



*Taking
more action
every year*

Update2019

///ACTION

Table of contents

Introduction	3
About Action	4
Who we are	5
One brand, one format, one store operating model	5
Small prices, big smiles	6
Our values	7
Our customers	8
Continued growth in 2019	9
Strong financial results	9
Action takes responsibility	10
Our products	13
Our people	22
Minimising our environmental impact	28
Good citizenship	34
Governance and risk management	37
Action for the future	40
Appendices	43
1. About this Action Update2019	44
2. Engaging our stakeholders	44
3. Our key topics	45
4. Risk management inventory and approach	46
5. GRI content index	48



Taking more action every year

In this annual Action Update, we present our company's results over the past year, 2019. Year after year, Action continues to grow. Millions of customers across Europe visit our stores and embrace our brand. Our company's continuing success is due to a combination of a strong formula, our no-nonsense culture and the hard work, dedication and enthusiasm of all our employees.

At the time of publication of this Update 2019, the Corona (Covid-19) pandemic has hugely impacted all of us. This unprecedented crisis has a significant impact on our lives, society and our company. I would like to express my gratitude to all our employees for their flexibility and strength to continue their work under these often difficult circumstances. And I want to thank our suppliers for their partnership and support during the crisis. It is unclear when the full scale of its effect can be determined but Covid-19 will continue to impact us in the foreseeable future. In the closing section of this Update, we provide more detail on the impact of Covid-19 on Action.

The developments of 2019 in facts and figures reported in this Update demonstrate that Action is a successful company in terms of international expansion, sales growth and profitability. They reflect the appreciation of our format and brand by our customers. But "more Action" also goes hand in hand with an increasing responsibility to create and maintain the sustainable growth of all aspects of our business. Social responsibility has always been part of our DNA. In 2016, we introduced our Action Social Responsibility (ASR) strategy. In our previous Updates, we informed our stakeholders about our ASR initiatives and plans.

In 2019, we took more action to make progress on our journey to further develop, fine-tune, structure and accelerate our ASR strategy and its execution. We want to create more transparency and share our plans and dilemmas with our stakeholders, and we have made a start with reporting according to the GRI Standards. This Update summarises the performance and progress of our company in 2019 and our ambitions for the future.

This is an interesting and exciting journey for all of us. Everyone within Action, at every level and in every role, is committed to playing their part in the deployment of our ASR strategy. Taking more action for sustainability and social responsibility is important to our stakeholders and will benefit our customers. In a hectic, fast-growing, international discounter, this offers us many challenges. In this report, we want to share our journey with you. We hope that you will enjoy reading it.

Maybe you will be surprised by Action in a new way – as well as by our surprising products and low prices.

Sander van der Laan
CEO





About Action

Action is the fastest growing non-food discounter in Europe. The combination of low prices and surprising products attracts consumers and employees across our seven markets.

*In November 2019, we opened
our 500th French store in Nice.*

Taking more action every year

About Action

Action's strategic framework consists of 4 pillars


1. Strengthen our unique customer value proposition


2. International expansion


3. A simple, efficient, responsible and scalable operating model


4. Organisation, people & values

Who we are

Action is the fastest growing non-food discounter in Europe. Since our first store opened in the Netherlands in 1993, we have grown into an international retailer with more than 1,500 stores in seven countries, where we inspire over 8 million customers every week with our unique customer proposition. The combination of low prices and surprise is a key element of the attractiveness of our formula. We offer more than 6,000 different


products across 14 categories. Only one third of these products is part of our standard range, while the other two thirds change constantly. Every week, Action introduces more than 150 new articles. Action offers a growing number of private labels as well as well-known brands. We offer 1,500 products below €1, and the average sales price of our products is below €2.

Our employees' enthusiasm and commitment are crucial to the success of our company. The Action formula is powerful, but it only works because we can rely on the dedication and hard work of all the people who work for Action; they are the people who help our customers navigate our stores every single day and add to our customers' shopping experience.

Despite our low prices, we make no concessions on the quality, safety or production conditions of our products. Our products meet at least the relevant legal requirements in each of the countries we operate in. Our suppliers produce them in line with our [Ethical Sourcing Policy](#), which ensures a responsible

Brand promise - More than you expect for less than you imagine


6,000 products in 14 categories


Surprising assortment


Every day the lowest price


Weekly promotions


Easy shopping


Social responsibility

Non-food discounter | Simple - Efficient - Cost conscious

Why our prices are so low



social and environmental approach to manufacturing. If a particular product does not combine low price, quality and proper production conditions, we do not sell that product in our stores.

One brand, one format, one store operating model

Action stores are located in the Netherlands, Belgium, Germany, France, Austria, Luxembourg and Poland. Our growth strategy is to expand our store network in both existing and new markets. Our business model is simple, repeatable and scalable.

The diagram illustrates 14 product categories, each with a red icon and a corresponding colored dot in the top row. The categories are arranged in a grid:

- Decoracion** (Lamp icon)
- Do It Yourself** (Wrench and screwdriver icon)
- Toys & Entertainment** (Toy car icon)
- Stationery & Hobby** (Binders icon)
- Multimedia** (Monitor icon)
- Household goods** (Cooking pot icon)
- Garden & Outdoor** (Shovel icon)
- Laundry & Cleaning** (Spray bottle icon)
- Food & Drink** (Bottle icon)
- Personal Care** (Toothbrush and toothpaste icon)
- Pet** (Pet bowl icon)
- Fashion** (T-shirt icon)
- Linen** (Towel icon)
- Sports** (Dumbbell icon)

We offer an assortment of 14 categories and are known for a broad range of products at surprisingly low prices – whether these are well-known brand products, Action owned private labels or supplier branded items.

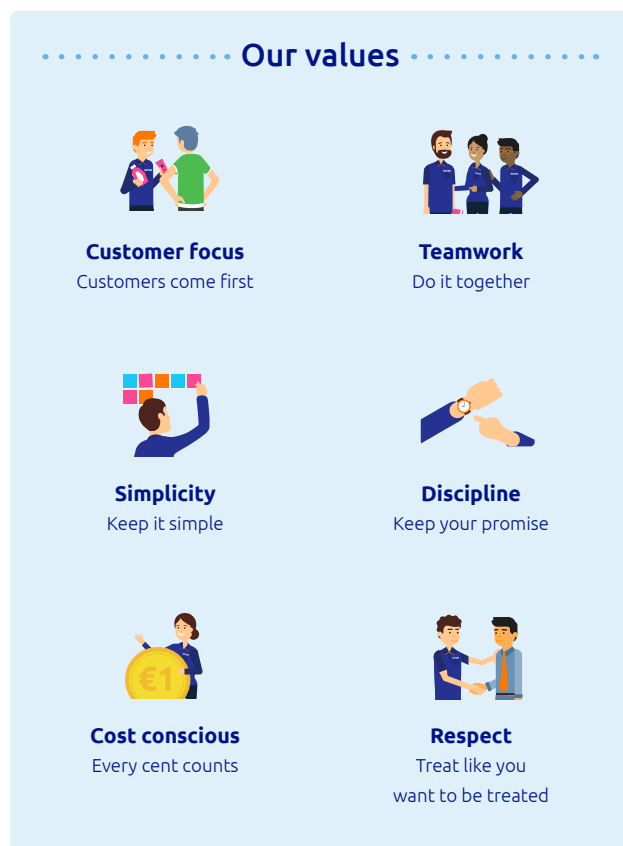
We launched a new private label within the toys category: Mini Matters. These playful, high-quality toys help children play, learn and discover. The initial assortment consists mostly of wooden toys, which are all made from FSC-certified wood. The full product range carries the TÜV/GS mark for quality and safety. We will continue to expand the Mini Matters range.

In addition to our private label brands, in 2019 Action offered products from over 350 well-known brands, including Philips, Panasonic, Coca-Cola, Pampers, Nivea, Dove, Rexona, Axe, Vileda, Swiffer, Ariel, Mars, Senseo, Lipton, Vanish and Cillit Bang.



Our values

Action's people make the difference: our employees in our stores, distribution centres and offices. Everybody contributes to the company and its development with their own experience. Despite our different backgrounds or position within the company, we all have one thing in common: we identify with and live by Action's values. These are the core of our success, as they set the basis for how we interact with one another, our customers and our business partners.



Customer focus means our customers come first in everything we do. We strive to offer the most surprising products at the best possible prices. We keep our costs as low as possible. And we always treat our customers in a friendly and respectful way. In everything we do, we ask ourselves: does this serve our customers?

Teamwork makes the dream work. At Action, we make an effort to work as a team across the organisation. We offer help where we can. We share responsibilities and have common goals. We share successes and disappointments. And we don't waste energy on blaming and complaining.

At Action we want to maintain our **simplicity**. That requires a structured way of working. Clear roles and responsibilities. Staying focused on our priorities. Being practical. It is about making things easy. We always ask ourselves: is there a simpler way?

Discipline is all about having the right focus. Being disciplined means being respectful towards others by being on time and prepared. Discipline means we act economically, we keep things clear and we stick to the rules. We are focused, we keep our promises and we follow up on actions.

Cost conscious is the cornerstone of Action. It is in our DNA. Being cost conscious is not about not spending money, it is about spending money smartly and keeping costs low. That is how we can offer our customers the lowest price. Even when it seems small and unimportant, every cent counts.



Respect is what we owe each other as human beings. At Action, we are very clear about the importance of respect when it comes to customers and colleagues. We are kind and clear. We give constructive feedback and compliments. We ask questions and really listen to each other. And we are open to new perspectives, backgrounds and cultures. Respect makes us all feel safe.

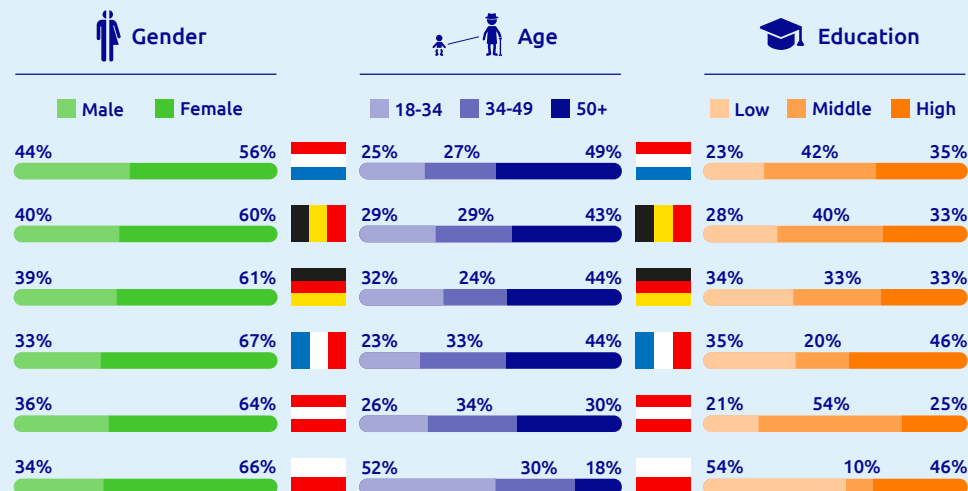
Our customers

Everything we do is designed to deliver more value to our customers. More than 8 million customers per week on average come to our stores – they have different backgrounds, mindsets and reasons to visit Action. Some are looking for bargains, while others enjoy treasure hunting. But they all like surprising products and incredibly low prices. Research shows that Action attracts a broad audience across all customer demographics. Year after year, customers award us with top ratings in the “Retailer of the Year” competition. In 2019, we were named Retailer of the Year in Austria and in Luxembourg, four years after we entered these markets. We also received category awards in France and Germany, and we won the Department Store Award in the Netherlands and Belgium.

We also continue to strengthen our digital customer interface to connect with our customers online. On social media, hundreds of thousands of customers connect through independent Facebook fan groups and communities to share inspiring DIY ideas and their experiences with Action. Through our website, social media and newsletter, we share valuable, inspiring content including DIY tutorials, decoration ideas and product recommendations.

In 2019, we had an average of 4 million website visits per week, with a peak of 5.6 million per week in December. Subscriptions to our e-mail newsletter grew to 4.2 million, up more than 55% compared to 2018. Our social media following continued to grow. We have 1.9 million followers on Facebook and 1.2 million on Instagram. In February 2019, we added an international action.beauty account on [Instagram](#) and a [YouTube channel](#) in the Netherlands.

Customer profile



Our social media following continued to grow in 2019.

Happiness for the Retailer of the Year awards among the teams of our different country offices.

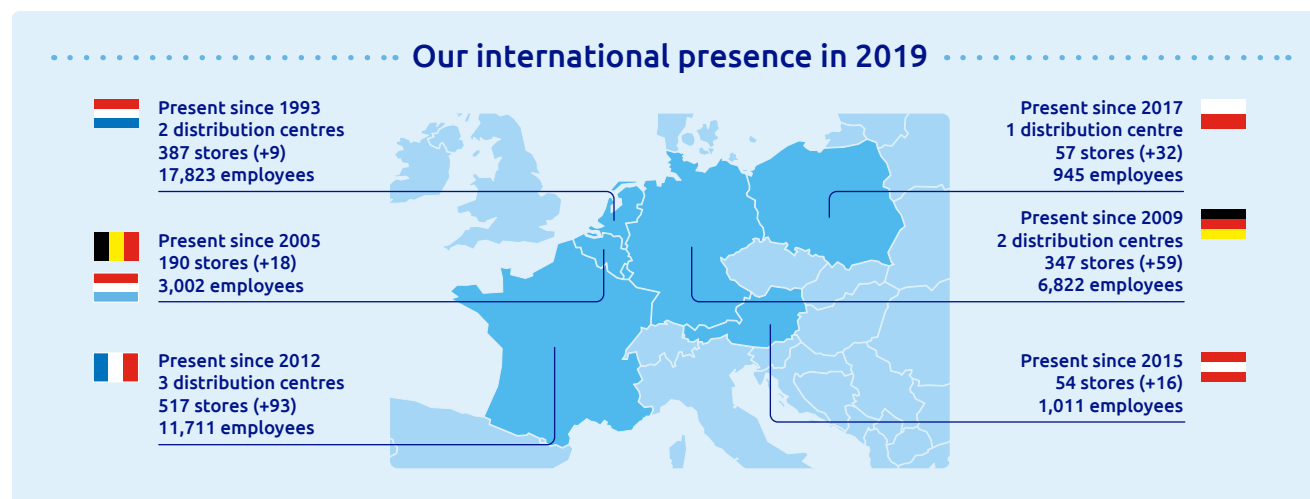
Continued growth in 2019

2019 was another successful year for Action. Throughout the year, we added 227 stores, which brought the year-end total to 1,552 stores in seven countries. Of these countries, France is the leading market for Action, with 517 stores at the end of the year. During 2019, we opened 93 new stores in France, including the landmark opening of the 500th store in Nice in November, only seven years after we entered the French market. Another highlight was the opening of our 50th store in Poland, just two years after our pilot stores opened there.

In addition to new store openings, we also invested in the development of our existing store base through the renewal of 51 stores, mainly in the Netherlands and Belgium. A renewal is defined as a refurbishment, an enlargement or a relocation of an existing store.

To support our store growth, we expanded our distribution network. In 2019, we added new distribution centres (DCs) in three countries: Belleville (France), Peine (Germany) and Ośła (Poland). To optimise our logistics, we opened our first hub in Saint-Martin-de-Crau (France), where goods arriving in containers from Asia are stocked and transferred on pallets for transportation to our three French distribution centres. The expansion of the distribution network is accompanied by the rollout of new IT systems to support end-to-end logistics planning.

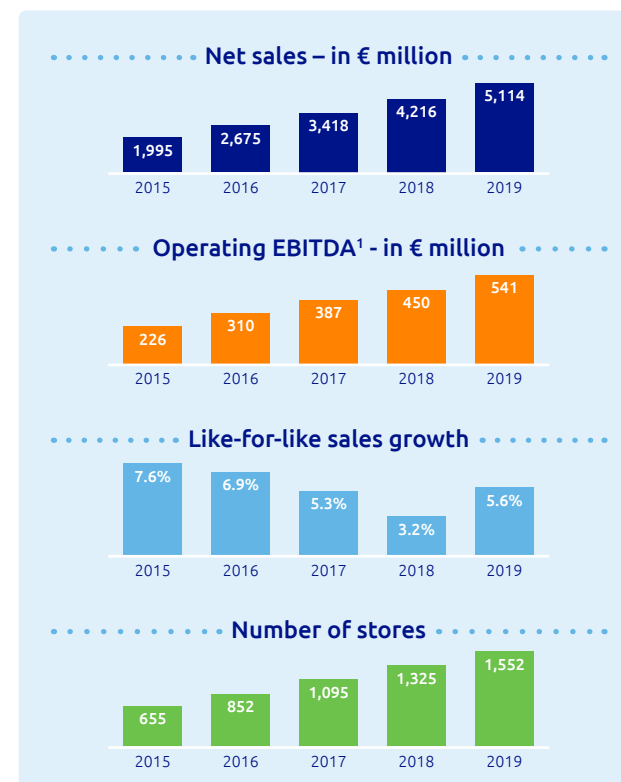
With the growth in stores, our number of employees also grew. By the end of the year, 41,320 people were directly employed by Action; throughout 2019, we added 5,000 new employees. You can read more about our employees in the [chapter 'Our People'](#).



Strong financial results

Our financial results mirror the successful growth in our stores and staff. Total sales grew by 21% to €5.114 billion. This was driven by a strong improvement in our like-for-like sales, of 5.6%, and by the sales generated by the 227 stores we added in 2019. The improvements in our logistics resulted in an improved availability of goods in our stores, which also contributed to higher sales. Our EBITDA (earnings before interest, taxes, depreciation and amortisation) grew by 20% from €450 million to €541 million. Overall, our stores performed very well, especially in France, Germany and Poland. And the improvements in our logistics organisation resulted in better cost control.

We invested heavily in new distribution centres and made a significant step up in IT. We also invested in the strengthening of our capabilities in our commercial, planning and supply chain departments, we expanded our digital capabilities and our Polish team, and we created teams for market entrance in new countries.



¹ Excludes impact of IFRS 16

Action takes responsibility

Serving millions of customers every week, we are well aware of our impact on society and the environment. As a rapidly expanding business with a global supply chain, our responsibility towards our customers, employees, business partners and society continues to increase.

Socks in all shapes and sizes, made with sustainable cotton since 2019.

Taking more action every year

Action takes responsibility

A responsible approach to doing business is more important than ever. We want to source and offer products that are safe, of good quality and in compliance with our ethical and environmental principles.

Governments, agencies and regulators set the regulatory framework in which we operate, affecting every aspect of our business from plastic bags to logistics and energy audits. However, we believe that our responsibility extends beyond compliance with rules and regulations. For this purpose, we have developed our Action Social Responsibility (ASR) strategy, which serves as our roadmap to doing business while respecting human rights, trading ethically and protecting the environment. And that means both in our own operations and in our supply chain.

The ASR strategy inspires everyone in our business – and our supply chain – take (more) action. In 2016, we developed this strategy, which explained our overall ambitions and described the fields of activity. We defined the four pillars of “Product”, “People”, “Environment” and “Good Citizenship” as key action fields and appointed one management representative for each pillar to own its further development.

..... Our ASR strategy and the Sustainable Development Goals

Product

Our products are safe and responsibly sourced



People

We are a responsible employer



Environment

We minimise our environmental impact across the supply chain



Good citizenship

We contribute to society and local communities



We are continuously working on shaping and further developing our approach, and we look for solutions that benefit our customers and employees and those involved in our supply chain as well as the society and environment around us.

In 2019, we updated our Action Social Responsibility strategy to make it:

- more relevant to our business strengths;
- more challenging – and engaging – for our colleagues;
- more focussed on our business footprint;
- transparent and clear to our supply chain and customers.

As shown on the previous page, our updated ASR strategy is inspired by the United Nations' Sustainable Development Goals (SDGs). The SDGs were ratified in 2015 as a global development agenda towards 2030. During the strategy update process, we selected four of the SDGs on which to focus our efforts. By aligning our ASR strategy with the SDGs, we contribute to the fulfilment of global goals and the realisation of clearly defined action points which are a joint effort of NGOs, states and economic players.

The visual on the previous page shows how the pillars of our ASR strategy match with four of the 17 Goals. By embedding these specific SDGs in our ASR strategy, we are taking responsibility in an internationally recognised and constructive manner.

To expand and strengthen our ASR strategy, a dedicated ASR committee was established in the first half of 2020, comprised of our CEO Sander van der Laan, our Commercial Director Hajir Hajji and our Supply Chain Director Joost Bous. Rob Wesseling, our General Counsel and company secretary will assume overall ASR leadership and will coordinate the implementation of the ASR strategy.

The next four chapters in this Update2019 cover the four ASR pillars in more detail. Each chapter starts with our ambition and explains our general approach to the topic. We then go into detail about our activities and the results achieved in 2019.



Our products

The key priority in our Action Social Responsibility strategy is to ensure that our products are safe and responsibly sourced. This includes the social conditions under which the products are manufactured, as well as their quality and safety.

Replacement of single-use plastics by paper and wooden disposables started in 2019.

Taking more action every year

Our products

The product pillar of our Action Social Responsibility strategy includes safety, social compliance, product and manufacturing, and packaging. This chapter also provides insight into our supply chain.

..... **Product pillar of our ASR strategy**

- Safety** We ensure all our products are safe and responsibly sourced
- Social compliance** We strive for 100% supply chain transparency
- Product & manufacturing** We strive to minimise our impact through manufacturing and raw material use
- Packaging** We aim to optimise our approach to packaging waste reduction

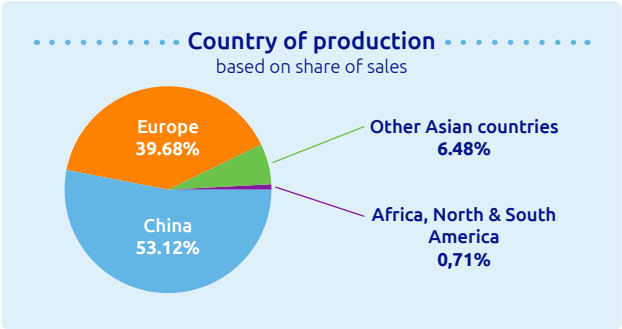


Our supply chain

Action’s supplier network consists of over 700 suppliers, of which 132 supply us directly. Behind these 132 suppliers are 452 factories. Our other suppliers are wholesalers and traders as well as manufacturers of A-brands. Our team of buyers plays a key role in enabling us to offer a broad, surprising and flexible range of products. We are aware that a growing number of suppliers and products leads to higher demand for quality standards, processes and testing requirements. That is

why we have added two more people to our Quality team, which now consists of eight product technologists.

Our products come from all over the world, with just over half of the sales volume coming from China and nearly 40% from Europe. For direct imports, nearly all of our products come from China; for these imports, we partner with the internationally renowned sourcing company Li & Fung. With a team of 85 people dedicated to Action, they help us find suppliers and ensure that the factories fulfil our requirements and policies, including by introducing



them to our Ethical Sourcing Policy and implementing social compliance audits. If a factory does not comply with our guidelines, we do not work with that supplier.

..... **Four types of sourcing**

A-brand suppliers	Traders	Wholesalers	(Far-East) direct sourcing

Safety & quality

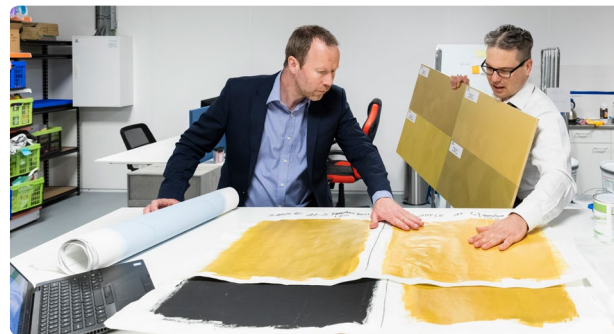
The first priority of our quality and ASR strategy is to ensure our products are safe and that they comply with all safety regulations and norms. In addition, the quality and performance of our products also play an important role. For that purpose, we have established different processes, which vary depending on the source of the product and the category it belongs to – from the beginning to the end of the buying process. This approach was originally developed and trialled in 2018 in our Toy category. Following a successful pilot, we have now deployed it across all our categories.



Each product category now has its own detailed quality process.

To support these category quality processes, we have also developed detailed Product Specification Sheets to clarify our standards with our manufacturers and importers. Our product technologists work in close collaboration with our buying colleagues to get a better

understanding of product performance and to improve products where necessary. The collaboration between our buyers and our product technologists is based on distinct guidelines which clearly define the cases in which product technologists need to be involved in the order process. We have ranked all product groups as high, medium or low risk, and we place priority on our high-risk items.



Head of Product Quality and Sustainability Karl Knight (l.) and product technologist Julian Klepac taking a closer look at paint test results.

Direct import products give us deep insights into the production process, which is also why we have developed an extensive quality testing process for direct import products, with several preventive quality checks along the way. In 2019, we strategically partnered with the international testing institutes TÜV Rheinland and TÜV Süd, both of which now conduct testing for Action. For products supplied by wholesalers, traders or brand manufacturers, we have defined two quality testing processes: a more intensive process for higher risk items and a random product check-based process for low-risk items.

Despite our efforts to prevent quality and safety issues, every year we have to recall products to protect the health and safety of our customers, because the quality of a product falls short of standards agreed with the manufacturer, or due to legislation or trademark issues. We distinguish between “public safety withdrawals” and “silent withdrawals”. A public safety withdrawal usually involves a potential risk to the health and safety of our customers, which leads us to ask our customers to return the products to the stores. Silent withdrawals may have various different causes, ranging from trademark issues and taking unsold products out of the stores at the end of a season to products that do not keep up with our quality standards.



Buyer Safa Babas-Zadeh (l.) and product technologist Rama Seck work closely together on the quality of our clothing products.

..... Products withdrawn

	2017	2018	2019
<i>Public safety withdrawals</i>	11	5	12
<i>Silent withdrawals</i>	318	191	228
Total	329	196	240

..... 2019 in detail

	Public withdrawals	Silent withdrawals
<i>Chemical safety</i> ¹	4	4
<i>Product safety</i> ²	7	4
<i>Quality</i> ³	1	50
<i>Trademarks and competition</i> ⁴		2
<i>Non-compliance with legislation</i> ⁵		146
<i>Other</i> ⁶		26
Total	12	228

¹ Chemical safety: based on test results or authority instructions.

² Product safety: mainly based on customer complaints, but also on tests.

³ Quality: issues that arise by customer complaints, user trialling, too many returns / damaged goods, results from internal tests or based on reports from independent laboratories.

⁴ Trademarks and Competition: issues that arise within trademark management.

⁵ Non-compliance with legislation: contains mainly non-compliant product labelling issues.

⁶ Other: a mix of all kinds of cases, partly includes legislation issues in a single country, partly labelling issues.

In 2019, we withdrew 240 products from our stores. Twelve of these were public safety withdrawals, of which six were on our own initiative and six were in close collaboration with the relevant authorities. The other 228 were silent withdrawals. Due to new processes, improved reporting and increased testing, the number of silent withdrawals went up in 2019 compared to 2018. Categories in which we recalled products include personal care, laundry & cleaning and toys & entertainment.

Chemicals

Chemicals are critical product components. They carry a potential risk to workers in the production process, to the product safety for our customers and to the environment. This is why Action has developed a comprehensive Responsible Chemicals Policy which involves our direct suppliers and wholesalers. The policy defines minimum standards with respect to laws and regulations, pays special attention to workers' rights and environmental matters and provides an action plan that also includes testing programmes and partnerships.

In 2019, we made progress towards our commitments in the Responsible Chemicals Policy, however we could not fulfil all our commitments.

- We identified Food Contact as the priority for the restricted substances list (RSL) but have not yet identified the full list of RSL product groups.
- We banned BPA from all plastic items in direct contact with food.
- For our largest direct import supplier, we developed a chemical self-assessment process. Our intention is to roll this out in 2020, with China as the priority country.
- We appointed two independent chemical laboratories to test all products we source via direct import (TÜV Rheinland and TÜV Süd).



Our popular water kettle from Home Essentials with BPA Free and TuV logos.

Social compliance

Our Ethical Sourcing Policy

All suppliers are required to sign and commit to Ethical Sourcing Policy. It lays the foundation for the responsible sourcing of products, both for direct and indirect imports. The key elements of our Ethical Sourcing Policy are drawn from the International Labour Organisation conventions, the UN Guiding Principles on Business and Human Rights and the Business Social Compliance Initiative (BSCI) Code of Conduct. Action's Ethical Sourcing Policy includes the following requirements:

- No child labour
- Young workers under 18 years of age will not be employed at night or be exposed to any risks
- Employment is freely chosen
- Freedom of association and collective bargaining
- Safe and hygienic working conditions
- Fair wages
- Working hours are not excessive
- No discrimination
- The privacy of workers will be respected
- Employment practices will be in line with national law and shall not exploit workers
- No harsh or inhumane treatment
- Protection of the environment
- Ethical business behaviour (no corruption, no bribery, no blackmailing)

Our Critical Escalation Policy outlines the procedure to be followed in cases of severe social non-compliances in factories producing for Action. Supplier relations may be terminated in cases of bribery, unauthorised sub-contracting, child labour, bonded labour and human trafficking. For severe health and safety breaches (such as electrical safety concerns, non-functioning fire extinguishers, hazardous

chemical malpractice and blocked fire doors), we decide on a course of action on a case-by-case basis. Shipments are suspended until a corrective action plan has been successfully implemented and investigated.



A well attended training session on human rights we organised in Shanghai, in August 2019.

Human rights

Child labour is a potential issue in China in the summer months, when children may seek summer work, especially in packing. Our audits and spot checks pay special attention to this issue. In 2019, we detected two cases of child labour, which we tried to remediate in the first instance. However, as all efforts to collaborate and find a solution did not work out, we decided to end the cooperation with the factories involved. We work with the Centre for Child Rights to offer remediation of any confirmed child labour cases. This includes providing training in factories to improve hiring practices and raise awareness of child labour as a human rights issue. In 2020, we plan to launch a new education programme around the school holiday period to safeguard against the risk of child labour.

The same processes apply to forced or bonded labour. In 2019, the audits and spot-checks there was no evidence to suggest bonded or forced labour. On this area, all audit ratings were A, which is the highest possible in the BSCI scheme.

In 2019, we conducted two training sessions on our human rights approach in Shenzhen and Shanghai. A total of 379 people attended. In addition, we also had a webinar on child labour prevention and responsible recruitment, which was watched by more than 200 suppliers. The webinar was aligned with the E.T.I. responsible recruitment guidelines.

Auditing our direct suppliers

To ensure our factories comply with our Ethical Sourcing Policy, every year, independent parties audit the factories that are working for Action. In 2019, there were 118 audits of new suppliers and 197 renewal audits of existing suppliers. Every direct import partner needs to have a valid independent social compliance audit. Action's preferred alignment is towards the BSCI code of conduct, but in order to avoid auditing fatigue, we do accept a



Action only cooperates with factories with BSCI ratings of C and above.

further four internationally recognised social and ethical compliance bodies. Action does not start a cooperation with a factory unless an audit had been done. In addition, only factories with ratings of C and above will be accepted by Action. Depending on the auditing results, the renewal audits take place on an annual or biennial basis.



137 Factories had in place valid audits throughout 2019 so did not require a renewal audit in 2019. We also subjected 62 of our suppliers to un-announced spot checks to check for ongoing compliance. The spot checks are shorter than complete audits and focus on key aspects, such as safety or employment practices. Based on these un-announced audits, we discovered 26 factories with negative social impacts. Improvement plans were developed with 21 suppliers. Key areas of non-compliance with our social standards included insufficient payroll and attendance records, lack of rest days, inadequate fire-fighting equipment, and blocked emergency exits. Of the remaining five suppliers, four were blacklisted and one was remediated as part of an improvement plan.



Factory audits and unannounced spot checks help us monitor the suppliers' compliance.

Product & manufacturing

Timber

Timber is a critical resource that affects the environment and communities. In 2018, we developed a Responsible Timber Products Sourcing Policy that aims to achieve a higher level of transparency, sets goals and defines procedures to ensure that products imported directly or via importers fulfil or exceed the requirements of the EU timber regulations. With this policy, we focus on permanently available products in the household, stationery & hobby and decoration categories, cardboard transit packaging materials, and non-commercial goods, such as posters and flyers. Part of this policy is the agreement with a strategic partner we chose in this area, the Forest Stewardship Council (FSC). This agreement was signed in 2017.

A key goal of our timber policy is for 50% of all timber products sold by Action to come from third party certified

origin by the end of 2020. In 2019, 39% of our timber products were FSC certified. In addition, we also have PEFC certified products, but at the moment we cannot quantify these. We still have a lot to do in the year ahead to reach our challenging goals, but we believe by collaborating with our suppliers on the benefits of sourcing more sustainable materials and putting in place better transparency and traceability programmes, we will achieve these goals.



Helping the ecosystem in a responsible manner. Our insect shelters are made of FSC certified wood.

Cotton

We aspire to increase our sourcing of more sustainable cotton for our textiles and clothes. That is why we developed our Responsible Cotton Sourcing Policy in 2018 and launched it in 2019. The Policy includes commitments to critical matters, such as human rights, transparency, water management and pesticides & herbicides. In 2018, we became a member of the Better Cotton Initiative (BCI) to strengthen our ambitions and develop our purchasing of increasingly more cotton from sustainable sources. BCI is the largest cotton sustainability



*BCI programme in Mali on the economic empowerment of women farmers.
Photo: BCI/Nicolas Adatsi*

programme in the world, providing training and support for farmers worldwide to develop environmentally friendlier and socially and economically more sustainable farming methods. Better Cotton is not physically traceable to end products. However, BCI farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source'. A key goal of our cotton policy is for 40% of Action's cotton to be sourced more sustainably (BCI, Recycled, Organic and Fairtrade) by the end of 2020. In order to see how we are doing, we worked further on solutions to better track and report our progress in 2019. In 2019, 27.9% of our cotton was sourced through BCI. Thanks to our sourcing of Better Cotton, an estimated 1,100 kilos of pesticides were avoided, and an estimated 1.77 billion litres of water were saved. Our investment in Better Cotton enabled BCI to reach and train over 2,800 farmers on more sustainable practices, and for Better Cotton to be produced on over 4,900 hectares of land.



Popular bath towels of our private label Hotel Royal, made of sustainable cotton.

Plastics

Plastic is a material that fulfils many different functions. Even though it has many benefits, we are aware of its negative impact on the environment, and we therefore support the reduction of its use and recycling as much as we can.

We are committed to stop selling single-use plastics in 2020, a year earlier than legally required by the EU ban on single-use plastics. On a category level, we are investigating opportunities to use more recycled plastic in our products. In 2019, 90% of our summer plant pots were made of recycled plastic.

We know there is a long way to go in reducing and reusing plastics, and we consider this a journey we are on together with our suppliers and partners. Our goal is to use recycled plastic wherever possible, except where the risk of contamination is too big, such as with toys and food packaging.



A year ahead of the EU ban, we stopped selling single-use plastics, and replaced them with bamboo, cardboard, paper or wooden alternatives.

Sustainable quality labels

In 2019, we rolled out our own policies for timber, cotton and chemicals, and we invested in co-operative efforts with renowned institutions, such as FSC and the Better Cotton Initiative. As a result, we are increasingly able to offer our customers products that are sustainable and verified as such. Customers can already find more and more products with sustainability labels on our shelves: FSC and PEFC for timber products, UTZ and Fairtrade for chocolate or OEKO-TEX for textiles.

As a retailer with more than 8 million customers every week, we also have an impact on our customers' product choices and on informing them about sustainable alternatives. Our stakeholder analysis, in which we reached out to customers and employees, showed that many of our customers buy sustainably certified products. That is one of the reasons we have developed our "green thumb" logo, to highlight more sustainably sourced products and to provide relevant background information. On our website, we highlight certified products and inform our customers about the sustainability certificates they can find on the products in our stores. This way, we give guidance and enable our customers to consciously select more sustainable options.

45% natuurlijke vezels
dus 45% minder plastic!

UTZ garandeert un prix
équitable et le respect
des hommes et
de l'environnement.

Certyfikat Fair Trade
gwarantuje, że rolnicy
otrzymują uczciwą
cenę za swoje kakao.

Wózek pułdo do
przeprowadzki jakości FSC
i został wyprodukowany
z dbałością o ludzi
i środowisko naturalne!

Aus recyceltem
Plastik

Een insectenhotel bevordert
de biodiversiteit in je tuin.
Nuttig en gezellig!



Label

FSC and PEFC

Explanation

Wood that is cultivated and cut down in a responsible manner in regard to people and the environment.

Product examples of brands exclusively produced for Action

Pure Soft toilet paper
Part of our Office Essentials
Packaging



Better Cotton Initiative

Cotton produced in a way that cares for the environment and supports workers' safety and well-being.

Jack Parker



OEKO-TEX Standard 100

Safe and sustainable textiles made according to strict regulations for harmful substances, fragments left behind and pesticides.

Ziki and Cozzi underwear
and Dolce Bella basics



Fair Trade and UTZ/RA

Guarantee a fair price to farmers and contribute to the local development of environmental management, health, education and business operations.

Café Palazzo
Choc'o Fair
Smikkelhuys chocolate
Easter Moments



GS

International standard of high quality and safety requirements, mainly for technical equipment.

A-Force batteries
Mini Matters
Home Essentials Kitchen & Homeware



EKO and EU Organic

Hallmark for agricultural products and food that comply with statutory organic requirements.

BioWise products



Blauer Engel

The ecolabel for environmentally friendly product design of the German government

Pure Soft toilet paper





Customers appreciate responsible alternatives, such as our Choc'O Fair bars made of Fairtrade certified cacao.



Buyer Food & Drinks Ruurd Leegwater at the left, testing coffee blends. Our private label Palazzo is UTZ certified.



Our BioWise private label offers products with an EKO and EU Organic hallmark, such as these rice crackers.

Packaging

The production and disposal of packaging material presents an enormous challenge to the environment. In 2019, we developed a policy that aims to reduce the overall amount of packaging elements and increase the share of recyclable packaging – both for transit and for product packaging. This Packaging Policy will be launched in 2020. As a major priority, this policy focuses on compliance with legal requirements such as the EU Packaging & Packaging Waste directive, the EU Plastics Strategy and the EU Single-Use Plastic Directive.

The aim of the policy is to reduce the negative social and environmental impacts of packaging used within our supply chains by reducing the amount of packaging waste and establishing circularity in all packaging.



Action stopped selling single-use plastic shopping bags and offers three reusable alternatives.

..... Packaging policy pillars



Awareness & Compliance



Fit for purpose design



Circular compatibility



LCA approach



Sustainable sourcing



Partnership & circular innovation





Our people

Our people are at the heart of our success. They bring Action to life, every day, in every community in which we operate.

Nora began her career at Action in 2012 as an assistant store manager. In 2019, she started a two year traineeship at the international headquarters in Zwaagdijk to become a buyer.

Taking more action every year

Our people

The people pillar of our Action Social Responsibility strategy includes health and safety, diversity, culture, and development.

..... People pillar of our ASR strategy

- Health & safety** We prioritise the safety and well-being of our employees
- Diversity** We embrace diversity and we make sure everyone is included
- Culture** We protect and embed our business culture whilst embracing cultural expansion
- Development** We encourage and support development opportunities throughout the business



..... Number of employees



People in Action

With over 41,000 employees in seven countries, Action has an important role in society. In addition to these

employees, over 18,000 other people work for Action indirectly through temp agencies, as independent consultants or at our outsourced distribution centres.

Health & safety

As a labour-intensive retail organisation, health and safety management is important for Action. To date, our approach has focused on the operations; each country organisation has had autonomy and a team to manage all relevant health and safety matters. These designated teams focused their efforts on the general well-being and safe working conditions for all employees and contractors and received support from the central HR team.

Key components included:

- knowing, understanding and complying with all European and National applicable regulatory health and safety requirements;
- identifying hazards and risks to which workers are exposed, in order to take action whenever possible in a preventive way; and when not possible to eliminate and/or minimise risks;
- running capacity building programmes to train workers, enhance their awareness and provide new skills regarding Health and Safety prevention and management.

To strengthen all Health and Safety activities, in January 2020, we appointed an international Health and Safety Manager to further develop and implement company-wide policies, processes and procedures regarding health and safety.



At our international headquarters and DC in Zwaagdijk and the DC in Echt, Action has its own in-house emergency response team. These regularly trained groups of people move into action when the health and safety of our employees and/or visitors are jeopardised. Their task is to prevent or limit injury or loss/damage as much as possible. Since November 2019, all in-house emergency response officers at the distribution centres have been clearly visible – they wear orange and yellow emergency response vests at all times.



We are very proud that in 2019, Merlinde Braas-Groot, cashier in the Zwaagdijk store, was our first colleague to reach 25 years working for Action. We are a young company and had our biggest growth (from 250 to over 1500 stores) in the last seven years. We have a relatively young workforce and do not have so many employees with a long career in our company yet.

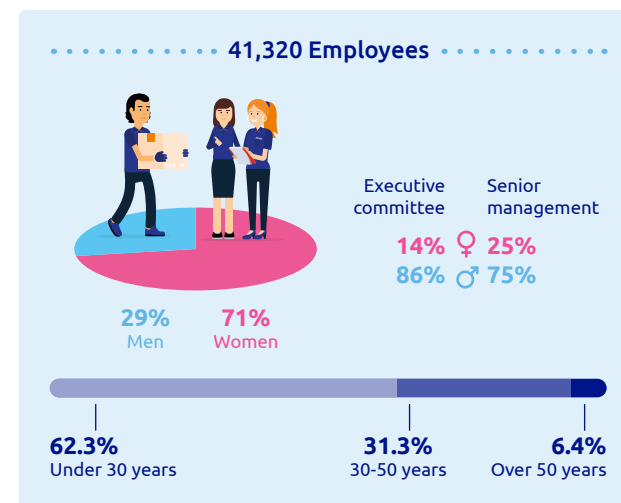
Diversity

As an employer, we take responsibility by investing in a good working environment and in our employees. At Action, we give people the chance to start their career, make a change, reintegrate into working life, combine their studies with work or take care of their family while working. No matter what their age, educational level or background is, Action offers a job for everyone. Action offers flexible working options ranging from full-time to individual part-time solutions.

Our workforce reflects the diversity of our customers in terms of cultural background, gender and age. We are proud to have an international workforce. Every year, more people from all over the world join our thriving business. No less than 129 nationalities work at Action – in our stores, our distribution centres and our offices. Like many retail organisations, we have a relatively high number of women working in our stores.

In 2019, we had 137 people working in the Netherlands via WerkSaam, an inter-municipal initiative focused on reintegrating people who have become distanced from the labour market into working life. Most of these colleagues work in our DC Zwaagdijk, mainly on warehouse processes and cleaning. Via Westrom, we recruited 55 people to work in DC Echt.

In other countries, we have similar long-term partnerships and projects focused on hiring people who have become distanced from the labour market. In France, we welcomed 1,513 new employees via Pôle Emploi MRS and Alixio.



In Austria, we hired eight people via SIP, one via Neue Arbeit and four via Tafelberg. In Poland we contracted 10 people in this category directly.

In all of our markets, it is our aim to hire local country management staff as much as we can. This way we ensure they know the market and local culture and customs. It also contributes to local economies.



Culture

Surprising products and low prices make Action special. Our people make Action unique. The way we work and interact represents who we are and is instrumental to our success. The values mentioned in chapter 1 are the foundation of our culture and our HR policies. Since our first store opened in 1993, six common values have been part of the way we work, and they have evolved over time. This guiding foundation drives our behaviour to focus our aims and our decisions. Our values are the backbone of our organisation and have brought Action to where it is today. They are fundamental to our success, now and in the future.

Culture is behaviour, nothing more, nothing less. The behaviour of our management makes or breaks the

company’s culture. It is all about setting the right example – what counts is what we do, not what we say. Our rapid growth requires a united understanding of our values. All of us sharing this behaviour is immensely powerful; it makes Action unique and ensures our future success.

Our values reflect the Action way of working and are integrated into our Code of Conduct. Each value equally contributes to Action’s culture and helps us in:

- making decisions and driving our priorities;
- deciding how to direct our time, money and focus;
- responding to unexpected situations;
- behaving towards external stakeholders;
- consistently providing our customers with a unique and modern discount format.

The Action values are integrated into all our HR instruments and internal communications. In 2019, Action developed an internal campaign to emphasise the role of values in our organisation. This will be further rolled out during 2020 and 2021.

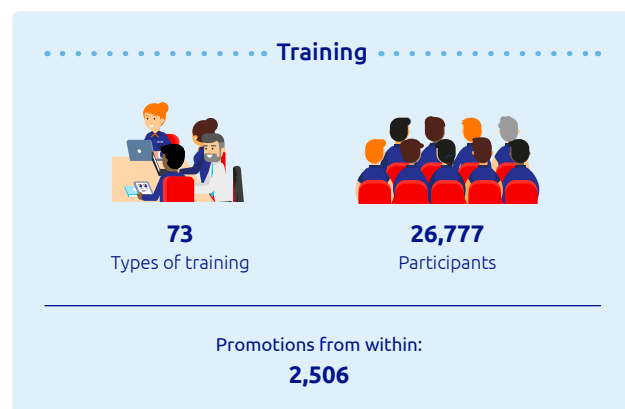
..... Our values

Customer focus Customers come first	Teamwork Do it together
Simplicity Keep it simple	Discipline Keep your promise
Cost conscious Every cent counts	Respect Treat like you want to be treated



Training and development for continuous growth

We believe in the power of education and personal development, in giving people the opportunity to grow both professionally and as human beings. With this in mind, Action devotes a great deal of time and effort to internal training and development. We provide chances for everybody not just to work, but also to develop their skills and expertise and to enhance their career opportunities.



Investing in our staff

At the Action Academy, we offer our employees the opportunity to participate in training courses in different fields and for different purposes, from work safety and system training to leadership training. In 2019, we recorded almost 26,800 participants across various courses – an increase of 9% over 2018. More than 68% of these courses were dedicated to developing our employees' soft skills. These include

leadership and communication seminars and workshops, in which employees learn how to prevent aggression and violence. Safety training courses, including first aid and firefighting, accounted for around 32% of the courses. On average, each of our employees received just over two hours of training in 2019. For our Satisfaction 2.0 programme – our new standardised way of working in all our stores – we organised train-the-trainer sessions to ensure all necessary knowledge and skills were transferred to every store.

In 2019, we successfully ran a pilot for a new leadership programme in the stores. This is a blended programme, combining classroom and digital learning. In 2020, this programme will be implemented internationally. We also implemented new e-learning modules: Safety Training for all distribution centre employees and a module on Information Security & Privacy for all employees with an Action e-mail account. At Action, we stimulate our employees to develop themselves and reach for higher professional levels. The total number of internal promotions in 2019 was in line with 2018.

Investing in future generations

In addition to the development of our employees, we consider it just as important to invest in future generations of retail talent. This is why we offer students the opportunity to learn about the nuts and bolts of an international organisation via internships. In Germany and the Netherlands, we offer educational programmes for high school graduates, and we have strong partnerships to provide the best foundation for future career development.



During the international introduction days for new employees, our company values are an important part of our unique Action Game.

In Germany, we offer a vocational educational programme that gives young people the opportunity to earn qualifications as a retail sales professional or a business administrator in retail. In 2019, around 80 young people participated. In the Netherlands, we partner with SBB (Stichting Samenwerking Beroepsonderwijs Bedrijfsleven), an official consulting institution for vocational education. We now offer employees the opportunity to obtain a diploma as first sales manager or retail manager. More than 160 participants joined the programme in 2019. In the Netherlands, we have also started a logistics apprenticeship.



Recruiting thousands to fuel our growth: to support the increase in demand for new colleagues, we launched our new [recruitment website](#) in 2019. Local talent across our seven countries can search for the best-fitting job, learn more about our values and culture, and apply for vacancies within one portal.

Action also provides a scholarship for our employees' children. The Action Scholarship Fund was founded in 2017 and aims to help our employees pay for their children's education if they cannot afford to finance it themselves. In 2019, 18 children of employees qualified for the sponsorship and received financial support. This

..... Action Scholarship Fund

	2018	2019
<i>Applications</i>	10	30
<i>Students supported</i>	6	18
<i>Netherlands</i>	1	5
<i>Belgium/Luxembourg</i>	2	2
<i>France</i>	0	11
<i>Financial support provided</i>	€10,002	€26,752



support enabled them to start their education in fields such as accountancy & management, medicine, veterinary science, physiotherapy and aviation.

Satisfied employees

To measure our employee satisfaction and evaluate the levels of engagement across the organisation, we conduct a survey among our employees: the Voice of Action.

We follow up on the results in each part of the business, drawing up action plans to focus on continuous improvement of engagement and satisfaction levels. The last survey was conducted in 2017 and 92% of the employees participated. The overall satisfaction score was well above the European retail average. In 2020, we are preparing a new Voice of Action which will be held in 2021.



24A

24B

Minimising our environmental impact

As a growing retailer with intensive transport between stores and distribution centres that all require energy, we are aware that we not only consume natural resources, but also produce waste and emissions that impact nature, people and future generations.

A 2019 pilot showed we can prevent up to 50% of plastic use by only stretch wrapping the upper part of the roll container.

Taking more action every year



Minimising our environmental impact

We consider it important to find solutions that minimize waste, draw on a sustainable approach to natural resources and energy consumption, as well as minimizing stress onto and emissions into the environment. We take responsibility for the environmental impact we have across our operations – from distribution centres and our double-decker trailers right through to our stores. And we always explore new ways to reduce our impact.

The environment pillar of our Action Social Responsibility strategy includes waste management, our environmental footprint, and energy and emissions.

... Environmental pillar of our ASR strategy ...

- Waste management** We commit to mitigating our waste to minimise our footprint
- Environmental footprint** We commit to reducing our environmental footprint throughout our operations
- Energy & emissions** We commit to reducing our energy usage and emissions



Waste management

Recycling

Action has an extensive recycling process – sending returned or broken products back to suppliers, providing our customers with an organised way to dispose of batteries, light bulbs and small electrical appliances and recycling as much product and transit packaging material as possible. We also participate in local initiatives to reduce waste, such as Wecycle and Nederland Schoon in the Netherlands.

All cardboard and plastic from packaging materials and transit processes is collected in the stores and distribution centres and recycled. At our distribution centres, we compress the volume of cardboard and plastic before it is passed on to recycling facilities. By reducing the volume, we can transport these materials more efficiently, which helps minimise CO₂ emissions. The compressed bales also comply to the standard way of working of recycling facilities, so no extra handling is required before the materials are fully recycled.



Waste materials get separated for better recycling, while returned or broken goods are sent back to suppliers.

..... Recycling

61,412 tonnes
Cardboard

1,446 tonnes
Plastic



A new massive bale press helps reducing the volume of cardboard and plastic packaging waste, making it ready for a more CO₂ efficient transport to recycling facilities.

Environmental footprint

Re-using store interiors

We renewed 51 of our stores in 2019 and have more renewals planned for 2020. When stores are refurbished, enlarged or relocated, racking is demounted, collected, sorted and stored for reuse. Reusable racking is used in existing stores to serve as spare parts for maintenance. All racking material that cannot be reused is recycled. Store checkouts are refit, restyled to comply with current format standards and reused after a store refurbishment. Additionally, in collaboration with our suppliers, we also collect and reuse cleaning machines, our safes and individual components of IT systems still fit for purpose.



Racking from refurbished or relocated stores gets collected and stored for reuse.

Acting to avoid plastic waste

In 2019, we also introduced a way to reduce the amount of stretch wrap we use to seal each container. By only sealing parts of the roll container, we can save an estimated 40 to 50% of plastic stretch wrap. This is possible for the majority of our shipments. During the pilot in the distribution centre Zwaagdijk (Netherlands), the usage of stretch wrap decreased by 10,000 kg per month. The pilot not only saved plastic, but also costs, as it makes distribution centres and stores more efficient. At the beginning of 2020, it was rolled out to our Echt (Netherlands) distribution centre. We expect to save more than 200,000 kg in total at both Dutch distribution centres and the stores they service. In the course of 2020, we will deploy this new way of sealing to all our distribution centres across Europe.

Energy and emissions

Measures to reduce emissions need to be taken on an extensive set of underlying data. We have recently started developing a measuring system to establish a

baseline and to monitor our emission developments in the future. Reporting on this topic is therefore limited in this Update2019.

Stores

Measured by the number of stores and our steady growth, our stores are one of the major contributors to our energy consumption. That is why we are continuously looking into new solutions to save energy and make our stores more sustainable and energy-efficient: from alternative energy sources, to LED lights and the installation of smart meters to energy-efficient all electric air-conditioning and heating systems.

..... Energy for action in 2019

	Electricity kWh	Gas m ³
<i>Stores</i> ¹	95,594,195	2,084,829
<i>Distribution centres</i> ²	18,102,625	2,032,888
Total ³	113,676,820	4,463,242
<i>Per m² store</i> ⁴	86.07	3.40

¹ Figures based on actual consumption data between January and December 2019 in stores with smart meters; for other stores this is based on estimates by our energy brokers.

² Figures based on estimates for the full year, except for newly opened distribution centres: Belleville (France) between February and December, Peine (Germany), between April and December.

³ Energy consumption of stores and the distribution centre in Poland are not yet integrated into the measurement system.

⁴ Corrected for missing electricity and gas data for Poland by deducting Polish store m²s.

Besides fitting out our new stores with these solutions, in 2019, we implemented various energy saving methods in 26 refurbished stores in the Netherlands. Since they are equipped with smart meters, we were able to track the impact of these measures in comparison to the old fit out.



In 2019, we deepened our partnership with Daikin, an internationally leading manufacturer of heat pumps, ventilation and air-conditioning systems. Together with Daikin, we worked on a new and very innovative solution to reclaim refrigerant from our refurbished stores and reuse it at other locations. Refrigerants are extremely potent greenhouse gases, and if not treated well, they contribute to our emissions. In a pilot, refrigerant gas was collected from 12 stores undergoing refurbishment. It was regenerated by Daikin to be reused in ten of our new stores. After the successful completion of this pilot project, for 2020, Action and Daikin agreed to collect refrigerant gas from all refurbished Action stores and reuse the reclaimed gas in newly built stores.



Graphic:
Daikin

In all refurbished stores, we switched from gas to electric heat pump solutions, replaced tube lighting with LEDs and installed energy-efficient heating, ventilation and air-conditioning systems (HVAC). Furthermore, the LED lighting and HVAC systems are automatically switched off after opening hours by linking them to the alarm. The results: in these stores, the average energy reduction was about 15%, with some stores even achieving energy reductions of 20%.

At the moment, just a few of our stores have solar panels. However, our ambition is to investigate and invest more in renewable solutions to make individual stores when possible energy neutral. In 2019, we developed our store in Graz (Austria) with focus on energy neutrality. The roof is covered with solar panels, which on average generate enough energy to cover the store's energy requirements. The rest of the energy is used to charge our customers' electric cars while they shop and/or fed into the grid.



For the daily energy needs, the store's roof in Graz (Austria) is covered with solar panels. Yield surplus is used to charge our customers' electric vehicles while they shop.



Solar panels on the roof of the new DC Belleville that opened in 2019, have a capacity that equals the energy needs of over 1600 people.

Distribution centres

We run our distribution centres in an efficient and energy saving manner: we use electric transport to limit CO₂ emissions and reduce noise and exhaust levels on site. Our distribution centres are fitted with LED lights in the warehouse, offices and outside areas. Our distribution centre in Echt (the Netherlands) is covered with solar panels and uses 100% of the produced energy for its own operations. For all other existing warehouses and future warehouses, Action is checking opportunities to install solar panels as a standard. The distribution centre in Zwaagdijk (the Netherlands) uses thermal sources as additional energy supply for the floor heating, which reduces the amount of regular energy resources used. In the future, we will strive for more sustainably built distribution centres that fulfil the latest technological construction requirements for ecological and environmentally friendly operations. That is why we have chosen to construct all new distribution centres in alignment with BREEAM standards, an international rating system for sustainable building constructions (or comparable certification standards).

The distribution centre in Belleville (France), which started operations early 2019, is fitted with solar panels that supply the local energy network with 4,000 MWh of electricity per year. This is equivalent to the annual electricity consumption of more than 1,600 people. In addition, the building is BREEAM Good certified. The new distribution centre in Ośła (Poland), which opened in November 2019, has a BREEAM certification of Very Good. The site features, for example, a limited number of solar panels to generate hot water for the office, charging stations for electrical vehicles and certified materials with lower environmental impact.

In May 2019, Action's new distribution centre in Peine (Germany) was awarded the DGNB Gold certificate by the German Sustainable Building Council (DGNB). The certificate marks sustainable efforts in construction and takes a stand for buildings with socio-cultural and ecological quality. For future distribution centre developments, we aim for similar standards (minimum BREEAM Very Good or equivalent) and will look to outperform them.





We constantly look for more opportunities to reduce our environmental footprint. In logistics, we have been using double-decker trailers for more than 15 years, enabling us to transport 60% more freight per truck. This means fewer trips and therefore lower fuel usage and lower emissions. In 2019, we experimented with different types of trucks: we expanded our Dutch truck fleet with 46 innovative Volvo FH 4x2 trucks that have I-Save functionality. The first results showed fuel savings of as much as 10% compared to regular trucks. In 2020, we run a pilot with LNG trucks in the Netherlands. LNG trucks emit up to 20% less CO₂ and other hazardous emissions.

Transportation

Every day, hundreds of trucks keep our stores stocked. We use an innovative and fuel-efficient fleet to transport products from our distribution centres to our stores. We use innovative double-decker trailers that can carry 60% more freight than conventional trailers. In itself, this already is a massive reduction of emissions for each rollcontainer delivered to the store.

About 60% of the trips are carried out by external transport service providers, mainly outside of the Netherlands. Whilst we cooperate closely with them and align our own ambitions with theirs, we have the most influence on transportation from the distribution centres we own in the Netherlands. We operate these directly and we carry out the trips ourselves. We continue to upgrade our fleet by adding trucks with more fuel-efficient engines. All our trucks are compliant to the Euro 6 norm, the highest emissions standards available in the market. In addition, we train our drivers to drive responsibly, taking appropriate care of safety, fuel usage and the trucks.

To reduce our carbon footprint and to save money, Action is continuously working to reduce the average distance driven from the distribution centre to the store. By the end of 2023, we aim to cut the average transport distances by 25% compared to 2019. This will be done by expanding our logistics network with new distribution centres: In 2020, two new distribution centres are planned to start operation in Verrières-en-Anjou near Angers (France) and Bratislava (Slovakia).

In 2019, we also started the implementation of our multi-layer logistics strategy, opening the first hub and greatly expanding our cross-dock. By creating new

cross-dock centres, Action will combine the freight from its European suppliers in different locations across Europe. From here, goods will be distributed to the different distribution centres in a smart way. With this new concept, the transport is very efficient, and capacity is fully utilised – which reduces emissions per product shipped. Hubs will mainly serve for receiving goods in containers by direct suppliers.



Our double-decker trailers enable us to carry 60% more freight per truck. Fewer transport trips mean lower fuel usage and lower emissions.



The team at the opening of our first hub near Marseille.

Up until 2019, stock shortages in the different distribution centres were balanced out by sending over stock loads from other distribution centres, which in turn reduced the available stock in those distribution centres. From now on, one central location between several distribution centres will store the main backup stocks: the hub. In case one distribution centre runs out of products, it can order additional stock lots from there. This makes our logistical infrastructure even more efficient and makes sure that products are available in the stores to make our customers happy with emissions avoided.

The first hub opened in the second half of 2019 in the Marseille area in France. This hub serves the distribution centres in Labastide, Moissy and Belleville.

In 2019, we also implemented a project to optimise the delivery frequency per store, better balance workload in the distribution centres and for transport, significantly reducing the kilometres driven to deliver to the stores.

In 2019, we installed ten beehives on the roofs of our Dutch DCs in Echt and Zwaagdijk. We are using space in the most efficient way to contribute to a healthy ecosystem.





Good citizenship

As a rapidly growing retailer, Action plays an important role in society. As good citizens, we actively contribute to society and serve our local communities.

In 2019, we supported more than 1,300 children and their villages as part of our partnership to support SOS Children's villages.

Taking more action every year

Good citizenship

The good citizenship pillar of our Action Social Responsibility strategy includes our international charity partnership as well as country specific initiatives and efforts by our stores and distribution centres.

• • • Good citizenship pillar of our ASR strategy • • •

Charity We support charitable organisations financially and through strategic partnerships

Country specific initiatives We empower our country offices to support local priority causes

Stores Our stores consider and improve their surrounding areas

Distribution centres Our distribution centres consider and improve their surrounding areas



SOS Children's Villages

At the end of 2017, we signed a partnership agreement with SOS Children's Villages, which took off during 2018. By supporting SOS Children's Villages, we can help in countries where we operate our stores and in countries where we source products from suppliers and manufacturers.



Just like Action, SOS Children's Villages is an international organisation – it works in 135 countries and territories and helps vulnerable children by providing them with a loving home. In 2020, the partnership contract with SOS Children's Villages will be evaluated. We will explore if and how we can make more of our partnership in the future.

Action wants to be an inspiring employer. This partnership gives us an opportunity to engage our employees to be closely involved in our Action Social Responsibility strategy. Every store and every team from our Action operated distribution centres sponsors one SOS village in Asia, and every Action office donates to the European SOS office in their country.

In 2019, we sponsored more than 1,300 SOS children for €25 per child per month. This contributes to the daily needs of sponsored children and to their villages, including food, education and medical care, as well as sports and play. In short, everything a child needs to grow up!

In addition, in 2019 we financially supported several European projects, bringing the total donation to SOS Children's Villages to €469,900. The projects that were supported are:

- Kiss & Hug Zones at Dutch schools, where parents and children can take the time to greet each other with a hug,



During the visit of Action colleagues to an SOS Children's Village in Indonesia, the children were surprised with gifts from Action stores.

were supported by the Dutch country office.

- The University of Amsterdam received €10,000 from Action's international headquarters for research on the exclusion of vulnerable children.
- The roofs of two family houses were renovated with the support of the Belgian country office, benefitting 12 children.
- In France, a new SOS Children's Village was started in Le Lion d'Angers (West France), financed in part by Action.
- In Austria, Action's contribution was used for the construction of a new youth facility in Seekirchen, SOS Children's Village in Salzburg.
- Action contributed to a program in the German SOS Children's Village Saar, in which 15 women refugees and their children are educated in German and taught about society.
- In Poland, the stores and the Action country office helped pay for the medical expenses, therapies, lessons and courses for the children in the SOS Children's Villages Krasznik and Bilgoraj.

To engage our employees with the partnership, we use internal communication channels like the Action Magazine, narrowcasting, posters, store days and onboarding programmes. In addition, all stores and distribution centres receive the SOS Children's Villages newsletters and magazines.

In March 2019, five Action employees visited SOS Children's Villages in Indonesia to witness the valuable work for vulnerable children and their families. These five employees were the winners of a photo contest we held in 2018 to mark our 25th anniversary.

Other initiatives

In October 2019, a team of over 350 Action employees from the Dutch stores, distribution centres and offices participated for the fourth consecutive time in the

Amsterdam Marathon to raise money for Cancer Centre Amsterdam (CCA).

The aim of Cancer Centre Amsterdam is to prevent and cure cancer and immunological diseases, and to increase the survival rate. In order to create more awareness and raise money, the foundation is working together with the Amsterdam Marathon. The Action team, which was also supported by several of our suppliers, raised €65,000 for CCA. Action's CEO Sander van der Laan is the chair of CCA.



Some of the more than 350 employees that participated in the Amsterdam Marathon.



German language education project in Saar.




In March 2019, a group of Action colleagues traveled to Indonesia to visit the children and learn about the projects in SOS Children's Villages.

..... SOS children supported per country in 2019

The Netherlands	Belgium/Lux	Germany
386	172	288
France	Austria	Poland
424	38	25

Governance and risk management

Action is committed to running its business with integrity. We firmly believe that transparency contributes to our success.



In 2019, we organised our annual Store Day for all our French store managers in Lyon.

Taking more action every year

Governance and risk management

Governance

Our governance structure reflects how the company is managed, considering the interests of all stakeholders.

Action has a one-tier governance structure with a Board of Directors, consisting of the CEO and the CFO as executive directors and currently five non-executive directors. Our non-executive directors are: Adrian Bellamy (chairman), Marc van Gelder, Simon Borrows, Robert van Goethem and Menno Antal. The Executive Committee, comprising the CEO, the CFO and four directors for Action’s key operational functions, is responsible for effectively implementing Action’s strategy, as approved by the Board of Directors, achieving its business objectives and running the operations. The Board and the Executive Committee ensure compliance with applicable laws and regulations is achieved.

Although Action is not formally required to comply with the Dutch Corporate Governance Code, it embraces its key principles. The Board of Directors has implemented an Audit Committee and a Selection, Nomination and Remuneration Committee. Both committees assist the Board in discharging its responsibilities. The Executive Committee established a Risk and Compliance Committee to oversee and monitor Action’s risk profile and associated risk management and compliance policies and processes. In addition, Action has established a dedicated risk management, compliance and internal audit function, centrally organised within Risk Assurance.

Action is majority owned by 3i Group plc and funds managed by 3i, a renowned private equity firm that provides Action with comprehensive knowledge, retail expertise and access to its international business network.

Our management

Our business is in line with our formula: simple and straightforward. We have a flat organisational structure with a small headquarters and limited overheads to optimally support our stores and country organisations. At our international headquarters in Zwaagdijk (the Netherlands), a team of professionals works on the execution of our expansion strategy.

Our teams at the headquarters work as an expertise centre for all departments, including HR, IT, Finance and Marketing. Our buying team is active around the globe. Our country offices primarily support the stores with customer service, the acquisition of new locations, and HR and recruitment.

Action Executive Committee



Sander van der Laan
CEO



Joost Sliepenbeek
CFO



Hajir Hajji
Commercial Director



Joost Bous
Director Supply Chain



Luc de Baets
Director Human Resources



Jens Burgers
Director Technology & IT

Risk management

Our approach to risk management

We strongly believe that managing risks in a professional manner is essential to achieving our strategic and operational objectives, while ensuring compliance with internal and external requirements. Our proactive approach to risk management, embedded in our processes, intends to protect and preserve long-term value. We have implemented formal risk management and internal control systems, based on the COSO Internal Control Framework, to ensure that we meet our business objectives, report financial performance reliably and comply with laws and regulations. Behaviour in line with our Action values is at the heart of our system. Our management across the organisation leads by example, articulating and demonstrating the importance of integrity and ethical values.

We monitor our internal control performance by means of risk and control self-assessments, risk management reviews and internal audit activities. Control performance dashboards are available for our business teams to allow for online real-time insight into control performance. Quarterly Risk Assurance reports are submitted to and discussed with our business teams, Executive Committee, Risk and Compliance Committee and Audit Committee. These reports provide a comprehensive overview of internal control performance and help identifying improvement potential.



Our risk management process

Action applies the “three lines of defence” model to manage risk. The first line of defence, operational management, is responsible for identifying, assessing and managing risks and is supported by subject matter experts – the second line of defence– originating from Business Control, Risk Assurance or other functions, to facilitate and monitor the implementation of effective risk management practices. Our internal audit function is the third line of defence, providing independent and objective assurance.

Based on a robust review of the risks that we face in achieving our business objectives, risks reported by business areas are aggregated at group level and serve as a basis to determine risk management priorities and coordinated risk responses. The implementation of adequate risk responses is monitored by our Risk and Compliance Committee.

Our risk appetite

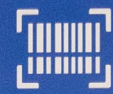
In order to achieve our international expansion objectives, Action is strategically prepared to take risks in a responsible way taking into account the interests of all our key stakeholders. From an operational perspective, Action takes a cautious approach to risk; everything we do is designed to deliver value to our customers by offering quality products at low prices. This requires dedication to safety and transparency regarding our customers and delivering responsibly produced articles. Providing customer value takes priority over any other objective. As Action sells its products in an increasing number of European markets and sources these products from various countries around the globe, we need to comply with and take into consideration a growing number of laws, rules and regulations. Action is committed to compliance with these laws, rules and regulations and, more specifically, strives to prevent significant incidents of non-compliance everywhere we do business. Action will not take any risks that could impact the integrity of its reporting.

Our risk profile

We have reviewed those risks that we believe could adversely impact the achievement of our strategic and operational objectives, reputation or performance. Each risk is assessed on likelihood and impact, taking into account current and expected internal control performance, and assigned to a principle risk category. Risks are owned and managed by operational management and are discussed and monitored throughout the year to identify changes in the risk landscape. An overview of our risk management inventory and approach is included in Appendix 4 (risks are presented in random order).



self
scan



Action for the future

We will continue to offer our customers surprising and good quality products at the lowest price. We are committed to our formula and will strengthen our proposition through our Action Social Responsibility strategy and digital solutions.

We continue the roll out of the self-scan checkout, a service highly appreciated by our customers.

Taking more action every year

Action for the future

During the first months of 2020, the Corona (Covid-19) pandemic has severely impacted people, society and the economy. And, while at this point, detailed knowledge about the virus is still missing, the expectation is that the global impact of Covid-19 will continue for an undefined time and will be unprecedented in recent history. The consequences of Covid-19 are felt by our employees, our customers and in our stores, our supply chain - every aspect of our business is affected.

Of our nearly 1,600 stores, more than 900 were temporarily closed due to lock-down measures in several countries. All French, Belgian and Austrian stores were closed for periods varying from five to eight weeks during March, April and May. More than 20,000 employees throughout Europe were not able to go to work because their store was closed. The closure of our stores resulted in the temporary closure of our three distribution centres in France and in significant down-scaling measures for the five other distribution centres.

In other countries, like Germany, a limited number of our stores were allowed to remain open. They were only allowed to sell essential product categories (e.g. personal care and hygiene items), which reduced our offering to 35-50% of the regular assortment.

All stores that could stay open implemented many social distancing measures. For the foreseeable future we expect the need to continue with the wide range of health and safety measures in all our stores, distribution

centres and offices to ensure a safe shopping and working environment for all our customers and employees.

At the date of publication, it is uncertain how the Covid-19 situation will develop and what the full impact on our company and all our stakeholders will be. The decline in sales due to temporary store closures in combination with the limitations by the lock down situation in several countries, led to a temporary delay of new store openings and our planned opening of pilot stores in the Czech Republic.

All Action stores in all countries are open again since the second week of May 2020. At the re-opening, we experienced that our customers had missed us just as we had missed them: many waited patiently in lines in front of our stores before opening hours. The embracement by our customers, across all countries, proves the strength of our formula and is a positive sign for everyone at Action. Given the increased macro-economic pressures caused by the Covid-19 crisis, value-for-money and the Action approach has never been more relevant to consumers. Our results to date, including those after the temporary closing and lockdown measures, show that Action's strategic framework is successful, and we will continue to execute our strategy in 2020.

We will continue to strengthen our unique customer value proposition. We will stay focussed on offering our customers surprising and good quality products at the lowest price. We are committed to our formula



and will strengthen our proposition through the deployment of our Action Social Responsibility strategy and enhancements of our digital customer interface. Following the successful self-checkout pilot, in 2020, self-checkout counters will be rolled out across the Netherlands and Belgium. We will also pilot the concept in other markets.

In the coming years, our international geographic expansion will continue. In the current seven markets, we will open new stores and renew some of the existing stores. Due to Covid-19, we expect to open fewer stores than planned for 2020. Our first stores in the Czech Republic will open later in the year than planned. To support our growth, we will proceed to build and

roll out our simple, efficient, responsible and scalable operating model. We will open two new distribution centres. In France, the distribution centre in Verrières-en-Anjou is planned to become operational during the second half of 2020. The opening of a new distribution centre in Bratislava, Slovakia, is also expected before the end of 2020. We continue to optimise our logistics operations with a multi-layer network, end-to-end planning capabilities and sustainable transport solutions. And we will continue to invest in scalable and efficient IT solutions.

And last, but certainly not least, we will continue to invest in our people and remain true to our values. The development of our leadership and the engagement of everyone in our company is key to our future success.



Appendices

1. About this Action Update2019	44
2. Engaging our stakeholders	44
3. Our key topics	45
4. Risk management inventory and approach	46
5. GRI content index	48



1. About this Action Update2019

The Update2019 has placed a stronger focus on our Action Social Responsibility strategy, activities and performance than previous editions. As our business increases in size and impact, we felt it was time to update our strategy and be more transparent about this important part of our company.

With our updated ASR strategy, we have also established KPIs to measure our progress. For some of these measures, we have comparative data for earlier years, but not for all. For some topics, we cannot yet measure our performance. In the years to come, we will continue to expand our management information system on our ASR topics. As a result, every year, we will be able to report in more detail.

This report has been prepared in accordance with the GRI Standards core option. As it is the first year we are reporting based on the GRI Standards, we do not yet have all the systems in place to measure our material topics and impacts. This year’s reporting process has helped us identify the topics for which we need to build or strengthen our information systems.

The sustainability measures in this report have not been externally assured.

2. Engaging our stakeholders

Action recognises many different stakeholders, all key to our growth and success. In 2019, we consulted them to update our Action Social Responsibility strategy. The table below highlights how we engaged each of our key stakeholder groups and what topics they find

most important for us to include in our strategy.

If you have any comments or questions about this year’s Update or our Action Social Responsibility strategy, please contact us via press@action.nl.

Stakeholders		
Stakeholder	Method of contact in 2019	Main topics
Customers	Survey	Responsible sourcing, sustainability communications.
Employees	Survey	Responsible sourcing, country of origin, reputation, environment, recycling, energy consumption, responsible employer.
(Local) government	Interviews	Compliance with relevant laws, product safety and quality, environmental and social performance in the supply chain, transparency, health and safety of employees.
Civil society	Interviews	Compliance with relevant laws, product safety, human rights, social performance in the supply chain, transparency, diversity and equal opportunity for employees, financial performance, sponsoring.
Certification partners	Interviews	Product safety, health and safety of employees, environmental and social performance in the supply chain, circular economy, plastics.
Commercial partners	Interviews	Compliance with relevant laws, product safety, human rights, social and environmental performance in the supply chain, transparency, supplier relations

3. Our key topics

We used the valuable insights from our internal and external stakeholders to determine our focus areas for the Action Social Responsibility strategy and this Update 2019. Through an interactive process with a broad team, we plotted the stakeholders' and our own interests to highlight our most important – or so-called material – topics. The selection of topics was approved by the Executive Board.

The table on the right provides an overview of our material topics, as well as the scope and boundary for each of the pillars.

Our material topics				
	Product	People	Environment	Good citizenship
<i>Material topics</i>	<ul style="list-style-type: none"> • Chemicals & toxins • Circular economy • Country of origin • Human rights • Packaging • Plastics • Product quality • Product safety • Responsible sourcing • Social performance in the supply chain • Transparency 	<ul style="list-style-type: none"> • Diversity & equal opportunity • Good employment conditions • Health & safety • Opportunities for people with a distance to the labour market • Stakeholder management • Training & education 	<ul style="list-style-type: none"> • Environmental performance in stores, the supply chain and logistics 	<ul style="list-style-type: none"> • Sponsoring/ donations • Local engagement
<i>Scope & boundary</i>	Direct import only, unless stated otherwise	People employed directly by Action, unless stated otherwise	Our own operations: stores, DCs, offices, transportation from DCs to stores	All of Action

4. Risk management inventory and approach

	Principle risks <i>Where we are impacted</i>	Principle risk factors <i>What it means to us</i>	Mitigating activities <i>How we manage</i>
Distinctiveness of the formula	Brand & customer experience	If we do not evolve our brand and customer experience properly, this has a direct impact on our ability to attract and retain customers and our market share.	<ul style="list-style-type: none"> Customer focus is one of the Action Values at the heart of everything we do. We proactively monitor social media to observe and respond to trends. We significantly invest in understanding our customers, including through a customer loyalty programme.
	Competition & markets	The competitive retail environment creates opportunities as well as risks, as we could fail to respond to our competitors and changes in macroeconomic conditions in the operating environment, resulting in a loss of market share and failure to improve profitability.	<ul style="list-style-type: none"> With our international expansion strategy, we continue to serve customers in various markets and enlarge our footprint. We continuously address the future needs of our customers and pursue a surprising assortment at low prices. We perform regular assessments to compare sales prices of articles sold by our competitors. We actively manage our pricing, promotional and marketing campaigns. Simplicity and cost consciousness are Action Values at the heart of everything we do.
Scalability & rapid growth	Entrance to new markets	The expansion to new markets brings its own risk due to different legal/regulatory landscapes, differences in language/culture, labour market conditions and competitive environment that could adversely impact business performance.	<ul style="list-style-type: none"> We established 'new-country' project teams to manage our expansion strategy. We have new-country runbooks that include our expansion approach and (internal control/business) requirements. External subject matter experts are involved to advise us on selected topics. Initial learnings from pilot stores are used in decision making to enter new markets.
	End-to-end supply chain	An effective supply-chain is key to the achievement of our business objectives. There is a risk that a disruption in the supply chain, could cause significant disruption to business operations, and possible operational or financial consequences. Our employees are key to the achievement of our objectives, particularly as we expand rapidly. A failure to attract, develop and motivate the right talent could slow down our ability to achieve operational and strategic objectives, including successful business, and could increase the cost of labour.	<ul style="list-style-type: none"> We continuously align our supply chain capacity with our growth ambitions. We significantly invest in technology supporting our end-to-end supply chain. We enhanced the monitoring of (logistics) service providers, suppliers and third parties. Concerning business continuity, various controls are in place, such as alternative routes in case of a road closure. A failure of one of the distribution centres can be managed by other distribution centres. A crisis communication plan is implemented in case of significant disruption.
Culture & values	People & culture	Due to the onboarding of a large number of new employees to support our growing business, we need to continuously focus on embedding Action values, ensuring quality of training programs and availability of well experienced colleagues to avoid behaviour not in line with Action standards.	<ul style="list-style-type: none"> We have fair employment policies and competitive remuneration in place. We performed a group-wide benchmark of salary scales, driving stronger consistency of rewards. Line managers conduct regular performance evaluations and processes are in place to train and develop our employees. To increase automation across the business, opportunities continue to be identified and implemented (i.e. self-scan check-outs). Processes are in place to respond to employees' needs by listening to their feedback through employee surveys and performance reviews. Action Values are included in the onboarding programmes for new employees, which have been made part of performance management and are incorporated in our Code of Conduct.

4. Risk management inventory and approach - *continued*

	Principle risks <i>Where we are impacted</i>	Principle risk factors <i>What it means to us</i>	Mitigating activities <i>How we manage</i>
Business operations	Business transformation	Failure to execute our business transformation activities with pace and urgency and align group and local structures could impede our ability to improve operational efficiency and competitiveness.	<ul style="list-style-type: none"> • We have established an operating model to drive clear accountabilities and efficiencies, including the adaptation of agile methods where possible. • We have strongly governed processes to manage cross functional technology projects and to ensure adherence to project management principles.
	Third-party management	In case we would not be able to successfully manage and leverage our strategic third-party relationships, or a critical failure of a key supplier/service provider would occur, this could have an impact on delivery of operations, our ability to operate effectively and efficiently, or, in some circumstances, our brand and reputation.	<ul style="list-style-type: none"> • We ensure clear service level agreements and key performance indicators are in place and monitored for third parties, including our logistics service providers. • We engage in-house legal and procurement teams to guide our agreements with third parties.
	Information security & data privacy	Failure to adequately prevent or respond to a data breach or cyber-attack could adversely impact our reputation and could result in significant fines, business disruption and/or loss of information for our customers, employees or business.	<ul style="list-style-type: none"> • We have a clear information security roadmap in place, with attention for both technical and organisational improvements. • A pre-defined set of information security and data privacy requirements is applied to ensure new technology developments are delivered in accordance with pre-defined standards. • We have implemented a policy to report and respond to security and/or privacy incidents in a timely manner. • Mandatory information security and privacy e-learning for employees is in place.
	Laws & regulation	Failure to comply with legal and other requirements, i.e. labour rights, could result in fines and/or could have an adverse impact on our ability to do business.	<ul style="list-style-type: none"> • We aim to ensure that the impact of regulatory changes is incorporated into our business plans. • For selected topics, we actively engage with regulators on policy changes which could impact us. • Compliance requirements are embedded in new technology developments to ensure these are delivered in accordance with laws and regulations. • External subject matter experts are requested to advise us on selected topics.
Product standards	Product safety & integrity	There is a risk that the products we sell are unsafe or not of the integrity that our customers expect. It is of utmost importance to us, and to the confidence that customers have in our business, that we meet the required standards. If we do not do this, it could impact business reputation and financial performance.	<ul style="list-style-type: none"> • We have product standards, policies and guidance ensuring that products are safe, legal and of the required quality. • Monitoring processes are in place to manage product safety and product integrity. • Supplier audit programmes are in place to monitor product safety and environmental standards. • Regular assessment of our suppliers and factories are undertaken to ensure adherence to standards and our ethical sourcing policy.

5. GRI Content Index

GENERAL DISCLOSURES

<i>GRI Standard</i>	<i>Information</i>	<i>Description</i>	<i>Page/information</i>
GRI 102: General Disclosures 2016	Organizational profile		
	102-1	Name of the organization	3
	102-2	Activities, brands, products, and services	6
	102-3	Location of headquarters	38
	102-4	Location of operations	52
	102-5	Ownership and legal form	38
	102-6	Markets served	9
	102-7	Scale of the organizations	9
	102-8	Information on employees and other workers	9
		a. Total number of employees by employment contract (permanent and temporary), by gender.	22,949 people with a permanent contract (16,493 women, 6,456 men), 18,359 people with a temporary contract (12,837 women, 5,522 men).
		b. Total number of employees by employment contract (permanent and temporary), by region.	Split permanent/temporary contract by country: Austria 95%/3%, Belgium 68%/32%, France 92%/8%, Germany 29%/71%, Luxembourg 71%/29%, Netherlands 40%/60%, Poland 4%/96%.
		c. Total number of employees by employment type (full-time and part-time), by gender.	9,013 people with a full time contract (5,396 women, 3,617 men), 32,307 people with a part time contract (23,943 women, 8,364 men).
		d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.	23
		e. Any significant variations in these numbers reported (such as seasonal variations).	23
		f. An explanation of how the data have been compiled, including any assumptions made.	The information on employees and other workers has been compiled with the use of our SuccessFactors HR system. The definition of fulltime varies per country: Poland 40 hrs per week, Germany 40 hrs, Belgium and Luxembourg 35 hrs, Netherlands 38 hrs, France 35 hrs for stores, 35 or 38 in logistics, Austria 38.5 hrs.
	102-9	Supply chain	14
	102-10	Significant changes to the organization and its supply chain	10, in 2019, there were no significant changes in our supply chain.
	102-11	Precautionary Principle or approach	29
	102-12	External initiatives	11, 17, 20
	102-13	Membership of associations	Raad Nederlandse Detailhandel, VNCI; Werkgeversorganisatie, Comeos.

5. GRI Content Index - *continued*

GENERAL DISCLOSURES

<i>GRI Standard</i>	Information	Description	<i>Page/information</i>
	102-52	Reporting cycle	The Updates are published annually and cover calendar years from January up to and including December.
	102-53	Contact point for questions regarding the report	44
	102-54	Claims of reporting in accordance with the GRI Standards	44
	102-55	GRI content index	48 - 51
	102-56	External assurance	44

MATERIAL TOPICS

Social topics

Customer health and safety

GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	15 - 16
	103-3	Evaluation of the management approach	16
GRI 416: customer health & safety 2-16	416-1	Assessment of the health and safety impact of product and service categories	15
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	16

Ethical sourcing

GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	17-18
	103-3	Evaluation of the management approach	18
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	17
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	17
GRI412: Human Rights 2016	412-1	Operations that have been subject to HR reviews or impact assessments	17-18

5. GRI Content Index - *continued*

GENERAL DISCLOSURES

<i>GRI Standard</i>	Information	Description	<i>Page/information</i>
	102-52	Reporting cycle	The Updates are published annually and cover calendar years from January up to and including December.
	102-53	Contact point for questions regarding the report	44
	102-54	Claims of reporting in accordance with the GRI Standards	44
	102-55	GRI content index	48 - 51
	102-56	External assurance	44

MATERIAL TOPICS

Social topics

Customer health and safety

GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	15 - 16
	103-3	Evaluation of the management approach	16
GRI 416: customer health & safety 2-16	416-1	Assessment of the health and safety impact of product and service categories	15
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	16

Ethical sourcing

GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	17-18
	103-3	Evaluation of the management approach	18
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	17
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	17
GRI412: Human Rights 2016	412-1	Operations that have been subject to HR reviews or impact assessments	17-18

5. GRI Content Index - *continued*

MATERIAL TOPICS

<i>GRI Standard</i>	Information	Description	<i>Page/information</i>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	18
	414-2	Negative social impacts in the supply chain and actions taken	18
<i>Our people</i>			
GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	23-26
	103-3	Evaluation of the management approach	23, 25, 27
GRI401: Employment 2016	401-1	New employee hires and employee turnover	9
GRI403: Occupational Health and Safety	403-1	Occupational health and safety management system	23
	403-5	Worker training on occupational health & safety	23, 26
GRI405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	24, 38
GRI404: Training and education	404-1	Average hours of training per year per employee	26
	404-2	Programs for upgrading employee skills and transition assistance programs	26
Environmental Topics			
<i>Waste</i>			
GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	29-30
	103-3	Evaluation of the management approach	29-30
<i>Energy and emissions</i>			
GRI 103: Management Approach 2016	103-1	Explanation of material topics and its Boundary	45
	103-2	The management approach and its components	30-33
	103-3	Evaluation of the management approach	30-33
GRI302: Energy 2016	302-1	Energy consumption within the organization	30
	302-3	Energy intensity	30

The Netherlands

International Headquarters

Distribution Centre Zwaagdijk

Perenmarkt 15
1681 PG Zwaagdijk-Oost

Country office

Antareslaan 65
2132 JE Hoofddorp

Distribution Centre Echt

Fahrenheitweg 1
6101 WR Echt

Belgium & Luxembourg

Country Office

Gentsesteenweg 120
1730 Asse

Austria

Country Office

Modecenterstraße 17
1110 Wien

Poland

Country Office

Wojewódzka 10
40-026 Katowice

Distribution Centre Osla

Ośla 1 JB
59-706 Gromadka

Germany

Country Office

Schirmerstraße 76
40211 Düsseldorf

Distribution Centre Biblis

Beim Kreuz 2
68647 Biblis

Distribution Centre Peine

Lehmkuhlenweg 85,
31224 Peine-Woltorf

France

Country Office

Le Beauvaisis- Bâtiment 028
Parc du Pont de Flandre
11 rue de Cambrai
75019 Paris

Distribution Centre Moissy-Cramayel

Prologis Park Moissy 2
1754 Avenue Paul Delouvrier
77550 Moissy-Cramayel

Distribution Centre Labastide

Z.A.C. Grand Sud Logistique
730 route les Graves
82 370 Labastide-Saint-Pierre

Distribution Centre Belleville

700 avenue Rene Cassin
ZAC Lybertec
69220 Belleville



///ACTION

Action Update2019

Published June 2020

www.action.com