

Questionnaire

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What are the focus areas of the CSR strategy in relation to the core business?

The raw materials used by COCO-MAT are wholly natural. As an indication, some of the raw materials that constitute the manufacturing basis of COCO-MAT products are: coco fibres (the fibres covering the coconut fruit which after suitable processing together with natural rubber, produce elastic coco fibres); natural rubber (the juice from a tree called HEVEA becomes a foamy layer of natural rubber after suitable processing); wool and cotton (coming from the region of Thrace and considered to be of best quality due to the unique climate conditions and soil composition); seaweed (used to provide extra iodine to customers with asthma and breathing problems), horsehair, silk, linen, solid wood, down and recently natural carbon activated. COCO-MAT places great emphasis on the protection of the environment, a commitment that is evident in the use of ecological materials and the avoidance of chemical materials. Es includes the packaging of products - mattresses are transported in cotton cases. COCO-MAT management policy provides equal opportunities for all employees. The cultural variation and multilingual pattern of its work force are quite evident, as most of the employees do not speak the Greek language fluently, being refugees from countries such as Russia. It is also important to point out that COCO-MAT implements a recruitment and employment policy that provides equal opportunities to people with "special skills" (the usual term used is "special needs"). The company's presence in society is also evident in other ways; it participates in the local community providing sponsorships for athletic teams, associations and cultural events, funding environmental activities, information campaigns and supporting people in need (flood victims, old age pensioners, rehabilitation centres for drug addicts, refugees etc.).

What is the relationship between the CSR strategy and enhancing business success?

COCO-MAT was established in Athens in 1989, and was originally involved in the production of bed mattresses made of natural raw materials. Since then it has expanded, and in 1992, the company's headquarters relocated to the Industrial Area of Xanthi. Nowadays, an increased range of products is manufactured in privately owned factories of 26.000 m² in 123.000 m² of land. COCO-MAT currently employs 218 people (an increase on last year of about 5%). Since its first steps, the company has developed a policy focused on quality, and has taken part in the EFQM Excellence Model since 1997. The vision of the founders of COCO-MAT has been to attain the top position worldwide in the manufacture of natural sleep products, and to achieve a working culture of sustainability, embracing all types of human activity - giving equal chances to everybody irrespective of their nationality, colour, religion, or physical disability. It is also important to note that COCO-MAT is one of the 500 nominated companies of Europe's fastest-growing, entrepreneurial and job-creating companies, according to Europe's 500 Listing. Furthermore, it is one of the 10 fastest growing companies in Greece. Another important step towards the company's continuous improvement has been the gradual change of the proprietary status of the COCO-MAT retail outlets. Some of these outlets are in Spain, Holland and in China.

How is stakeholder participation integrated into the CSR strategy?

COCO-MAT's management, in an effort to understand and meet the needs and expectations of customers, partners and external stakeholders follows a job model based on relevant research, and on the personal contacts made at the annual in-house conferences and seminars (at which the participants are customers, professors and specialists) as well as through direct personal contacts of managers. COCO-MAT promotes a CSR culture outside the company, by recognising the contribution of everyone that has been actively involved in the development of the company by organising events, by offering gifts to its customers and by sharing its know-how with its partners. Its sensitivity to social issues is

demonstrated by its relationship with social groups and services, such as psychiatric institutions, people with "special skills", athletic clubs, educational institutions, associations of Greeks repatriated from ex-Soviet Union countries, ecological organisations (WWF), rehabilitation centres of drug addicts (NOSTOS) and organisations which support the people of Afghanistan and Iraq. COCO-MAT's leaders' marked sensitivity to environmental issues and their efforts to protect the environment is demonstrated by their participation in relevant events, conferences, sponsorship of ecological organisations, the organisation of plantations, cleaning of rivers and beaches, visits to hospitals and nursing homes and so on.

What is the role of (senior) management with regard to the CSR strategy?

COCO-MAT's leaders act as role models for the company's values by demonstrating their commitment to the company's quality culture. For example, the leaders of the company attend TQM training, drive the same car as employees, are non-smokers (and provide a monetary reward for the efforts of personnel to quit smoking) are blood donors (the 10th of November has been established as the Blood Donation Day for the company) and take exercise (basketball, football, winter swimming, skiing with employees etc). Moreover, leaders motivate, support and recognise the organisations people To promote and support its culture of sustainability, COCO-MAT has established partnerships with individuals, social teams, external organisations and professional bodies in Greece and abroad. Examples are COCO-MAT's partnerships with producers and suppliers of raw materials, orthopaedists, various Universities, EFQM, Cambridge University, UNESCO, WWF etc. The effectiveness of the leadership is evaluated during the six monthly review meetings of the board of directors. The head of the TQM department also attends these meetings.

To what extent is the CSR policy translated into a business plan?

Social matters. A detailed report is compiled twice a year by the head of the sustainability office (December and May) and also before the regular meetings of the board of directors. This refers to social groups with the most urgent needs, and COCO-MAT's support for them. After submission to the board of directors, decisions on the appropriate actions are taken. Environmental issues. The research and development office, in association with the Head of the sustainability office, compiles a report referring to alternative sources of energy, recycling methods, and any suggestions regarding COCO-MAT's contribution to environmental protection. New technologies and stakeholders' innovative ideas The Research and Development Office has the responsibility of evaluating relevant information. When an idea is judged to be realisable the head of R & D Office asks for the approval of the B.O.D. This can take place twice a year during the reviewing meetings of the B.O.D. All the above information are recorded and analysed by the statistics office of the company. The head of the statistics office organizes this information into tables, figures and diagrams. Finally, the head of the TQM department presents the information during the scheduled review meetings of the board of directors. All the above information is taken into account in order to plan the company's strategy.

To what extent is the CSR policy integrated into the core business processes?

COCO-MAT's policy is based on sustainable development and is focused on four main areas: 1. NATURAL - QUALITY PRODUCT 2. CUSTOMER SATISFACTION 3. EMPLOYEE SATISFACTION 4. SOCIAL CONTRIBUTION The relationship between sustainability and quality manifests itself in the selection and processing of raw materials. The raw materials used for COCO-MAT products are natural materials and therefore the manufacturing of products friendly to man and the environment is a matter of principal. The COCO-MAT factory uses state-of-the-art machinery for the manufacturing of rubber layers, by means of the TALALAY method that ensures 96% purity. This process requires special knowledge and experience, and produces the best product in its category. COCO-MAT uses a computer software application system to review the functional behaviour of the mattresses, to improve the characteristics of the mattresses, as well as, review their lifetime reliability. COCO-MAT is the first mattress manufacturer in the world to implement such a system. Its main suppliers are from Sri-Lanka and China. The company provides its suppliers with technical support and training, in order for them to effectively support the common goals. This is proved by the fact that a very big percentage of our suppliers have received Certificates as per ISO 9000 or other similar strict approvals of quality assurance. COCO-MAT, acknowledges variation in human character and does not apply concrete and bold criteria in recruiting new employees. Characteristics, such as behaviour, personality, professionalism, career orientation, commitment, loyalty and ecological sensitivity are considered as the most crucial criteria for selection, in combination with candidate's background, specific knowledge, professional training and working

experience. COCO-MAT operates like a big family, giving its personnel the opportunity to get involved in the decision making process and on issues of strategic importance to the company, utilising the variety and freedom of opinion as motivation tools for growth and development. In its attempt to meet its target to "focus on the customer" COCO-MAT has taken a series of measures, always taking into consideration the needs, preferences and views of both existing and prospective customers. COCO-MAT can be very proud as the percentage of satisfied customers is higher than 95% and customers loyalty is one of its strongest points. Moreover, it aims at the creation of consumers with an ecological conscience. The company's philosophy is the following: "WE ARE CREATING OUR CUSTOMERS".

What is the role of external stakeholders with regard to CSR projects and strategies?

COCO-MAT's suppliers and external partners Suppliers' performance is reviewed through Procedure AG-01 "Associations with Suppliers". This is a systematic quality procedure. The head of the supply department is responsible for compiling a list of approved suppliers and organising regular meetings with existing suppliers. During the meetings, the head of the supply department completes the Supplier Appraisal Form. Additional information regarding suppliers is collected through the Quotation Comparison Table and the Purchased Materials Inspection Check List (Procedures AG-02 "Purchase Materials" and AG-03 "Market Review"). Society and shareholders The head of the Sustainability Office has the responsibility to gather all the information concerning the special social needs. For this reason he is in permanent contact with institutions, members of the local community, organisations and representatives of special social groups.

What is the role of employees with regard to participation in the CSR policy?

All employees are encouraged to take action and initiate projects. Employee involvement in the decision making process is a focal point for the smooth operation of the company. Through their extensive participation in the decision making process, the employees can express their views and problems, take initiatives and suggest any solutions regarding the improvement of the quality of the company's products and services, the improvement of the production procedures and the working conditions. The company's effort for motivating its employees is consistent with the formation of a common vision, by everyone for everyone, for the creation of development prospects, perfect working conditions and reduction of the hours of work. Continuous training and further education are encouraged along with the cultivation of a positive view on the part of the employees for the social aspect of their work.

How is the approach to enhancing business success with CSR activities innovative?

COCO-MAT places great emphasis on the protection of the environment, a commitment that is evident in the use of ecological materials and in the avoidance of the use of chemical materials. It should be pointed out that the percentage of rubber foam purity that is manufactured at the company's premises, reaches a level of 96% - for which COCO-MAT can be proud as it has a worldwide record. In addition, all the packaging materials that are used by the company are recyclable and are collected by the company upon delivery of its products to the customers, for returning to the factory for recycling. Moreover, COCO-MAT started a campaign for the suppression of use of plastic under the name "2004 without plastic". That's way the plastic package of the mattresses has been replaced with cotton cases. According to this philosophy furniture is delivered in wooden boxes. In addition COCO-MAT uses gas for its cars and factories. In 1998 COCO-MAT designed and implemented a program that aims to reduce the use of plastic. Moreover, the plastic that is already used in the production process is collected and recycled after its use. The same policy to paper used for production and administration of the company. In addition, 100% cotton shopping bags are given away free, together with the COCO-MAT brochure. Since 1998, approximately 650.000 cotton bags were delivered door to door.

How is the way external stakeholders are involved innovative?

COCO-MAT's management participates actively in the local community since members of the B.O.D. are members of the local union of factory owners and of the Chamber of Commerce, therefore they have a special interest in caring about health and safety issues of employees. The B.O.D.'s charitable activities cover a wide spectrum of social issues, taking into consideration the local community's needs and expectations. Furthermore, it is COCO-MAT's prime concern to allocate its resources to activities that create a sense of social awareness. These partnerships refer to new technologies, training in new methods of production, storage and distribution of products, production and supply of raw materials,

environmental protection, research programmes, three-month training and occupation programmes for people with "special skills", etc. Within this policy, come the employees' training programmes, the purchase of equipment of advanced technology, the leaders' participation in national and international conferences and communication of newly gained knowledge. Furthermore, the company's policy is to communicate "best practices" outside the organisation through its co-operation with social and educational institutions and the exchange of knowledge and experiences on a theoretical and practical basis.

How is the way employees are involved innovative?

COCO-MAT participates in television and radio programs in order to make people sensitive to "special skilled persons". It has a good collaboration with universities and other institutions to exchange knowledge. COCO-MAT is the only company in Greece, which implements this policy. For most companies hiring "special skilled persons" is faced with skepticism. Employees receive a number of benefits such as continuous training, recognition and reward of personal achievements (in the form of salary bonuses, promotions and gifts) and recreational activities including Sunday excursions, football games etc. Additionally, the company organises special educational seminars attended by the heads of the departments, the heads of the stores and all the employees. In order, also, to keep the employees informed about the new challenges, every head of department organises 1 hour lessons once a month. The certification of the improvements is controlled through the electronic database of the company. COCO-MAT pays attention to the health of its employees through the assistance of a pathologist who periodically measures the blood pressure and heartbeats of the workforce. Figs, nuts, fruits of the season and freshly squeezed orange juice are offered to COCO-MAT employees every morning. Employees are accommodated (buying at special prices or by interest-free installment plans) in order to use the products manufactured by them, and hence improve a vital part of their lives, that of sleep. Colleagues with physical handicaps, such as people with "special skills", are encouraged to actively participate in the customer service procedure. Other measures that are intended to integrate company's employees into a very friendly working environment, include: Sunday excursions in the company's buses, the ability of personnel to receive an interest-free loan from the company of more than 3.000 Euros, special working terms for "special skilled" people (specific number of hours or days a week, depending on their needs and abilities), special awards and organisation of events to honour employees with significant contribution to the company.