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Sustainability report 2010



# Partnering for a sustainable future



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## Message from the Managing Director

In the past few years we have laid the groundwork for our Sustainability programme and we are now working steadily towards integrating Sustainability into our corporate strategy. Our Sustainability strategy is based on three pillars: Product Responsibility, Sustainable Operations and Social Responsibility. This report is structured accordingly and sets out key impacts, performance and initiatives in each of these areas.

In terms of **Product Responsibility**, beverage coolers or Ice-Cold Merchandisers (ICMs) contribute significantly to our customers' greenhouse gas emissions. As such, we continue towards developing more energy-efficient and environmentally friendlier products. We are proud to be the company that launched Ecocool, the world's first complete range of environmentally friendlier ICMs. In 2010, Ecocool sales exceeded expectations and made up 25% of our sales in Europe. Key characteristics of this range include the use of HFC-free refrigerants, a reduction of up to 50% in energy consumption through features such as intelligent management systems and LED lighting, as well as increased recyclability. These efforts have led to us being named one of the top three companies for sustainable products in Europe. In 2010, we were also recognised by Heineken for our contribution to their Sustainability programme "Brewing a Better Future".

Initiatives in the past year include a joint partnership with Coca-Cola Recycling to use recycled PET beverage bottles in the manufacture of plastic ICM components and the EcoCantina project, which provides customers with cold drinks in areas with limited electricity supply through the use of solar power. Along with this project we worked on applying fuel-cell technology to ICMs. We continue investing in research and development and working with our customers to provide innovative and sustainable products.

In terms of **Sustainable Operations**, the key risks for us include our reliance on energy for the operation of our manufacturing plants and the resulting greenhouse gas emissions and costs. To manage this, we firstly conducted a greenhouse gas assessment in 2010 of all our production plants.

Our people are what makes Frigoglass a success and we need to sustain a high level of motivation and engagement by providing a safe, inclusive environment where employees are rewarded for their efforts and provided with ongoing professional development opportunities.

**Petros Diamantides**  
Managing Director



The information from this assessment will be used as baseline data for our energy and greenhouse gas reduction targets. We are also mindful of impacts from waste, water use, transportation of materials and goods, refrigerant leakages and material use.

Our supplier-partners play a crucial role in the viability of our operations and in the manufacture of energy-efficient products as well as the distribution to customers. To facilitate our interaction with core supplier-partners in order to establish common objectives and a joint roadmap, we held our first Supplier Forum in 2010.

In terms of **Social Responsibility**, we recognise our impact on local communities through direct employment but also indirectly through our supplier-partner base. We are evolving our community investment approach from ad hoc to having a structured community programme in place by 2012.

Our people are what makes Frigoglass a success and we need to sustain a high level of motivation and engagement by providing a safe, inclusive environment where employees are rewarded for their efforts and provided with ongoing professional development opportunities.

Communicating our performance to our stakeholders is important to us – it enables our stakeholders to understand our company better and completely. We have applied the Global Reporting Initiative G3 guidelines in this report, a useful framework that is commonly used for reporting on Sustainability around the world.

We hope you enjoy reading this report and we welcome your feedback.

**Petros Diamantides**  
Managing Director

Our Sustainability strategy

Our mission is to continually work with our stakeholders to create and preserve long-term product, operational and social value.



This mission forms the basis of our Sustainability strategy – Partnering for a Sustainable Future. The strategy contributes to our corporate strategy and is built on three pillars: Product Responsibility, Sustainable Operations and Social Responsibility, reflecting our core business and the main areas where we focus our Sustainability efforts. Under each of the pillars we have identified the key areas for our detailed action plan which runs across all functions and operations.

Our Sustainability strategy was updated in 2011 and builds on the work we have done over the past five years. Our last report (Frigoglass Corporate Social Responsibility Report 08-09) was structured around four action pillars: Corporate Governance, Marketplace, Human Capital and Environment. We re-evaluated our priorities in 2011 and have therefore structured this report on our revised strategy as this will be our approach going forward. The information provided in this report continues to be aligned to the Global Reporting Initiative G3 Guidelines for Sustainability reporting.

Transitioning from “CSR” to “Sustainability”, our strategy emphasises the full range of economic, social and environmental impacts that we need to focus on to ensure a sustainable future for ourselves and our key stakeholders.

The strategy was updated following an assessment of our material issues and interviews with key internal and external stakeholders. This report is aligned to our key Sustainability pillars, which enables us to focus on the issues that matter most for our business.

## Stakeholder engagement

We define our stakeholders as those groups that are directly or indirectly affected by our operations. Our primary stakeholder groups are listed below, along with the key concerns they have raised with us and how we engage with them to respond to their concerns.

Stakeholder groups	Issues of concern	Engagement methods
Employees	Training and development	<ul style="list-style-type: none"> <li>Frigoglass Academies for Manufacturing and Sales employees</li> <li>Talent management and succession planning programme</li> </ul>
	Health and safety	<ul style="list-style-type: none"> <li>OHSAS 18001 certification</li> <li>World Health and Safety at Work Day</li> <li>Health and safety programmes such as the Noise programme</li> </ul>
	Employee satisfaction and communication	<ul style="list-style-type: none"> <li>Internal employee surveys</li> <li>Annual events for employees on a local level</li> <li>Newsletter, internal publications, intranet and departmental blogs</li> </ul>
Customers	Quality of products and services	<ul style="list-style-type: none"> <li>Annual customer satisfaction survey (Voice of the Customer)</li> <li>Meetings between key account representatives (Frigoglass) and customers</li> <li>Formal complaints procedure</li> </ul>
	Alliance and collaboration on Sustainability issues	<ul style="list-style-type: none"> <li>Review compliance with customers' codes of conduct</li> <li>Collaboration on key Sustainability initiatives</li> <li>Communication through Sustainability report</li> </ul>
Supplier-partners	Cooperation on new products and technologies	<ul style="list-style-type: none"> <li>Supplier-partners Forum</li> <li>Regular face-to-face meetings</li> <li>Workshops with key supplier-partners on new product development</li> </ul>
	Greenhouse gas emissions	<ul style="list-style-type: none"> <li>Working with supplier-partners to find ways to develop more energy-efficient products and to find ways to reduce transport emissions</li> </ul>
	Quality and Sustainability requirements	<ul style="list-style-type: none"> <li>Supplier-partners Forum</li> <li>Gradually introducing Sustainability criteria into supplier-partners' contracts</li> <li>Supplier-partners audits</li> </ul>
Shareholders	Company financial performance	<ul style="list-style-type: none"> <li>Financial results on a quarterly basis</li> <li>Investor road shows</li> <li>Face-to-face meetings</li> <li>Press releases</li> <li>Annual General Meeting</li> <li>Website</li> </ul>
Media	Update on corporate news Brand awareness	<ul style="list-style-type: none"> <li>Press events</li> <li>Press releases</li> <li>Interviews of selected executives in the media (national and trade)</li> <li>Annual General Meeting</li> </ul>
Local communities	Community involvement	<ul style="list-style-type: none"> <li>Regular meetings with local representatives</li> <li>Support of local community projects</li> </ul>

Our Sustainability strategy continued

To help evolve our strategy and identify our key Sustainability issues, interviews with internal and external stakeholders were conducted.

The key Sustainability issues identified through this research were:

- **Sustainable operation of production plants** (energy consumption, greenhouse gas emissions, material use and waste) – see pages 16–22
- **Environmental performance of products** (energy efficiency, use of natural refrigerants and product recyclability) – see pages 12–14
- **Product quality** and safety, **customer** engagement – see pages 14–15
- **Employee** training and development, health and safety, equal opportunities, human rights and labour standards – see pages 11, 24–29
- **Community investment** and impact on local economy – see page 29
- **Engagement with supplier-partners** and Sustainability requirements – see pages 22–23.

We also sought feedback from our stakeholders on what we can do to improve our management and reporting of Sustainability issues. The following table shows the recommendations and what we are doing to respond to them.

Stakeholder recommendation

Our programme

Enhance reporting on the environmental impact of operations in addition to eco-friendly products	We have expanded our reporting of the environmental impact of our operations, starting with a focus on greenhouse gas emissions in this report. This is the result of a greenhouse gas emissions assessment we conducted in 2010
Set clear key performance indicators (KPIs), targets and initiatives to measure progress	Our KPIs and targets are outlined on pages 5 and 6. We have also developed a three-year action plan for our Sustainability programme
Increase understanding of what Sustainability means to the business as a whole	We are developing communication packs on Sustainability for delivery to managers throughout our business globally
Factor Sustainability issues into risk management	Sustainability risks are incorporated into our new Enterprise Risk Management system
Introduce greater standardisation of procedures around quality, labour management and environmental issues across global locations	Standardisation of these procedures is part of our three-year action plan



## Key performance indicators

	2007	2008	2009	2010
<b>Product responsibility</b>				
Sites certified to ISO 9001 (%)	N/A	33%	56%	65%
Sales of Ecocool range as a percentage of overall sales	N/A	N/A	–	25%*
Operating profit spent on R&D (%)	–	–	–	10%
Total number of customers	–	554	518	544
<b>Sustainable operations</b>				
Energy consumption – Cool operations (MWh)	–	–	–	58,483
Energy consumption – Glass operations (MWh)	–	–	–	518,683
Greenhouse gas emissions – Cool operations (tonnes CO <sub>2</sub> )	–	–	–	33,147
Greenhouse gas emissions – Glass operations (tonnes CO <sub>2</sub> )	–	–	–	103,676
Total materials used in production	–	43,565	33,505	52,424
Number of environmental fines	–	–	0	0
Sites certified to ISO 14001 (%)	–	–	35%	43%
Water use – production (m <sup>3</sup> )	–	111,000	90,534	105,372
<b>Social responsibility</b>				
Total workforce	5,020	5,591	4,209	6,237
Percentage of females in the total workforce	13%	11%	10%	10%
Employee turnover rate	–	–	22.1%†	34.7%†
Sites certified to OHSAS 18001 (%)	–	–	22%	22%
Annual injuries (incidents)	50	49	26	81††
Fatalities (incidents)	0	0	0	0
<b>Management and reporting</b>				
Sales (€m)	466	500	346	457
Net profit (€m)	37.0	3.0	8.5	20.5
Reported breaches of Code of Business Conduct	–	–	–	1

\* This figure refers to European sales only as this is where Ecocool was launched and where it was available.

† This figure includes seasonal workers

†† This figure increased in 2010 due to the increase in the number of shifts which was a result of increased production.

## Our Sustainability strategy continued

### Targets

To measure and monitor our Sustainability performance it is important to define targets and communicate these to our stakeholders. As part of our Sustainability strategy we have set one to three-year targets for each of the three pillars: Product Responsibility, Sustainable Operations and Social Responsibility. We have also set targets for the foundation of our strategy, which is Management and Reporting.

Target	Year
<b>Product responsibility</b>	
Implement new customer satisfaction survey	2011
Develop revised material on Ecocool for our sales teams	2011
Expand use of natural refrigerants in all geographies – with units that use natural refrigerants exceeding 50% of total sales	2012
Conduct an environmental life cycle analysis of our products	2012
<b>Sustainable operations</b>	
Introduce Sustainability requirements into the audits of machinery suppliers	2011
Open a European distribution centre for spare parts to reduce transport impacts	2011
Review our customers' Code of Conduct and supplier-partners Sustainability requirements	2011-2012
Develop a greenhouse gas emissions reduction strategy	2011-2012
Hold an annual Supplier-partners Forum	2011-2013
Work with our supplier-partners on developing energy-efficient products	2011-2013
Work with our supplier-partners on product packaging design with the aim of reducing materials and introducing eco-friendly and recyclable materials	2012-2013
<b>Social responsibility</b>	
Review performance measurement system	2011
Conduct employee engagement survey	2011
Introduce development plans for high-potential employees with the aim of attracting and retaining talent	2012
Incorporate Sustainability training into inductions	2012
Develop and roll-out a community investment strategy	2012
Invest in one major community project at each of our site locations	2012



Target	Year
Management and reporting	
Communicate our updated Sustainability strategy to our primary stakeholders	2011
Complete our first submission to the Carbon Disclosure Project	2011
Develop communication packs on Sustainability for our departmental managers globally	2011
Send out quarterly CEO Sustainability updates to our employees	2011
Develop formal human rights policies and guidelines	2012
Integrate Sustainability into our new Enterprise Risk Management system	2011-2012
Achieve zero fraud	2011-2013
Organise sessions to communicate our Sustainability strategy to the media and to our customers	2011-2013
Publish an annual Sustainability report	2011-2013



## About the Company

### About Frigoglass

Frigoglass is the leading player in the global Ice-Cold Merchandisers (ICMs) market and is the largest glass bottle producer in West Africa.

Being the most geographically diverse company in the ICM field, Frigoglass's operations span 19 countries across five continents, including production hubs in Romania, Russia, Greece, Turkey, India, China, Indonesia, South Africa, Nigeria and the United States, and stand-alone sales offices in Poland, Norway, Ireland, Kenya, the Philippines, Germany, France, Malaysia and Australia. This is complemented by an extensive network of sales representatives and distributors.

The company's customer base consists of the Coca-Cola Company Bottlers (such as Coca-Cola Hellenic, Coca-Cola Enterprises, BIG, Coca-Cola Amatil, Coca-Cola Sabco), Pepsi; brewers (such as Heineken, SABMiller, Carlsberg, ABInbev, Efes); and dairy companies (Nestlé and Danone).

The following table shows our key economic performance figures for 2010. For full economic performance information, including sales by division and consolidated revenue by customer segment, please see our 2010 Annual Report, which is available at [www.frigoglass.com](http://www.frigoglass.com)

### European Business Awards for the Environment 2010

We were pleased to be recognised as one of the top three companies in Europe for sustainable products at the **European Business Awards for the Environment 2010**. This distinction is awarded to companies that have developed a new product or service that makes an outstanding contribution to sustainable development.



(€m)	2009	2010
Revenues	346.7	457.2
Market capitalisation*	273.4	401.6
Net debt	167.5	172.7
Equity	118.9	143.9
Total assets	458.8	560.7
Operating costs	47.4	59.9
Payments to government (gross taxes)	4.2	9.4

\* Share price as at 31 December 2010.

Frigoglass was selected from 141 entries from 24 EU and other candidate countries and was recognised for its Ecocool range of beverage coolers. These units use natural refrigerants that significantly reduce the impact on the environment both in terms of greenhouse emissions and in terms of energy consumption. While conventional refrigerants have an average Global Warming Potential (GWP) of 1,300 over a period of 100 years, these new cutting-edge alternatives have a GWP of less than three. Additionally, all Ecocool units have active and passive energy conservation features that reduce power consumption by up to 50% compared to conventional models.

In round two of the European Business Awards, Frigoglass was selected for the prestigious **Ruban d'Honneur** award in the Innovation category. Ruban d'Honneur celebrates businesses that demonstrate exceptional performance within their sector.

Frigoglass also received the second prize at the **Greek Product Awards for Sustainable Development** from the Greek Association of Environmental Protection. This award was a prerequisite for our participation in the European Business Awards for the Environment.

### Memberships

- World Economic Forum/Community of Global Growth Companies
- Athens Stock Exchange Association Listed Companies
- Hellenic Federation of Enterprises (SEV)
- Athens Chamber of Commerce and Industry
- Hellenic Network for Corporate Social Responsibility
- Investors Relations Society
- Greek-Italian Chamber of Commerce
- Greece-China Business Council
- Federation of Peloponnese & Western Greece Industries
- Goulandris Natural History Museum
- Junior Achievement Greece

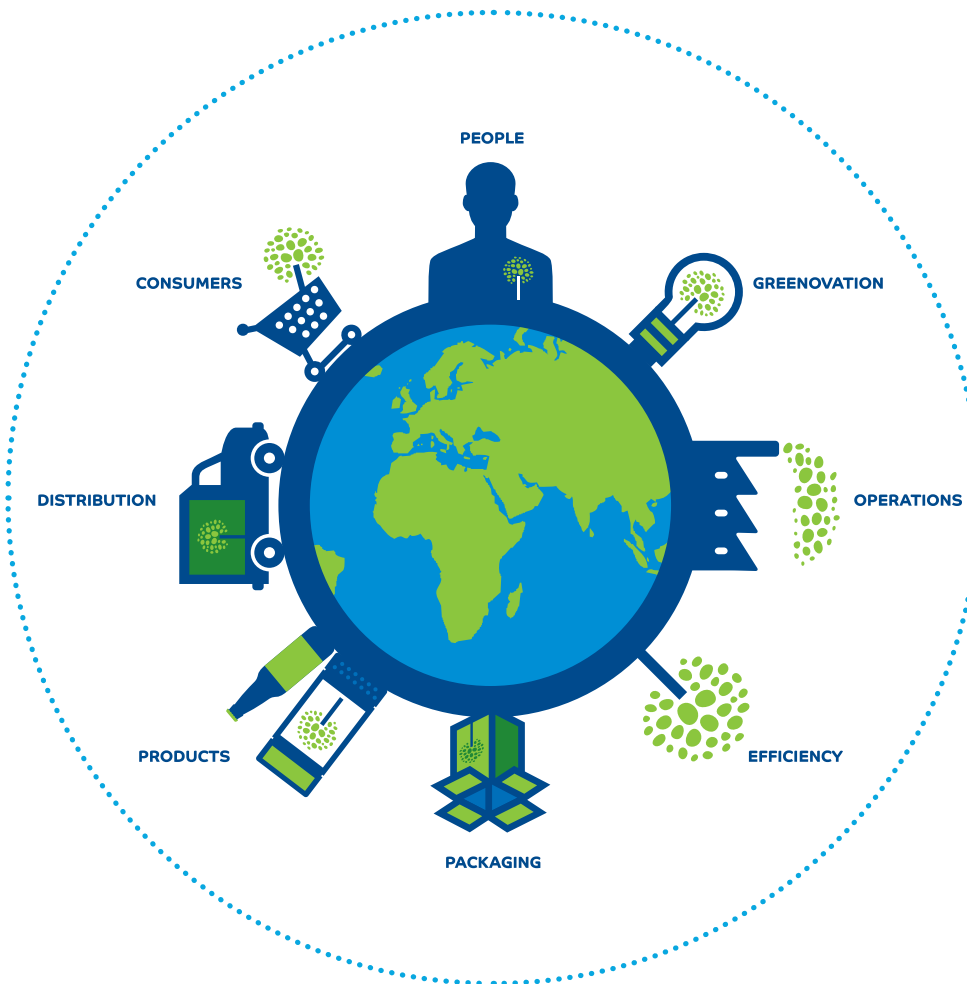
### Inclusion in Socially Responsible Investment Index

Frigoglass is a constituent of the Kempen SNS SRI Universe, which screens companies based on their approach to business ethics, social and environmental performance.



## Why Sustainability is important to us

Sustainability is living and working in ways that do not jeopardise our current and future social, environmental and economic resources.



Sustainability is important for Frigoglass as a company because:

- Cold drink equipment, through the use of electricity, makes up a substantial part of our customers' greenhouse gas emissions.
- Our operations have an environmental impact.
- We have a large number of employees and supplier-partners.
- We have an impact on the local communities in which we operate.

### Sustainability governance

The Sustainability Coordinator has overall responsibility for all Sustainability issues for the Company and reports directly to the CEO. In 2010 we established a Sustainability Committee to improve the way we are managing Sustainability issues. The Sustainability Committee comprises five people from various functions and meets every quarter. All Sustainability actions are carried out by the relevant departments, functions or individuals, with oversight from the Sustainability Coordinator. The Coordinator tracks all actions and reports these to the Committee and to the CEO.

About the Company continued

Risk management and governance

Ensuring high standards of corporate governance allows us to manage our risks more effectively and encourages employees to demonstrate the highest standards of behaviour when performing their duties on behalf of the Company.

The Board of Directors is responsible for setting the Company’s long-term goals, making all strategic decisions and appointing senior executives.

Information on Frigoglass’s corporate governance (including the composition of the Board of Directors, Board Committees and Remuneration) can be found in the 2010 Annual Report, which is available at [www.frigoglass.com](http://www.frigoglass.com)

Risk management systems

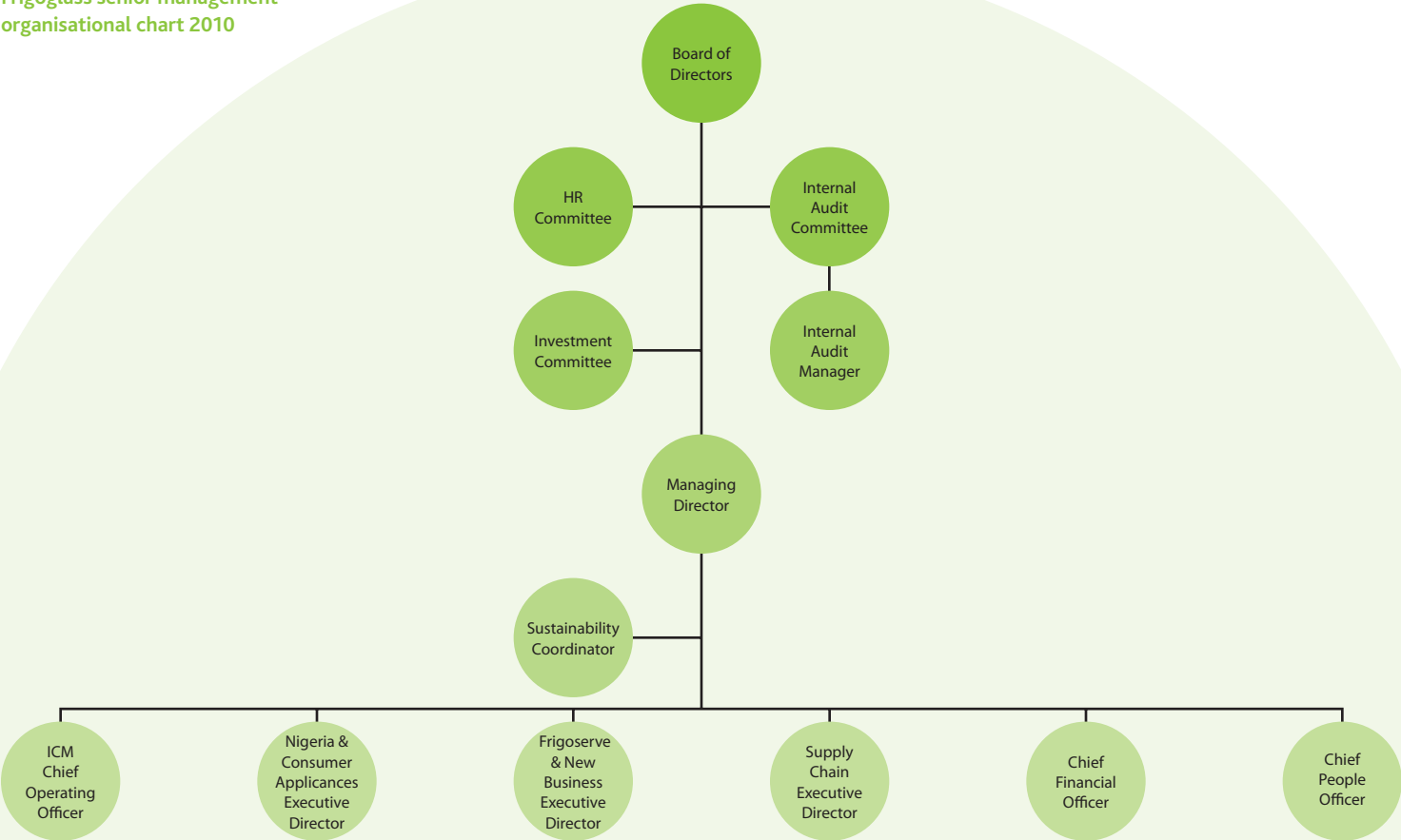
Our current risk management programme monitors issues such as environmental protection and health and safety. This will be further advanced in 2011 when we will introduce an Enterprise Risk Management system which will include specific environmental and social risks.

Due to the global commercial environment and the need for transparency in setting customer credit limits, we upgraded our policies on sales, credit and finance in the reporting period.

Fraud awareness programme

Our Code of Business Conduct sets out our approach to fraud management and provides guidance to employees on reporting any incidents of concern. In 2011 we will be introducing a Fraud Awareness Programme which will be rolled out to all employees. The programme will help employees understand what constitutes fraud and provides a framework to assist them in the prevention and detection of fraud, corruption and other improper conduct.

Frigoglass senior management organisational chart 2010



How we operate around the world

We have procedures in place to ensure environmental, labour and other Sustainability standards are consistently met in various locations around the world.

Sustainability pillars	Responsibility
<p>This table shows each of our three key pillars and the department or manager responsible for ensuring compliance and implementation.</p>  <p>Social Responsibility</p>	<p>Labour policies are implemented by the local/plant human resources department and overseen by the HR department at Head Office. The overall sponsor and responsible executive for this pillar is the Chief People Officer.</p>
 <p>Sustainable Operations</p>	<p>Quality and plant managers are responsible for implementing the Environmental Policy in each plant. The managers provide regular progress reports to the Sustainability Coordinator at our Head Office. The overall sponsor and responsible executive for this pillar is the Chief Operating Officer.</p>
 <p>Product Responsibility</p>	<p>The Product Development Department (PDD) has responsibility for the development of products, taking into account Sustainability concerns. PDD considers the impact our products have on the environment, as well as all safety and quality issues. The overall sponsor and responsible executive for this pillar is the Marketing Director.</p>

Code of Business Conduct

Our Code of Business Conduct sets out our commitment to operate with honesty, fairness and integrity and applies to all our operations around the world.

Our commitment to our customers, partners, colleagues and the broader global community requires us to act with integrity. The Code of Business Conduct serves as an important resource to help our employees and Directors apply our core values to specific situations in our day-to-day business. The code describes our individual and collective commitment to conduct business legally, ethically and with integrity, at all times and everywhere we operate.

The code applies to our Directors and employees, and the ethical standards should also be followed by all third parties who are doing business with our Company (supplier-partners, agents, representatives, consultants, etc). We ensure compliance by conducting annual audits. In the reporting year, one breach to the code was identified which resulted in the dismissal of the employee. All new employees receive training on the Code of Business Conduct as part of their induction and existing employees are trained on the Code of Business Conduct every year.

The Board of Directors is charged with ensuring that the senior management consistently complies with the Code of Business Conduct. The Audit Committee ensures that the compliance is maintained. The code states that each one of our employees will comply with both the letter and spirit of all applicable laws, regulations and business ethics in the country and local jurisdiction where our business is conducted.

## Product responsibility



### Product Responsibility

We are committed to the continual improvement of the quality and safety of our products, maintaining our market-leading position in environmentally friendlier products and working together with our customers to develop innovative solutions.

## Environmental impact of our products

Our commitment as a global supplier-partner of beverage coolers is to design and produce innovative products that aim to reduce the impact on the environment.

We believe that innovation and environment go hand in hand. This approach enables us to develop solutions to help our customers achieve their Sustainability objectives. Addressing global warming is important to us as ICMs make up the most significant proportion of our customers' greenhouse gas emissions – in some cases from 40% to 60% of their total greenhouse gas emissions.

In 2011 we will launch the Miracool range of beverage coolers, which have been developed specifically for the North American market. The Miracool product line is based on a cartridge-type refrigeration system that is easily removable and is interchangeable across models. The environmentally friendly features include natural substances in the insulation process, increased recyclability and technology ready to accept natural refrigerants.



### Innovation through research and development

Research and development (R&D) is a key differentiator for us in the marketplace and enables us to continue to deliver solutions that meet our customers' needs and requirements. We invest a significant amount in R&D, with more than 10% of our profits allocated to it each year.

We operate five R&D centres (Greece, Turkey, India, China and the US) and target 20% of annual ICM sales to be generated from new products. We focus on providing cooling solutions based on our customers' needs, which is reflected in our strong relationships with our customers.



### Ecocool

Our Ecocool range is the world's first complete range of commercially viable, environmentally friendlier coolers. This innovative range of eco-friendly ICMs is designed to reduce the impact of greenhouse gas emissions and energy consumption by up to 50%, uses HFC-free refrigerants as well as natural substances in the insulation process and offers increased recyclability. Ecocool was first launched in 2009 and the response from customers has been excellent, with Ecocool sales accounting for 25% of our sales in Europe in 2010.

We are currently developing material on Ecocool for our sales teams to further facilitate the communication of the benefits and features of the range to customers. We want to provide sales people with the right tools to help them promote the Ecocool range and also communicate our Sustainability efforts.

In the reporting period, we invested in R&D on: 1) a new solar concept, the EcoCantina; 2) fuel-cell technology; 3) ICM components partly produced by recycled plastic material; 4) natural refrigerant use; and 5) viable solutions for low-energy ICMs.

#### 1. EcoCantina

EcoCantina provides customers with cold drink availability in areas with limited power supply through the use of solar power. EcoCantina serves as a social meeting place and operates as a kiosk/café. The solar energy can be used not only to power the coolers in the canteen but also other devices such as a television and a mobile phone charging point.

#### 2. Fuel-cell technology

Along with EcoCantina, we also worked on applying fuel-cell technology to ICMs. This technology can now be used for coolers as a stand-alone source of power or as an additional/back-up power source.

It can also be combined with the EcoCantina, allowing for even greater autonomy in electrical supply.

#### 3. Partnering with Coca-Cola Recycling LLC on manufacturing beverage cooler components from recycled bottles

In 2010, we began working with Coca-Cola Recycling LLC to give used plastic beverage bottles a new life through recycling and reuse. The initiative involves using post-consumer PET bottles to manufacture beverage cooler components from specially processed post-consumer recycled polyethylene terephthalate (PET) bottles to make plastic components for our coolers. This initiative with Coca-Cola Recycling LLC, which recovers and recycles packaging materials used in North America, is one of the ways we are working with partners to integrate innovation and Sustainability into our products.





### Driving Sustainability in the industry

The efforts we are making to develop environmentally friendlier cooling solutions were recognised by Heineken in 2010. Cooling beer at the point of sale ensures the quality of the beverage but also generates carbon emissions. Therefore, Heineken introduced a global policy in 2010 which specifies that every new cooler installed, either as a new installation or as a replacement, must meet a new, more efficient specification.

In 2010, Heineken presented Frigoglass with an award for our contribution to their Sustainability programme "Brewing a Better Future" through our Ecocool product range which provides cold beer at the point of sale while minimising environmental impact. We are now Heineken's main supplier-partner of coolers which meet its new "green" specifications.

#### 4. Natural refrigerant use

Conventional refrigerants have a high Global Warming Potential (the relative measure of a greenhouse gas's total warming impact relative to carbon dioxide over a set period), which means that they have a significant impact on the environment. The use of natural refrigerants has been one of the key features of our Ecocool range and we have been working for some time to reduce this environmental impact. The majority of our ICM products for the European market are now available with natural refrigerants.

Until recently, most of our natural refrigerant units used hydrocarbons. We are increasingly investing in the use of CO<sub>2</sub> as a natural refrigerant as it has a very small Global Warming Potential and can be used for larger capacity coolers. We are developing more units in the CO<sub>2</sub> range and our target is that HFC-free units will exceed 50% of our European sales by the end of 2012.

#### 5. Viable solutions for low-energy ICMs

In 2010, we expanded our Ecocool range to provide our customers with an even larger offering of eco-friendlier cooling solutions. The market response to Ecocool has been strong and this has encouraged us to continue investing in this range to meet customers' needs throughout the world.

We reviewed our entire product range in 2010 and optimised our models in an effort to reduce energy consumption; this included integrating energy-efficient components such as electronic motors, compressors and LED lighting.

We estimate that through the optimisation of our products in 2010, we have achieved a 30% reduction in annual energy consumption, saving an estimated 300 million kWh for our customers. We will continue to invest in environmental-based technology to help drive our competitive global position and meet our customers' Sustainability priorities.

#### Product recyclability

We make recyclability simpler by using fewer materials. We also use advanced assembly techniques that make product disassembly and recyclability easier.

We comply fully with the EU Directive on Waste Electric and Electronic Equipment (WEEE). Users wishing to dispose of ICMs can deliver the units to appropriate recycling companies. We have agreements with various recycling companies that can recycle ICM units.

In the coming year we will be conducting a life cycle assessment to evaluate materials used, the recyclability of materials and energy consumed by our products.

### Reducing the energy consumption of ICMs in India

In 2010, our manufacturing plant in India adopted a C5-based foaming system, a practice already initiated at all of our other manufacturing sites. C5 is a natural substance and has a considerable effect on indirect impacts associated with the energy consumption of our ICMs.



## Product responsibility continued

### Quality and safety of our products

Providing high-quality and safe products is of the highest importance to us. We have a quality management system which is certified to international standard ISO 9001 (all our ICM plants are certified according to ISO 9001) and we strive to further improve quality and safety standards throughout our production phases.

All of our products are labelled appropriately and are accompanied by a usage manual providing detailed information on installation and the correct operation of the unit as well as safety information. We are committed to manufacturing products which comply with international safety regulations.

When developing new products, we take into consideration their impact on the health and safety of our customers. We perform all necessary quality control tests during the products' life cycle including during the development of the product concept, R&D, certification, manufacturing, storage distribution, and supply and use.

#### Quality and product integrity

Over the past few years our product offering has undergone significant changes, with more than 80 new products launched, the introduction of our environmentally friendlier range of products, and increased demand for "on time" deliveries in an unpredictable business environment. To maintain our market leadership position, we have therefore established a new quality function within the business called Quality and Product Integrity.

This function has the responsibility for sustaining the development of our quality and manufacturing excellence systems and overseeing its implementation across our manufacturing sites through:

- Frigoglass Manufacturing System (FMS) concepts such as Lean manufacturing methodology and tools.

- Frigoglass's Quality Management System (QMS), which uses the international quality management ISO 9001 framework to achieve world-class quality excellence.

The Quality and Product Integrity function is responsible for ensuring the integrity of products that leave the plants' assembly lines, monitoring the quality performance of supplier-partners, and establishing standards that our global supplier base need to follow.

Last, but not least, resolution of all major customer complaints is coordinated by this function, which liaises with all departments (including manufacturing, design, supply chain and service) to ensure issues are managed and corrective actions are put in place to avoid the recurrence of any problems.



Customer engagement

Listening to customers and getting feedback on our products and services is of the utmost importance to us.

Frigoserve

Responding to the need for higher quality customer and full-scope after-sales service, we developed a new business unit in 2010, Frigoserve, aimed at improving customer satisfaction and loyalty. Frigoserve’s mission is to become a best-in-class service operation, providing Frigoglass customers around the world with a complete set of post-sales service products and creating added value.

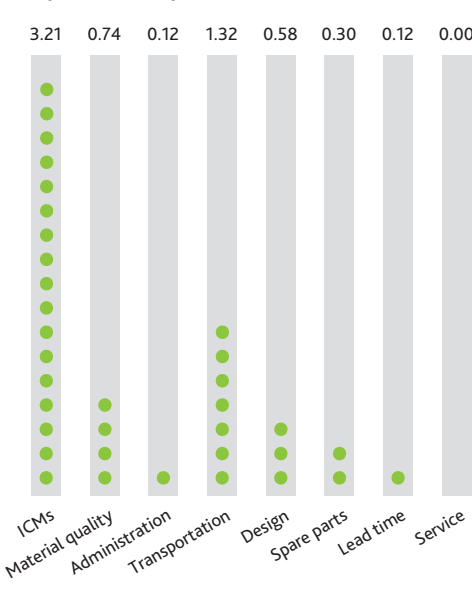
Complaints management

We are determined to continuously improve the way customer complaints are handled. We have therefore developed a robust complaints procedure. As a first step, all sales offices and local Frigoserve operations register any customer complaints received. Next, a customer complaints coordination dedicated team develops a Complaint Resolution Plan involving all required functions (e.g. quality, product development, plants) until the customer is completely satisfied with the result.

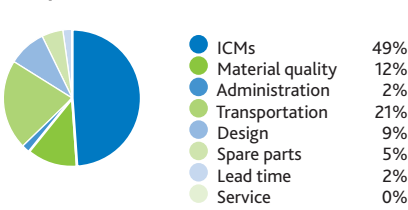
In 2010 a total of 379 complaints were registered and the percentage of unresolved/in progress complaints at the end of the year was approximately 2.9%.

In 2010, we implemented a new complaint registration database on our intranet that will facilitate faster resolution and avoid recurrences.

Complaints 2010 per 10,000 ICMs



Complaints 2010



Customer satisfaction survey

We are changing our systems and will be introducing a new customer satisfaction survey in 2011 that will focus on:

- Understanding the key factors that contribute to high quality products and services as these are perceived by our customers.
- Defining the level of importance of each factor.
- Monitoring feedback on product and services quality in various markets and geographies.
- Identifying areas of improvement.

The new web-based survey will be conducted on an annual basis and all key customers and geographic areas will be covered.

Sustainable operations



Sustainable Operations

We aim to minimise the impact our operations have on the environment and work with our supplier-partners to build mutual long-term partnerships based on environmentally and socially-responsible business conduct.

Impact of operations

We are working to reduce the environmental impacts of our products. At the same time, we recognise that our operations have a significant environmental impact, which includes the use of natural resources required for the operation of our manufacturing plants and sites, and the generation of waste and air emissions.

We are implementing an environmental management system in accordance with international standard ISO 14001 across our operations.

Plants and sites  
already certified  
to ISO 14001

To be certified in  
2011 and 2012

Greece	China
India	Indonesia
Romania	Turkey
Russia	
South Africa	
Head Office (Athens, Greece)	

The environmental management system is supported by our environmental policy which applies to all operations around the world. The policy is based on the following principles:

- Comply with all environmental legislative and statutory requirements or voluntary agreements.
- Identify and manage environmental risks and impacts.
- Raise environmental awareness of employees and provide training.
- Work with our supplier-partners to reduce environmental impact within the supply chain.
- Cultivate relations with local communities.
- Combat global environmental issues such as climate change and ozone depletion.
- Establish indicators and monitor environmental performance.
- Conserve the use of natural resources and minimise waste generation.

- Provide all the required means and resources, such as training and installation of equipment.
- Audit operational procedures and implement preventative and/or corrective action.

Energy use and greenhouse gas emissions

Greenhouse gas emissions from our production sites make up a significant proportion of our overall environmental footprint. As such, we are committed to measuring, managing and reducing our greenhouse gas emissions.

In recognition of this, along with rising fuel costs and the need to prepare for a carbon-constrained world, we assessed the greenhouse gas emissions across 14 of our production sites in 2010. This builds on the first greenhouse gas assessment we completed for 10 of our sites in 2009. Measuring our greenhouse gas emissions is the first step in developing reduction targets throughout our operations.

Energy consumption

Natural gas and electricity are the main sources of power for our plants and facilities. Other energy sources such as diesel fuel, petrol and LPG are also used. The following table shows our energy consumption by source and site. In 2010, our energy consumption totalled 577,166 MWh.



Energy consumption by source and site (kWh) in 2010

Site	Natural gas		LPG	Petrol	Diesel	CNG	Fuel oil	Grid electricity	Total
Cool Operations (ICM)									
China	0	3,804,842	244,498	35,728	0	0	3,549,821	7,634,889	
Greece	0	1,248,633	549,392	210,897	0	0	1,894,800	3,903,722	
India	0	0	1,033,566	1,641,980	0	0	1,180,460	3,856,006	
Indonesia	8,830,798	57,009	1,962	51,211	0	0	2,797,650	11,738,630	
Nigeria	0	713,379	52,121	1,093,815	0	0	177,740	2,037,056	
Romania	0	5,298,309	67,813	159,484	30,440	0	3,424,257	8,980,304	
Russia	6,629,750	937,257	494,033	0	0	44,496	5,352,740	13,458,276	
South Africa	621,713	151,776	26,181	31,491	0	0	1,074,000	1,905,161	
Turkey	2,718,159	0	0	788,766	0	0	1,463,011	4,969,936	
Glass Operations									
Guinea Plant	288,470,970	0	111,530	13,678,070	0	0	10,100,212	312,360,782	
Delta Plant	162,812,681	3,804,842	1,818,213	3,876,552	0	0	5,953,762	178,266,050	
Nigeria Crowns	0	0	351,830	27,704,876	0	0	Not applicable	28,056,706	

Sustainable operations continued

Greenhouse gas emissions

To calculate our greenhouse gas emissions, we use the World Business Council for Sustainable Development and World Resources Institute’s Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. We have included all Scope 1 and 2 emissions sources, and partial Scope 3 emissions sources.

- Scope 1 – includes direct greenhouse gas emissions from sources that are owned or controlled by the Company, such as natural gas combustion and Company-owned vehicles.
- Scope 2 – accounts for greenhouse gas emissions from the off-site generation of purchased electricity, heat and steam.
- Scope 3 – includes indirect emissions such as those from waste disposal, business travel and staff commuting. The Scope 3 emissions sources we have included are those from business travel and third-party deliveries (associated with the transportation of our products). We are working with these third-party providers to reduce our impact throughout our supply chain (see page 23).

Source of emissions	tCO <sub>2</sub> e/yr	Percentage of total
Scope 1 Premises activities		
Petrol	517	0.4%
Diesel	7,557	5.5%
LPG	2,830	2.1%
Natural gas	95,066	69%
Fuel oil	12	0.01%
Lubricants	10	0.01%
CNG	12	0.01%
Refrigerant gas loss – HFC-134a	4,400	3.2%
Company-owned vehicles		
Average petrol car	629	0.5%
Diesel light duty truck, passenger transportation	25	0.02%
Diesel medium and heavy duty truck	42	0.03%
Medium petrol car	56	0.04%
Small diesel car	20	0.01%
Small diesel van	8.1	0.01%
Average diesel car	167	0.1%
Petrol vans	8.4	0.01%
Subtotal	111,359	81%
Scope 2 Premises activities		
Electricity	17,165	13%
Subtotal	17,165	13%



Source of emissions	tCO <sub>2</sub> e/yr	Percentage of total
<b>Scope 3 Business travel</b>		
Air travel – short haul	56	0.04%
Air travel – medium haul	167	0.1%
Air travel – long haul	323	0.2%
Hotel night stays	164	0.1%
Taxi	81	0.1%
Hire cars – average petrol car	63	0.05%
Hire cars – average diesel car	6.3	0.005%
Hire car – medium hybrid car	0.012	0.000009%
Train, national	4.5	0.003%
Underground	0.001	0.000001%
<b>Third-party deliveries</b>		
Road freight	7,258	5.3%
Air freight	106	0.08%
Sea freight	70	0.05%
Rail freight	0.03	0.00002%
Subtotal	8,299	6.1%
<b>Total</b>	<b>136,823</b>	<b>100%</b>

Frigoglass's total greenhouse gas emissions in 2010 were 136,823 tonnes of CO<sub>2</sub>. Most of our emissions are from natural gas consumption (69%) and grid electricity consumption (13%). We are investigating options for reducing our energy consumption and emissions by, for example, using renewable technologies to generate electricity on site. We have implemented a number of initiatives to reduce energy consumption. They include:

- Reducing the use of natural gas consumption by replacing high-energy burners with energy-efficient burners, installing temperature controls on equipment and monitoring our usage.
- Reducing electricity consumption by replacing lighting with energy-efficient bulbs, load balancing electricity (storing excess electrical power during low demand periods for release as demand rises), turning off equipment during production breaks and installing temperature controls to geysers.

The breakdown of Frigoglass's emissions by site and activity is shown on the next page. The site with the highest emissions is the Beta Glass Guinea plant, which emits 48% of the Company's total emissions.

It is important to note that some sites were not able to provide data for third-party deliveries and/or business travel, and the emissions from those sites would be higher if these emissions sources were included.

Sustainable operations continued

Emissions per site and activity tCO<sub>2</sub>e

	Scope 1			Scope 2	Scope 3		All Scopes
Site	Direct fuel combustion	Refrigerant gas loss	Company-owned vehicles	Electricity	Business travel	Third-party deliveries	Total
Cool Operations (ICM)							
China	895	895	63	2,661	101		4,614
Greece	351	14	140	1,411	258	118	2,292
India	381		327	964	284	1,920	3,874
Indonesia	1,812	2,963	26	2,041	92		6,934
Nigeria	459	3.6	16	72	4.9	113	669
Romania	1,233		84	1,443	58		2,817
Russia	1,601		141	1,748	24	2,541	6,055
South Africa	170	453	6.7	903	34	288	1,854
Turkey	619	72	152	730	9.1	2,455	4,037
Glass Operations							
Guinea Plant	62,054			4,081			66,135
Delta Plant	34,356			1,112	0.001		35,468
Nigeria Crowns	2,072			–			2,072
Total	106,004	4,400	955	17,165	864	7,435	136,823

Comparison to 2009 figures

Frigoglass assessed the greenhouse gas emissions from a number of its sites for the calendar year 2009. The sites assessed were Frigoglass’s Head Office and sites in Greece, China, India, Indonesia, Nigeria (Cool), Romania, Russia, South Africa and Turkey. Figures for these sites can be viewed in the 08/09 CSR Report. However, the figures are not directly comparable due to differences in the number of sites covered, and the scope and data accuracy improvements that have been made between 2009 and 2010.

However, the work we have done in measuring and refining our measurement of greenhouse gas emissions across our production sites has enabled us to establish a baseline from which we will

develop emissions, reduction targets and a greenhouse gas reduction strategy in 2011. It has also helped us to establish a proper and accurate procedure and to raise awareness among our employees of the need to reduce emissions.

**Water**

In 2010 the total water consumption for Frigoglass was 105,372m<sup>3</sup>. The table below shows our performance over the past three years and water use by source for 2010. Water is sourced from municipal supplies.

Water use (m <sup>3</sup> )	2008	2009	2010
	111,711	90,534	105,372

**Waste**

We are fully compliant with the EU Directive on Waste, Electrical and Electronic Equipment (WEEE) and have contracts with authorised waste management companies to implement the WEEE guidelines.

We generate both hazardous and non-hazardous waste. Hazardous waste produced during the manufacturing process may result in contamination of ground and water tables. We therefore have rigid procedures for the safe disposal of hazardous materials and waste separation.



In South Africa, we initiated a pallet use scheme in 2010. The scheme uses recycled wooden pallets from customers and thereby reduces demand on virgin material. This helps us to reduce the quantities of wooden pallets we need to buy and has resulted in 1,272 pallets being reused in the reporting period.

Due to difficulties with obtaining information from third party waste contractors we are not able to report on our total waste data in 2010. We will report on waste data fully in 2011.

**Biodiversity**

Our manufacturing plants, Head Office and sales offices are in industrial sites which are not located in or adjacent to areas of high biodiversity value. We comply with all local (for example in South Africa, the Conservation of Agricultural Resources Act and the National Environmental Management Act) and international regulations and any improvement opportunities are identified through our environmental management system.

**Material use**

The average percentages, by weight, of materials contained in the ICMs are:

- Plastic: 3% to 8%
- Metals: 60% to 80%
- Glass and insulation: 15% to 20%

These percentages vary according to the type and size of product.

The table below shows the materials used in production. We plan to collect data on materials in packaging in the future. This will be considered during the life cycle analysis process that we will initiate in 2011/2012. We will also focus on sharing best practice in material use in our plants around the world.

Materials in tonnes	Metals	Glass	Plastics	Refrigerants	Insulation	Paints
2008	31,129	5,064	3,812	213	2,793	554
2009	17,689	5,567	7,563	136	2,274	276
2010*	37,082	8,535	2,083	192	3,922	608

\* These figures do not include materials used at our plants in Nigeria and India for which there is no available data. We plan to collect this information in future years.

**Reducing emissions in our Agbara Plastics plant, Nigeria**

Production levels increased in our Agbara Plastics plant in Nigeria in 2010. As such, more energy was needed to power the plant. In line with our commitment to reduce our greenhouse gas emissions, we installed a gas engine that is powered by natural gas instead of a diesel generator which is commonly used in production plants in the country. The engine uses natural gas which has lower greenhouse gas emissions per megawatt of energy produced than diesel and also produces more energy (2MW).

## Sustainable operations continued

### Supplier-partners engagement

#### Our approach to supplier-partners engagement

We spend approximately €250 million with supplier-partners on an annual basis and have more than 850 supplier-partners across 58 material categories. Working together with our supplier-partners enables us to remain competitive and to achieve our Sustainability goals.

Sustainability is a key focus in our choice of supplier-partners, along with quality and value. Our customers need environmental solutions for our products and we are keen to work with supplier-partners who can demonstrate:

- Innovation in ICM energy reduction in components, systems and design.
- Greenhouse gas emissions reduction through propagating natural refrigerants and reducing emissions associated with transport.
- Minimising packaging, use of recyclable packaging and cost-efficient reusable packaging.

In terms of quality, it is mandatory for our supplier-partners to be certified against international quality management standard ISO 9001.

We have a geographically diverse supplier-partners base, with 40% of supplier-partners based in Europe, 52% in Asia, 5% in America and 2% in Africa. We are working to localise our supply chain to shorten lead times and reduce costs. In 2010, 62% of our supply chain was local/regional, compared to 58% in 2009 and 47% in 2008.

#### Supplier-partners requirements

We require our supplier-partners to comply with environmental legislation set by the European Union wherever they are based in the world. For example, we require Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) certification in Russia and Indonesia. This is not required by local legislation.

The directive on RoHS restricts the use of six hazardous materials in the manufacture of electronic and electrical equipment. It is linked to the Waste Electrical and Electronic Equipment Directive (WEEE) 2002/96/EC which sets collection, recycling and recovery targets for electrical goods and is part of a legislative initiative to solve the challenge of toxic e-waste.

In 2011 we will introduce a new supplier-partner audit procedure which includes performance measures for our supplier-partners. This will include

measures on environmentally friendly and innovative products, sustainable processes, quality and customer service.

#### Working with supplier-partners on sustainable solutions

Our research and development team works closely with our supplier-partners to increase the energy efficiency of our products.

In 2010 we worked with a number of supplier-partners who provide basic components for our coolers such as compressors, heat exchangers and motors. The aim of this ongoing collaboration is to develop innovative technological solutions that allow our coolers to perform more efficiently and to consume less energy. Our mission is to drive technological innovation in our industry and to offer solutions that satisfy our customers' needs but are also environmentally friendly and efficient. Working closely with our supplier-partners in developing new

#### Naturally sourced sodium carbonate in our Beta Glass Operations in Nigeria

Sodium carbonate is one of the main components of glass. We established a policy in 2010 to source naturally derived sodium carbonate where possible. Depending on availability, our preference is to use natural rather than synthetically sourced sodium carbonate. The process of extracting and processing natural sodium carbonate involves minimal solid waste and consumes significantly less water and energy compared to synthetic sodium carbonate production. In the second half of 2010, 100% of the sodium carbonate used in glass production was naturally sourced.

Additionally, in 2010 we increased the use of cullet (recycled broken glass) in our glass production by approximately 10%. Cullet reduces the use of raw materials and saves energy as it takes less energy to melt glass than to melt the equivalent quantity of total cullet. Large quantities of cullet, however, are not always available. We continue to explore ways in sourcing higher quantities.



technologies has been key to our success and we consider it essential for all future development.

One example of this is our collaboration with Cubigel to develop a variable speed compressor that enables coolers to consume significantly less energy. The solution was first presented at the Chillventa trade show ([www.chillventa.de](http://www.chillventa.de)) in Germany in November 2010 and has formed a solid basis for more technological advancements and closer collaboration with our key supplier-partners.

#### First Supplier Forum

In October 2010 we held our first Supplier Forum with the theme "Work Together, Win Together: Working towards Sustainable Partnerships." The Supplier Forum provides an additional avenue for us to engage with our supplier-partners, to explore ideas about how we can collaborate on products and services and to maintain and improve relationships. Discussions on the day focused on accelerating improvements in cost, quality and delivery and initiatives for innovation and Sustainability.

At the Supplier Forum there was an awards ceremony to recognise supplier-partners excellence.

Supplier-partners were assessed on their performance over the past three years. The award categories and winners were:

- **Customer Value Enhancement Award:** Yorim (Turkish insulated glass supplier-partner) and Tongxing (Chinese supplier-partner of heat exchangers).
- **Total Quality Management Award:** Bayer (polyurethane global supplier-partner).
- **Sustainability Award:** Elstat (UK-based company supplying electronic controllers). Elstat received the award in recognition of its breakthrough initiatives in reducing energy consumption in ICMs.
- **Best Local Supplier-Partner for Turkey:** Konveyor (heat exchangers and copper components supplier-partner).

Feedback from our supplier-partners on the forum was positive and we are planning to repeat this on an annual basis.

#### Logistics and packaging

The transportation of products and parts is a component of our overall CO<sub>2</sub> emissions. We are working with our supplier-partners and service providers to reduce our environmental impact from transport. In 2010 we:

- Used sea containers and combined transport (rail/road) instead of road transport from Turkey to selected European destinations.
- Continued using sea containers to ship products from Romania to Ireland.
- Established a cross-dock centre to consolidate partial loads into full loads that go to our four European plants.
- Initiated a packaging project to reduce packaging weight and waste and encourage more recyclable packaging.

We will continue to work with supplier-partners to optimise transport modes, container loads and packaging. In 2011 we will examine raw material packaging and the use of pallets.

Social responsibility



We aim to provide safe, responsible and collaborative workplaces across our global operations and to contribute to the communities where we operate.

Workplace

The capabilities, talent and commitment of our people underpin our success and our future growth. As such, we are committed to treating all individuals with integrity, complying with all international and local labour laws, offering opportunities for professional development and providing a safe workplace.

Workplace facts and figures

We employed 6,237 staff around the world in 2010, compared to 5,591 in 2009. This increase is primarily a result of increased production and extra shifts (increased manpower). This includes all employees at our Head Office, our sales offices and our manufacturing plants.

Workforce by contract

Workforce	Full-time employees	Part-time employees
Permanent employees	3,862	4
Temporary employees	2,371	0
Total	6,237	

Workforce by region

Region	Workforce
Europe	2,860
Asia	1,766
Africa	1,514
USA	97

Total workforce by function

	Permanent employees	Temporary employees
Directors	13	0
Senior management	68	0
Middle management (departmental managers and supervisors)	455	0
Administration	477	29
Production	2,941	2,254
Total	3,954	2,283

Total workforce by gender/age

The proportion of females in the workforce remained the same as 2009 at 10%.

The majority of our employees are in the 30 to 50-year-old age bracket.

Gender/age	< 30	30-50	51+	Total
Male	2,418 (38.77%)	2,816 (45.15%)	395 (6.33%)	5,629 (90.25%)
Female	208 (3.33%)	358 (5.74%)	42 (0.67%)	608 (9.75%)

Under 1% of our total workforce are ethnic national minorities and under 1% of employees have a disability.

Equal opportunities

We are committed to providing an equal opportunities workplace without regard to race, colour, religion, ethnicity, gender, national origin, disability, age and sexual orientation. The evaluation of employees is based solely on workplace performance and professional conduct. Any form of discrimination or workplace harassment is prohibited and we have a procedure for reporting any issues concerning equal employment opportunity or workplace harassment.

To promote meritocracy and equal opportunities, we do not employ individuals who have a first degree relative who is already a member of the Frigoglass workforce.



### Workforce turnover by gender and age

The table below shows departures by gender and age. The majority of departures were voluntary.

Leavers	Total 2009	Total 2010	Men 2010	Women 2010	< 30 2010	30-50 2010	50+ 2010
Voluntary	930 98.10%	1,345 97.75%	1,242 90.26%	103 7.49%	801 58.21%	538 39.10%	6 0.44%
Retirements	15 1.5%	28 2.03%	27 1.96%	1 0.07%	0 0.00%	4 0.29%	24 1.74%
Deaths in service	3 0.40%	3 0.22%	3 0.22%	0 0.00%	0 0.00%	2 0.15%	1 0.07%
<b>Total</b>	<b>948</b> <b>100%</b>	<b>1,376</b> <b>100%</b>	<b>1,272</b> <b>92.44%</b>	<b>104</b> <b>7.56%</b>	<b>801</b> <b>58.21%</b>	<b>544</b> <b>39.53%</b>	<b>31</b> <b>2.25%</b>

Note: This table does not include dismissals.

### Labour relations policy

Our labour relations policy sets out our approach to employment issues and our policy on compliance with all local and international laws and regulations. Managers in our manufacturing plants, sales offices and Head Office are responsible for implementing the policy.

Some of the key principles of the policy are to:

- Eliminate any kind of discrimination (ethnic origin, colour, religious beliefs, gender, sexual orientation).
- Comply with relevant occupational health and safety laws and standards.
- Implement measures aimed at the prevention of accidents and diseases and ensure compliance.
- Provide competitive, equal and non-discriminatory salaries and benefits.
- Promote professional and personal development.
- Uphold the right to participate in union activity

The Company's labour relations policy strictly forbids child labour or forced labour in all of our operations. All our employees are above the legal employment age in the country in which they are employed.

### Union relations

We recognise the right of our employees (permanent and seasonal) around the world to freely associate, or not to associate, with trade unions. Management and union representatives discuss and bargain collectively in good faith on wages, hours of work and any other conditions of employment affecting union members.

## Social responsibility continued

### Union membership by country\*

Operation	Minimum notice required for significant changes that affect the Company's operation	2008 (%)	2009 (%)	2010 (%)
Head Office	Dependent on local legislation	2	2	2
South Africa	5 days	20	54	78
India	No minimum notice period specified	No trade union	No trade union	No trade union
Turkey	No minimum notice period specified	85	74	69
Greece	5 days	77	67	72
Russia	8 weeks	No trade union	No trade union	No trade union
China	No minimum notice period specified	No trade union	No trade union	No trade union
Poland	No minimum notice period specified	No trade union	No trade union	No trade union
Romania	30 days	No trade union	No trade union	100
Nigeria	No minimum notice period specified	96	96	44

\* Data was not available for Indonesia in the reporting period. We aim to report on Indonesia in 2011.

### Compensation and benefits

Our employees are compensated based on their skills and performance evaluation. They are entitled to various benefits depending on their employment grade and country of location.

We have a performance management programme that evaluates employees' performance and encourages professional development. In 2010, 92% of employees participated in this programme which includes annual and mid-year reviews.

The salary range of our employees is based on a grading system reflecting the prevalent market levels for equivalent or similar positions. The grading criteria are: level of accountability, problem-solving ability, required skills and professional experience.

All permanent employees receive salaries well above the minimum levels specified by relevant statutory collective bargaining agreements. Temporary employees are compensated at or above the minimum levels. All employees are remunerated competitively and are entitled to equal pay for equal work.

Salaries are paid in accordance with the laws of each country, including those governing minimum wage and overtime pay.

Employees participate in the Company's pension scheme in countries where it is applicable. Permanent employees have access to the following benefits according to local market practices and job grade: pension plan, medical check-ups, stock options, company car, fuel allowance, day care allowance, sports team funding and additional leave.

### Learning and development

We believe that our success depends on our people. Providing professional development enables our employees to continue to gain new skills, abilities and understanding, and enhances our bottom-line results. We use a variety of training tools including in-house and external seminars and workshops.

In 2010, as part of our ongoing effort to provide training and development programmes to assist employees in acquiring new knowledge and enhancing their skills, we launched Frigoglass academies for sales and manufacturing employees. The academies are designed to develop the manufacturing, technical and people skills of our sales managers, plant managers, line managers and plant supervisors, offering advanced managerial training. The programme also aims to increase employee productivity and innovation through cultivating multi-disciplinary skill sets, and providing our people with improved career advancement opportunities and industry-recognised credentials. Training was provided to employees in Russia, Turkey, Romania, South Africa, Indonesia, China and India.

The average hours of training per employee by function are shown in the table below.

Employee category	2008 Average hours	2009 Average hours	2010 Average hours
Directors	47	22	38
Senior management (plant manager)	16	14	24
Middle management (departmental managers and supervisors)	16	9	16
Administration	24	15	19
Production	10	7	12
Other	9.8	11	10

### Promoting a safety culture

To promote safety awareness in the workplace, we celebrated "World Health and Safety at Work Day" on 28 April. Employees around the world received information on the importance of risk and accident prevention at the workplace with various activities organised. For example, a training session was held at our Head Office in which employees were reminded about the risks they face at work and the necessary safety measures they need to take. Participants also benefited from learning about risk prevention procedures in the case of fires or earthquakes and related training was organised in the Greek, Turkish and South African plants.

Specially designed safety awareness posters were designed and distributed throughout our sites around the world and were placed in production areas.

Programmes conducted in 2010 included training on ISO 14001, health and safety, fire protection, risk assessment, industrial relations, stress management, leadership development, lean production implementation, sales, English language courses, technical, managerial, supervisory and on-the-job training.

### Health and safety

Occupational health and safety is a fundamental principle for us, and one that concerns all our operations worldwide. We are committed to providing a healthy and safe work environment by developing and implementing OH&S systems, standards and practices appropriate to the risks associated with our business activities. The successful implementation of our health and safety policy is the responsibility of all management levels and employees throughout the Company.

We ensure that international, as well as national practices, regulations and legislation are always applied in our facilities. Our Head Office, as well as our Greek and Russian manufacturing plants, are certified to the international health and safety management system, OHSAS 18001:2007. We are rolling this out to our operations globally and plan to have all plants certified by 2014. This management system enables us to reduce absences, increase productivity and reduce business costs such as insurance premiums and business disruptions.



## Social responsibility continued

Our goal is to reach zero occupational injuries and work-related illness in all our workplaces around the world. As part of this, we provide OH&S training and supervision on safe work practices, workplace hazards and emergency procedures.

Health and safety indicators	2008		2009		2010	
	Number of incidents	Total days lost	Number of incidents	Total days lost	Number of incidents	Total days lost
Injuries	49	845	26	500	81	1,029
Injury rate	–	–	0.0000043		0.0000110	
Fatalities	0	0	0	0	0	0
Occupational diseases	0	0	0	0	0	0
Absentee days*		62,425		19,775		22,366
Lost day rate	21.5	16.6		0.00008299		0.0001398
Total labour hours	7,824,642		6,025,033		7,361,525	

\* Includes sick leave but excludes maternity leave with the exception of one of our plants, India, which excludes sick leave (3,219 days).

The increase in the number of injuries between 2009 and 2010 can be attributed to the increase in the number of shifts which was a result of much higher production levels in 2010.

### Managing serious diseases (HIV/AIDS)

We are committed to providing equal opportunities for all. Any form of discrimination is strictly prohibited, including discrimination against HIV/AIDS positive employees or employees suffering from any other serious disease. We have a policy on HIV/AIDS in our South African manufacturing plant which outlines our approach and encourages sensitivity and understanding to affected employees.

Training and awareness campaigns on HIV/AIDS took place in 2010 in our manufacturing plants in Nigeria and Turkey. We also provide counselling to employees living with HIV/AIDS.

### Noise programme – South Africa

Occupational noise-induced hearing loss is one of the non-reversible impairments that many blue collar employees face. In South Africa we performed a health risk assessment and found that noise was a significant issue for our employees.

In consultation with the health and safety committee, measures to reduce the effect of noise from machinery on our employees were implemented. A survey was conducted to find out what employees' preferred hearing protection would be. This resulted in two types of equipment being selected and supplied. This protective equipment will effectively reduce noise levels by 25dB.

## Community

We operate in 19 countries in Western Europe, Eastern Europe, Asia Pacific, North America and Africa and have a substantial impact on the local economies and communities where we operate. This includes direct and indirect employment, purchasing, capital investment and payment of taxes. Another way that we contribute is through local community investment. We believe that being a responsible corporate citizen involves making a direct and positive contribution to the communities where we operate.

To date, our community contributions have been on an ad hoc basis. In the next year we will be developing a community investment strategy which will consolidate our approach and provide guidance on how we give. We have committed to supporting one major community project per plant/community where we operate. This will be implemented from next year.

Some examples of our community contributions from our operations around the world are:

### Nigeria

In 2010, we provided funding to the Orthodox Archdiocese of Nigeria to build schools in the cities of Nanka (Anambra) and Awo-Idemili (Imo). The schools offer education to children regardless of race, religion or political affiliation. The Archdiocese currently operates two kindergartens and two elementary schools in Nigeria where a total of 520 children are enrolled.



### South Africa

In South Africa, we contribute to not-for-profit organisations that care for abused women and children. One of these organisations is the Kopanya Children's Home which is located in a very poor area of the Eldorado Park community. We also encourage our supplier-partners to support local community organisations. Additionally, the plant in South Africa contributes to a schools programme that teaches children about business in a fun environment.

### Greece

In October 2010, employees from our Head Office participated for the second consecutive year in the classic Marathon run in support of MDA Hellas, a not-for-profit organisation dedicated to helping people who suffer from neuromuscular diseases.

In lieu of Christmas/holiday cards we also made a donation to WWF Greece to support various environmental initiatives in Greece.

### Romania

In Romania we donated supplies to a school near the town of Sibiu, an area with considerable economic and social challenges. The donation included notebooks, colouring pens, geometry kits and other supplies needed for a productive and healthy school year. Around 60 children benefited from the donation.

### Human rights

Human rights are the standards of treatment to which all people are entitled. The most widely recognised definition is the Universal Declaration of Human Rights, adopted by the United Nations in 1948. We are committed to respecting our employees' human rights within the sphere of our influence and ensure that we are not complicit in human rights abuses.

Our labour relations policy sets out our position on issues such as minimum wages, anti-discrimination, ethical working conditions and freedom of association.

Our commitment to human rights extends to persons and entities beyond our employees. In the communities where we operate, we are committed to respecting the cultural values of the local population, giving appropriate regard to the self-sufficiency, Sustainability, health, safety and the environment of such communities and to conducting business as a responsible member of society.

We also promote respect for ethical conduct and human rights with our supplier-partners and contractors and demonstrate a preference for working with those who share our values.



## Global Reporting Initiative table

Net Balance Management Group has checked our reporting against the Global Reporting Initiative and has confirmed it to be Application Level A.

Element	Description	Answer	Page
1.1	Statement from the Managing Director		1
1.2	Description of key impacts, risks, and opportunities		1
2.1	Name of the organisation	Frigoglass S.A.I.C.	
2.2	Primary brands, products, and/or services		8
2.3	Operational structure of the organisation		2010 Annual Report (pp. 4-5)
2.4	Location of organisation's headquarters	Athens, Greece	
2.5	Number of countries where the organisation operates		2010 Annual Report (pp. 4-5)
2.6	Nature of ownership and legal form		
2.7	Markets served		2010 Annual Report (pp. 1, 4-5, 14)
2.8	Scale of the reporting organisation		2010 Annual Report
2.9	Significant changes during the reporting period	There have been no significant changes in the reporting period	
2.10	Awards received in the reporting period		8
3.1	Reporting period (e.g. fiscal/calendar year) for information provided		37
3.2	Date of most recent previous report (if any)		37
3.3	Reporting cycle (annual, biennial, etc.)	Annual	
3.4	Contact point for questions regarding the report or its contents		37
3.5	Process for defining report content		37
3.6	Boundary of the report		37
3.7	State any specific limitations on the scope or boundary of the report	There are no specific limitations	
3.8	Basis for reporting on joint ventures, subsidiaries and other entities	Joint ventures and subsidiaries are not included in the scope	
3.9	Data measurement techniques and the bases of calculations		
3.10	Explanation of the effect of any restatements of information provided in earlier reports	There are no restatements made	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	There are no significant changes	
3.12	Table identifying the location of the standard disclosures in the report		30-36

Element	Description	Answer	Page
3.13	Policy and current practice with regard to seeking external assurance for the report	We have chosen not to take out external assurance for this year's report but the data in this report has been checked by our internal audit team	
4.1	Governance structure of the organisation		2010 Annual Report (p. 30)
4.2	Whether the Chair of the highest governance body is also an Executive Officer		2010 Annual Report (p. 30)
4.3	The number of members of the highest governance body that are independent and/or non-executive members		2010 Annual Report (p. 32)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Shareholders can provide recommendations at feedback at the Company's Annual General Meeting. There are no specific mechanisms for employees	2010 Annual Report (p. 33)
4.5	Linkage between compensation for members of the highest governance body and the organisation's performance		2010 Annual Report (p. 31)
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Frigoglass's Code of Business Conduct outlines the Company's position and processes on avoidance of conflicts of interest	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body		2010 Annual Report (pp. 30-32)
4.8	Internally developed statements of mission or values, codes of conduct, and principles		11
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance		
4.10	Processes for evaluating the highest governance body's own performance		2010 Annual Report (p. 31)
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes	Global Reporting Initiative Hellenic Network for CSR	
4.13	Memberships in associations		8
4.14	List of stakeholder groups engaged by the organisation		3

## Global Reporting Initiative table continued

Element	Description	Answer	Page
4.15	Basis for identification and selection of stakeholders with whom to engage		3
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		3-4
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting		4
Economic: Disclosures on management approach			
DMA EC	Economic performance		2010 Annual Report
DMA EC	Market presence		2010 Annual Report 8
DMA EC	Indirect economic impacts		2010 Annual Report
EC1	Direct economic value generated and distributed		2010 Annual Report 8
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change		12, 16
EC3	Coverage of the organisation's defined benefit plan obligations		26
EC4	Significant financial assistance received from government	Nil	
EC6	Policy, practices, and proportion of spending on locally based supplier-partners at significant locations of operation		22
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	We do not have a procedure for local hiring	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	We have not made any infrastructure investments in the reporting period	
Environmental: Disclosures on management approach			
DMA EN	Materials		21-22
DMA EN	Energy		16
DMA EN	Water		20
DMA EN	Biodiversity		21
DMA EN	Emissions, effluents and waste		16, 18
DMA EN	Products and services		12-13
DMA EN	Compliance		16
DMA EN	Waste		20-21
DMA EN	Overall		16

Element	Description	Answer	Page
EN1	Materials used by weight or volume		21
EN2	Percentage of materials used that are recycled input materials	We do not have the data collection systems in place to fully report on this indicator. We plan to collect this data in 2011	22
EN3	Direct energy consumption by primary energy source		16-17
EN4	Indirect energy consumption by primary source		16-17
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives		12-13
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		19
EN8	Total water withdrawal by source		20
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		21
EN16	Total direct and indirect greenhouse gas emissions by weight		18-20
EN17	Other relevant indirect greenhouse gas emissions by weight		18-20
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		19
EN19	Emissions of ozone-depleting substances by weight		18, 20
EN20	NOx, SOx, and other significant air emissions by type and weight	We do not have the data collection systems in place to report on this indicator. We plan to collect this data in 2011	
EN21	Total water discharge by quality and destination	We do not have the data collection systems in place to report on this indicator. We plan to collect this data in 2011	
EN22	Total weight of waste by type and disposal method	We do not have the data collection systems in place to report on this indicator. We plan to collect this data in 2011	
EN23	Total number and volume of significant spills	Nil	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	We do not collect this data We plan on collecting this data by 2012	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Nil	

## Global Reporting Initiative table continued

Element	Description	Answer	Page
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce		23
Social: Labour practices and decent work – disclosures on management approach			
DMA LA	Employment		24
DMA LA	Labour/management relations		25
DMA LA	Occupational health and safety		28
DMA LA	Training and education		27
DMA LA	Diversity and equal opportunity		24
LA1	Total workforce by employment type, employment contract, and region		24
LA2	Total number and rate of employee turnover by age group, gender, and region	We report the number and rate of workforce turnover by gender and age. We are progressing our data collection schemes and did not have full information for 2010. We plan to report more fully on this indicator in 2011	25
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations		26
LA4	Percentage of employees covered by collective bargaining agreements	We do not have the data collection systems in place to report on the percentage of employees covered by collective bargaining agreements as a company as a whole. We report on this at site level	26
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		26
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region		28
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases		28
LA10	Average hours of training per year per employee by employee category		27
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity		24 2010 Annual Report (p. 30)
LA14	Ratio of basic salary of men to women by employee category	Not reported – we do not have the data measurement systems in place to report on this indicator but plan to do so in the next two years	



Element	Description	Answer	Page
Social: Human rights – disclosures on management approach			
DMA HR	Investment and procurement practices		22
DMA HR	Non-discrimination		24
DMA HR	Freedom of association and collective bargaining		26
DMA HR	Child labour		25
DMA HR	Forced and compulsory labour		25
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Our investment agreements do not include human rights clause	
HR2	Percentage of significant supplier-partners and contractors that have undergone screening on human rights and actions taken	Nil	
HR4	Total number of incidents of discrimination and actions taken	Nil	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Wherever trade unions exist, we are committed to cooperating and consulting with their representatives	25, 26
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	We comply with all applicable laws and regulations. There are no operations identified as having significant risk for incidents of child labour. We do not have a formal process for identifying these risks	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	We comply with all applicable laws and regulations. There are no operations identified as having significant risk for incidents of forced labour. We do not have a formal process for identifying these risks	
Social: Society – disclosures on management approach			
DMA SO	Community		29
DMA SO	Corruption	See SO2-4	10
DMA SO	Compliance		Code of Business Conduct: <a href="http://www.frigoglass.com/Investors/CorporateGovernance/Codeofbusinessconduct.aspx">www.frigoglass.com/Investors/CorporateGovernance/Codeofbusinessconduct.aspx</a>
DMA SO	Public policy	See SO5	
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impact of operations on communities		29
SO2	Percentage and total number of business units analysed for risks related to corruption	Frigoglass does not currently analyse business units for risks related to corruption. However, this will be addressed in the new ERM system to be implemented in 2011	

## Global Reporting Initiative table continued

Element	Description	Answer	Page
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures		10
SO4	Action taken in response to incidents of corruption	There were no incidents of corruption in the reporting period	
SO5	Public policy positions and participation	Frigoglass does not make any public policy submissions except when required by law (i.e. WEEE certification), nor does it play an advocacy role in any issues	
SO6	Total value of financial and in-kind contributions to political parties	Nil	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Nil	
Social: Product responsibility – disclosures on management approach			
DMA PR	Customer health and safety		14
DMA PR	Product and service labelling		12
DMA PR	Marketing communications	See Frigoglass's Code of Business Conduct: <a href="http://www.frigoglass.com/sites/default/files/Code_of_Business_conduct_08-04-10.pdf">http://www.frigoglass.com/sites/default/files/Code_of_Business_conduct_08-04-10.pdf</a>	14
DMA PR	Compliance		12
PR1	Life cycle stages in which the impact of health and safety on products and services are assessed for improvement, and the percentage of significant products and services categories subject to such procedures		12
PR3	Type of product and service information required by procedures, and the percentage of significant products and services subject to such information requirements	We follow European and national legislation and guidelines on product labelling	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		15
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Frigoglass does not sell products that have been banned from certain markets, or products which are subject to public controversy, or any form of dispute or challenge by any of the Company's stakeholder groups	14
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Nil	

## About this report

**We build strong foundations for a Sustainability culture by measuring and managing our performance and by disclosing our progress to employees, customers, supplier-partners and shareholders.**

This report covers Frigoglass's Sustainability performance for the year ending 31 December 2010. It is our fourth Sustainability Report and follows our Corporate Social Responsibility Report 08-09. The primary audience for this report are our employees (current and potential), customers, supplier-partners, investors and local communities.

The report does not cover our US production plant but covers all other Frigoglass sites, including manufacturing facilities and sales offices, as well as subsidiary companies unless otherwise stated.

We have chosen the format and content of this report based on our updated Sustainability strategy which focuses on the three pillars of: Product Responsibility, Sustainable Operations and Social Responsibility. We have also used the Global Reporting Initiative G3 guidelines to help determine what we should include in the report. The report applies the GRI to an A level and has been checked by a third party.

We would appreciate your feedback on this report.

To give feedback, please contact:

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