report is the fourth Report issued by the FOURLIS Group of Companies aiming to present the Group's operating method and the Social Responsibility programmes implemented within 2012.

At the same time, the 2012 Report includes, as a separate appendix, the FOURLIS Group Communication on Progress Report (COP) with regard to the ten principles of the UN Global Compact for 2012.

Contact Information

For any suggestions, please contact:

Ms Lyda Furlis
Corporate Social Responsibility Director
FOURLIS HOLDINGS S.A.

340 Kifissias Ave., Neo Psychiko
Tel.: +30 210-6293000
Fax.: + 30 210-6293205
E-Mail: csr@fourlis.gr



Message of the Social Responsibility Department

“Together for a Better Quality of Life”

In 2012, the Greek society, the Greek family and each of us personally, faced intense challenges and had to deal not only with the economic and social crisis, but also with the crisis of our values and ideals.

However, 2012 was also a year with optimistic messages. A year which led to the awaking of consciences, while the will to show solidarity, compassion and to help other people and the society became action.

This year, in the FOURLIS Group, we adopted the motto “TOGETHER FOR A BETTER QUALITY OF LIFE, for the People, the Society and the Environment”, a phrase that not only expresses the way we operate, but also includes our common vision and objective: “To create, on a daily basis and through our operations, the conditions for a better life for everyone.”

Thus, filled with faith, dedication, hope and optimism, in 2012 we continued our work with the purpose of improving the lives of our fellow citizens, of contributing to the Society and of protecting the Environment.

Starting from our People, we continued having the same objectives with regard to the working environment where meritocracy, fair treatment, lack of discriminations and freedom of expression portray our daily operations, while at the same time being creative, collaborating, taking action, participating, and being efficient are encouraged and awarded. Also, through various actions, we supported our employees and their families, acknowledging the increased hardship the Greek family has been facing during the last years.

Being aware of the constantly increased society needs, and despite the difficult economic conditions prevailing in our country, we continued the implementation of the Social Responsibility programme we had planned, focusing mainly on providing care to homeless and poor people, while having by our side our employees, who supported numerous actions with their voluntary participation and their contribution.

Finally, we continued and we increased our actions, aiming to the reduction of our environmental footprint, by implementing recycling and saving energy and resources programmes, as well as by rising the awareness of our employees and the public concerning the importance of saving the resources and protecting the environment, by conducting awareness campaigns and calling everybody to adopt an environmentally responsible attitude in their daily lives.

At a time when everybody must make a personal and also a collective effort, by contributing by any means available to them, at the FOURLIS Group we pledge to act together as well as individually, to continue with faith, good spirit, vision and dedication, our effort to create, through our products, our services, our operations and our actions, a Better Quality of Life for everybody.

Lyda Furlis

Corporate Social Responsibility
Director



FOURLIS Group

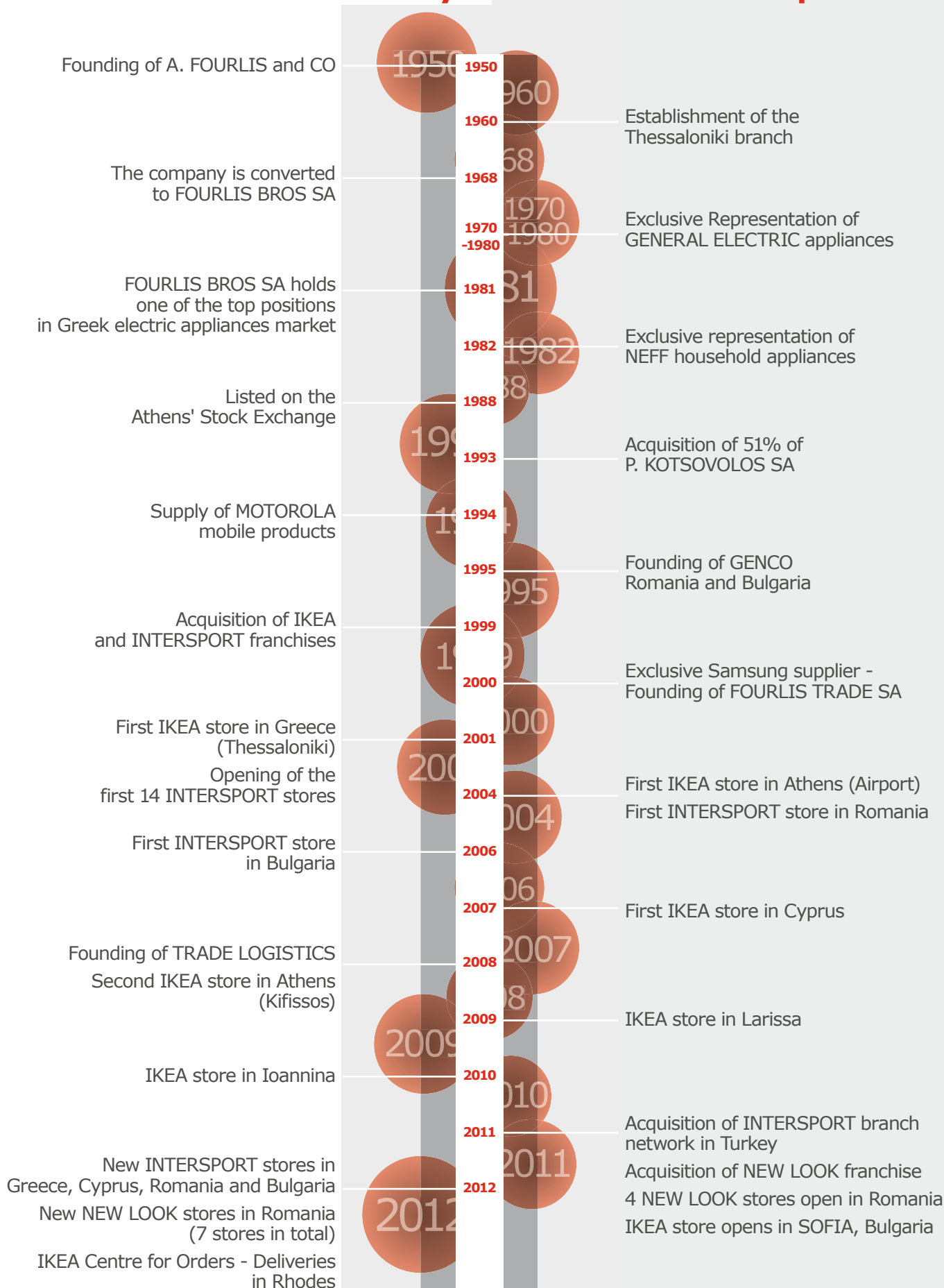
FOURLIS HOLDINGS S.A. (FOURLIS Group) is the successor of A. FOURLIS AND CO, which was founded by Anastasios Furlis in 1950, in Athens, in cooperation with his brothers, Stelios, Ioannis, and Ilias.

Currently, the FOURLIS Group is one of the largest trading Groups of consumer goods in Greece, Cyprus, Bulgaria, Romania, and Turkey.

The Group's field of business activities include the following:

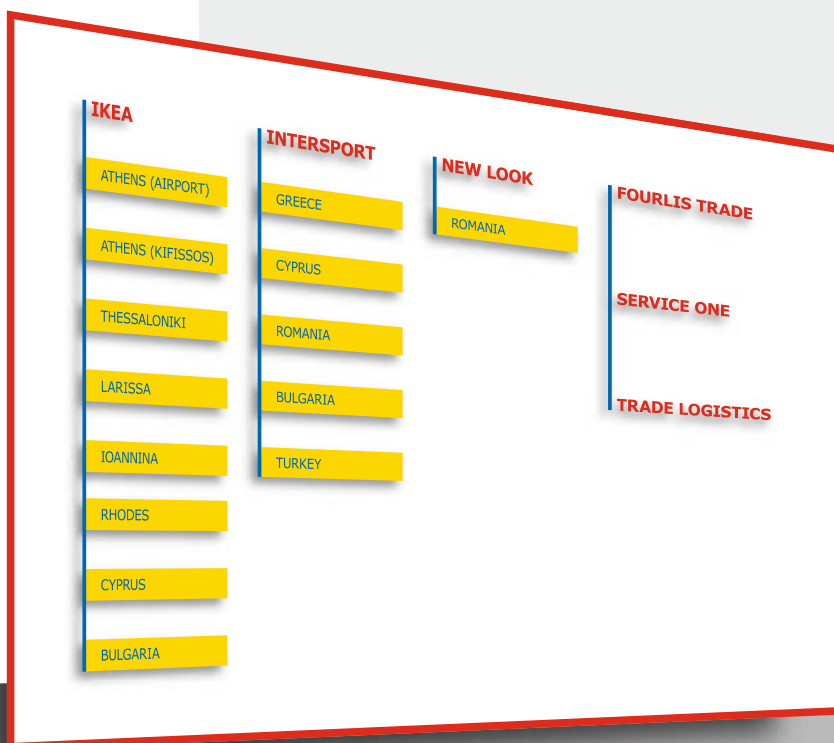
- Retail sales of household goods, through IKEA stores in Greece, Cyprus, and Bulgaria.
- Retail sales of sports equipment, through INTERSPORT stores in Greece, Cyprus, Bulgaria, Romania and Turkey.
- Retail sales of women's fashion (clothes and accessories) through the NEW LOOK stores in Romania.
- Wholesale of electric appliances (KORTING, GENERAL ELECTRIC & LIEBHERR) in Greece.

The milestones in the history of the FOURLIS Group



The FOURLIS Group of companies nowadays

The companies that constitute the FOURLIS GROUP are summarized below.



FOURLIS TRADE

FOURLIS TRADE is one of the largest Greek electric appliances supply companies in the Greek market, with exclusive representation of well-established foreign brands, such as GENERAL ELECTRIC, LIEBHERR & KORTING. Furthermore, it provides kitchen absorbers under the "FOURLIS" brand name, being a leader in this category.

INTERSPORT ATHLETICS

INTERSPORT is the number one athletic goods chain in the world, with more than 5,400 stores in 42 countries. It started its dynamic course in Greece in September 2000. Until December 31, 2012, 84 stores in Greece, Cyprus, Romania (GENCO TRADE), Bulgaria (GENCO BULGARIA) and Turkey (INTERSPORT ATHLETIK) were established. INTERSPORT has a staff of approximately 1,000 employees.

FOURLIS TRADE

IKEA (HOUSEMARKET)

Upon its arrival in Greece, IKEA introduced to the Greek market a new concept, based on the supply of a wide range of well-designed and functional furniture and household goods at affordable prices, giving as many people as possible, the opportunity of owning them. Currently, 5 stores operate in Greece (2 in Athens, 1 in Thessaloniki, 1 in Larissa, 1 in Ioannina), as well as 1 Centre for Orders and Deliveries in Rhodes Island.

Moreover, 1 store operates in Cyprus and 1 store in Sofia, Bulgaria, while IKEA has a staff of approximately 2,000 employees.

NEW LOOK ROMANIA (GENCO TRADE)

In May, 2011, the FOURLIS Group announced the agreement to take over franchise rights to develop NEW LOOK stores in Romania and Bulgaria.

NEW LOOK is holding a leading position in the rapidly developing field of clothing and accessories, offering a unique combination of fashionable, affordable, and up to date products. Renowned for its dynamic approach to fashion, NEW LOOK has more than 1,000 stores in the United Kingdom, in Ireland, in Europe, in the Middle East, in Russia, in Malta, in Ukraine and in Poland.

Currently, the FOURLIS Group operates 7 woman's fashion and accessories stores in Romania.

INTERSPORT**TRADE LOGISTICS**

SERVICE ONE

SERVICE ONE is the biggest after sales service company in the field of repairs, maintenance and installation of household, electric and electronic appliances. It covers, at a national level, the largest brands of the market, such as GENERAL ELECTRIC, KORTING, LIEBHERR, FOURLIS absorbers, SAMSUNG, LG, PANASONIC, PYRAMIS and others.

Since 2010 an additional operation of SERVICE ONE is also the installation of the IKEA kitchens.


The company currently employs more than 76 persons and cooperates at a national level, with 232 authorized technicians.

TRADE LOGISTICS

TRADE LOGISTICS began its operations in March 2008, having its registered offices in Schimatari of Viotia and it is the first fully automated warehouse in Greece. The aim of the company is the provision of warehouse and delivery services for the IKEA stores in Greece and Cyprus. The company, thanks to its specialised and experienced personnel, the use of technology, and the application of innovative methods in the field of Logistics, aims to the provision of effective warehouse and delivery services as well as on the expansion of its activities.

The Management of the FOURLIS Group

For the FOURLIS Group, Social Responsibility and the concept of responsible operation have been integrated in management practices and are an integral part of the Group's activities and administrative practices.



practices values principles
Code
of
Conduct

As a result, in the FOURLIS Group we have adopted and we are applying the following *:

- Code of Corporate Governance
- Code of Conduct
- Internal Regulation Charter

At the same time, the following operate in the Group*:

- Nomination and Remuneration Committee
- Audit Committee
- Internal Audit Department

* Please refer to the appendix of the Communication on Progress Report (C.O.P.) for the UN Global Compact in pg. 47 and also to the website of the FOURLIS Group at www.fourlis.gr for additional information.

The Board of Directors



With regard to the internal operation and the Principles of Corporate Governance, the company, by virtue of the decision dated 28.2.2011, issued by its Board of Directors, has voluntarily decided to apply the Code of Corporate Governance prepared with an initiative taken by the Hellenic Federation of Enterprises (SEV) with regard to listed companies (version dated March 2011) which has been posted in SEV's website, at <http://www.sev.org.gr> as well as in the website of the Hellenic Corporate Governance Council, at <http://www.esed.org.gr>

Below we are mentioning some of the practices followed by the company with regard to the election, the number, the competencies, the fees and the term of the Members of the Board.

- The Board Members are elected by the Shareholder General Assembly and they are proposed by the Board, following the recommendation of the Nomination and Remuneration Committee and after evaluating their

skills, their professional experience and their resume.

- Out of the nine members of the Board of Directors, five are executive members, while four are non-executive members.
- The Chairman of the Board is a different person from the CEO.
- The managerial staff and the members of the Board are compensated based on the total performance of the company and their contribution to it.
- The Corporate Social Responsibility Director and executive member of the Board is responsible for bringing up to the Board any issues related to Social Responsibility.
- The members of the Board have a term of 5 years.

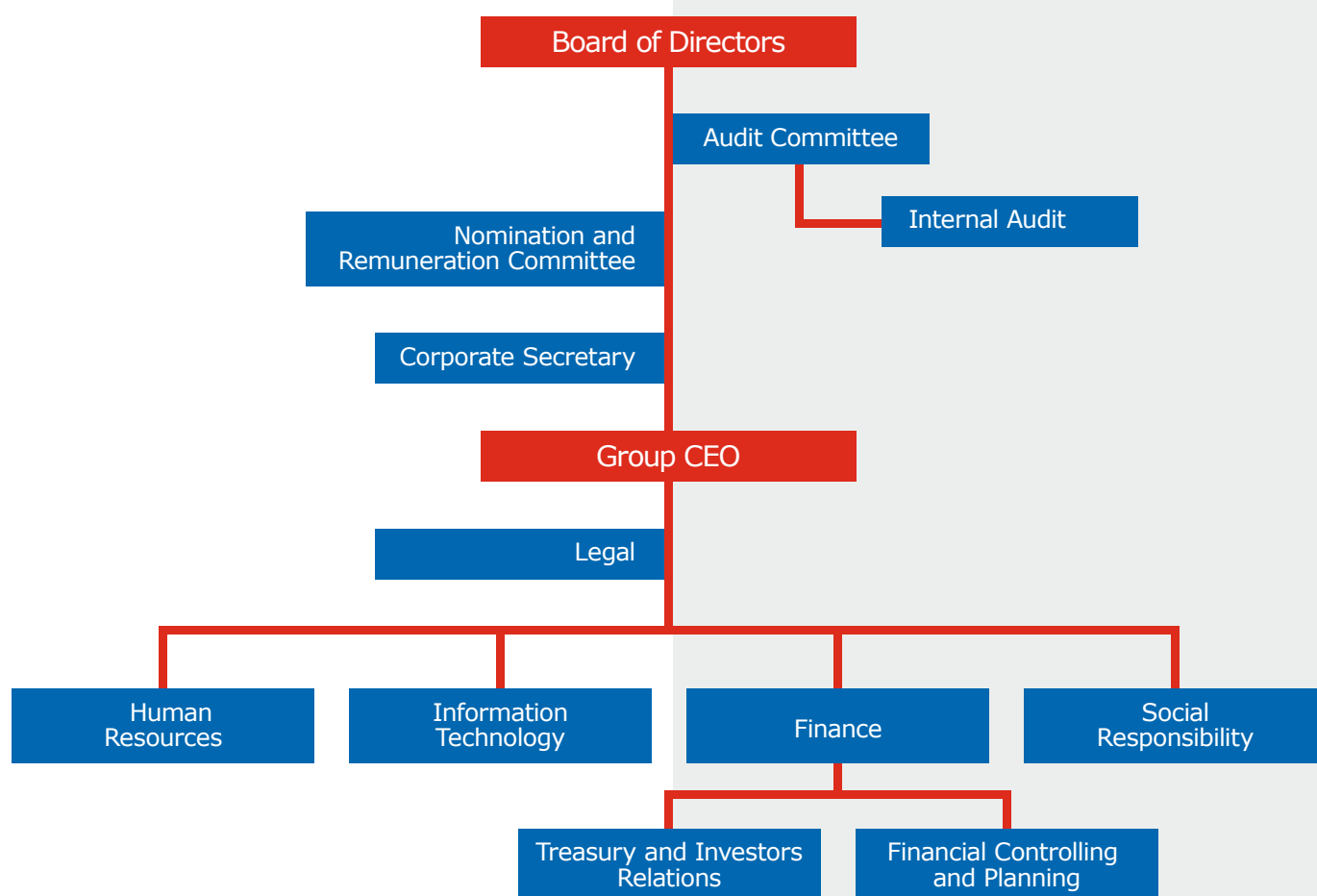
The Shareholders of the company evaluate, on an annual basis, through the Ordinary General Assembly, the performance and operations of the Board.

The following table lists the Members of the Board of the FOURLIS Group, including their competencies as of December 31, 2012:

Name	Position
Vasileios Furlis, (Fathers name: Stylianos)	Chairman, executive member
Dafni Furlis, (Fathers name: Anastasios)	Vice-Chairman, executive member
Apostolos Petalas, (Fathers name: Dimitrios)	Managing Director, executive member
Ioannis Lioupis, (Fathers name: Panayiotis)	Director, executive member
Lyda Furlis, (Fathers name: Stylianos)	Social Responsibility Director, Director, executive member
Ioannis Brebos, (Fathers name: Evaggelos)	Director, non-executive member, President of the Audit Committee
Eftichios Vassilakis, (Fathers name: Theodoros)	Director, independent non-executive member
Ioannis Papaioannou, (Fathers name: Konstantinos)	Director, independent non-executive member
Ioannis Costopoulos, (Fathers name: Athanasios)	Director, independent non-executive member

The Organizational Chart

The line of communication and interaction between the Board Members and the Committees and Divisions of the Group is presented below.



The Financial Figures of the FOURLIS Group



In 2012, the FOURLIS Group realized sales of €420.3 MM, reduced by 3.6% vs 2011 (€436.0 MM in continuing operations).

The Group realized net losses €11.3 MM vs net profits €2.3 MM in 2011.

FOURLIS GROUP FINANCIAL FIGURES	2012	2011
Turnover (million Euros)	420.3	438.2
Net profit / losses (million Euros)	(11.3)	2.3

Our Stakeholders

The FOURLIS Group is active both in retail and wholesale markets; therefore we have a range of Stakeholders.

Stakeholders are defined as anyone related to, affecting or affected by our operations, such as our Clients, our Suppliers, the Shareholders, the Employees, the Social Environment where we are active, Non-Profit Organisations, etc.

Having defined our Stakeholders, we are investing on constant and two-way contact and communication with them, with the purpose of maintaining a fixed flow of information to and from the company with

regard to their requests, problems and expectations.

We believe that the improvement of understanding the expectations and needs of our Stakeholders, as well as their role and views, plays a significant part in our effort to improve our products and services, for our responsible and sustainable operation and growth and also for the reduction of any possible negative impact from our activities.

The following table presents the practices followed in order to maintain a healthy and two-way communication with each separate group of Stakeholders.

STAKEHOLDERS	MEANS OF COMMUNICATION
Employees	<ul style="list-style-type: none"> • Satisfaction survey • Corporate Events • Issuing of digital and printed Newsletters • Bulletin boards • Intranet
Customers	<ul style="list-style-type: none"> • Regular visits • Constant contact and communication • Satisfaction surveys
Suppliers	<ul style="list-style-type: none"> • Meetings • Participation in industry associations • Conduct of joint programmes
Local Societies	<ul style="list-style-type: none"> • Contacts - Visits
Official Authorities	<ul style="list-style-type: none"> • Discussions with Authority representatives on a national and local level • Participation in Organisations and Associations
Citizens	<ul style="list-style-type: none"> • Regular contact
Media	<ul style="list-style-type: none"> • Press conferences • Informative brochures • Meetings
Non-Governmental Organisations (NGOs)	<ul style="list-style-type: none"> • Meetings

Our Participations and Distinctions



UN Global Compact

Responsible Business Practices

As of November 26, 2008, FOURLIS Group is an official member of the UN Global Compact, the largest international voluntary initiative for responsible business practices.

The UN Global Contract consists of ten principles that stem from internationally accepted standards and refer to human rights, labour standards, prevention of corruption and to the protection of the environment; FOURLIS Group has committed to adopt, support, and promote these principles through its business practices.

The detailed FOURLIS GROUP 2012 Communication on Progress Report (COP), regarding the 10 principles of the UN Global Compact, follows on page 47.

Other Participations

FOURLIS Group also participates in the Hellenic Corporate Governance Council and in the Corporate Governance Committee of the American-Hellenic Chamber of Commerce.

Awards - Distinctions

In 2012, we received several distinctions and awards, such as:

- **HOUSEMARKET AE (IKEA):**
Environmental Awards - Category award Energy Mastering - Energy Campaign
- **INTERSPORT ATHLETICS:**
Retail Business Awards - Best Retail Store 2012 in Apparel - Footwear for the INTERSPORT store in Herakleion of Crete.
- **HOUSEMARKET CYPRUS Store:**
CIPA International Investment Award
- **HOUSEMARKET AE (IKEA):**
Honorary Distinction by ALMA ZOIS for the continued support provided by IKEA to the RACE FOR THE CURE.

The acknowledgment and rewarding of our efforts constitutes a commitment for us for the constant improvement of our actions.

The Social Responsibility Department

Μαζί
για μια καλύτερη ζωή!

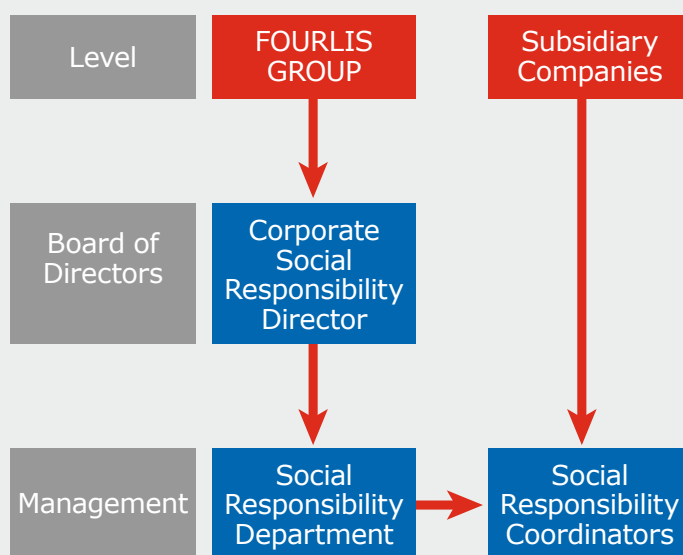


For the FOURLIS Group, Social Responsibility is a concept directly related to the operations of the Group.

Within this framework, the Social Responsibility Department was established in 2008, to coordinate the Group's companies in initiatives and actions, in the field of Social Responsibility, based on the values and the principles of the Group.

The Social Responsibility Department operates and is continuously developing focused on three main pillars: **People, Society** and the **Environment**.

The organizational structure created by the Group for the effective management of Social Responsibility issues is presented below.



For our People

FOURLIS Group is its People, i.e. all those supporting its operations on a daily basis. For this reason, our main interest is to create and maintain employment positions, cultivate an environment of safety, meritocracy, respect and freedom, as well as provide equal training, evaluation and awarding opportunities for everybody.



Employment

FOURLIS Group employs approx. 3,500 employees, out of which approx. 2,600 work in our companies in Greece and Cyprus.

Despite the volatile financial conditions over the last few years, our main interest is to maintain the number of our Group's employees at a stable rate, while if any of our companies require new staff, it is immediately covered either through the internal transfer of employees (procedure of Open Resourcing or direct proposal to change position / promote a specific employee) or through a new recruit.

FOURLIS Group, thanks to the growth of its operations in Greece and abroad is creating new workplaces, supporting local communities by recruiting employees.

During 2012, the rate of exit from service at Group levels reached 15% in comparison to 12.6% for 2011. It should be noted that the rate of exit from service in Greece and Cyprus reaches 4.28% while for the foreign countries this rate reaches 11%.

The following table presents the breakdown of the FOURLIS Group employees for 2012, compared to existing figures of 2011.

FOURLIS GROUP Employee Breakdown

COMPANY	EMPLOYEES ON 31/12/2012	EMPLOYEES ON 31/12/2011
FOURLIS HOLDINGS	57	3
FOURLIS TRADE	57	75
SERVICE ONE	76	109
TRADE LOGISTICS	50	55
IKEA Greece & Cyprus	1.737	1.878
IKEA Bulgaria	313	329
INTERSPORT Greece & Cyprus	516	487
INTERSPORT & NEW LOOK Romania	412	358
INTERSPORT Bulgaria	73	66
INTERSPORT Turkey	189	150
Total Workforce	3.480	3.510



The following table presents the profile of the FOURLIS Group workforce for 2012*.

FOURLIS Group Human Resources Profile

POSITION	MANAGERS SUPERVISORS	EMPLOYEES	EMPLOYEES OF OTHER NATIONALITIES	
Employees (%)	16	84	10	
AGE	18-25	26-40	41-50	>50
Employees (%)	20	54	17	9
EDUCATION	PRIMARY	SECONDARY	UNIVERSITY	
Employees (%)	14	57	29	
SEX	FEMALES		MALES	
Employees (%)	54		46	
WORKPLACE	STORES		OFFICES	
Employees (%)	89		11	

*Statistics as of 31/12/2012

Merit-Based Recruitment and Advancement



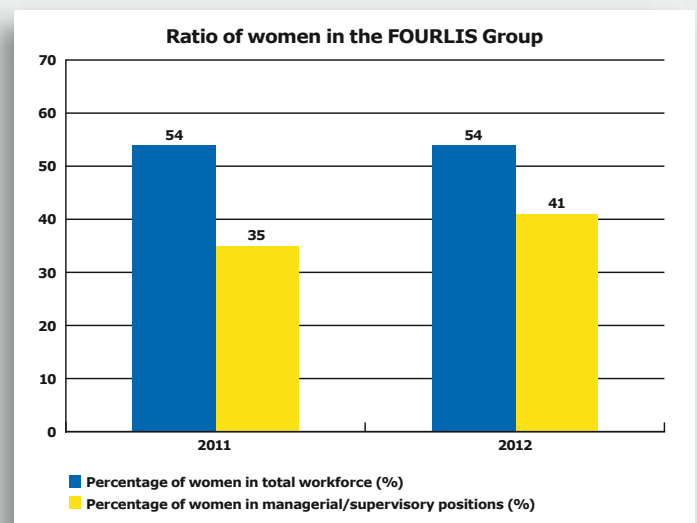
The basic axes of our policy with regard to recruiting and advancement of our Human Resources are the following:

- **There must be specific standardized evaluation criteria**, across all the Group's companies, regarding recruitments, in order to avoid any discriminations.
- **There must not be any incidents of discrimination** in the work area, caused by the diversity or specific traits of the employees.
- **There must be equal opportunities for advancement** through internal transfers and promotions both at company level and at Group level for all our employees.

At the same time, it is very important to maintain, as much as possible, a balance between the two sexes for the entire personnel, while we are especially careful in avoiding the application of different employment practices for our female workforce.

For this reason we have secured equal advancement opportunities for both men and women to managerial positions. This is highly visible from the rate of females' workforce over the Group's total,

which amounts to 54%, while the rate of women in manager/supervisor positions in the Group is similar and even reaches 41% in relation to 35% in 2011*.

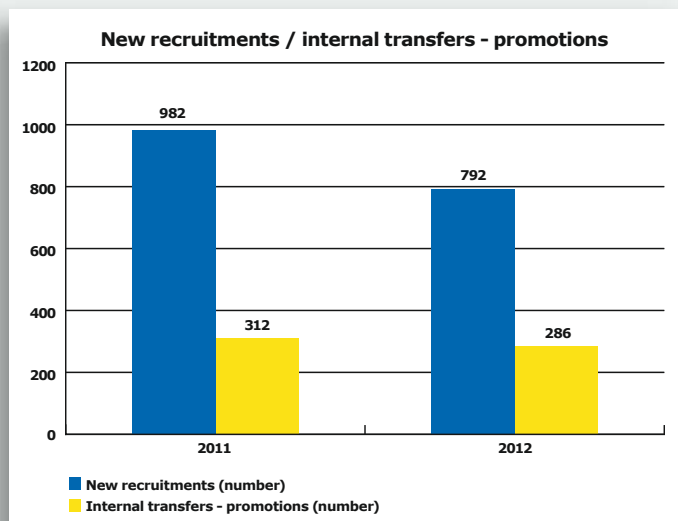


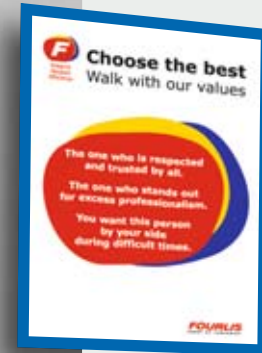
* Data refer to 31/12/2011 and 31/12/2012

Moreover, in 2012, 286 internal transfers - promotions took place within the Group (312 in 2011), out of which 120 referred to internal promotions (113 in 2011).



In addition, 792 new recruitments were made in 2012, in comparison to 982 in 2011. The number of the new recruitments is mainly due to the Group's expansion of operations in Turkey (INTERSPORT), in Bulgaria (IKEA), and in Romania (opening of NEW LOOK stores).





Employee Appraisals

In the FOURLIS Group we have adopted a single **Performance Appraisal System**, in order to make sure that the employee appraisal is, and shall remain, transparent.

The Performance Appraisal System, which was created in order to ensure a fair working environment and to create a functional management succession plan for senior positions, has been effective since 2008 and is compulsory for all the Group employees.

This appraisal system is objective due to its following specifications:

- It was created by the employees themselves, in order to assess their progress, with regard to the requirements of their post, and the Values governing the Group.
- Employees have free access to their appraisal form.
- Employees are entitled to object if they disagree with any element of their appraisal.

Employee Rewards and Recognition

At the FOURLIS Group, we believe that we have to recognize and reward the efforts and our Human Resources for their contribution to the Group. In consequence, we apply the reward programs listed below, aimed at recognizing their dedication and contribution to the progress of the Group.

These reward programs are summarized as follows:

- **Long-Term Employment Award**

Employees who have contributed for numerous years to the achievement of the Group's objectives (acknowledgment of 10, 20 & 30 years of contribution) are rewarded; in 2012, 32 Group employees were rewarded for their long term contribution.

- **Choose the Best – Walk with our values**

This program, which has evolved to an institution, is used for rewarding employees whose professional conduct is aligned with and reflect the Values of the Group.

The number of employees rewarded each year is decided by the Management of the Group and is based on the total number of employees of each company. In 2012, 19 employees were rewarded.

Ongoing Vocational Training



At the FOURLIS Group, we believe that there is a permanent need for ongoing vocational training, always increasing and directly depending on the increased demands of a competitive market.

For this reason, training for each employee of the Group begins upon recruitment.

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

In 2011, the Learning Institute of the FOURLIS Group, named "Sharing the Knowledge", was established. In 2012, it was renamed "FOURLIS Learning Academy", giving the opportunity to employees coming from any Group company to participate in leadership courses (management, coaching, constructive feedback etc.), as well as to product trainings.

The Group and/or each company ensure that specialised training programmes are realized either, internally, using the know-how of their executives and of the groups of internal trainers, or externally, in collaboration with various organisations or training centres.

In order to ensure the efficiency of the training courses for each individual employee, the following parameters are considered:

- The **objective of the company** that must be achieved through the respective training
- The **specifications of the employee's work position**
- The **requirements of the employee's work position**
- The **employee's skills level**
- The **employee's knowledge level**

Some of the training courses of the Group conducted during 2012 are the following:

FOURLIS GROUP TRAINING COURSES EXAMPLES

MANAGEMENT	TECHNICAL	HEALTH & SAFETY	PRODUCT
Performance appraisal	Income Taxation	First-Aid course	New products presentation
Train the trainer	New clauses - Changes in VAT & Code of Books and Records	Self-defense training for adults	Training in IKEA - INTERSPORT - FOURLIS TRADE products
Coaching Skills	Labor Law	Safe evacuations seminars	Customer service
Giving Constructive Feedback	Electronic submission to authorities		Distance Selling/ E-Commerce
Linguistic skills	Microsoft SQL Servers Integration Services		Customer Satisfaction Survey
Talent Management			
Project Management			

The following table presents the training received by the employees of the FOURLIS Group during 2012.

FOURLIS GROUP EMPLOYEE TRAINING

	2012	2011
Total man-hours of training	41,980	68,307
Average training hours / employee	12.0	19.0
Amount spent on training (€)*	65,000	98,350
Amount of participants in training courses	4,925	5,204

* This amount refers to training courses conducted by external agencies

Health and Safety



At the FOURLIS Group we are very well aware that the **creation of a safe and healthy work environment is our obligation**. To this end, on an annual basis and following the relevant clauses of the Greek legislation on labor law, we attend to the assessment of the possible risks that may be faced in the following year and we take the necessary measures in order to prevent accidents, as much as possible.

The main measures taken by the Group to achieve the above-mentioned are the following:

- Map the regions of possible risk and take the respective measures according to the degree of risk.
- All company facilities are regularly inspected by Safety Technicians.
- A Professional Risk Assessment Study is issued by the Safety Technician.
- Training courses are held about health and safety issues. First aid and fire protecting training is provided for specific groups.

The following table lists the workplace accidents, the training in safety issues and the absences due to illness noted in the FOURLIS Group during 2011 and 2012.

ACCIDENTS - ILLNESSES

	2012	2011
Number of workplace Accidents*	47	151
Number of workplace Accidents (Resulting in more than 3 days absence)	28	27
Total man-hours of training in safety	5,161	4,191
Days of absence due to illness (over 3 days)	8,864	5,948
Days of absence due to illness (less than 3 days)	3,967	4,292

* These mainly refer to small injuries

Overall the number of workplace accidents in 2012 was significantly reduced in comparison to 2011 (47 from 151).

“EF ZIN (WELL BEING) – Love yourself program”



The “**EF ZIN (WELL BEING) - Love yourself**” program was launched by the Social Responsibility Department in 2010 with the main objective to inform employees on health-related and well-being issues, while encouraging them to adopt a more healthy lifestyle.

Since its launch, and within the context of this program, each year the FOURLIS GROUP employees have the opportunity to benefit from free preventive medical tests as well as examinations at reduced prices in collaboration with medical and diagnostic

centers and to participate in sports tournaments, enjoy discounts from collaborations with sports and nutritional centers, and take part in informative seminars.

In addition, they receive, on an ordinary basis, the electronic and printed **EF ZIN (WELL BEING) Newsletter**, which informs employees on issues concerning prevention and health, balanced nutrition, and exercise, including sports and other events; i.e. about fields that refer to the main axes of the “EF ZIN (WELL BEING) program”.

In 2012, within the context of the EF ZIN program, the following actions took place:



FREE BLOOD SUGAR tests for all employees

In March 2012, free Instant Blood Sugar Tests were conducted in the facilities of the FOURLIS Group companies in Greece, Cyprus and Bulgaria, giving employees the opportunity to have their blood sugar measured quickly and for free, while also to receive useful medical and nutritional advice.

Specifically, in Greece, where the tests were conducted with the assistance of the occupational physicians (ACRM), the employees had the opportunity to have their Body Mass Index measured, while in Cyprus, where the tests were performed with the precious contribution of the Diabetes Association of Cyprus, the employees, apart from their blood sugar, also measured their blood pressure and their weight.

In total, 627 employees participated in this action in Greece and Cyprus, compared to 718 persons that took part in a similar action held in 2011. Moreover, 323 employees participated in the same action in Bulgaria.

Medical tests at reduced prices

The FOURLIS Group employees had the opportunity to undergo numerous medical tests for free or at

reduced prices, through the collaboration of the Group with medical and diagnostic centres, such as HYGEIA Group, GYNAIKAS YGEIA Diagnosis and Prevention Centre, BIOIATRIKI, etc.

These included the following: Free Breast and Thyroid Ultrasonography, Free Check-Up for Prostate Cancer, Preventive Gynecological Check-Up, Ophthalmological Examination, Thyroid Examination, Free Clinical Examination for Fibromyalgia, etc.

Menu for a balanced diet

In 2012, the programme of distributing a weekly balanced nutritional menu for the employees of IKEA continued.

The Social Responsibility Department, in collaboration with a company of nutritionists, issues a nutrition proposal along with various short and useful nutritional advices on a weekly basis, based on the already available weekly menu of the employee restaurants in IKEA.

The objective of the programme is to suggest the best possible selection of meals that could contribute to a balanced nutrition.



Sports Tournaments

Once more, sports tournaments were held in 2012 in Attica, in Northern Greece and in Cyprus, with the participation of the FOURLIS Group employees.

In Cyprus, the Sports Tournament took place in June at the beach and the employees of IKEA and INTERSPORT Cyprus had the opportunity to compete in Beach Volley, Beach Tennis and Beach Football.

Respectively, in October, the tournament was held in Northern Greece, (Larissa), with the participation of employees of IKEA and INTERSPORT from Thessaloniki, Larissa, and Ioannina. The employees competed in basketball, football and tennis.

Finally, at the end of October, the employees of the Group in Attica had the opportunity to participate in the first Hellenic Company Sport Games, held by the Hellenic Organisation for Company Sport and Health (HOCSH), which took place in the Peace & Friendship Stadium, with the participation of companies both from Greece and from abroad.

The Group employees had the opportunity to compete in basketball, soccer 5x5, beach volley, ping pong, bowling, squash, and also to participate in a 5km race and to win medals!

Awarding Employees' children

Each year, in the FOURLIS Group, we award any excellent academic performances by the children of the employees, as a recognition of their efforts, while wishing to encourage them to continue their noteworthy course for professional and personal distinction.

During events that took place in the FOURLIS Group facilities, in 2012, we awarded the High-School and Upper High-School students who excelled in the school year of 2011-2012 and to those who entered the University in the presence of their parents and of the Group's management.

Analytically:

- In total, 40 students, children of employees of the Group in Greece, Cyprus, Bulgaria, and Romania were awarded for their performance in school.
- In total, 41 students, children of employees of the Group, in Greece, Cyprus and Bulgaria were awarded for entering Universities of their country.

The students received IKEA and INTERSPORT gift vouchers as an award for their efforts, along with useful advices by the experienced management of the FOURLIS Group with regard to their academic, personal and further professional course.

In the FOURLIS Group we believe in the importance of communication

For this reason, we inform our People about the actions taken by the Group, while enabling them to communicate with the rest of the employees, regardless of their level of seniority.



To this end, in 2012, we continued offering the following dissemination opportunities:

- Information on the Group's Social Responsibility issues through the newsletters "Live to Learn" and "EF ZIN (Well Being)"
- Circular communication among employees of all levels using the intranet.

- Update concerning the Group news and actions for all employees through "Sharing our News".
- Information on the actions of INTERSPORT ATHLETICS and its new products through a monthly newspaper published by the employees themselves and distributed to all the INTERSPORT stores.

For the Society

Having as our main motto "TOGETHER FOR A BETTER QUALITY OF LIFE" and being focused on our commitment and our vision to create a better life for everyone, in 2012, we planned and implemented various actions aiming to the relief and support of vulnerable social groups and of our fellow-men in need.



The Participation of our Employees



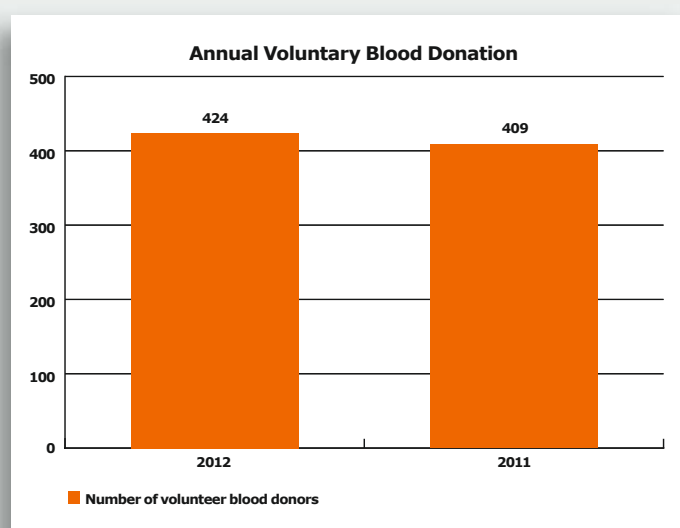
Annual Voluntary Blood Drive

The FOURLIS Group employees, since 1985, participate in the annual Voluntary Blood Drive held twice a year, on January and June, in the FOURLIS Group facilities all over Greece.

In 2012, in Greece and Cyprus, 358 employees donated their blood, compared to 409 in 2011.

In total 358 bottles of blood were collected, out of which 60 were used to cover employee needs while the others were used to cover the needs of the Hospitals that collaborated for each blood drive event.

2012 was the first year when companies of the Group abroad, and specifically in Bulgaria and Turkey, organized their own blood drives.



In total, 66 employees donated blood in these countries, increasing the total number of the Group employees who participated in the action, in 2012, to 424.



Donation of Food Provisions and Other Essential Products to Charitable Institutions and Organisations

The FOURLIS Group employees, just before Christmas 2012 collected and donated, once more, food, clothes and other essential products to the following Charitable Institutions and Organisations of Greece and Cyprus:

- In Athens: "KLIMAKA", "MEROPIO FOUNDATION", "PINELOPEIO FOUNDATION"
- In Thessaloniki: "SPITI TIS ARSIS", "GREEK CHILDREN' S VILLAGE IN FILYRO"
- In Larissa: Municipal "SOCIAL GROCERY"

- In Ioannina: "BOARDING HOME - ORPHANAGE OF THE MONASTERY OF PANAGIA DOURACHANI"
- In Cyprus: "RED CROSS"

In total, approx. **140 boxes and bags with food, other essential products and clothes** were gathered and distributed. In consequence, it was proven, once more, that the FOURLIS Group employees are distinguished with social sensitivity and willingness to give and support our fellow-men who are deprived even of the most basic of goods.

Respectively, INTERSPORT Turkey employees participated in a similar action to support the local community. In collaboration with a national body, they collected clothes and books that were distributed to university students and pupils preparing for the examinations to attend University and are in need.



Voluntary participation of employees to other Social Responsibility actions

The FOURLIS Group employees volunteer each year to various actions undertaken by the Group's Social Responsibility Department. As a result, numerous projects undertaken are successfully completed thanks to the actual voluntary participation and contribution of the Group's employees.

In 2012, 32 persons in total volunteered in projects planned and implemented by the FOURLIS GROUP Social Responsibility Department.

More specifically, the FOURLIS Group employees voluntarily participated:

- In the project of renovating and equipping the Homeless Centre and the short-term Hostel of KLIMAKA.
- In the Social Responsibility programme titled "WE REACH THE EDGES", for the creation of the packages of sports equipment distributed to schools of remote areas in the prefectures of Crete.
- In the project of renovating and equipping the Red Cross Home for Sick Children in Limassol, Cyprus.

Our Social Actions

In 2012, in the FOURLIS Group we carried out a number of actions to support vulnerable social groups and to cover the immediate needs of our society.



We supported the Homeless and the Poor

In 2012, by identifying the pressing needs of our society and the constantly increasing phenomena of lack of housing and hunger, we decided to focus most of our Social Responsibility Programme on the support of our fellow men who are homeless and poor.

Within this context, we launched two very significant collaborations:

Collaboration with the Non-Profit Organization "BOROUME"

"BOROUME" is a Non-Profit Organization, established in January 2012 with the purpose of fighting food waste by organizing the distribution of surplus food for charity throughout Greece.

In 2012, FOURLIS Group launched its collaboration with this Organization, firstly by fully equipping its new

offices, and secondly by offering, on a daily basis, and from every IKEA store in Greece, all the meals that were not consumed in the store restaurants, for the feeding of our fellow citizens who are in need.

Since the beginning of the programme, in July 2012, until 31.12.2012, 41,288 meals in total were offered.

Collaboration with "KLIMAKA" Organization

In 2012 we also launched our collaboration with "KLIMAKA" organization to support our homeless fellow-men.

Within this context, FOURLIS Group undertook the complete renovation and equipping of the "KLIMAKA" Center and short-term Hostel for the Homeless, using IKEA products, with the purpose of creating warm and accommodating areas for our less fortunate fellow-men.

The assembly of part of the furniture was undertaken by SERVICE ONE a company of the FOURLIS Group, while 17 employees of the Group volunteered for the successful completion of the project.



Some more of the most important actions we implemented in 2012:

H INTERSPORT **"Reached the edges"**

INTERSPORT continued for a second year, its own Social Responsibility programme, titled "We Reach the Edges" ("**FTANOUME STA AKRA**"), through which it visits Public Primary Schools in remote areas of Greece and offers sports equipment necessary for the P.E. classes.

In 2012, INTERSPORT visited 30 Public Primary Schools in remote areas all over Crete, and offered accessories and quality sports equipment that are used for training, athletic events, team sports and P.E. classes, bringing smiles to more than 4,000 children.

The mobile unit of INTERSPORT was accompanied by athletes of local Sport Clubs, who spoke to the students about the benefits of sports, exercise and healthy diet in their lives.

This year, for the first time, INTERSPORT employees voluntarily worked for the collection and packaging of the equipment that was distributed to schools. In total, 6 employees volunteered for this cause.

The "**We Reach the Edges**" programme is an initiative that serves the mission of INTERSPORT, to

instill the values of sports to children and to create the necessary conditions for them to have access to it.

For this reason, this programme gives priority to areas and schools that need special support, due to their limited access to sports events and facilities.

During the two year implementation of this programme, INTERSPORT has visited 56 Public Primary Schools in remote areas of Greece, reaching more than 6,400 children.

Participation of the FOURLIS Group in the Scholarships Programme of the University of Piraeus

In 2012, FOURLIS Group participated, for the third time, in the Scholarships programme of the Finance and Bank Administration School of the Piraeus University. In a ceremony held in November, at the University of Piraeus, FOURLIS Group rewarded an undergraduate student who excelled in his studies and academic performance, with a €1,500 scholarship.

The FOURLIS Group aim is to support young people's efforts, both on an academic and professional level.



Support to Muscular Dystrophy Association Hellas (MDA)

For the fifth consecutive year, **INTERSPORT Running Team** participated in the Classical Marathon of Athens, on Sunday 11, 2012. INTERSPORT's team was represented by 200 members, who participated both in the classical race and to the 5 and 10 km races.

However, this year, INTERSPORT Running Team and FOURLIS Group gave an additional hopeful message, through the participation of the team in the event: for each runner of INTERSPORT Running Team crossing the finish line, FOURLIS Group donated 5 Euros to a charity.

The amount of €1,000 that was accumulated was donated to the Muscular Dystrophy Association (MDA) Hellas.

Hospitality of charitable organizations in the IKEA stores

Every year, along with the Social Responsibility

actions implemented for our People, the Society and the Environment, IKEA also opens its doors to Organisations, hosting in its areas their booths and delegations, with the purpose of raising public awareness, allowing the public to support their work, if they wish to.

In 2012, the IKEA stores all over Greece hosted WWF, UNICEF, the HELLENIC RECYCLING SOCIETY, MEDECINS SANS FRONTIERS, and ALMA ZOIS.

IKEA supports UNICEF

From November 5 till December 29, 2012, with the purchase of each stuffed toy, IKEA donated 1 euro to UNICEF to support its training programs for the children of the world!

The amount gathered in Greece and Cyprus for this purpose reached €66,300! A respective action was implemented in IKEA Bulgaria, where the amount gathered exceeded € 12,000.



IKEA and PARALLAXI transformed a beach in Thessaloniki

On Saturday, June 9, 2012, IKEA, in collaboration with the Parallaxi team, the well-known Free Press circulating in Thessaloniki, took action and literally renewed the image of a beach in the city that had been deserted.

IKEA participated in this action and contributed to the "rebirth" of the beach, located behind "APOLLONIA POLITEIA" mall, which had been deserted and nobody would choose to visit.

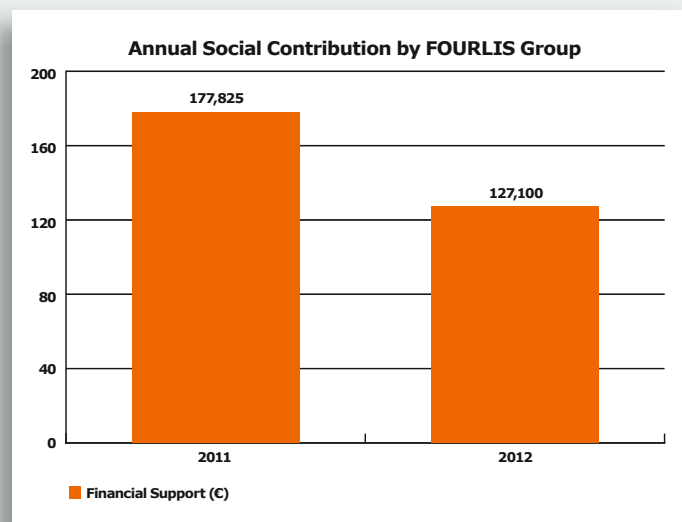
With the assistance of and the permission by the municipal authorities of Pilaia - Hortiatiss, a large group of volunteers began cleaning the beach from garbage and other waste materials. The specialised crew of IKEA brought and set up various deck-chairs and furniture, while setting up a specific area with tables and chairs for children, who participated in recreational and educational activities, such as the creation of eco-friendly frames using sand and paper and painting on pebbles.

The purpose of this action was to reform the view of the beach, bringing it to life, using IKEA equipment; thus showing how other areas could be renovated and transformed to "free oases", available to all citizens.

The following table lists some Foundations and Organisations supported by the FOURLIS Group in 2012

Floga Magnisia Association of Parents of Children with Neoplastic Disease	Friends of Social Pediatrics Anoixti Agalia
Krikkio Female Orphanage of the Holy Metropolis of Larissa and Tirnavos	Volunteers of the World
ARSIS Organization for the Social Support of Youth	MDA Hellas Muscular Dystrophy Association
Arcturos Environmental Organization	Klimaka
WWF Environmental Organization	Social Grocery in Larissa
Monastery " Panagia Dourachani " Boarding House - Orphanage in Ioannina	Red Cross
EPISTROFI Association for the Rehabilitation of Addicted Persons	House for the Protection of Child and Adolescent Girls MELISSA
MEROPIO FOUNDATION	PINELOPIO FOUNDATION
BOROUME Non-Profit Organization	Greek Children's Village in Filyro
Cyprus Red Cross Home for Sick Children in Limassol	Association MAZI GIA TO PAIDI (Together For Children)

The entire amount allocated by the FOURLIS Group in 2012 for social actions reached € 127,100 in comparison to 2011, when for similar actions the Group had allocated € 177,825.



At the same time, numerous Organisations and Foundations benefited from discounts for the purchase of products from the companies of the FOURLIS Group.

For the Environment



In the FOURLIS Group, we know that our company, just like any other human and business activity, requires natural resources. At the same time, we know that we must monitor our activities and their impact on the environment and take action to minimize as much as possible any possible negative impact to the

environment, as well as to reduce our environmental footprint.

Within this context, in 2012 we implemented a series of actions in order to raise the awareness of our people and the public.

Managing our Materials

In the FOURLIS Group we ensure the responsible management of the consumables we use, starting from our own "home".



Use of Paper

In all the Group's companies, we have established the exclusive use of recycled, recyclable and chlorine-free paper.

Overall, the quantity of the relevant paper bought by the Group for office use in 2012 was reduced to 30,619 kilos, in comparison to 2011, when the respective quantity was 35,545 kilos.

In order to reduce paper consumption, we are using various methods, such as:

- **Use of fax servers:** by using fax servers we significantly save paper.
- **Use of duplex printing:** This practice helped us significantly reduce the consumption of paper for printing. In 2012, the total number of pages printed in duplex printing was increased to 979,291 in comparison to 2011, when the respective number was 732,117.
- **Use of Intranet:** By using the intranet, where all information concerning the Group is made available electronically, we managed to significantly reduce pointless printing.
- **Use of Human Resources electronic tools:** We save paper considerably by avoiding using it for the requests for days-off filed by the employees, for printing resumes and for the issuing of payroll

receipts, since these actions are performed through an electronic system.

- **Document scanning and electronic archiving:**

In all central facilities of the Group there is the option of scanning various documents, without consuming paper or ink.

- **Electronic submission and Approval/ Rejection of Purchasing Applications (PRs/POsWorkflow):**

Since 2011, IKEA is equipped with a complete system for the Electronic Submission of POs. Through the SAP EAR system, all requests for POs (fixed assets, services and consumables) are submitted and managed electronically. Following their approval, they are electronically sent to respective Suppliers as a Purchase Order.

- **Electronic Archiving and Monitoring of Contracts (e-Doc System):**

In 2011, in all the Group's companies in Greece and abroad, a System for the Electronic Archiving and Monitoring of Contracts was installed. The Group has numerous active contracts, and approx. 1,000 new ones are added each year. Using this system, we improved the information for the involved parties with regard to the contracts concerning them and we reduced considerably the need for photocopying each contract (saving on paper and ink), and for archiving the contract in numerous physical copies.

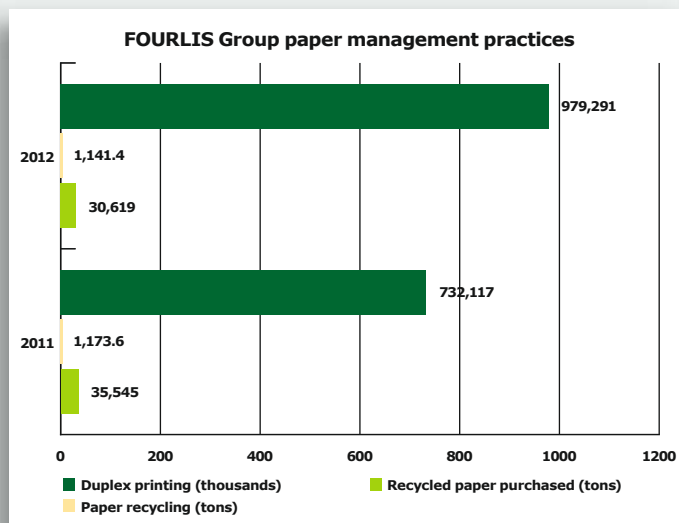


Paper recycling

At the FOURLIS Group, we have established paper recycling in all our companies, while paper recycling bins are available in all the IKEA stores for use by visitors.

Thanks to this policy, in 2012 IKEA recycled 1,123 tons of paper, contrary to 1,149 tons in 2011.

In total, in 2012, the FOURLIS Group recycled 1,141.4 tons of paper, contrary to 1,173.6 tons recycled in 2011.



Use of Ink

With regard to the use of ink, we are actively trying to adopt practices that contribute to the reduction of printing. Within this context, in 2008 we adopted new technology features, such as the use of laser printers, which contribute significantly to the protection of the environment, since they require smaller quantities of ink for their operation.

As a result, in 2012, we purchased 2,478 ink cartridges in order to cater for the needs of the FOURLIS Group companies in Greece, while in 2011 the respective number was 2,557 pieces.

Finally, from the quantity of ink purchased, we recycled 1,400 pieces, while in 2011 we had recycled 1,313 pieces.

Use of Water

Due to our daily needs for the sanitation of our stores, and the sheer number of employees and customers, our company consumes large quantities of water.

The following table lists water consumption for IKEA, INTERSPORT and TRADE LOGISTICS in 2012, in comparison to 2011.

WATER CONSUMPTION IN IKEA, INTERSPORT & TRADE LOGISTICS

	2012	2011
Water consumption IKEA (Athens Stores not included) (liters)	30,713,500	34,113,000
Water consumption IKEA (Athens) (liters)	44,303,000	41,218,000
Water consumption INTERSPORT (liters)	1,404,352	1,667,351
Water consumption Trade Logistics (liters)	326,000	410,000
Total consumption (liters)	76,746,852	77,408,351

Our objective is, by using technology and making the necessary interventions wherever possible (e.g. gradual improvement of the automated use of faucets in order to save water in every IKEA store), to reduce water consumption in our facilities.

Recycling of other waste materials

In the FOURLIS Group, our priority is to recycle all recyclable materials used by our company.

To this end, we focus on the benefits of recycling, investing on infrastructures and raising the awareness of our employees and clients.

The following table lists the entire recycling operations for the FOURLIS Group in 2012, in comparison to the quantities for the same materials that were recycled in 2011.

FOURLIS GROUP OVERALL RECYCLING

MATERIALS	2012	2011
Paper** (kilos)	1,141,364	1,173,575
Ink cartridges – Toners (pcs)	1,400	1,313
Batteries (kilos)	1,821	12,706
Cooking fat*** (liters)	20,098	10,707
Aluminum (kilos)	40	479
Glass (kilos)	9,130	9,820
Fluorescent lamps (kilos)	2,302	1,506
Plastic (kilos)	51,077	83,666
Metals (kilos)	30,730	16,710
Wood (kilos)	47,920	152,980

* The recycling statistics refer to the FOURLIS Group companies in Greece and Cyprus

** The paper recycling statistics refer to quantities gathered from any use, such as packaging paper, carton boxes, office use paper, etc.

*** Cooking fat is gathered at the restaurants of the IKEA stores.

The Energy we consume

In the FOURLIS Group, with the purpose of saving energy and protecting the Environment, we are systematically monitoring energy consumption by the Group companies, trying to plan and implement actions and interventions to reduce its use.



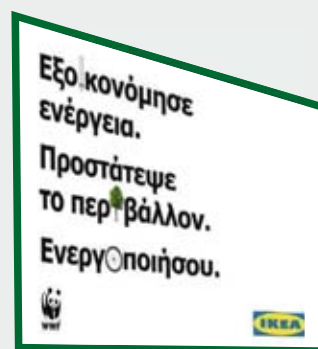
Saving electrical energy

Since our Group is active in various sectors, our facilities are not similar, but highly diversified. For this reason, we take into consideration the differences of our facilities, in order to effectively reduce the consumption of electrical energy.

Examples of the practices we have applied with the purpose of saving energy are the following:

- Careful use of lighting fixtures, both by using technology and other practical means.

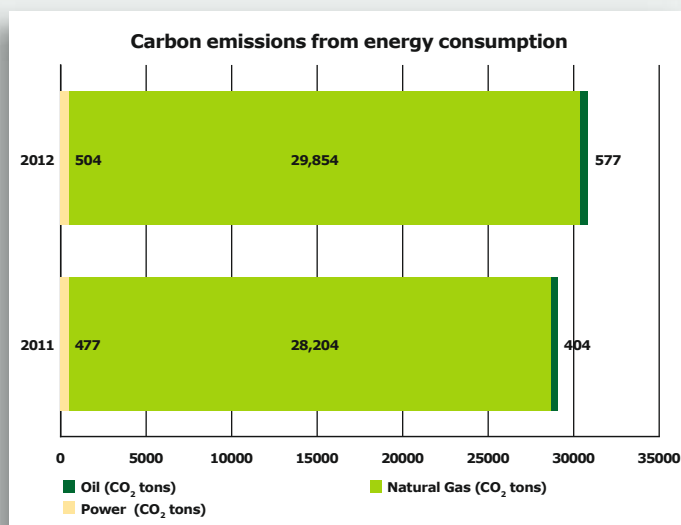
- Substitution of conventional bulbs with energy efficient bulbs in all our facilities.
- Replacement of IT systems with similar low-energy consumption systems.
- Completion of the replacement of all "CRT" monitors with new ones, at 100% rate all over the Group.
- Use of blade servers
- Informing and raising the awareness of employees to save energy in the work areas



FOURLIS GROUP ENERGY CONSUMPTION

	2012	2011
Total consumption of electricity (KWh)	36,498,534	34,480,605*
Total consumption of oil (liters)	185,721	175,703
Total consumption of natural gas (m³)	266,635	186,300

* Difference due to revised data



Revised data based on the National Inventorying of Greenhouse Gas Emissions (2012) and 2006 IPCC Guidelines for National Greenhouse Gas Inventories" Vol. 2, Tables 1.2, 1.4, 2.2

Our Public and Employee Awareness – Building Activities



Eco-friendly products

The FOURLIS Group companies invest on eco-friendly products and encourage the public and the clients to prefer them.

A characteristic example of this initiative is the exclusive marketing of energy saving bulbs from all the IKEA stores, as well as the marketing, in 2012, of A+++ energy class appliances (Korting fridges and laundry machines).

IKEA Sustainable Homes

In an effort to raise the awareness and inform public about the importance of saving energy, as well as on the method by which we may protect the environment and have a personal benefit, IKEA created, at the beginning of 2012, an interactive **SUSTAINABLE HOME** at the stores of Thessaloniki and Cyprus.

This house contained small stickers placed at various areas of the house, showing various advices,

suggestions, and information about how we can convert our house to a **SUSTAINABLE HOME**, along with ideas for green products and solutions for saving energy and contributing significantly to the protection of the environment and the resources, while enjoying benefits ourselves.

SUSTAINABLE HOMES shall be created in 2013 in the other IKEA stores in Greece.

Earth Hour

IKEA Greece, Cyprus, and Bulgaria, along with INTERSPORT Greece and Cyprus participated this year, as well, in the **EARTH HOUR** action, by switching off the lights, in all their stores in the above countries, for one hour.

This action is an international awareness campaign, reminding everybody that the salvation of the Earth requires personal contribution by each one of us.



WORLD ENVIRONMENT DAY

Based on the celebrations for World Environment Day on June 5, the FOURLIS Group held an awareness campaign for its employees in Greece, as well as for the public in the IKEA stores in Greece.

More specifically, posters and informative material about the small everyday habits we may change to contribute to the protection of the planet were made available to the FOURLIS Group facilities and to all employees.

At the same time, IKEA Greece, in collaboration with the Hellenic Recovery Recycling Corporation, with the purpose of encouraging citizens consider their own responsibility and adopt recycling practices in their everyday lives, gave the opportunity to children and to the grown-ups to participate in a brief game, winning token recycling gifts and learning useful information about the proper use of the blue recycling bins and about the materials we may dispose to them.

On June 5 and 6, with the main motto **"Save Energy. Protect the Environment. Get involved"**, IKEA and WWF Hellas invited the people of Thessaloniki to discover, in a fun way, how we can save energy by protecting the environment.

People were invited to ride a bicycle using a structure that was equipped with two bicycles - one was connected to conventional bulbs, while the other was connected to IKEA energy saving bulbs- in order to light the bulbs. The races between the various riders showed the difference in consumption between energy-intensive, common incandescent light bulbs and the low-energy consumption bulbs.

At the same time, wishing to contribute to the actions taken by WWF Hellas, IKEA donated a percentage from the sale of bulbs made by the IKEA store in Thessaloniki. The amount gathered for this purpose reached 2,000 Euros.

It is worth mentioning that IKEA has stopped selling conventional light bulbs through its network, while in all of its stores energy-saving light bulbs are exclusively used.

For the action implemented in Thessaloniki, and for its contribution to sustainable entrepreneurship and growth, IKEA received the award in the Energy Mastering-Energy Campaign category of the "Environmental Awards 2013", held in December 2012 by Boussias Communications.



RECYCLING CENTRES

In 2012, IKEA maintained the integrated Recycling Centres placed in Egaleo, in Piraeus, in Syntagma, and in Ioannina.

At the time period from 31/12/2012, in the 4 Integrated Recycling Centres, 4,627,346 packaging materials or 279,995 kilos of packaging were recycled, in comparison to 5,657,306 packaging materials or 342,361 kilos of packaging recovered in 2011.

In addition, 851 kilos of batteries were recycled in 2012.



**2012 was another year that
we made our best effort
to contribute to the Society,
to inspire our People,
and to Protect the Environment**

We did a lot...

We shall continue with even more!

**Always together,
for a better quality of life.**

UN GLOBAL COMPACT
Communication on Progress 2012 (COP)

Statement of continued support by the Chief Executive Officer

With the current Communication on Progress (CoP), FOURLIS Group reaffirms its commitment for the voluntary adoption of the ten (10) principles of the UN Global Compact on the issues of Human Rights, Labour, Environment and anti-Corruption. In accordance with our mission, *«to create superior value for our Customers, People, Shareholders and Society, by delivering goods and solutions for a better living»*, we pay close attention to the implementation of the Global Compact's principles.

By participating in this UN initiative, we have access to a complete and reliable framework of policies for the development and implementation of corporate responsibility, governance and sustainability practices. At the same time, by implementing the Global Compact principles, we contribute to the dissemination of socially responsible corporate practices and the development of sustainable markets and business models. In 2012 CoP, we focus on the progress made in implementing health and safety policies, both for our employees and clients, on responsible marketing and product policy and on creating an environment that supports the fight against corruption.

The Social Responsibility Department, which has been established in 2008, is responsible for the development, management and dissemination of corporate responsibility throughout the Group, while developing and implementing CSR policies and programs in cooperation with the Group's operational departments at local, national and international level. The current CoP is an effort to present these policies and programs, their results for Fiscal Year 2012 and our goals for further improvement.

We are proud to participate in this significant United Nations initiative for the advancement of corporate responsibility and we commit to continue our adherence to the Global Compact's principles and to the improvement of our respective policies.

Apostolos Petalas

Chief Executive Officer

Executive Summary

The FOURLIS Group 2012 Communication on Progress is a tool for disclosing the Group's sustainability and corporate responsibility policies, as a result of the adoption and implementation of the UN Global Compact Principles. The information included in the CoP is addressed to Group's stakeholders (employees, clients, suppliers, NGO, mass media, public authorities, local communities, citizens) and to all interested parties, aiming to provide them with complete and reliable data regarding the integration and implementation of the respective practices and policies into the Group's operations.

The CoP introduction explains the UN Global Compact and its importance for corporations. The policies and measures taken by the Group for the protection of human rights are cited in the first chapter. The second chapter describes the working conditions and the way the Group implements the Global Compact labour principles. The next chapter contains the policies implemented by the Group towards minimizing its environmental impacts. The final chapter describes the actions taken by the Group for the fight against corruption.

FOURLIS Group's goals for the next period include, among others, enhancing health and safety policies, developing human resources, improving environmental performance and further improving the internal control environment for the fight against corruption.

United Nations Global Compact¹

The United Nations Global Compact is a platform for the development, implementation and disclosure of sustainable and responsible corporate policies. Since its launch, in July 2000, it seeks the alignment of corporate operations with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. With more than 8.500 members in more than 135 countries, the Global Compact is the world's largest voluntary corporate responsibility and sustainability initiative.

The aim of the Global Compact, through the local programs that it has implemented, the tools it provides and the resources it has, is to advance:

- The Global Compact Principles as the prevailing practice among businesses
- Actions that aim to support the wider goals of United Nations

Through its participation in the Global Compact, a corporation adopts an internationally recognized framework of corporate responsibility and sustainability policies and, at the same time, it has access to a variety of related tools and resources. Additionally, corporations can utilize the knowledge and experience of the United Nations in sustainable development issues and have also the opportunity to participate in United Nations' initiatives in the areas of the environment, society and corporate governance. Finally, they can participate in the exchange of best practices with other corporations that face similar problems².

On an annual basis, a corporation that participates in the Global Compact publishes information on the progress made while implementing the ten principles on its daily operation. The disclosure of this information is realized through a document called **Communication on Progress** and is targeted to all the stakeholders of a company (employees, shareholders, customers, mass media, public authorities etc.) with the following aims³:

- Advancing transparency
- Advancing performance improvement
- Safeguarding the integrity of UN Global Compact
- Building of a repository of corporate practices for the promotion of dialogue and learning

FOURLIS Group is a member of the Global Compact since 2008.

For more information please visit the UN Global Compact's website www.unglobalcompact.org

¹ Source: "Corporate Sustainability in the World Economy. United Nations Global Compact" διαθέσιμο στο http://www.unglobalcompact.org/docs/news_events/8.1/GC_brochure_FINAL.pdf

² Source: <http://www.unglobalcompact.org/AboutTheGC/index.html>

³ Source: http://www.unglobalcompact.org/COP/communicating_progress.html

Contact Information

For any question regarding this CoP or FOURLIS Group Corporate Responsibility please contact:

Ms. Lyda Furlis

Corporate Social Responsibility Director, FOURLIS HOLDINGS SA

340 Kifissias Avenue, Neo Psychiko, 15451

E-mail: csr@fourlis.gr

Tel.: +30 210 6293000

Fax: +30 210 6293205

Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Businesses should make sure they are not complicit in human rights abuses.

1. Approach and Goals

FOURLIS Group approaches the issues that concern the protection and respect for human rights in a systematic way, through the policies it adopts and the initiatives it undertakes. The main elements of this approach are the Code of Conduct (hereafter mentioned as “the Code”), which focuses on the employees’ obligation for ethical professional behavior and on equal treatment issues, the Health and Safety Policy which has been developed in order to provide the best possible conditions for both the Group’s employees and clients, and the Group subsidiaries’ Product Responsibility Policies, aiming to provide safety and comprehensive information to products end users.

In recognition of the importance of the first two Global Compact principles, the Group constantly sets improvement targets regarding the protection of human rights and the prevention of human rights abuses cases in the context of its operations. FOURLIS Group’s goals for the next period are included in paragraph 1.4.

1.1 The Group Code of Conduct

The Code of Conduct focuses in the creation of a working environment that promotes the protection and respect of human rights. Through the Code, FOURLIS Group promotes and implements an equal opportunities policy for all employees as well as a sexual harassment banning policy in full accordance with the labour legislation. Moreover, the anti-violence policy within FOURLIS Group working area, as set forth in the Code, explicitly prohibits any acts of violence, threatening messages or behavior and the use or possession of weapons by any physical person in the working area or during transactions with external parties.

Furthermore, the Code includes issues about the Group Health and Safety Policy aimed at constantly improving the working environment. The Group’s obligation for trading and transporting merchandise without quality problems and protecting the health and safety of its clients, is highlighted in the same policy, while emphasis is given in complying with legislation and cooperating with public bodies in the

case of audits or investigations. The main elements of the Group's Health and Safety and Product Responsibility Policies are analyzed in the following paragraphs.

The Group's approach and policies regarding payroll, annual leave and working time are developed according to the applicable law.

FOURLIS Group's employees must espouse, respect and abide by the Code of Conduct. The full version of the Code is handed to the Group's management, who sign an acceptance form. The brief version of the Code, along with any changes, is distributed to all employees, who also sign the respective acceptance form.

The Code includes the following issues:

1. Obligation of adherence to business ethics and compliance with legislation

The staff of FOURLIS Group behaves ethically and lawful, irrespective of their position within the company or the place they are working at. Our assurance includes conformity with ALL laws that regulate or are valid for the operation of the Group's companies as well as the conformity with business ethics standards.

2. Communication of cases where non-ethical or non-lawful behavior is observed

The Code of Conduct Line of the Group is available 24 hours a day and anyone may call the Line in order to report any concerns related to Code of Conduct violations or non-compliance with the valid legislation.

The access to the Code of Conduct Line of the Group may be obtained by phone, landline or cell, at (+30) 210 6293010. There is also an e-mail available: codeofconduct@fourlis.gr

3. Conflicts of interest

The FOURLIS Group staff does not allow any business transactions to be influenced or seemingly influenced by their own personal or family interests. A conflict of interest may arise in case that us or any family member of ours acts or has any interest that makes the execution of our duties objectively difficult or in case that we accept any inappropriate benefit as a result of our own position within the FOURLIS Group.

4. Business gifts, payments and fair transactions

The FOURLIS Group staff shall never offer / receive (directly or indirectly) any object of value to or from any client nor influence or reward any action, violating as a result the FOURLIS Group or the client's policy.

5. International business behavior

FOURLIS Group, as an international Group of Companies, recognizes its responsibility towards the countries within it conducts business. FOURLIS Group complies with all laws and regulations, respects any legal fees applicable in the countries where the group's activities take place and does not participate in any action of commercial blockade. The FOURLIS Group staff shall never make any payment or offer nor give anything valuable to any foreign officer (or candidate for a political position) or consultant or

representative, unless they are absolutely certain that this payment is intended for actual business services and that it is legitimate according to the applicable local legislation and the Code of Conduct of FOURLIS Group.

6. Precision and preservation of company archives and documents

The FOURLIS Group companies keep records of financial documents that precisely and accurately reflect the company transactions. In addition, they do have an internal audit system. It lays in the FOURLIS Group staff responsibility to maintain accurate and correct archives of all the FOURLIS Group activities. The business files shall be kept according to the internal procedures of the Group's companies and the applicable laws. The FOURLIS Group staff shall in no event document inaccurately or falsify data.

7. Company announcements

FOURLIS HOLDINGS SA provides accurate and timely communication to shareholders and bodies through its Investors Relations Department in order to supply shareholders and bodies with full and accurate information on any subject that concerns the financial status of the Group's companies as well as the results of their actions. Only natural persons authorized by the FOURLIS Group BoD may communicate with public bodies and Media in order to announce data relating to activities and financial results of any FOURLIS Group companies.

8. Working Environment at FOURLIS Group

The primary operational principle at FOURLIS Group is the respect of other human beings. The companies of FOURLIS Group express their respect to all their employed staff by providing a positive, productive and safe working environment.

The policies:

- equal employment opportunities,
- banning of sexual harassment,
- anti-violence policy within the working area, and
- a working environment free of drugs / alcohol

within the FOURLIS Group, prohibit discrimination and harassment and ensure a safe and healthy working environment.

9. Trade and competition practices

Antitrust and competition laws aim in establishing the existence of a balanced business environment where enterprises have a fair competition in terms of prices, quality and service. The FOURLIS Group staff always, without any exemption, comply with the rules and the spirit of Antitrust and competition laws and do adopt this policy. Every agreement or ownership (official or unofficial, expressed or implied) among competitors in order to raise, reduce or stabilize rates is illegal and strictly prohibited.

10. Merchandise quality and natural environment protection

The FOURLIS Group staff should inform their supervisor immediately in case they receive any information concerning problems with the quality of the merchandise.

FOURLIS Group is bound to maintain a responsible attitude towards the environment and comply with all environmental laws and regulations. The FOURLIS Group staff minimizes the companies' impact on the environment through methods that are socially responsible, that are based on science and that are financially acceptable (recycling and energy consumption programs etc).

11. Use of the Group's assets (equipment and services)

The FOURLIS Group's assets, its installations and its resources (human and material) are used by the staff only for the Group's purposes and not for any personal purposes.

12. Confidentiality

The FOURLIS Group staff that has access to confidential or privileged information concerning business activities of the Group, must never disclose them to anyone nor be used for personal benefit or benefit of others.

1.2 Health and Safety Policy

The Group's efforts for protecting human rights are also reflected in the Health and Safety policy. The measures taken aim to protect the health and safety of both Group employees and clients and to respond to the regulatory and ethical standards of the countries where the Group operates.

It is worth mentioning that HOUSEMARKET S.A., a Group subsidiary responsible for the operation of IKEA stores, has adopted a Health and Safety Policy for all of its stores and facilities, the purpose of which is to ensure the health and safety of employees, visitors and associates. In particular, the company's objective is the constant improving of the working conditions and the reduce of the rates of accidents, near accidents and occupational diseases, with the ultimate goal of eliminating. In order to achieve its objective, the company implements a Health and Safety Management System and complies with the legislation.

The Health and Safety Policy of HOUSEMARKET S.A. is documented and its main elements are:

- identifying and assessing risks associated with the operation of HOUSEMARKET S.A.
- taking measures for the reduction of the company's operational risks
- allocating responsibility to the company's management
- supporting the Health and Safety System with resources and the necessary infrastructure
- constantly training employees
- selecting and training qualified executives
- investigating all incidents
- evaluating the Health and Safety System for its constant improvement

- performing internal audits in order to prevent and deal with problems associated with Health and Safety issues

IKEA stores have the majority of the Group's visitors, who, in 2012, were above 8.720.000*, as well as the majority of the Group's employees (approximately 2000)*, a fact that designates the importance of the Health and Safety Policy implementation in HOUSEMARKET S.A.

**Data for the IKEA stores of Greece, Bulgaria and Cyprus*

1.3 Product responsibility

FOURLIS Group implements product responsibility policies by taking measures for the protection of its customers and consumers' health and safety as well as for providing to them responsible and reliable information about the Group's products. Primarily, the Group monitors and complies with the domestic and European legislation about technical specifications and the safe use of products. In particular, for the products marketed by FOURLIS TRADE S.A., the company monitors the applicable legislation by participating in SVEIS, a member of the European Committee of Domestic Equipment Manufacturers and checks that all products imported are in compliance with the European Union's technical specifications. Moreover, the Energy label is provided by all the manufacturing sites that produce the products distributed in Greece by FOURLIS TRADE S.A.

A recall policy is implemented for all the products of IKEA stores and, depending on the incident's severity, the case of recall is publicized. Furthermore, the company provides special labels on the packaging and on the products it sells concerning hazards associated with health and/or safe use as well as instruction manuals in multiple languages. In addition to the above, IKEA stores have a special pricing policy aimed at providing their products at the lowest possible prices, so as to make them available to as many consumers as possible. Finally, IKEA stores provide multiyear product guarantee, which, in some occasions, has an extent of up to 25 years.

For the INTERSPORT stores, product responsibility is identified as informing consumers about the suitability of the sport products and gym equipment depending on the consumer's physical condition or illness. However, INTERSPORT explicitly informs consumers that the information provided to its clients, during the selection of products, is only advisory in nature and that clients should not disregard a medical advice or diagnosis that they already have, or neglect taking a medical advice or receiving a diagnosis for an illness. At the same time, an element of the company's marketing policy is the promotion of sports and the development of sports consciousness to the company's consumers by successfully organizing sporting events and other activities.

1.4 Goals

For the next period, the Group has set the following goals on human rights:

- A) Documentation of Health and Safety Policy for all Group companies
- B) Creation of Safety Manuals for all Group companies
- C) Creation of Risk Manual for the Group companies, except for IKEA that already has one.

2. Implementation

This section contains an analysis of the measures taken by the Group during 2012, or those that are in effect from previous years, as a result of the Group's approach for the protection and respect of human rights.

2.1 Mechanism for monitoring the implementation of the Code of Conduct

The Group has established the "Code of Conduct Line" through which employees can report cases of violation of the Code or non compliance with the current legislation, while the same applies for the email address codeofconduct@fourlis.gr. Direct access, in both the telephone line and email address, has been granted only to the Group's Internal Control Department, which receives, evaluates and investigates all the different reports and complaints.

2.2 Implementation of the Health and Safety Policy

In order to safeguard adherence to the Health and Safety Policy, inspections are carried out by safety technicians in all facilities. Safety technicians check that all the relevant procedures are executed according to current legislation, safety rules and internal planning. Inspections are held on a daily, weekly, monthly, semestrial and annual frequency.

Additionally, the Group implements the following measures:

- Cooperation with an external protection and prevention service
- Written estimation of professional risk according to existing methodology
- Requirement, against its suppliers, for the provision of product safety certificates
- Taking measures for reducing "emergency pick" occasions in order to prevent accidents

For IKEA stores, the Group has proceeded with the allocation of responsibilities, designating a Health and Safety responsible person for each store. Moreover, it has proceeded with the formation of Safety, Fire Safety and First Aid internal teams for every store. The Fire Safety and First Aid internal teams receive certified annual training.

Furthermore, the Group ensures for the training and information of IKEA stores' employees. Employees are regularly trained in order to be able to cope with emergencies. Training includes, among other, the following:

- Annual scheduled exercise on store evacuation with the presence of clients
- Non-scheduled exercise on store evacuation without clients
- Fire-safety exercise on a monthly basis
- Training store management

- Training the safety teams on human rights
- Conducting safety knowledge tests to employees on a monthly basis

At the same time, HOUSEMARKET SA has issued and distributed to all employees a personal “Safety Manual” referring to issues such as fire safety, evacuation, prevention of accidents, burglary etc.

All health and safety incidents that occur inside the IKEA stores are reported, and in this context, a Safety Report is prepared for each store separately as well as for all stores combined. The report contains information about the number and type of incidents and their handling. Through the use of these reports, the Group receives valuable information on the effectiveness of its policies.

In order to deal with health incidents, the Group has ensured that all IKEA stores have treatment rooms equipped with medical beds and automatic external defibrillators.

Moreover, for better serving disabled persons, IKEA department stores are equipped with a special trolley that is available at the stores’ entrance and specially designed lavatories.

Apart from the IKEA stores, the Group strives for health and safety conditions improvement for all its subsidiaries. The health and safety measures of TRADE LOGISTICS S.A. Group company include the installation of a fire safety system adapted to the corporate facilities’ special requirements and employees training on fire safety (use of masks and fire extinguishers) safety at work and first aid.

Furthermore, an annual fire-safety exercise is taking place every May, an audit of all fire-safety and fire-detection systems is taking place once every two months, a check of automatic fire suppression system is taking place once every fifteen days and finally, a record of all conducted audits is kept by the company.

2.3 Responsible product

As mentioned above, the Group pays special attention to the quality of the products and services it provides, as found in the respective section of the Code of Conduct (see paragraph 1.1). FOURLIS TRADE S.A. is taking all measures towards eliminating all potential defects in the production of the products it distributes in the Greek market that might have impacts on the product’s lifespan or the product’s use, ensuring in this way their quality.

Quality assurance is achieved through technically checking a sample of the products distributed by the company. The responsible party for performing the technical check is the Group’s subsidiary SERVICE ONE S.A. Moreover FOURLIS TRADE S.A. has a replacement policy with no or minimum charges for the consumer depending on the time the product has been used, and the guarantee provided, as well as a withdrawal policy, if considered necessary.

Moving on to the Group’s remaining companies, INTERSPORT S.A. has taken initiatives in order to support the consumers in selecting the appropriate products depending on their health condition or special features of their body. An example of such an initiative is the use of “Footscan” machine, which indicates whether the customer has a regular foot, or an overpronation or underpronation foot, directing

in this way the customer to select the appropriate fitness or running sports shoes depending on the type of its sole. At the same time, the fitness and running shoes have special signs indicating the type of feet they are best suited for, and the technology they use in order to meet the special feet requirements. Moreover, the fitness accessories that do not contain phthalates bare the mark “phalate free”. Finally, the fitness, mountaineering, running, football and basketball accessories are certified according to CE.

A priority for IKEA stores is to provide special signs and indications for the proper information of consumers. As part of its corporate philosophy, the company provides information and indications about potential health problems, hazardous substances, whether the product should be used only by adults, dimensions, information related to product manufacturing ect.

Moreover, the IKEA restaurants are certified according to ISO 22000 for the safety of the food offered.

Finally, all the products of FOURLIS Group comply with the European legislation and bare the respective signs (e.g. CE).

2.4 Local communities

FOURLIS Group contributes to the local communities through its CSR activities. Indicatively, the following actions are mentioned:

- Blood donation, on a volunteering basis, that occurs in all Group companies twice a year.
- Donating food and essentials to foundations and organizations.
- Supporting Clubs, Foundations and Bodies by donating equipment, products and other actions.

In the “Social Report” you can find more information about the CSR program of FOURLIS Group for 2012.

3. Results

This section contains information regarding the results from implementing the abovementioned policies of FOURLIS Group.

Code of Conduct

All FOURLIS Group employees in Greece and Cyprus have signed the Code's analytical or brief version, depending on their role.

During 2012, three (3) cases of code's violation were reported in the Code of Conduct Line. These cases were investigated by the Internal Audit Department and for the cases that the grievances were valid, proper measures were taken.

Health and Safety

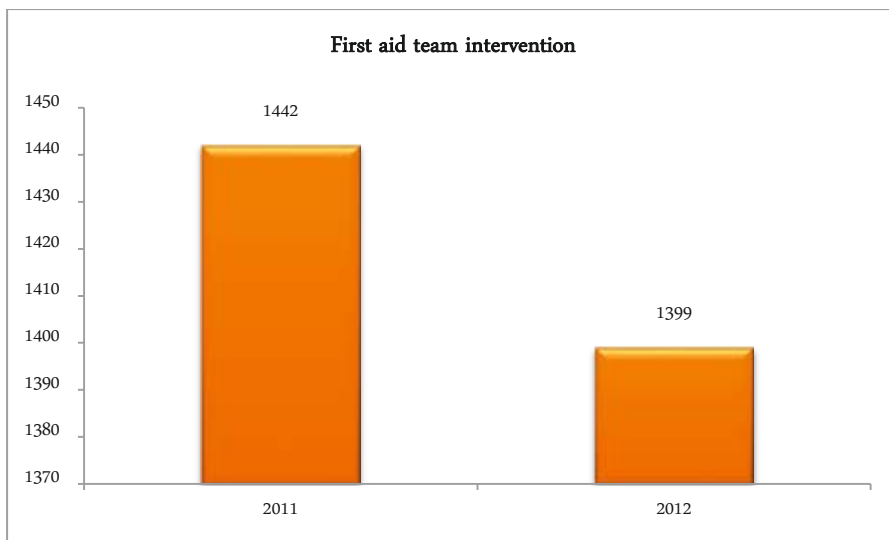
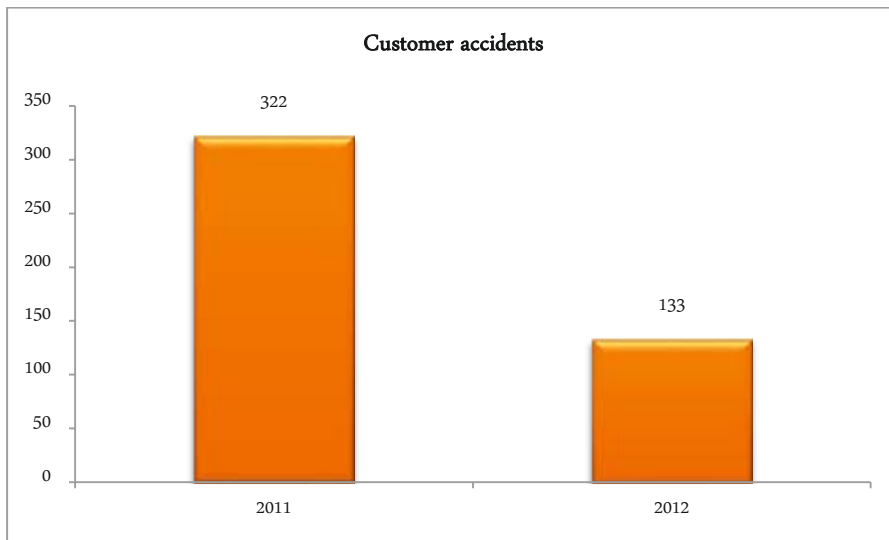
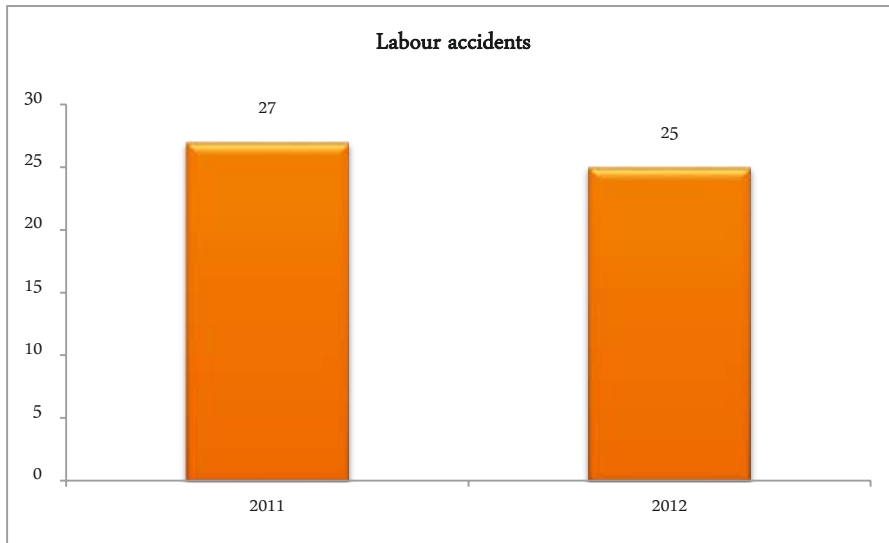
The following table presents information about the accidents and days of absence due to sickness in FOURLIS Group, during 2011 and 2012.

	2012	2011
Number of accidents in workplace*.	47	151
Number of accidents in workplace (more than 3 days of absence)	28	27
Total man-hours of training in Safety issues	5.161	4.191
Days of absence from work due to sickness (more than 3 days)	8.864	5.948
Days of absence from work due to sickness (less than 3 days)	3.967	4.292

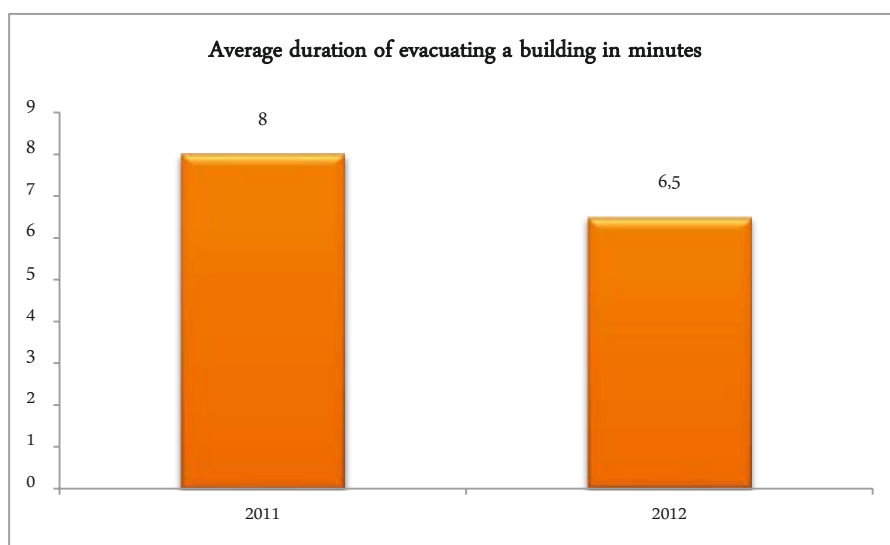
**mainly due to minor injuries*

In particular:

- Labour accidents, customer accidents and cases requiring treatment were reduced in IKEA stores as depicted in the following charts:



- The average duration of evacuating a building has been reduced



- All employees of IKEA stores have been trained in health and safety issues

The following tables present information on total hours of training per subject for IKEA employees.

YEAR	Hours of Training on Safety Issues
2012	2.861
2011	4.115

SUBJECT	DEPARTMENT
Health and Safety in Restaurants	Restaurants
First Aid	First Aid Team
Health and Safety at Work	Designers/Decorators
Health and Safety at Work	Warehouse
Health and Safety at Work	Maintenance
Health and Safety at Work	Opportunities/Others
Fire detection /Fire fighting / Evacuation	All/Firesafety team

Lifting and transferring Cargo	All
What should I do in case of armed robbery	Finance

It is also worth mentioning that:

- Two (2) cases of rescuing a human life have been reported in the IKEA stores (from startup), crucial for the outcome of which was the existence of suitably equipped medical rooms and defibrillators.
- No case of labour accident has been reported in TRADE LOGISTICS S.A. during the last 5 years.

Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5:

Businesses should uphold the effective abolition of child labour.

Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

1. Approach and Goals

FOURLIS Group has developed specific policies and has taken measures in order to create an appropriate working environment according to the current legislation and the UNGC labour principles. In this context, the Group respects the rights of its employees to form unions, does not participate in any kind of forced or child labour and fully complies with the current labour and insurance legislation. The Group also ensures that all decisions related to employees' issues are based on objective criteria, forbidding cases of discrimination.

The policies related to the incorporation of the labour principles into the Group's daily operation are described in the following paragraphs of the current section. These policies include the Internal Regulations, the Code of Conduct and the Employees' Evaluation Policy. The Group's goals for the next period are listed in the final paragraph of the section.

1.1 Our Values and the Code of Conduct

FOURLIS Group has adopted the following values in order to create an appropriate working environment and to operate effectively:

- Integrity
- Respect
- Efficiency

The Group Code of Conduct (“the Code”) (the brief version of which is included in Chapter 1 “Human Rights”) explains the above values. In particular, with regards to the labour principles, the Code mentions that discriminations and harassments are forbidden at work. To this end, the Group has adopted policies to safeguard equal opportunities at work and policies against violence and sexual harassments.

Moreover, the Code emphasizes on professional ethics and lawful behavior providing disciplinary penalties in cases of violations of the Code or the legislation.

1.2 Internal Regulations

FOURLIS Group has developed Internal Regulations, for all companies, in order to fully comply with the current labour legislation. These regulations concern labour issues such as remuneration and benefits, training and performance appraisal, behavior at work, relations between colleagues, health and safety conditions, disciplinary procedures as well as termination of employment.

In the context of fighting against forced labour, the Internal Regulations describe the hiring process, which is developed so as to respect the candidate’s personality. Moreover, towards eliminating discriminations, in the hiring process it is stated that sex, nationality, disabilities, age or marital status are not considered disadvantages. In addition to the above, decisions concerning remuneration, promotions, training and disciplinary actions are based solely on objective criteria without any kind of discrimination.

In any case, the current legislation provisions prevail for all of the abovementioned issues, with the Internal Regulation being complementary.

1.3 Evaluation Policy

The Group, consistent with the Code of Conduct, implements an evaluation policy which prevents discrimination. The employees’ evaluation process is conducted once every year for all Group companies, apart from IKEA, where it is performed biannually and includes the evaluation of accomplishing agreed targets, and the appraisal of the employees’ abilities and behavior. The goal of

the evaluation policy is the development of employees in an unbiased way, based on criteria mentioned in paragraph 2.2 “Evaluation of Employees”. Moreover, this policy encourages two-way communication between employees and direct supervisors, and performance improvement of employees focusing on personal skills and merits. At the same time, the Group’s Human Resources needs are recognized, in order for them to develop and evolve.

Criteria such as nationality, religion, sex, age, disabilities and other private information of employees are not taken into consideration during the evaluation process.

1.4 Goals

In order to implement the UNGC principles in the best possible way, FOURLIS Group has set the following goal for the next period:

Gradual implementation of the “Investors in People” standard for all Group companies. This internationally recognized standard certifies the effectiveness of a company’s development activities in relation to its strategy and values, while at the same time it facilitates the designing of future actions and targets on Human Resources issues. The issues reviewed by the standard are, among others, training, development and constant improvement of employees as well as encouragement and reward.

FOURLIS Holdings S.A. will implement the standard “Investors in People” in 2013.

2. Implementation

This section contains the actions and measures taken by the Group in order to implement the labour Principles of UNGC.

2.1 Code of Conduct Line

As already mentioned in chapter 1, the Group has created the “Code of Conduct Line” in order to monitor the Code’s implementation. Any employee can report through the dedicated telephone line or email, cases of Code and/or legislation violation. These violations concern both human rights and working conditions, namely violations of legal working age limit, labour rights, discriminations or forced labour. Responsible for investigating these cases is exclusively the Group’s Internal Audit Department.

2.2 Evaluation of Employees

The Group employees’ evaluation is designed to take into consideration certain competencies related to their job requirements. These competencies are the knowledge of the employee’s position

requirements, teamwork, customer focus, effectiveness, adaptability, planning and organizing. Moreover, the competencies for evaluating the Group's management are those associated with leadership. These include building effective teams, timely decision making and insight.

3. Results

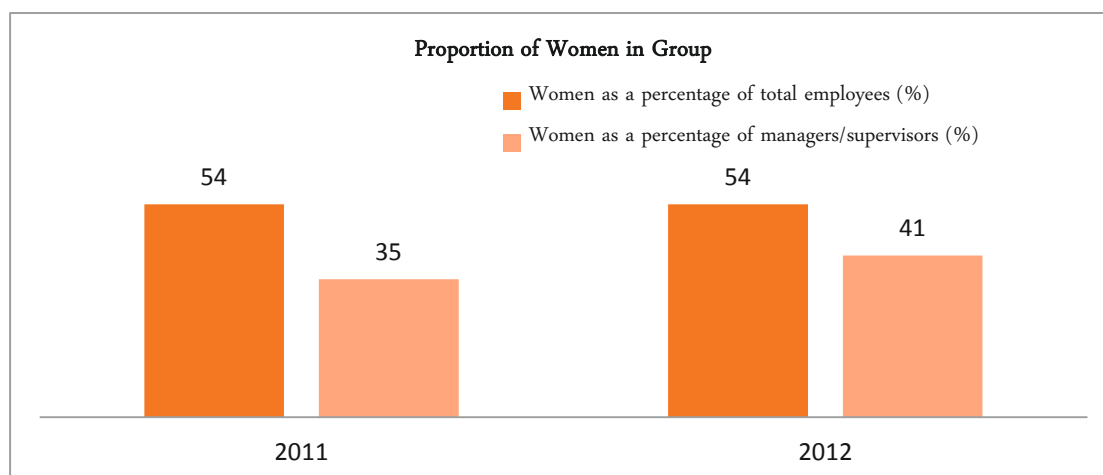
Following, some of the Group's results from implementing the UNGC labour principles are presented.

3.1 Profile of the Group's Human Resources

JOB POSITION	MANAGERS	EMPLOYEES	EMPLOYEES OF OTHER NATIONALITIES	
Employees (%)	16	84	10	
AGE	18-25	26-40	41-50	>50
Employees (%)	20	54	17	9
EDUCATION	PRIMARY	SECONDARY	UNIVERSITY	
Employees (%)	14	57	29	
GENDER	WOMEN	MEN		
Employees (%)	54	46		
WORKPLACE	STORES	OFFICES		
Employees (%)	89	11		

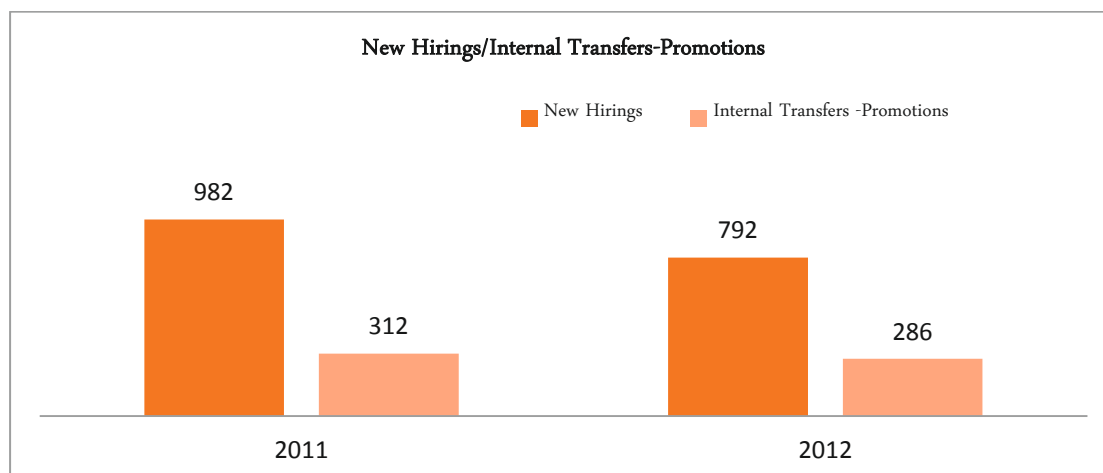
3.2 Proportion of women in Group

In 2012, the proportion of women as a percentage of total employees remained the same at 54%, while the proportion of women as a percentage of managers/supervisors increased at 41%, as depicted at the following chart.



3.3 New Hirings – Internal transfers – Promotions

In 2012, 286 internal transfers-promotions were made at Group level, of which, 120 are internal promotions. Moreover, 792 new hirings were made in total. The number of new hirings is mainly due to the Group's operations expansion in Turkey (INTERSPORT), Bulgaria (IKEA), as well as to the opening of NEW LOOK stores in Romania.



Environment

Principle 7:

Business should support a precautionary approach to environmental challenges.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

1. Approach and Goals

1.1 Environmental management

The Technical Departments at company level and the Group's Social Responsibility Department are responsible for environmental management. The Social Responsibility Department's responsibilities include monitoring of materials recycled, energy and water consumption, use of paper, recycling and consumption of toners, as well as the organizing of actions for informing and raising the awareness of the Group's employees and the public. The Social Responsibility Department is gathering and recording the information regarding the Group companies' environmental performance and compares it with previous years' performance. The goal is to evaluate and improve the measures taken for the reduction of the Group's environmental impacts. Moreover, through this process the Group is able to present the progress made and the results from implementing the above to the Group's stakeholders.

The Group policies on environmental protection include the rational use and recycling of paper. In this context, all Group companies exclusively use recycled, recyclable and non-chlorinated paper, while several practices towards reducing paper consumption are implemented.

At the same time, all Group companies recycle toners, batteries and other materials (see section 2.3 "Recycling and Waste Management").

The Group implements an Energy Saving Program for the systematic monitoring of electricity, heating oil and natural gas consumption. In particular, in the case of IKEA facilities the designing of which included environmental criteria, the Group has implemented special measures for improving their energy efficiency. These criteria and measures are described in section 2 "Implementation".

An important element of the Group's environmental protection policy is the monitoring of water consumption. FOURLIS Group, in recognition of the significant quantity of water that it consumes for sanitation needs and because of its large number of customers and employees, is taking measures for

reducing its total water consumption. Towards this end, the Group monitors water consumption per Group company in order to compare results and evaluate the measures taken.

Moreover, part of the Health and Safety Policy, which is analyzed in chapter 1 “Human Rights”, is the protection of the environment, including for example fire prevention measures. The Group has detailed procedures, plans, equipment, and training programs for preventing and dealing with accidents in the workplace that have impacts to human life and the environment.

1.2 Compliance with legislation

One of the Group’s priorities is to comply with the environmental legislation. Responsible for the monitoring of legislation that is associated to their operation are the Group companies. For example, FOURLIS TRADE S.A. complies with legislation regarding recycling, by paying the appropriate tax for the quantity and packaging of the electrical devices sold. Electrical devices tax is determined according to their weight and category, while packaging tax is determined according to weight, type of material and product category. Depending on operation, the other companies of the Group comply with legislation respectively.

1.3 Goals

For the next period, the Group has set the following targets regarding environmental protection:

- Reducing GHG emissions at Group Level
- Increasing the energy class products A++ (40%) and A+++ (60%) distributed by FOURLIS TRADE S.A.
- Gradually improving the use of automated taps for water savings in all IKEA facilities
- Reducing fuel and electricity consumption for the heating and cooling of IKEA buildings in the following ways:
 - Using Geothermal and/or Solar energy in new stores
 - Optimizing air management depending on the needs and climatic conditions
 - Ensuring less heat or cooling losses by using advanced management systems and insulation of glazing and openings
- Conducting seminars on the use of lighting and the use of LED lamps from IKEA stores.
- Operating the photovoltaic system recently installed in TRADE LOGISTICS S.A. for producing electricity.
- Electronic archiving of documents issued by INTERSPORT S.A. in Greece with a goal of reducing the company’s total printed documents by approximately 2.000.000. At the same time reducing the use of toners, electricity consumption, the use of paper and the company’s costs.
- Measuring the carbon footprint of TRADE LOGISTICS S.A. and calculating the reduction achieved due to the use of railway for logistics purposes.

2. Implementation

2.1 Saving energy and using modern technology

The Group is taking measures for reducing the energy consumed by the Group companies, because of their operation. In this context, the warehouse of TRADE LOGISTICS S.A. is using one of the most advanced technologies in the European logistics sector. As a result, 70% of all work is conducted by robots with no human presence necessary. This technology has attracted the interest of domestic and European universities, students of which visit the company warehouse to study its operation. TRADE LOGISTICS S.A. has been twice awarded in international competitions for this pioneering investment.

For 2012, TRADE LOGISTICS S.A. has achieved a significant reduction of its total energy consumption. This reduction is a result of:

- a) The need for lighting of the facilities has been significantly reduced because of the use of automated procedures. Approximately 70% of all work is conducted by robots.
- b) Optimizing the efficiency of machines in order for them to operate in “full circle”. In this way, the machines are always loaded and never run a route empty or without load.
- c) Adjusting the shifts of employees as to conduct most of the work during the day.
- d) Excellent insulation of the roof.

Moreover, TRADE LOGISTICS S.A. has made a significant investment in order to connect its facilities with the national and European railway network and this connection is expected to start operating in 2013 with approximately 30% of total cargo transported from Europe to the company’s warehouse in Greece (Schimatari), being moved through the railway network. Reducing transportation through the road network is expected to significantly reduce the company carbon footprint, which will be calculated in 2013. Furthermore, the company installed a photovoltaic system on the roof of its warehouse for producing electricity, with total power of 1MW. This system will start operating in 2013.

The initiatives for saving energy in IKEA buildings are also significant. In particular, the company has taken the following measures for reducing energy consumption:

- a) Reducing electricity consumption by:
 - Proper programming of internal and external lighting of facilities.
 - Using devices for quality upgrading the power in order to optimize the air-conditioning etc.
 - Peak consumption management by optimizing/deferring the operation of the facilities and devices that consume electricity.
 - Replacement of the existing lamps with LED lamps.
- b) Limiting the losses of air-conditioning by:

- Improving the management of all openings by, for example, adjusting the time that automatic doors remain open and the respective distance, as well as by installing air-curtains.
 - Trying to minimize the automated rejection of conditioned air beyond the use requirements.
- c) Maximizing the effectiveness of maintenance and regulation of the ventilation, heating and cooling systems

2.2 Using environmental criteria for the Designing facilities

For IKEA buildings, the following criteria were taken into consideration.

- Maximizing the buildings' shell thermal insulation by using environmentally friendly materials.
- Waste management
- Using environmentally friendly building materials
- Using apparent and simple construction elements and avoiding the use of cover materials.
- Using Building Management System (BMS) for optimizing the control and regulation systems of the performance of buildings.

2.3 Recycling and waste management

A priority for the Group is to reduce its waste through effective waste management and for this end the Group:

- Monitors the waste produced
- Monitors the recycling of materials by receiving the respective recycling or disposal documents from the recycling companies.

FOURLIS Group is trying to reduce its waste by implementing recycling practices for all recyclable materials produced by its operation. Among the materials recycled are paper, toners, batteries, aluminium, glass, plastics, metals, wood, fluorescent lamps, IT devices, and cooking fat from the IKEA restaurants. Data regarding recycling are recorded by the Social Responsibility Department. This is achieved by monitoring the weight of recycled materials. Paragraph 3.5 contains a table with all the relevant information concerning the recycling of materials for 2012.

Special recycling programs are implemented in all of FOURLIS Group facilities with the participation of the employees and the use of special recycling bins which are placed in the working areas.

IKEA stores have their own waste management policy. All stores are equipped with recycle bins for paper, batteries and lamps in order to motivate customers and employees to recycle the respective materials. At the same time, the cooking fat used by the IKEA restaurants is recycled and the company pays special attention to compliance with legislation concerning waste and especially regarding the cleaning materials and detergents in order to maintain the quality of its waste.

Furthermore, as an initiative for protecting the environment from accidents with negative environmental impacts, TRADE LOGISTICS S.A. has proceeded with the construction of special tanks for the collection of mechanical oil (hazardous for the environment) in case of leak, in the space where the railway is constructed.

2.4 Saving paper

In 2012, The Group continued in making efforts for reducing paper consumption, by implementing the successful practices of the previous period. In particular, the Group took the following measures:

- a) Use of fax servers
- b) Use of printers with duplex printing
- c) Use of Human Resources software applications
- d) Possibility for scanning and electronic keeping of documents
- e) Electronic archiving and monitoring of contracts (e-doc system)

2.5 Actions for informing the public and employees.

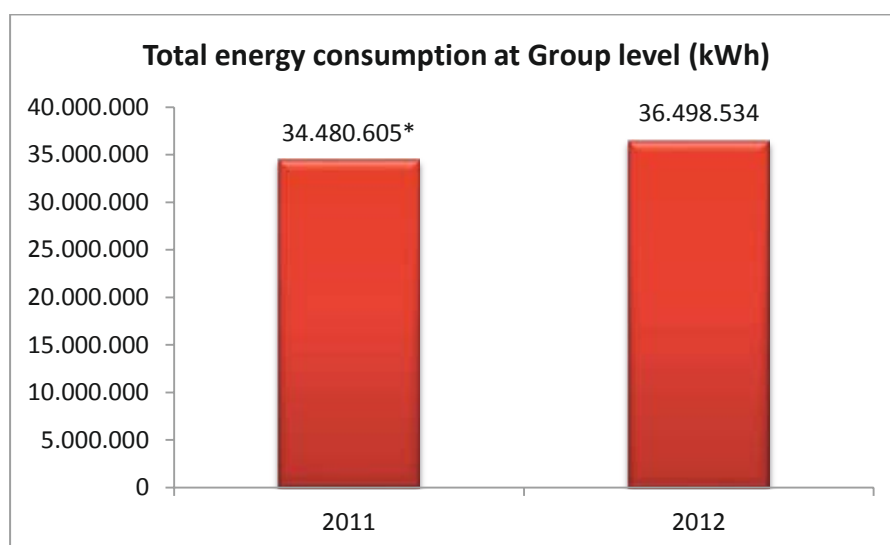
The Group, in an effort to motivate its employees and customers for saving energy and protecting the environment, organized actions in order to raise awareness on these issues. These actions are described in the “Social Report”. One of these actions involved the distribution of brochures to IKEA customers for the use and safe disposal of LED lamps. The brochure included useful information for the benefits that LED technology has for the environment as well as saving money. In particular, it contained a detailed comparison between different lamp technologies and the advantages of LED lamps. Furthermore, it included useful information for recycling and explanations of the signs and letters printed on the lamp’s packaging.

3. Results

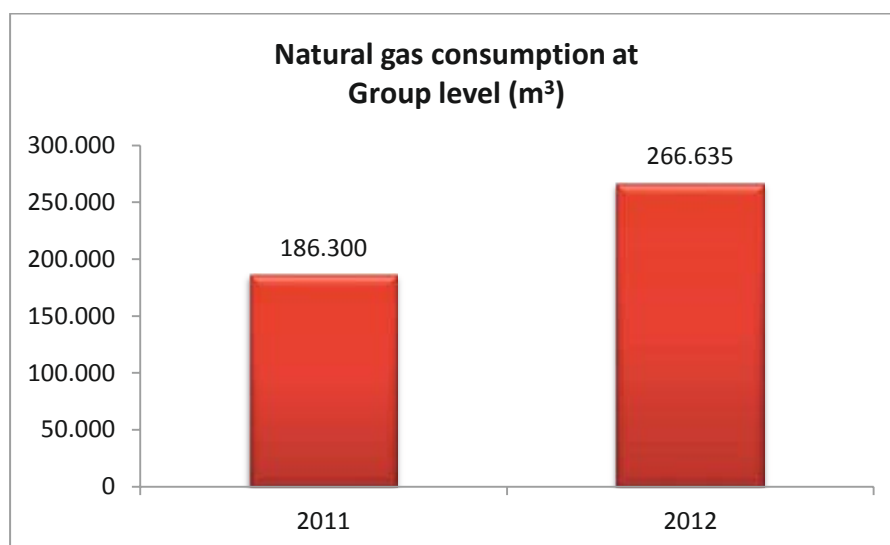
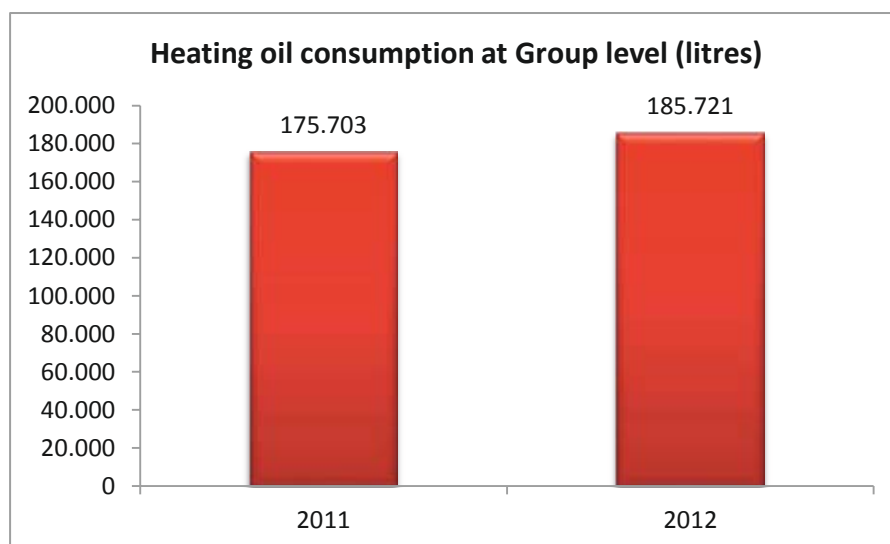
The Group monitors and evaluates its environmental policy results. 2012 results are presented below.

3.1 Energy consumption

In 2012, the Group's total energy consumption was increased. In particular, electricity consumption was increased by 5.8%, heating oil consumption by 5.7% and natural gas consumption by 43%, compared to 2011. The factors that contributed to the increase of total energy consumption include, among other, the unfavorable weather conditions of the winter and autumn of 2012 which caused an increase in heating and warm water needs, as well as the increased duration of the cooling period of the same year. Moreover, one of the factors that contributed to the increase of the Group's total energy consumption was the opening of two new INTERSPORT stores.

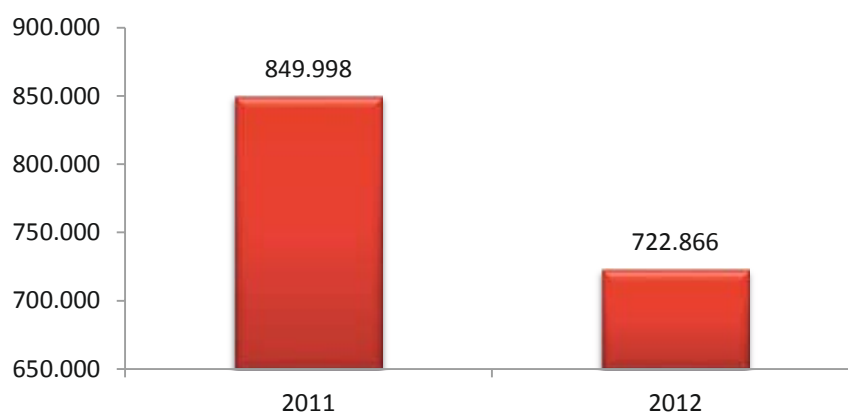


**Modification of the total electricity consumption of 2011 due to revised data*



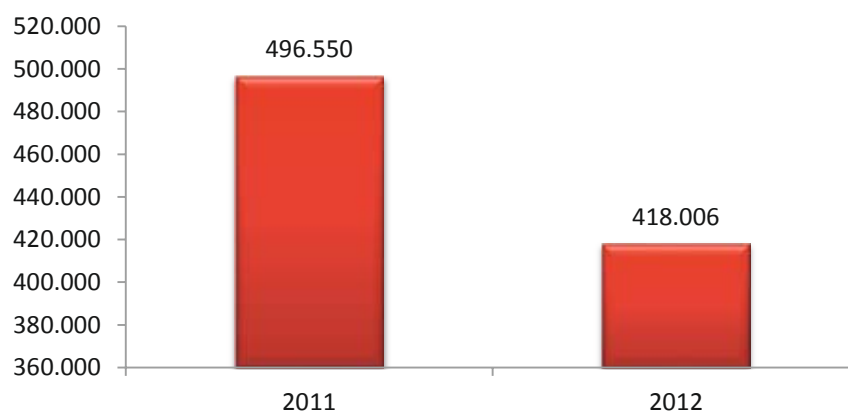
3.2 Cases of electricity saving

TRADE LOGISTICS S.A., thanks to the measures taken, achieved a total reduction of its electricity consumption for 2012 by 15% compared to 2011.

**Total electricity consumption of TRADE LOGISTICS
(kWh)**

FOURLIS TRADE S.A. also achieved a reduction in its total electricity consumption*.

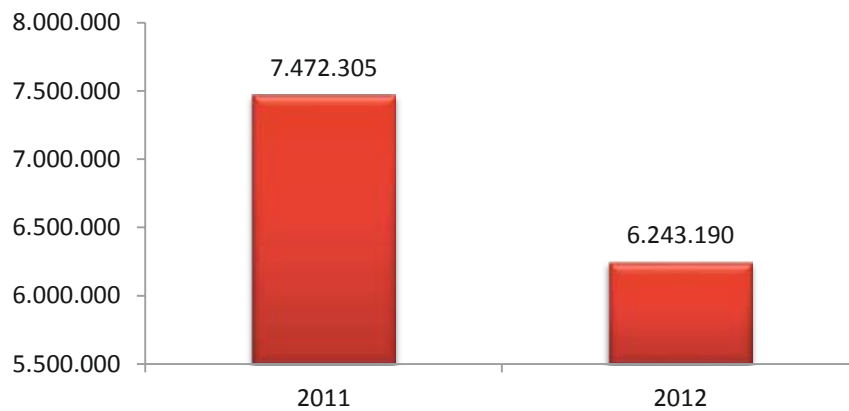
As shown in the following chart, electricity consumption for 2012 was reduced by 16% compared to 2011.

**Total electricity consumption of FOURLIS TRADE
(kWh)**

*Concerns the following operations: Central offices, Inofita warehouse, Exhibition, Thessaloniki branch

Electricity consumption was also reduced in the IKEA store at Egaleo. The following chart presents this reduction, which compared to 2011 reached 16.5%.

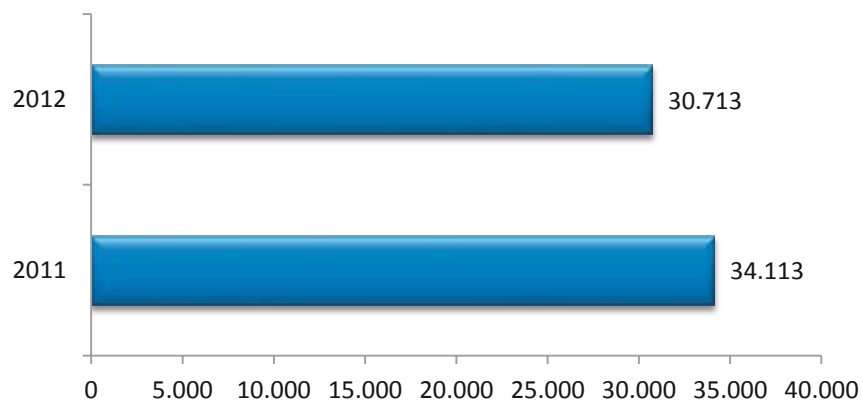
**Total electricity consumption of IKEA Egaleo Store
(kWh)**

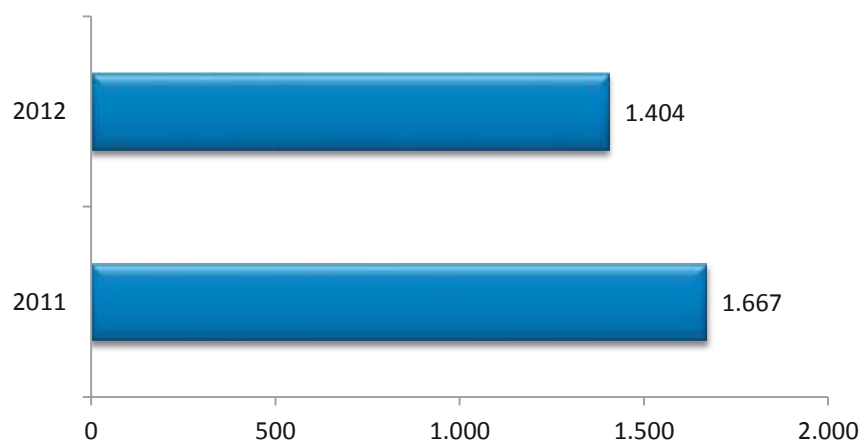
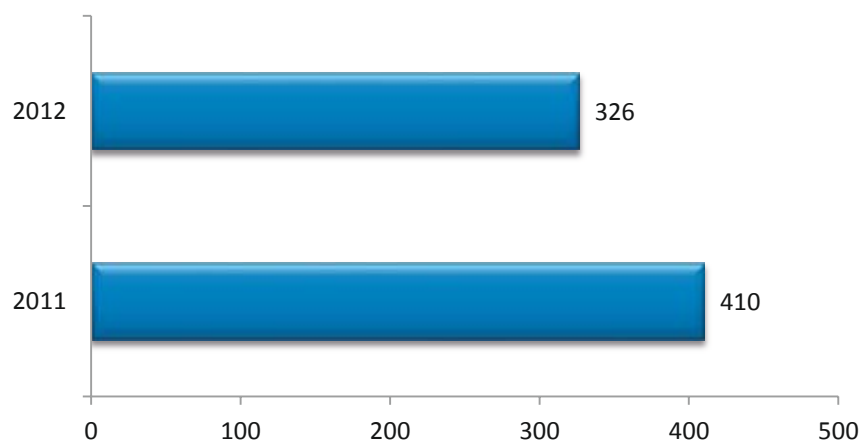


3.3 Saving water

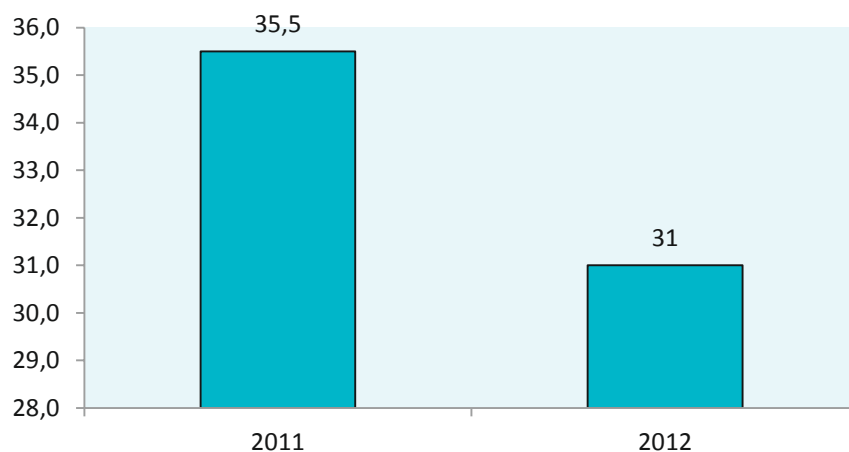
The following charts present the saving of water achieved at IKEA stores located outside of Attica, with a total reduction in water consumption by 10%, at INTERSPORT S.A. stores by 16% and at TRADE LOGISTICS S.A. by 20% compared to 2011.

**Total water consumption of IKEA stores (excluding
Attica)(kL)**

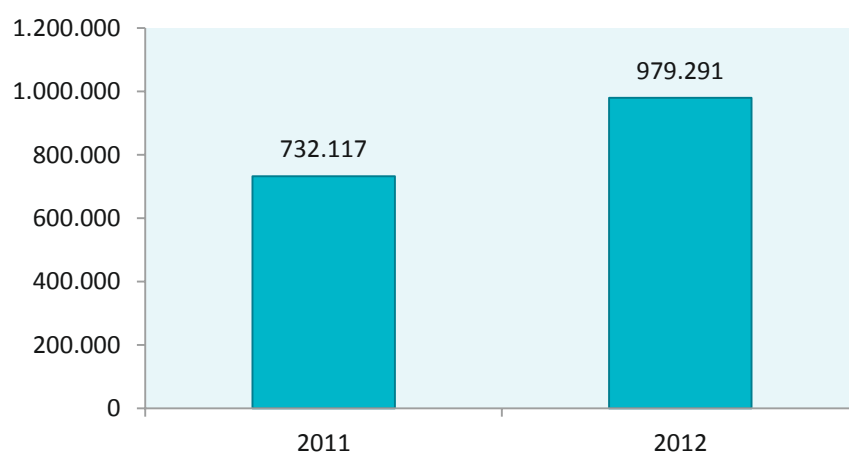


Total water consumption of Intersport Stores (kL)**Total water consumption of Trade Logistics (kL)****3.4 Saving Paper**

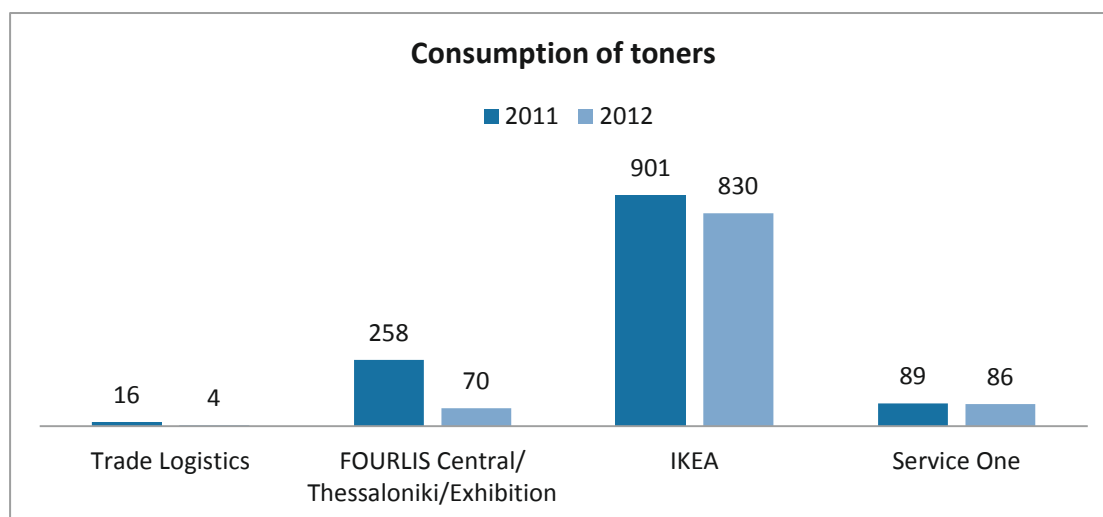
The Group is using recycled, recyclable and non-chlorinated paper exclusively. For 2012, purchasing of paper was reduced by 14% compared to 2011.

Purchasing of recycled paper at Group level (tones)

As a result of the Group's paper saving measures, the number of pages printed in duplex printing was increased in 2012.

Number of pages printed in Duplex printing (Group)**3.5 Saving toners**

The consumption of toners was reduced in 2012 by 75% at TRADE LOGISTICS S.A., by 73% at the Group's central offices, by 8% at IKEA stores and by 3% for SERVICE ONE S.A. compared to 2011.



3.6 Recycling

The following table presents the results regarding FOURLIS Group recycling efforts:

Materials	2011	2012
Paper (kg)	1.173.575	1.141.364
Toners	1.313	1.400
Batteries (kg)	12.706	1.821
Cooking fat (lt)	10.707	20.098
Aluminium (kg)	479	40
Glass (kg)	9.820	9.130
Fluorescent lamps (kg)	1.506	2.302
Plastics (kg)	83.666	51.077
Metals (kg)	16.710	30.730
Wood (kg)	152.980	47.920

3.7 Connection of TRADE LOGISTICS S.A. with railway network

A significant reduction in the transportation of cargo through the road network is expected after the connection of TRADE LOGISTICS S.A. facilities with the railway network. This connection will lead to a significant reduction in transportation costs, energy consumption and carbon footprint. Currently, the cargo imported from Poland is transported through the railway. This is expected to reduce the truck schedules by approximately 500 and at the same time the same is planned for the imported cargo from Romania with an estimated decrease in the number of truck schedules by 600.

3.8 Distribution of meals

It is worth mentioning that IKEA is offering, on a daily basis, all the meals that were not consumed in its restaurants to foundations and organizations for people in need in cooperation with the non-governmental organization “BOROUME”, which fights food waste by organizing the distribution of surplus food for charity throughout Greece.

During 2012, the Group gave 41.288 meals in total to the NGO “BOROUME” that were not consumed in IKEA restaurants. In this way, the Group did not only support people in need but also significantly reduced the quantities of food wasted.

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

1. Approach and Goals

1.1 Anti-Corruption Policy

A) Corporate Governance Code

FOURLIS Group implements the Corporate Governance Code for listed companies uploaded at the Hellenic Corporate Governance Council website⁴, with some deviations explained at the Group's Annual Report and in particular at the Corporate Governance Statement⁵.

The Code is adapted to the Greek legislation and business environment and constitutes a standard of Corporate Governance best practices aimed at enhancing the transparency of Greek companies. The Code follows the “comply or explain” approach, including in this way issues beyond the provisions of the current legislation⁶.

The General principles, as mentioned in the Corporate Governance Code⁷, are as follows:

1. Role and responsibilities of the board

The board should provide effective leadership and direct the company's affairs in the interest of the company and all shareholders, ensuring that management properly implements the company's strategy. The board should also ensure the fair and equitable treatment of all shareholders, including minority and foreign shareholders.

In discharging its role, the board should take into account the interests of key stakeholders such as employees, clients, creditors, and the communities in which the company operates.

2. Size and composition of the board

The size and composition of the board should enable the effective fulfillment of its responsibilities and

⁴ <http://www.esed.org.gr>

⁵ <http://www.fourlis.gr>

⁶ http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

reflect the size, activity and ownership of a company. Board composition should be driven by the fair and equitable treatment of all shareholders and demonstrate a high level of integrity. Moreover, it should include a diversity of knowledge, qualifications and experience relevant to the business objectives of the company.

3. Role and profile of the chairman of the board

The chairman should be responsible for leading the board, setting its agenda and ensuring that the work of the board is well organized and meetings conducted efficiently. The chairman is also responsible for ensuring that board members receive accurate and timely information. The chairman should ensure effective communication with all shareholders as well as the fair and equitable treatment of their interests.

4. Duties and conduct of board members

Each board member has a duty of loyalty to the company and all shareholders, including minority and foreign shareholders. Board members should act with integrity and in the best interest of the company, as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the company and should avoid any position or activity which creates or appears to create a conflict between their personal interests and the interests of the company, including holding board or executive positions in competing companies without the approval of the general meeting of shareholders. Board members should contribute their expertise and devote to their duties the necessary time and attention. Board members should also limit the number of other professional commitments (in particular any directorships held in other companies) to the extent that allows for their satisfactory performance as board members. Finally, board members should endeavor to attend all meetings of the board and the relevant committees.

5. Nomination of board members

Nominations to the board should be made on merit using objective criteria. The board should ensure the orderly succession of board members and senior executives so as to ensure the long-term success of the company.

6. Functioning of the board

The board should meet sufficiently regularly to discharge its duties effectively. The board should be supplied by the management in a timely manner with information in a form and of a quality to enable it to discharge its responsibilities effectively.

7. Board evaluation

The board should undertake a regular evaluation of its own performance and that of its committees.

8. Internal control system

- The board should present a balanced and clear assessment of the company's position and prospects and ensure the integrity of financial statements and disclosures to shareholders and to the public.

• The board should maintain a sound system of internal control to safeguard the company's assets, and ensure that significant risks are identified and adequately managed. The board should regularly review the corporate strategy, the main risks to the business, and the effectiveness of the system of internal control in managing these risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the risk management systems. The board, through its audit committee (where applicable) should also develop a direct and ongoing relationship with and receive regular reports from the company's auditors in respect of the effective functioning of the internal control system.

9. Level and structure of remuneration

The level and structure of remuneration should aim to attract, retain and motivate board members, executives and employees who will add value to the company with their skills, knowledge and experience. A company should avoid paying more than is necessary for this purpose. The board should have a clear view as to how the company is paying its top talents.

10. Communication of shareholders

The board should maintain a continuous and constructive dialogue with the company's shareholders, especially those who hold significant stakes and have a long-term perspective.

11. The general meeting of shareholders

The board should ensure that the preparation and conduct of the general meeting of shareholders allows for the active and well-informed exercise of shareholders' ownership rights. The board should ensure, within the framework set out by the company's statutes that as many shareholders as possible, including minority, foreign and remotely residing, have the opportunity to participate in the general meeting of shareholders. The board should use the general meeting of shareholders to facilitate genuine and open discussion with the company.

B) Code of Conduct

The brief version of the Group Code of Conduct is included in paragraph 1.1 of the CoP first chapter.

Anti-corruption issues included in the Code of Conduct are:

- Commitment to uphold professional Codes of Conduct and to comply with the law
- Communication of cases going against the Code of Conduct or illegal behaviour
- Conflict of interest
- Professional gifts, payments and fair transactions
- International business conduct
- Precision and maintenance of corporate files and data
- Corporate announcements
- Trade and competition practices
- Use of Group's assets (equipment and services)

➤ Confidentiality

C) Department of Internal Audit

The Group Department of Internal Audit is designed to have an independent, confirmatory and advisory role. It supports the Group in achieving its goals by offering a systematic and structured approach for evaluating and improving the audit, risk management and corporate governance system.

The Audit Committee is the supervisory body of Internal Audit, which informs quarterly the Board of Directors on work carried out.

D) Internal Regulation Charter

The Group's Internal Regulation Charter is approved by the Board of Directors and describes the Group's organizational structure, the risk management and internal control systems. It includes the main company procedures and operating principles. Furthermore, it also includes the Audit Committee's and Internal Audit Department's composition and responsibilities as well as the composition and responsibilities of the Nomination and Remuneration Committee.

At the initiative of the Group's CEO, the Internal Regulation Charter is reviewed regularly and at least on an annual basis, in order to comply with the Group's practices and the existing regulations.

The Internal Regulation Charter is also reviewed in special occasions such as at a change in the Group's operation or departments or management responsibilities, or in all cases covered by legal or other provisions.

E) Risk Management System

The Group implements a structured risk management methodology, which is based on:

- Setting objectives, taking into consideration the Group's mission, the effectiveness and efficiency of the Group's operations, the reliability of its reporting and compliance with legislation
- Identification of risks related to the Group's targets
- Risk evaluation according to the probability and impact of risk
- Treatment of identified and evaluated risks

1.2 Goals

For the next period, the Group has set the following goals related to anti-corruption:

- Reviewing the Code of Conduct, when necessary
- Creating common internal audit systems for all Group companies
- Conducting audits in areas evaluated as "sensitive" to risks related to corruption

- Centrally controlled monitoring system of approvals for making payments

2. Implementation

2.1 Anti-Corruption Measures

In 2012, the Group took the following measures in implementing the anti-corruption principle of UNGC:

a) Code of Conduct Line

Anyone can report any concerns related to Code of Conduct violations or non-compliance with the current legislation by calling the FOURLIS Group Code of Conduct Line, which operates 24 hours per day.

The access to the Group's Code of Conduct Line may be obtained by phone, landline or cell at (+30) 210 6293010 and an email is also available: codeofconduct@fourlis.gr

The Department of Internal Audit receives and is obliged to investigate the concerns reported to the Code of Conduct Line.

b) Centralization of Departments

In 2012, the Group proceeded with the centralization of its supporting Departments in Greece, namely Human Resources, Social Responsibility, IT, Financial controlling and planning, which is expected to contribute to anti-corruption.

c) Investing in new software

The Group has invested in new software for the support of the Finance and Internal Audit Departments.

d) Implementing processes for the control of transaction through credit cards.

The Group is implementing strict control procedures in order to prevent illegal transactions from fake or stolen credit cards, especially in the case of the Group Retail companies where such transactions are common. Moreover, according to these procedures, the banks which the Group cooperates with, are immediately notified as soon as an attempt of illegal transaction is identified.

2.2 Responsibilities

Responsible parties for anti-corruption in the Group are:

- The Audit Committee
- The CEO of the Group and the Human Resources Director
- The Managing Directors of subsidiaries
- The Internal Audit Department

- The Human Resources Department for the compilation of the Code of Conduct
- The Finance Directors

2.3 Internal Audit

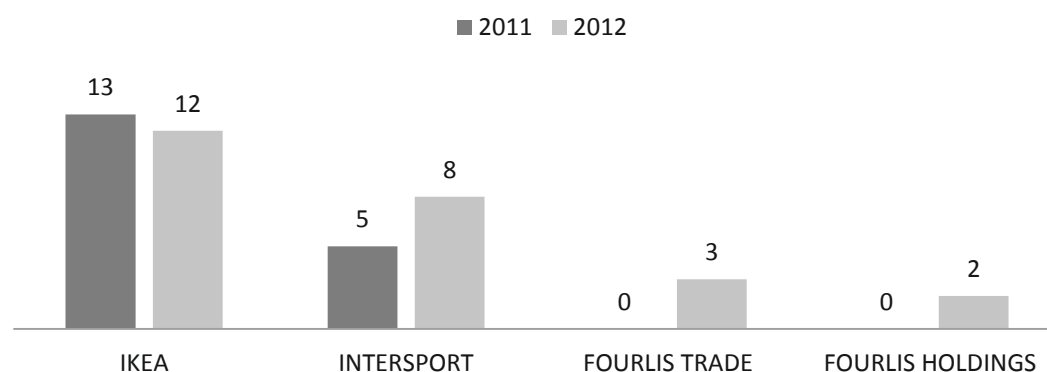
The Audit Committee's and Internal Audit Department's activity during 2012 is summarized to the following:

Scheduled and ad hoc internal audits were performed, three (3) concerns about violations of the Code of Conduct were investigated and audit reports were prepared as follows:

Audited Operating Areas



Audit Reports per company



- The Audit committee convened in four (4) occasions in total during 2012 and held meetings with the Finance Department, the Department of Internal Audit and the independent auditors, in order to review their conclusions on the periodical and annual audits of 2012.

- The Audit Committee prepared the annual internal audit plan of 2013 based on the evaluation of the enterprise risks and in cooperation with the Department of Internal Audit.

2.4 Participation in anti-corruption initiatives

The Group participates at the Hellenic Corporate Governance Council. HCGC is a result of the collaboration of *Hellenic Exchanges S.A.* and *Hellenic Federation of Enterprises (SEV)* with common vision and mission: the improvement of the competitiveness of Greek companies and the constant enhancement of the reliability of the Greek market.

The Group participates also at the Corporate Governance committee of the Hellenic American Chamber of Commerce.

3. Results

The Results from the implementation of the Group's anti-corruption policies in 2012 are:

- Regarding three (3) investigations of grievances reported to the Code of Conduct Line for violations of the Code of Conduct, proper measures were taken in those cases where the concerns were found to be true.
- During the performance of other audits, no cases of corruption were identified.
- The Code of Conduct was signed by all employees that it was provided to.



Together for a Better Quality of Life

FOURLIS HOLDINGS S.A.

340 Kifissias Ave., Neo Psychiko

Tel.: +30 210-6293000, Fax.: + 30 210-6293205

Site: www.fourlis.gr, E-mail: mail@fourlis.gr