

///ACTION | Update 2018



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Our values

Customer-focused



Cost-conscious



Teamwork



Discipline



Respect



Simplicity



Why our prices are so low



Simple business model



Low overhead costs



Low marketing expenditures



Standardised store processes

Every purchase and cost benefit for our customers



We buy big volumes



No fixed assortment



Efficient supply chain



No highstreet locations

Action's surprise factor



6,000 products



14 categories



New articles every week



Weekly specials



Seasonal offers



2/3 of the assortment changes constantly

Who we are

Action is one of the fastest growing non-food discounters in Europe. More than 1,350 stores in seven countries inspire over seven million customers every week with our simple, surprising formula. In 1993, two ambitious entrepreneurs opened a single store in Enkhuizen, the Netherlands with the idea of surprising people with a wide range of products at the lowest possible prices. That is what still drives us today: making a difference by offering a surprising, ever-changing range of products at incredibly low prices.

Everything we do is designed to deliver more value to our customers. They come from every part of society – they have different backgrounds, mindsets and reasons to visit our stores. Some are looking for bargains, while others just enjoy treasure hunting. But one thing they all like is the element of surprise thanks to unexpected products and incredibly low prices.

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 ones who help our customers navigate our stores every single day and who add to our customers' shopping experience.

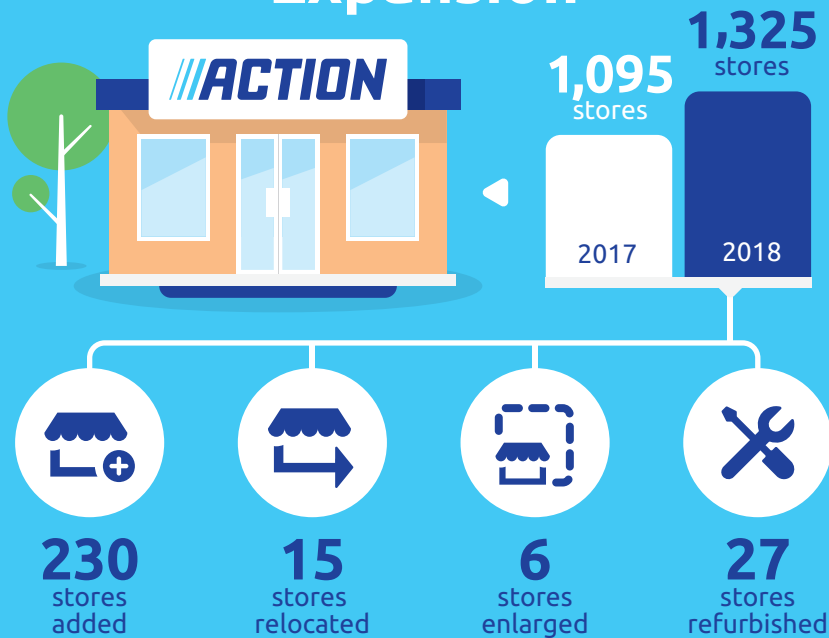
Our stores are simple in design, but with an inviting and friendly atmosphere. Wide aisles, clear oversight and a bright environment set the ambience for a pleasant and convenient shopping experience.

In each store, we offer more than 6,000 different products in 14 categories at the lowest possible prices. Only one third of these products are part of our standard range, while the other two thirds change constantly. Every week, Action introduces more than 150 new articles. On top of this, Action offers numerous private labels and well-known brands.

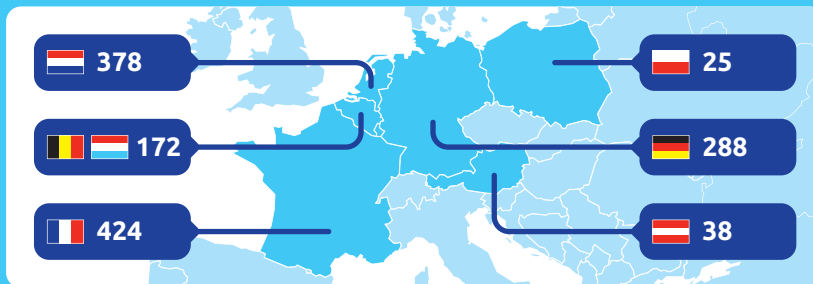
Despite our low prices, we make no concessions on the quality, safety or production conditions of our products. Our products meet the relevant requirements in each of the countries we operate in. They are also produced in line with our Ethical Sourcing Policy, which ensures a responsible social and environmental 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.

Results 2018

Expansion



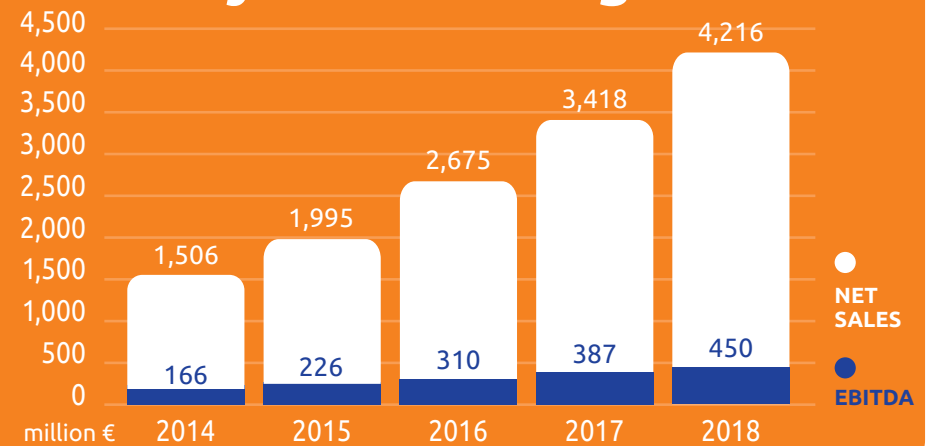
Geographical spread of stores in 2018



People



Key financial figures



2018: celebrating 25 years of growth

Over the past 25 years, Action has grown from one small store in Enkhuizen to a four billion euro company with more than 1,350 stores in seven countries. But no matter how successful and impressive the numbers are, be it sales, stores, distribution centres, products or trucks, our story is not just about great numbers.

What matters most for Action are people, great people: our customers, our own employees and those working in the many and varied businesses that supply and support Action. In 2018, all these people contributed to a year of growth and strong developments for Action. And I would like to express my gratitude to all of them. In a challenging retail climate, Action was again able to welcome more customers to its stores. We made major investments in people, created thousands of jobs and organised thousands of training sessions for our employees. We further developed our digital interface with our customers. We opened lots of new stores and renewed many more. We strengthened our supply chain organisation, invested in IT systems, enhanced our quality systems and much much more.

This Update 2018 summarises the performance and progress of our company in 2018 and our ambitions for the future. It provides an insight into what Action is all about and what we stand for in many and varied facets of our business.

Sander van der Laan
CEO



Highlights 2018



February 2018

Together with representatives of the municipality of Belleville and its partners, Action celebrates the start of construction on its third distribution centre in France.

February 2018

Action has a reason to celebrate in Belgium: the 150th Belgian store opens its doors for customers in the Flemish city of Nieuwpoort.



April 2018

Action's supply chain team never rests: in the city of Peine, close to Hannover in Germany, we are building another distribution centre. The kick-off was celebrated with a ground-breaking ceremony involving all partners and representatives of the city.



June 2018

Less than four years after entering the Austrian market, Action celebrates its 25th store in Austria and the first store in the capital Vienna.



August 2018

With the opening of its 250th store in Germany, Action also celebrates the first store in the Hanseatic city of Hamburg and its presence in every federal state of Germany.



September 2018

25th anniversary of Action: it started in the Dutch city of Enkhuizen in 1993. Just 25 years later, the company has grown to an international company with over 1,200 stores in seven countries.



October 2018

Hundreds of Action employees are joining the run for the Cancer Center Amsterdam to raise a sizeable sum of money to support the research activities of the Amsterdam UMC and the Cancer Center.



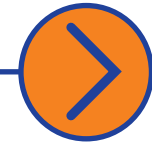
October 2018

Our growth in Poland accelerates strongly: after just one year in Poland, Action opens its 25th store in the country.



Autumn 2018

Action is still a firm favourite among its customers: in the Netherlands, it is named "Retailer of the Year" and "Best store chain" for the fifth consecutive year. Action is also named Retailer of the Year in categories, such as "home accessories & presents", "department store" or "household" in France, Belgium and Germany.





Strengthening our customer value proposition

Action has always remained true to its customer value proposition: offering its customers a wide and surprising range of products at the lowest possible prices. But the Action experience is far more than that. Everything Action does is designed to make our customers happy. That is what drives us every single day. Our employees in the stores, who welcome our customers with a smile. Our buyers, who are constantly searching for new, surprising and trendy products of the right quality and at the lowest prices. Our store operations and marketing teams, who are continuously looking for new solutions to make our customers' shopping experience even more convenient and exciting. Everybody at Action is on a mission to offer our customers more than they expect for less than they imagine.

This is why more than seven million customers shop at Action every week. Just how much our customers appreciate Action is abundantly clear from the numerous awards Action has received in the "Retailer of the Year" competition, where consumers vote for their favourite retailers. On social media, Action's proposition has created a spirit unique in the discount retail industry: hundreds of thousands of customers gather in independent Facebook fan groups and communities to share inspiring DIY ideas and talk about their experiences at Action. No matter where - the Netherlands, France, Germany or elsewhere - Action is more than simply a non-food discounter. Action has become part of its customers' daily lives. In 2018, we took a number of significant steps to enhance our customers' experience even more, improving our digital presence, our products and our stores.

Our customers



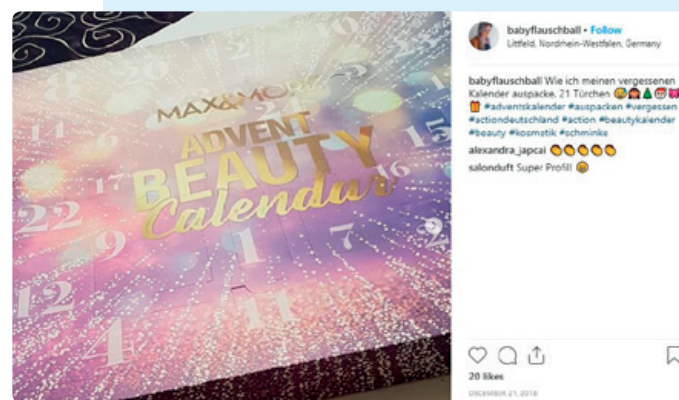


Our digital customer interface

2018 was a year of digital advancement for Action. We invested in our digital team, our digital channels and our online services. With a team almost four times bigger than in 2017, we kickstarted numerous new initiatives to take the Action experience to a new level. We built a world of entertainment and inspiration around the shopping experience in our stores, and with that, started the treasure hunt already at the fingertips of our customers, at home and on the go.

These initiatives enabled us to increase the interaction with our customers and further improve our customer services. This is also shown by the 50% increase in web sessions, the 90% increase in the follower base on our social channels, and the 36% increase in our newsletter database. One of the key initiatives of our digital approach in 2018 focused on delivering valuable, inspirational content for our customers: we chose moments, events and special occasions in their lives as a basis for DIY tutorials, decoration ideas and product recommendations, whether for birthday party, back to school, holiday season or Easter, Christmas or Valentine's day.

The content was made available where our customers visit and interact: on our website, our social media channels and through email. We launched an additional engaging newsletter to our customers, enhanced our website functionalities such as the store finder, presentation of products and inspirational content, and we introduced new editorial categories on our Facebook page. One particularly popular category is the "Why don't you have", in which we feature unusual and surprising products from our range.



Action
19. April 2018 · 🌐

'Cooler' dan dit wordt het niet! Waar zie jij jezelf de komende dagen genieten van een lekker koud drankje? 🍹❄️

Opblaasbare koeler
389



ACTION


Action
30. Oktober 2018 · 🌐

Sie ist nicht nur sehr hübsch, sondern auch schön warm! 🧡

Meerjungfrau Fleece-Decke
549



ACTION



Sabine Klein
44 minuten

Compliment action! Ik verbaas mij iedere keer weer hoe snel jullie in springen op trends! Het is bijna niet meer bij te houden! 🤖 In moet k weer keuzes maken 🤖 laat ik dat afdrup rek maar weer staan, om naar huis te gaan met iets wat ik niet nodig heb, maar veeeeel leuker is om aan te schaffen, 🤖 of ik vergeet spontaan waar ik voor kwam! 🤖

👍 Leuk 🗨 Opmerking plaatsen 💬 Chatbericht ➦

Action 🤖 Wat een leuk bericht om deze maandag mee te beginnen, Sabine! 🤖 Fijn om te lezen dat je leukers weer zo enthousiast wordt in onze winkel! 🤖 Ik geef jou compliment ook even door aan mijn collega's van de inkoopafdeling, zij zorgen immers voor al deze leuke artikelen... 🤖 Fijne dag en tot snel bij Action! 🤖 Yvonne

Grootte heeft reispap gevergd (Y) · 1m · Leuk · Beantwoorden

Schrijf een opmerking... 🧐 🗨 📷 📌

Suggesties voor groepen Altes weergeven

Ons winkelje in Hierden

WE ARE OPEN

Restylen in huis 10.703 woen

Lid worden

PIC-COLLAGE

Product range 2018



14 categories



Small prices, big smiles

Everything we do is aimed at exceeding our customers' expectations. We select our products carefully, the range is well thought out and evolves continuously. Our commercial teams and our buyers know exactly what our customers like and how to make them smile. Every day, they search for new, trendy and surprising, but also everyday products. They are great negotiators and order large volumes to supply our stores. Our product range comprises more than 6,000 products in 14 different categories.

Continuous development of product range

At Action, we never stand still. We keep on moving, we are always striving to come up with better offers and a more surprising range for our customers. In 2018, we extended our sports range and made sports our 14th category. From functional sportswear to fitness and yoga equipment, sports nutrition and lots more, customers can find anything they might need for their sports routine – both from private labels as well as popular brands. One major hit in 2018 was a cooling towel for hot summer days.

We also extended our party range with decorative items for every occasion – be it kids' birthdays, graduations, weddings or other special moments in the lives of our customers. Action's party offering now includes roughly 120 different products, from garlands to candles and photo booth props.

Low prices even for well-known brands

Action is known for a broad range of products at surprisingly low prices – whether these are brand products, private label items or generic products. Thanks to Action's significant volumes and scale, we can negotiate low prices and then pass this benefit on to our customers. In 2018, Action offered products from over 350 different brands, including Philips, Panasonic, Coca-Cola, Pampers, Vanish and Cillit Bang.

Quality products at low prices: Action private labels

Our private labels offer good quality products at the lowest possible prices. Most of them are available all year round: from household and cleaning items to office essentials, DIY tools and textiles. We also offer exciting seasonal private labels, such as Easter treats or Christmas decorations. We invested in the development of our private labels throughout 2018. We extended the range and relaunched existing brands. By the end of the year, we carried 65 private labels, 12 more than in the previous year.



Zenova In 2018, Action introduced its own product line for sun protection: Zenova. The products protect every skin type against the negative effects of solar radiation and nourish the skin with vitamin E. This range includes various items, with different sun protection levels, some for after sun care and others providing extra protection for children. We are currently working to enhance and expand this product range and it will be available in Action stores in 2019.



Kaytan With the launch of Action's new sports category, we also introduced a new private label offering a variety of well-selected, attractive sports items at affordable prices. Kaytan is a strong brand with high quality products, ranging from dumbbells and other sports equipment to accessories and clothes. We continue to extend the Kaytan product range.



Magic Village In 2018, we introduced a new seasonal label for playful quality Christmas decorations. Magic Village offers colourful, winter ceramic figurines to build a mini winter village. The packaging immediately gives the customer that cosy winter feeling and provides a platform for the different pieces to shine.



MAX&MORE

Max & More In 2018, Action relaunched the make-up brand Max & More and included it in its own private label portfolio. Thanks to the improved quality, extended product range and a new, fresh appearance, Max & More has become a popular lifestyle brand. One particular highlight was the limited edition of an advent calendar with 24 normal-sized products for roughly € 10.



Skyler & Freija Action has updated its private label offerings for dog and cat foods. A new, attractive design now matches the improved quality and our customers' expectations.

No concessions on product quality or safety

Action is not just about surprise and price. It is important to us that our products do what they promise. We want to ensure that our customers can shop at Action with peace of mind and the certainty that they are buying a reliable product. Despite the low prices of our articles, we make no concessions when it comes to quality, safety and social and environmental responsibility.

The impact of our company is increasing as we open more stores in different countries, sell a greater variety of products and serve more customers. That is why quality management and a responsible approach to production is very important to us. Action's supplier network consists of almost 1,000 suppliers, with around 400 of those being direct suppliers. This enables us to offer a wide and flexible range of products, but we are also aware that a growing number of suppliers and products leads to higher demands for quality standards, processes and a testing environment. With this in mind we expanded our Quality team in 2018. It now has 15 people, including product technologists and quality and sustainability professionals.

In 2018, we focused even more on product safety and quality. We extended our strategy of safe and legal trading. This included nearly 500 additional independent spot checks of our direct import business to ensure compliance with laws and regulations and safety standards. The role of product technologists working with our buyers and suppliers has become particularly important in our approach. We implemented a new quality process for toys, which involves the product technologist right from the beginning of the buying process. This has enabled us to improve the quality of our products significantly and keep a consistent level of safety throughout the toy range. We plan to introduce further comparative improvements in our quality processes across our product range in 2019.





International expansion

Action – our name reflects our approach: we are ambitious and we make things happen. Over the past 25 years, we have continuously grown by opening new stores. From a single store in the Netherlands in 1993, Action now operates more than 1,350 stores in seven countries: the Netherlands, Belgium, Luxembourg, France, Germany, Austria and Poland.

New and renewed stores

In 2018, we added 230 new stores and by year-end had increased our network to 1,325 stores from 1,095 stores in 2017. Although Action opened new stores in all its existing countries, the majority of the new stores were opened in France (+89) and Germany (+72). In France, we passed the 400th store mark, making France our largest market. At year end, Action operated 424 stores throughout France. In Germany, we celebrated the opening of our 250th store in Hamburg at the end of August and ended the year with 288 stores.

An important step in our geographical expansion was the roll out of new stores in Poland following the success of the six-store pilot we launched in Q4 2017. We opened 19 stores in the south-western part of the country in 2018. In 2019, Action will accelerate its store growth in Poland.



Customers at the opening of the 250th German Action store in Hamburg

In Austria, we added 20 stores in 2018 and grew from 18 to 38 stores throughout the country. One of the highlights was the opening of the 25th store in Vienna in June.

In addition to adding several new stores in the Netherlands (+11) and Belgium (+18), we enhanced our store renewal programme in both countries: we refurbished, enlarged or relocated 48 stores in 2018 compared with 27 the year before.

All new and renewed stores are designed according to our refreshed store format which offers our customers an even more pleasant shopping experience.

Distribution centres

To support our store growth, we are accelerating the roll out of our distribution centre (DC) network: Action currently has seven operational DCs. In 2018, we made solid progress in the construction of the sixth DC in Belleville (near Lyon) and the seventh in Peine (near Hannover). Both DCs were up and running in early 2019.

Meanwhile, Action continues to invest for future growth, devoting a great deal of time, effort and money to improving our organisation and our supply chain infrastructure. We will open an additional three DCs before the end of 2020, including one in Osla (Poland) in Q3 2019 and two more in Bratislava (Slovakia) and Verrières-en-Anjou (France) in 2020. These investments in new DCs will facilitate our continued store roll out in our existing and new countries.



The DC set up team and the team of the new DC in Belleville celebrate the milestone of the first pallet arriving



Construction of the DC in Peine



A cost-effective, simple and scalable business model

Action has grown into a truly European multi-billion euro company. To make sure we can continue on our successful and ambitious growth path, we continuously invest in and enhance the foundations of our organisation. Rapid growth as a company carries the risk of greater organisational complexity. However, the people at Action have a profound belief in simplicity. We are constantly on the look-out for new and efficient solutions that make the maximum use of synergies and are scalable and simple in their approach.

In 2018, we made significant investments in our supply chain infrastructure, our store equipment and IT systems. We also invested in our Human Resources organisation to support our continued growth.

Distribution centre expansion

1999 | Zwaagdijk-Oost, the Netherlands

2014 | Echt, the Netherlands

2016 | Moissy-Cramayel, France

2017 | Labastide, France

2017 | Biblis, Germany

2019 | Belleville, France

2019 | Peine, Germany

2019 | Osla, Poland

2020 | Bratislava, Slovakia

2020 | Verrières-en-Anjou, France

Building on our Human Resources organisation

Competent employees who identify with our values and our goals are more important than state-of-the-art, technological solutions. In 2018 we created more than 5,000 new jobs across all seven countries we operate in - from store employees to specialists in various business disciplines. Action has become an international company at every level of the organisation. In 2018, we took significant steps to build on the existing structure of our HR organisation. We initiated a cloud-based system for all countries, which will improve efficiencies. In 2019, we will start the roll out of full implementation for the entire organisation.

Efficient store investments

In 2018 we started the roll out of new workforce management software for the stores, which helps them to increase the efficiency of their resource planning based on workload. We will continue with this roll out in 2019. We also started a programme to review and further improve the working methods in stores, with the aim of making the store processes more customer-friendly, employee-friendly and efficient. We will roll that out across our stores in 2019. In 2018, we also continued with the project to replace the point of sale hardware in our stores. This includes new screens, scanners, computers and printers. Replacements across the store network will be carried out over the coming years. By 2020 all our stores will work with the same hardware.

Enhancing our supply chain

Our distribution centres (DCs) are the foundation for our growth. The more efficient and reliable our distribution centres, the better we can satisfy our customers in our stores. In 2018, we built two new distribution centres in our biggest growth markets, Germany and France. These DCs in Belleville and Peine both started their operations in early 2019. All our DCs outside the Netherlands are operated by renowned external, local logistic companies (XPO, Fiege, Kuehne + Nagel and Neovia). We have chosen for those partnerships because of the experience and knowledge of these firms in our international markets. We strengthened our capacities and expanded the supply chain team by hiring experienced senior managers. The DC expansion is also being accompanied by the roll out of new IT systems to support end-to-end supply chain planning.

Action Social Responsibility strategy



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 serve local communities



Action takes responsibility

Serving millions of customers every week, we are well aware of our impact on society and the environment. 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 these rules and regulations.

As a rapidly expanding business with a global supply chain, our responsibility towards our customers, employees and business partners is continually increasing. 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 goals.

Our Action Social Responsibility (ASR) strategy is 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 covers four areas as shown in the infographic on the left: Product, People, Environment and Good citizenship.

We consider our ASR strategy a continuous improvement plan, and so we invested in its development in 2018. We implemented several initiatives, developed policies, worked closely with our suppliers to ensure responsible sourcing processes and we started our co-operation with SOS Children's Villages.

Responsible sourcing

One of the priorities we set in our ASR strategy is to ensure that the products we offer in our stores are sourced responsibly. This includes the social conditions under which the products are produced, as well as their quality and safety.

All suppliers are required to commit to our Ethical Sourcing Policy. 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 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 Ethical Sourcing Policy (ESP) lays the foundations for the responsible sourcing of products, both for direct and indirect imports. Action has been working on additional policies to complement the ESP, and has adjusted and developed procedures and standards for the production and for the import of products. Furthermore, Action has reviewed its import strategy. We have taken a more indepth look at our direct import processes and are building a stronger foundation for increased sustainable growth. Together with strong sourcing partners, we have fine tuned and improved our procedures. The number of factories in Asia that produce directly for Action stayed at a comparable level: in 2018 this was a total of 454 factories. All of these factories carry an independent social audit. During the year, 279 audits expired and these factories

were re-audited as part of our programme commitment. We also conduct annual due diligence, checking for social compliance and ensuring that 10% of the active factories are subjected to un-announced follow up audits to check on on-going compliance. We are looking to expand this initiative in 2019 and 2020.



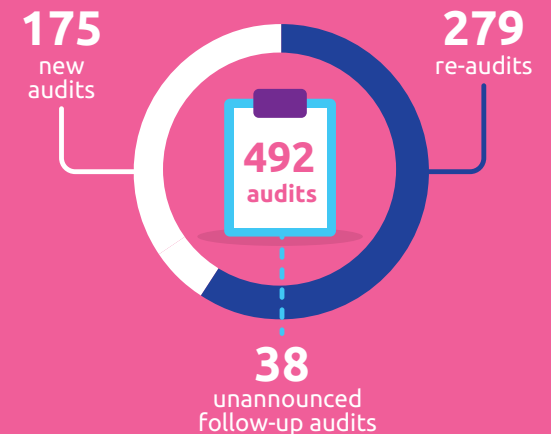
Scan the QR code to read more about how we ensure products that are safe, of good quality and responsibly sourced.

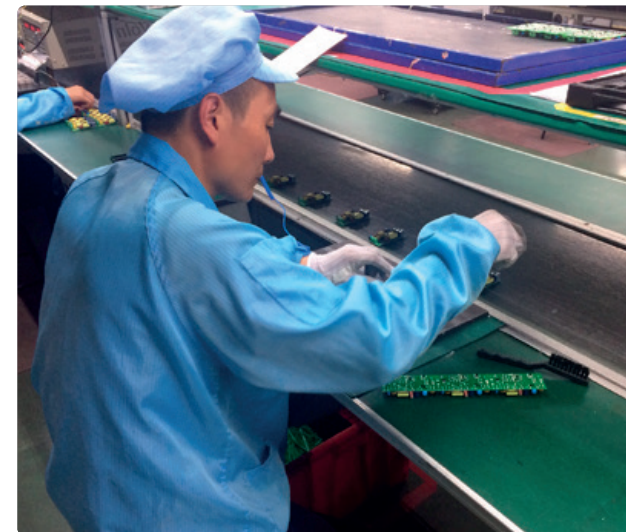
Number of factories directly producing for Action



454

Number of audits





Our sustainable policies

In order to live up to Action's environmental and social ambitions, we have been refining our approach to the use of resources, developing policies to foster their sustainable sourcing. We are currently aligning four policies with our suppliers for implementation and publication in 2019.

Timber

Timber is a critical resource that affects the environment and communities. We developed a timber 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. Action focuses with this policy on non-commercial goods, permanently available products in the household, stationery & hobby and decoration categories, as well as cardboard transit packaging materials. Part of this policy is the agreement with the Forest Stewardship Council (FSC) we signed in 2017.

Cotton

In 2017, Action developed a draft policy with a long-term vision to increase the amount of sustainably sourced cotton in textiles and clothes that Action sells. In 2018, we continued to develop this document and we have now shared this with our suppliers. This policy includes commitments to critical topics, such as human rights, transparency, water management, pesticides & herbicides, just to mention a few. Action is also working on partnerships with strategic expert partners and relevant institutions. In 2017, we started to use more sustainably sourced cotton for our private label t-shirts and underwear.

Chemicals

Chemicals may be one of the most critical product components. They pose a 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 policy that involves direct suppliers and

importers. 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. Action aims to go beyond legal compliance, when scientific evidence supports a more proactive approach and when this is possible.

Packaging

The production and disposal of packaging material presents an enormous challenge to the environment. This is why Action aims to reduce the overall amount of packaging elements and to increase the share of recyclable packaging – both for transit and for product packaging. By adopting this policy, Action has committed to comply with legal requirements such as the EU Packaging & Packaging Waste directive, the EU Plastics Strategy and EU Single-Use Plastic Directive.



Sustainable quality labels at Action

The more we develop our own policies and invest into co-operative efforts with renowned institutions, such as FSC or the Better Cotton Initiative, the more we will be able to offer our customers products that are sustainable and certified as such. Customers can already find more and more products with sustainability labels on our shelves: FSC and PEFC for timber products, UTZ for chocolate or OEKO-TEX for textiles.

FSC and PEFC stand for wood that is cultivated and cut down in a responsible manner in regards to people and the environment. For example, trees are not cut down faster than new ones can grow. The logo can be found on various wooden articles and products which are processed from wood, such as our Pure Soft toilet paper, part of our Office Essentials office supplies and on various kinds of packaging.

OEKO-TEX STANDARD 100: for safe and sustainable textiles. These products are made according to the strict regulation for the use of harmful (colour) substances and tested for fragments left behind, or for pesticide. The logo can be found on various types of clothing, bedding and other textiles. Among other things, on our Ziki and Cozzi underwear lines, and Jack Parker and Dolce Bella basics.

Fair Trade and UTZ Two brands that guarantee a fair price to farmers and contribute to the local development of environmental management, health, education and business operations. The logo can be found on various types of food items, such as Caffè Palazzo, ChocOH!, Smikkelhuys chocolate products, Easter Moments.

GS is a German hallmark with an international standard of high quality and safety requirements, mainly for technical equipment. Found on our A-force batteries and some Werckmann tools.

EKO and EU Organic hallmark for organic agricultural products and food. Meaning that the product complies with the statutory organic requirements, for the Netherlands and the EU respectively. The labels can be found on various food items, such as BioWise products.

Action is a responsible employer

Action, with 46,000 employees in seven countries, now has an important role in society. Our people are at the heart of Action's success, bringing Action to life, every day, in every community in which we operate.

Our workforce reflects the diversity of our customers in terms of cultural background, gender and age. We are particularly proud to have an international work force and 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.

As we grow, it becomes even more important to take responsibility, to invest 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 age, educational level or background, Action offers jobs for everyone. Action offers flexible working models ranging from full-time to individual part-time solutions.

Training and development as a basis for sustainable growth

At Action, 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, we devote 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. At our Action Academy, we offer our employees the opportunity to take training courses in different fields and for different purposes. From work safety and systems trainings to leadership training. In 2018, we recorded almost 24,500 participants across our various courses. More than 40% 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 20% of the courses.



Learning & Development

1,687 training groups
24,430 participants



Internal promotions within the store organisation

695 store employees → assistant store manager
249 assistant store managers → store manager
11 store managers → regional manager



Investing in talent

In addition to the development of our employees, we consider it at least as important to invest in future generations of retail talents. 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 took this a step further: we worked on educational programmes for school graduates and formed strong partnerships to provide the best foundation for future career development.

Back in 2017, we started the first vocational educational programme in Germany that offers young people the opportunity to earn qualifications as a retail salesman or a business administrator in retail. In 2018, more than 80 young people participated in those programmes. In the Netherlands we partnered with SBB (Stichting Samenwerking Beroepsonderwijs Bedrijfsleven = Foundation

for Cooperation, Vocational Education and Business), the official consulting institution for vocational education. As a result, Action now offers students and school graduates in the Netherlands the opportunity to obtain a diploma as first salesman or retail manager. Six classes started in 2018 with more than 80 participants.

Last year was also the first active year of our scholarship fund for the children of our employees. The Action Scholarship Fund was founded in 2017 and aims to help our employees to pay for the education of their children if they cannot afford to finance this themselves. In 2018 the children of five employees qualified for the sponsorship and received financial support. This support enabled them to start their education in Accountancy, Foreign languages, Agriculture, Construction and Aviation. This is a good start and we are looking forward to

supporting even more children in the future. We believe in making personal development possible for everyone.

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 European retail average.



"Action employee, who saved life of two-year old, receives flowers" ...

That was the headline of a local newspaper article in October 2018. In Aalten, a two-year old fell in an Action store and lost consciousness. Adriane Lensink, store manager of that store, did not wait and resuscitated the young child successfully according to what she learned in one of the internal safety trainings. Her effort was also acknowledged by the parents and by the mayor of Aalten, who thanked her with flowers.

Minimising our environmental impact

We take responsibility for the environmental impact our operations have across our supply chain – from distribution centres and our double-decker trucks right through to our stores. And we always explore new ways to reduce our impact.

Energy consumption

Most Action stores are equipped with energy-saving lights. Since 2017, all new and refurbished stores are fitted with LED lights. This enables us to reduce energy consumption and costs by up to 40%.

As the number of our stores continues to grow, we are investing in additional distribution centres. We run our distribution centres in an efficient and energy saving manner: we use electric transport to limit CO₂ emissions and to reduce noise and exhaust levels on site. All new distribution centres are fitted with LED lights in the warehouse, offices and outside areas. We always check whether it is possible to use renewable energy sources to operate our distribution centres. For instance, the

logistics centre in Echt, the Netherlands, is equipped with more than 6,500 solar panels, which provide 50% of the centre's total energy consumption. The distribution centre in Belleville, which started operation in early 2019, is fitted with solar panels that will supply the local energy network with 4000 MWh of electricity. This is equivalent to the annual electricity consumption of more than 1,600 people. In addition, the building is BREEAM Good certified, a rating for sustainable building constructions. Our distribution centre in Zwaagdijk, the Netherlands, uses two thermal sources as additional energy supply, which reduces the amount of regular energy resources the centre uses. We are also planning to install solar panels on the roof of our distribution centre in Zwaagdijk in 2019.



Solar panels on the roof of DC Belleville



LED lighting in our stores

Recycling at Action

Action has developed an extensive recycling process. Our trucks never leave a store empty: plastic, cardboard and batteries or light bulbs, broken products and returned items are all returned to our distribution centres for further processing. We dispose of batteries and light bulbs properly. In the distribution centres, we reduce the volume of cardboard and plastic with sophisticated machines and procedures in every warehouse before it is passed on to recycling facilities. By reducing the volume, we can transport more materials at once and this helps minimise the amount of CO₂ emissions. Returned or broken products are returned to suppliers for proper disposal or repair. In the Netherlands, we joined Nederland Schoon (The Netherlands Clean) pilot to collect plastic bottles and separate them from other waste. This pilot is run in four regions of the Netherlands and six Action stores are participating. We expect to see the first results of this pilot during the course of 2019.



Product transportation

We use an innovative and fuel-efficient fleet to transport products from our distribution centres to our stores. We are upgrading our fleet by adding trucks with more fuel efficient engines. Our innovative double-decker trucks can carry 60% more freight than conventional trucks. In addition, we train our drivers to drive responsibly – taking appropriate care of safety, fuel usage and the trucks. Many deliveries arrive in our distribution centres in containers, which again reduces CO₂ emissions.



In Action for SOS Children's Villages

As a rapidly growing retailer, Action plays an important role in society. As the fourth building block of our Action Social Responsibility strategy we have defined Good citizenship: we contribute to society and serve local communities.

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, which works in 135 countries and territories, and helps vulnerable children by providing them with a loving home.

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 child/village in Asia and every Action office donates to the European SOS office in their country.

To mark our 25th anniversary, we organised a photo contest among our employees. The challenge was 'to portray 25 years of Action'. The five winners will fly to Indonesia in March 2019, to visit the work of SOS Children's Villages.

Results in 2018

- // In 2018, we sponsored more than 1,100 SOS children in Asia for € 25 a month. This contributes to the daily costs of sponsored children and to their villages, including food, education, medical care, but also sports and play. In short: everything that a child needs to grow up!
- // In the Netherlands SOS Children's Villages used the donation from Action's Dutch country office for the realisation and renovation of a new Children's Village in Saboura, Syria. Syrian children, who have lost everybody and everything because of the ongoing war, find a new, loving home. Every apartment houses 8-10 children with their new SOS mother. The contribution from the Action International Headquarters went to an important study conducted by the University of Amsterdam into the exclusion of vulnerable children. This was funded by SOS Children's Villages, which Action will now pay back over a period of three years.

- // In Belgium Action made it possible for the SOS Children's Village Chantevent in Bande to help renovate the rooftops of seven houses, as part of an ongoing renovation project.
- // In Austria Action supported the holistic Life, Happiness, Aid programme, and helped 38 children find the help they needed.
- // In Germany we offered animal assisted therapy to children with special therapeutic needs. This form of therapy helps children not only to regain trust in others, but also in themselves, and to gain self-confidence and to find healthy ways of expressing themselves. In 2018, around 30 children benefited from this programme.
- // In France SOS Village d'Enfants is building a new SOS Children's Village in Beauvais/Matha. Action France contributed to this project, which will provide a loving home for many children in need.



Executive Board



Sander van der Laan
CEO



Joost Sliepenbeek
CFO



Hajir Hajji
Commercial Director



Bart Raeymaekers
Director Store Operations



Joost Bous
Director Supply Chain



Jens Burgers
Director Technology & IT



Management structure

Action is committed to a sound governance structure and to running its business with integrity. We firmly believe that transparency contributes to our success. Our governance structure reflects how the company is managed and controlled, taking into account the interests of all stakeholders.

Action has a one-tier governance structure with a Board of Directors, consisting of the CEO, the CFO and non-executive directors. The Executive Board, comprising Action's key operational functions, is responsible for effectively implementing Action's strategy, achieving its business objectives and running the operations. In 2018, the Executive Board was expanded to support the operational reality of our growing business. The Board and the Executive Board ensure compliance with applicable laws and regulations.

Although Action is not required to adhere to the Dutch Corporate Governance Code, it embraces its key principles. The Board has an Audit Committee and a Selection, Nomination and Remuneration Committee. Both committees assist the Board in discharging its responsibilities. In addition, Action has established a dedicated risk management, compliance and internal audit function, centrally organised within Risk Assurance and supervised by the Risk & Compliance Committee.

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

Risk management

At Action we apply the 'three lines of defence' model to manage our risks. The first line of defence, operational management, is responsible for identifying, assessing and managing risks. It is supported by subject matter experts (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 acts as the third line of defence, providing independent and objective assurance.

Risk appetite

We set risk boundaries through our strategy, business plans, Action values, Code of Conduct and other policies. At a strategic level, to achieve our international expansion objectives, Action is prepared to take risks in a responsible way taking into account the interests of all our key stakeholders. At an operational level, Action takes a cautious approach to risk; everything we do is designed to deliver added 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 products. Providing customer value takes priority above any other objective. As Action sells its products in an increasing number of European countries and sources these products from various countries across the globe, we need to comply with and take into consideration many laws, rules and regulations. Action wants to comply with these rules and regulations and, more specifically, strives to prevent significant incidents of non-compliance everywhere we do business. With respect to financial risks, Action is averse to any risks that could impact the integrity of its reporting.



With the help of our risk management team, we have established a risk management and control system to embed effective risk management in our daily operations. Behaviour in line with our Action values is at the heart of this system. Our management across the organisation leads by example, articulating and demonstrating the importance of integrity and ethical values. To demonstrate the importance of these values, we have a Code of Conduct and Alertline in place.

A strategy based on rapid international expansion comes with risk. We have established risk management as the process of understanding and managing the risks that Action inevitably faces in achieving its growth ambition. Managing risks in a professional manner increases the likelihood that we will achieve our strategic and business objectives, while ensuring compliance with internal and external requirements. Our proactive approach to risk management, embedded in our processes, benefits our decision-making and is essential to preserve long-term value.

By performing risk and control assessments, management identifies the principal risks we face in achieving our objectives together with the actions and measures required to mitigate those risks. 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 discussed in our Risk & Compliance Committee.

Action applies a uniform set of operational and financial policies and procedures including clearly defined requirements, formats and dates for the planning and control cycle to facilitate the setting of company and departmental objectives, budgets, forecasts and reports. Our main accounting policies have been incorporated in an accounting manual. We have taken multiple information security and privacy measures to provide a structured approach towards the protection of business critical information to meet customer, supplier and employee expectations and legal obligations. We have done this in such a way that it supports Action's strategic objectives and takes into account the emerging threats and opportunities of technical developments. To comply with the GDPR requirements, effective 25 May 2018, Action devoted considerable time and effort across the

organisation to enhance policies, procedures and guidelines as we consider data privacy a priority for our business. We will continue to integrate additional policies and procedures in 2019. Our business teams are responsible for managing the day-to-day operations and associated risks and controls. To drive continuous improvements of our Risk Management and Control system, we have a structured process in place that includes risk and control self-assessments.

Management submits quarterly reports on internal control performance to our business teams, Executive Board, Risk Committee and Audit Committee. The reports provide a comprehensive overview of internal control performance, including improvement opportunities, based on control self-assessments, internal audits, other risk management activities and incidents occurred.

Principal risk categories



Culture & values



Distinctiveness of the formula



Scalability & rapid growth



Business operations



Transparency on production conditions



25 years of Action



Action opens its first store in Enkhuizen, the Netherlands!

1993



Action opens its first warehouse with office.

1997



Action opens its first distribution centre in Zwaagdijk-Oost.

1999



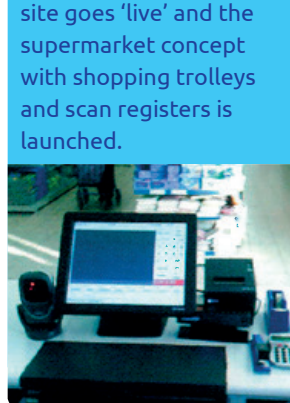
Action launches its company uniform.

2000



Action operates 100 stores! A new head office and a bigger distribution centre is being built.

2003



The first Action website goes 'live' and the supermarket concept with shopping trolleys and scan registers is launched.

2004



The first Action store in Rijkevoorsel, Belgium.

2005



Action's first double-decker trucks.

2005



Distribution centre in Zwaagdijk-Oost enlarged.

2006



First store in Germany: Schüttorf.

2009



Further expansion of the distribution centre in Zwaagdijk to 100,000 m².

2010



Acquisition by 3i and the start of accelerated international growth.

2011



The first Action store in France: Courrières.

2012



20-year anniversary and 400 stores.

The Action gift card is introduced.



2013



Second distribution centre in Echt. 500 stores!

2014

Action wins the 'European Retailer of the Year' award.



2014



The first store in Austria: Kittsee.

First store in Luxembourg: Mersch.



2015

Action is named 'European Retailer of the Year' for the second time.



2015



The first DC outside of the Netherlands opens in France: Moissy-Cramayel.

2016



2016

200 stores in France, 100 stores in Germany and 750 stores in total.

Action is awarded 'European Retailer of the Year' for the third time!



Thanks!

ACTION



The first store in Poland: Leszno.

Action opens the first German DC in Biblis; the second French DC in Labastide.

2017



2017

Action launches a new store design in Haarlem, the Netherlands.

New, inspirational website goes live: www.action.com

1000 stores!

ACTION 1000 stores



25th anniversary.

2018



2018

Start of the partnership with SOS Children's Villages.



Where to find us

The Netherlands

International HQ

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

Country Office

Gentsesteenweg 120
1730 Asse

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

Austria

Country Office

Modecenterstraße 17
1110 Wien

Poland

Country Office

Wojewódzka 10
40-026 Katowice

