

Frigoglass Sustainability Report 2011-2012

# *Towards a better future*





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## Message from the CEO

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I am pleased to acknowledge that, with determination and hard work, we are continuing to embed the principles of sustainability within Frigoglass. This sustainability report details our management approach, key issues and opportunities, and performance data for 2011 and 2012.

Since we began our reporting journey in 2006 we have witnessed a significant evolution in our stakeholders' understanding and expectations with regard to sustainability. In addition to our own commitments, our customers are increasingly establishing their own ambitious sustainability targets and are looking to collaborate to help deliver on these targets.

Sustainability is now a core business imperative at Frigoglass and a key driver for creating value and delivering a competitive advantage. Since joining Frigoglass in May 2012, I have met with employees and customers around the world. This has given me the opportunity to witness first-hand the efforts to embed sustainability in Frigoglass' operating platform and to improve on our performance.

Operating conditions have remained challenging with weak economies in many of our markets. Despite these tough times we have continued to grow and have maintained our strong commitment to sustainability, believing it is a vital aspect of building long term business value.

Frigoglass' sustainability strategy has been reviewed and updated. It is now directly linked to our core business through the three key pillars we recognize as essential to business success. Through **our products, our operations** and **our people** strategies we are making it a priority to look after our environment, our communities and each other.

Over the past two years, significant progress has been made in each of these areas.

### Product responsibility

Frigoglass pioneered the development of green commercial refrigeration and has continued to invest heavily in this area. Following the global launch of the EcoCool range of environmentally friendly coolers, we have been working towards enriching it and further developing it. We have improved the existing technology and have introduced new models.

Environmental innovation underpins our product strategy and we keep investigating alternative power sources. Our efforts to harness solar power have resulted in two innovative solutions - the EcoCantina and the Solar ICM.

Significant investment in our glass business has allowed us to produce lightweight bottles, while reducing the amount of energy and raw materials used in the manufacturing process.

### Sustainable operations

Frigoglass has experienced rapid growth and development over the past few years. While this progress is exciting, it has also resulted in a number of challenges that have required careful management. Our focus has been on integrating our latest acquisitions in North America and Jebel Ali, managing resource efficiency and introducing new management systems. We are slowly making progress in each of these areas.

We are improving the scope and quality of data collection processes and greenhouse gas assessments. Performance data for all our operations is now presented in this report and that includes data from our recently acquired plants. In a significant milestone, we have reported our waste generation figures for the first time.

We now have three years of greenhouse gas emissions data which we are using to inform the development of a comprehensive energy and greenhouse gas emissions reduction strategy. We have also commissioned a life cycle assessment of our ICM products in order to identify opportunities for energy savings and greenhouse gas reductions across this value chain.

We continue to strive to reduce our use of materials despite increases in production. By manufacturing lightweight bottles and using cullet (scraps of broken or recycled glass) we have significantly reduced our consumption of raw materials per ton of production in our glass business.

In the past two years, we have focused on improving our supplier partnerships through the alignment of goals, expectations and targets. As well as increasing awareness around our supplier Code of Conduct, we have implemented a new supplier audit procedure which includes sustainability performance criteria.

#### **Acting responsibly toward our people**

Our employees play a key role in implementing our sustainability agenda and I acknowledge and appreciate their efforts in this area.

With more employees than ever before, we recognized that new human resources policies and systems needed to be introduced. This included a new behavior focused Performance Management System implemented in 2011 which offers employees more support through direct discussion and coaching.

We have developed a community investment strategy. As part of this strategy, each year we will strive to support one major community project at each plant or local community where we have operations.

We also collaborated with World Wildlife Fund Greece in a unique custom-made program titled "Journey to Future City". This program involved an environmental workshop for students of all ages aimed at helping them understand the impacts of climate change.

#### **Targets**

Our goal is to build a strong sustainability culture at Frigoglass by measuring and managing our performance and disclosing our progress to our stakeholders.

In 2010 we developed sustainability specific key performance indicators and three-year targets. While we are working to meet most of our targets and implement initiatives according to the plan, changes in our management team have resulted in the extension of some initial timeframes.

#### **Going forward**

As we look ahead, it is clear that Frigoglass will be operating in an increasingly dynamic environment with continued focus on the sustainability of operations. It will be more important than ever to ensure we continue to embed sustainability into our management systems and monitoring and reporting on our progress.

This report is a valuable tool in understanding Frigoglass' approach to sustainability and our performance over 2011 and 2012. I would like to thank our employees, suppliers, partners and customers who are helping us progress towards our sustainability goals in order to achieve business success.

**Torsten Tuerling**  
CEO



## Our sustainability strategy

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



Frigoglass recognizes that sustainability is integral to operating efficiently and to driving continuous improvement in all aspects of our business. Our strategy “Partnering for a Sustainable Future” is directly linked to our core business and is built upon three pillars: our products, our operations and our people. The sustainability pillars mirror the three key areas that are the essence of our business and what drive our company forward. The intention is to incorporate our sustainability commitments within our business strategy and throughout our value chain.

Over the last two years we have undertaken a number of actions to further embed sustainability principles into the business. We have:

- re-evaluated our material issues and updated our sustainability strategy
- outlined a three-year action plan, targets and KPIs that allow us to monitor our performance and benchmark our improvement
- implemented specific initiatives defined in the three-year action plan as noted throughout this report
- established ways to measure and report our progress internally.

## Key Performance Indicators (KPIs)

	2009	2010	2011	2012
<b>Product responsibility</b>				
Sites certified to ISO9001 (%)	56%	65%	100%	100% <sup>1</sup>
Sales of Ecocool range as a percentage of overall sales	-	25% <sup>2</sup>	25.5% <sup>3</sup>	25.4% <sup>3</sup>
Total number of customers	518	544	570	551
<b>Sustainable operations</b>				
Energy consumption of 'Cool Operations'	-	58,481	79,316	92,048
Energy consumption of 'Glass Operations'	-	518,684	350,162	734,140 <sup>4</sup>
GHG emissions from 'Cool Operations'	-	33,147	37,337	41,573
GHG emissions from 'Glass Operations'	-	103,676	116,568	175,695
Total materials used in production (tons)	33,505	52,424	48,074	44,067
Number of environmental fines	0	0	0	0
Sites certified to ISO 14001 (%)	35%	43%	43%	43%
Water use in production (m <sup>3</sup> )	90,534	105,372	111,870	131,181
<b>Social responsibility</b>				
Total workforce	4,209	6,237	6,762	6,266
Percentage of females in workforce (%)	10%	10%	10.3%	10.6%
Employee turnover rate (%)	22.1% <sup>2</sup>	34.7% <sup>3</sup>	24.3%	24.5%
Sites certified to ISO18001 (%)	22%	22%	22%	22%
Annual injuries (incidents)	26	81	113	66
<b>Management and reporting</b>				
Sales (Euro m)	346	457	555.2	581.3
Net profit (Euro m)	8.5	20.5	20.1	0 <sup>5</sup>
Reported breaches of Code of Business Conduct	-	1	0	0

<sup>1</sup> Our North American plant has been excluded from this figure as the ISO9001 certification is not available in the USA

<sup>2</sup> This figure refers to European sales only as Ecocool was only available in Europe at the time

<sup>3</sup> This figure refers to global sales as Ecocool sales were extended throughout the world

<sup>4</sup> The increase is attributable to the first time inclusion of Frigoglass Jebel Ali in the 2012 assessment

<sup>5</sup> Comparable FY2012 net profit excludes restructuring charges of €15 million

## Targets

Frigoglass strives for continuous improvement in everything we do, particularly in the pursuit of environmental and social sustainability. By setting targets each year we are able to accurately measure and monitor our sustainability performance. This enables us to review our progress, make improvements in the way we operate and report on our performance publicly.

In 2010, as part of our sustainability strategy we set out a number of targets under each of the three pillars of product responsibility, sustainable operations and social responsibility. While we have achieved most of our targets, a few have been rolled over into the next reporting period due to increased workload and changes in the management team. We have also established a number of additional targets which are detailed in the relevant sections of this report.

Targets	Year	Status	Commentary
<b>Product responsibility</b>			
Implement new customer satisfaction survey	2011	✓	Done
Develop revised material on Ecocool for our sales teams	2011	In progress	We updated our product promotional material that includes the revised Ecocool information
Expand use of natural refrigerants in all geographies – with units that use natural refrigerants exceeding 50% of total sales	2012	In progress	In 2011-2012 we expanded the use of natural refrigerants to our Asian and US production plants. In 2013 we will continue to expand this to the remaining of our operations
Conduct an environmental lifecycle analysis of our products	2012	X	We have moved this target to 2013
Identify and commence a sustainability initiative with one key customer	2014	In progress	We have commenced a close collaboration with one of our key customers in order to develop ICMs and services that meet their ambitious sustainability criteria
<b>Sustainable operations</b>			
Introduce Sustainability requirements into the audits of machinery suppliers	2011	In progress	We have begun introducing sustainability requirements into these audits, however the response and results are still at a preliminary stage
Open a European distribution center for spare parts to reduce transport impacts	2011	✓	Done
Review our customers' Code of Conduct and supplier-partners Sustainability requirements	2011-2012	In progress	Work on this target has commenced and will continue through 2013
Develop a greenhouse gas emissions reduction strategy	2011-2012	In progress	Work on this target has commenced and will continue through 2013
Hold an annual Suppliers' Partnership Conference	2011-2013	✓	We held our annual Suppliers' Partnership Conference in November of 2011 and 2012
Work with our suppliers on developing energy-efficient products	2011-2013	✓	Work on this is ongoing
Work with our suppliers on product packaging design with the aim of reducing materials and introducing eco-friendly and recyclable materials	2012-2013	In progress	Work on this target has commenced
Revise and re-launch the Company's Environmental Strategy	2014	In progress	To be completed by 2014



Targets	Year	Status	Commentary
<b>Social responsibility</b>			
Review performance measurement system	2011	✓	Done
Conduct an employee engagement survey and put in practice key actions as a result of the survey	2011	In progress	Worked on a pilot engagement survey. Complete survey has been postponed for the time being
Introduce development plans for high-potential employees with the aim of attracting and retaining talent	2012	In progress	A series of trainings were held for a large number of employees in the HO and plants
Incorporate sustainability training into inductions	2012	In progress	We have begun incorporating sustainability information into the general induction program. This, at the moment, is only for the Manager level and up but will be extended to all levels
Develop and roll-out a community investment strategy		✓	Done
Invest in one major community project	2012	✓	Cooperated with WWF Greece for the "Journey to Future City" project
<b>Management and reporting</b>			
Communicate our updated sustainability strategy to our primary stakeholders	2011	✓	Done
Complete our first submission to the Carbon Disclosure Project	2011	✓	Done In 2011 we completed our first submission while the second was completed in 2012
Develop communication packs on Sustainability for our departmental managers globally	2011	X	We will work on this in 2013
Send out quarterly CEO Sustainability updates to our employee	2011	X	Has been pushed back due to changes in the management team
Develop formal human rights policies and guidelines	2011	In progress	Work is in progress towards completing the human rights policies and guidelines and implementing these across our operations
Integrate Sustainability into our new Enterprise Risk Management system	2011-2012	X	Work on this target has commenced and will continue into 2013
Initiate stakeholder engagement activity	2014		To be completed in 2014
Achieve zero fraud	2011-2013	✓	Done
Organize sessions to communicate our sustainability strategy to the media and to our customers	2011-2013	✓	We have communicated our sustainability strategy through press releases, our website, our report, road shows, the Suppliers' Partnership Conference and the WWF program
Publish an annual Sustainability report	2011-2013	✓	Done





## About Frigoglass

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Frigoglass is a strategic partner to beverage brands throughout the world. We are the global leader in the Ice Cold Merchandisers (ICM) market and the principal supplier of glass packaging in the high growth markets of West Africa.

With a truly global footprint, Frigoglass is well established in the mature European markets and is evolving as a significant player in the emerging markets. We support our customers around the world with efficient manufacturing facilities in ten countries and an extensive network of sales and after-sales representatives in five continents.

In our glass bottle business, we are focused on the markets of Africa and the Middle East, which are a prime investment area for our customer base. We create value for our customers by building on our position as leading supplier of glass bottles and complementary packaging solutions in West Africa and the Middle East.

To better deliver on our priorities and strategy we have established an efficient operating structure that is organized around three business units (BUs) and five central functions. There are two business units for our Cool Operations, divided according to geographic area and market maturity; these are the ICM Europe & North America BU and the ICM Asia & Africa BU. In addition to that, there is the Glass business unit with an exclusive focus on the glass operations in Nigeria and Dubai. Finally, the five central functions of Finance, Supply Chain, Technical, Marketing and Human Resources complete the operating structure allowing us to accelerate decision making, deliver results and enhance customer value.



## Financial and operational highlights

The growth momentum we have developed over the recent years continued into 2011 and 2012 with sales recording solid growth in both of our Cool and Glass businesses. At the same time, the continued economic weakness in many of the territories that we operate in, as well as the rapid growth and globalization of our business over the past years has affected our company and has triggered some challenges.

Table 1 shows our key economic performance figures for 2011 and 2012. Figure 1 highlights our long term financial performance over a four-year period. Additional information on our economic performance including sales by division and consolidated revenue by customer segment is available in our 2011 and 2012 Annual Reports at [www.frigoglass.com](http://www.frigoglass.com).

To further strengthen our position as a strategic partner of global beverage brands, enhance our financial performance and build long-term value for our shareholders, we have initiated four strategic priority projects. To support these projects, we have put the necessary operating structures in place to enable successful execution.

Our four strategic priority projects have been defined with an aim to continue building an infrastructure that supports our customers' global expansion, primarily in emerging markets, and helps them grow their sales. These projects are:

- turnaround of recently entered markets
- lean transformation and operational excellence
- product cost optimization
- working capital reduction

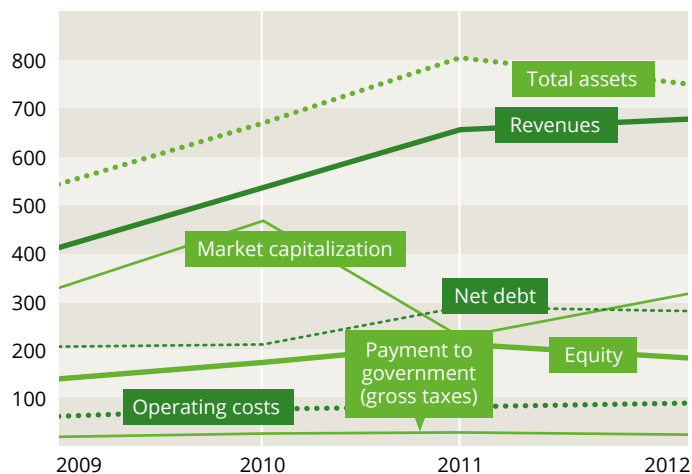
Detailed information on the above can be found in the 2012 Annual Report.

**Table 1: Frigoglass financial performance 2009 to 2012 (€m)**

	2009	2010	2011	2012
Revenues	346.7	457.2	555.2	581.3
Market capitalization*	273.4	401.6	182.1	266.2
Net debt	167.5	172.7	243.6	223.3
Equity	118.9	143.9	171.6	151.4
Total assets	458.8	560.7	690	650.4
Operating costs	47.4	59.9	63.4	68.3
Payments to government (gross taxes)	4.2	9.4	10.4	7.8

\*Share price on December 31st

**Figure 1: Frigoglass four year financial performance trend (€m)**



## *Awards and memberships*

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### **Awards**

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In 2011-2012 Frigoglass received a number of awards and recognitions for our operations, reports and business expansion.

- We received the 2nd prize for the EcoCantina during the 2012 European Business Awards for the Environment (Greek scheme).
- We won the 'Gold Award for Best Supplier of the Year' at the 2nd Coca-Cola Bottlers Philippines (CCBPI) Supplier Relationship Management Summit.
- Frigoglass was also named the 'Best Supplier of the Year' by Britvic for two consecutive years, 2011 and 2012.
- Frigoglass won first place at the Greek Business Awards for Global Expansion and Internationalization.
- In addition, we received a notable mention for our 2010 Sustainability Report at the CSR Reporting Forum and at the Quality Net Foundation BRAVO Awards, both held in Athens, Greece.

### **Memberships**

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Frigoglass holds the following memberships:

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

## Risk management and governance

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A proactive approach that seeks to minimize potential adverse effects through high standards of corporate governance and employee behavior.

### Risk management systems

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Risk management at Frigoglass is built around a system of identification and mitigation of social, environmental and governance risks. This approach helps smooth the functioning of the organization as well as supporting us to achieve our sustainability goals.

### Operational risk management

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A major project of the last two years has been the upgrade and extension of our operational risk management program. We introduced new standards as well as a new structured and detailed reporting system. Our updated program consists of six major assessment categories under which we have outlined a series of issues and potential risks to allow us to have an accurate overview of each individual plant. The major risks categories we have identified are site construction, safety measures and critical hazards, business continuity planning, environmental capabilities, occupational health & safety and logistics risk management capabilities.

In addition to extending the scope of the assessment, we also worked on establishing a monthly reporting procedure for all plants. Monthly reports present the status of each individual plant, the completed and pending initiatives as well as follow-up actions. We have also introduced an annual consolidated report and presentation process.

External auditors conduct an annual audit for operational risks in each plant in order to assess the progress in managing all categories and areas of risk. Following the audit, a detailed report is compiled which presents the coverage and rating of each individual plant in all categories. The report compares performance against other Frigoglass production facilities as well as the company average. Areas of attention and improvement are also identified.

Both the monthly and annual reports and consolidated presentations are communicated to the Executive Committee and the CEO.

### Business conduct

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Our Code of Business Conduct defines our commitment to operate with honesty, fairness and integrity and applies to all our employees in all our operations around the world. We also expect all third parties (our suppliers, agents, representatives, consultants etc.) to abide by the ethical standards defined in our code.

The Code of Business Conduct outlines the Frigoglass values and has sections pertaining to:

- commitment to and expectations of our employees
- responsibility to customers, suppliers and markets
- commitment to shareholders
- responsibility to the public.

The Code of Business Conduct is available on our website at: <http://www.frigoglass.com/corporate-governance>

### Fraud awareness program

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In 2011 we introduced and implemented the *fraud awareness program* to all employees. The program provides a framework for the prevention and detection of fraud, corruption and other improper conduct and is applied across all Frigoglass operations. It is aimed at educating all participants as to what constitutes fraud, explaining the reasons for concern and at the same time outlining the Frigoglass policy. During the related workshops conducted across our operations, employees were presented with clear and understandable examples and scenarios of how fraud can occur and how it can be detected.

### Speak-up policy

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In 2012 we introduced and deployed the *Frigoglass speak-up policy* which is designed to support employees, contractors and customers to disclose any violations in regards to breach of law, company procedures, corruption actions or other irregularities such as health and safety risks, security breaches, unethical conduct and damage to the environment.

The *speak-up policy* will help raise concerns at an early stage and deal with any issues promptly. Stakeholders can report irregularities through an online reporting form, thereby allowing Frigoglass to reduce the consequences of professional and legal violations while offering its stakeholders continuous support.

Issues raised remain confidential. Reported issues are reviewed by the Company's Head of Corporate Governance who notifies the Corporate Compliance Committee on any issues requiring further investigation. The Audit Committee is informed in the final outcomes of escalated cases.



## Risk management and governance

### Governance

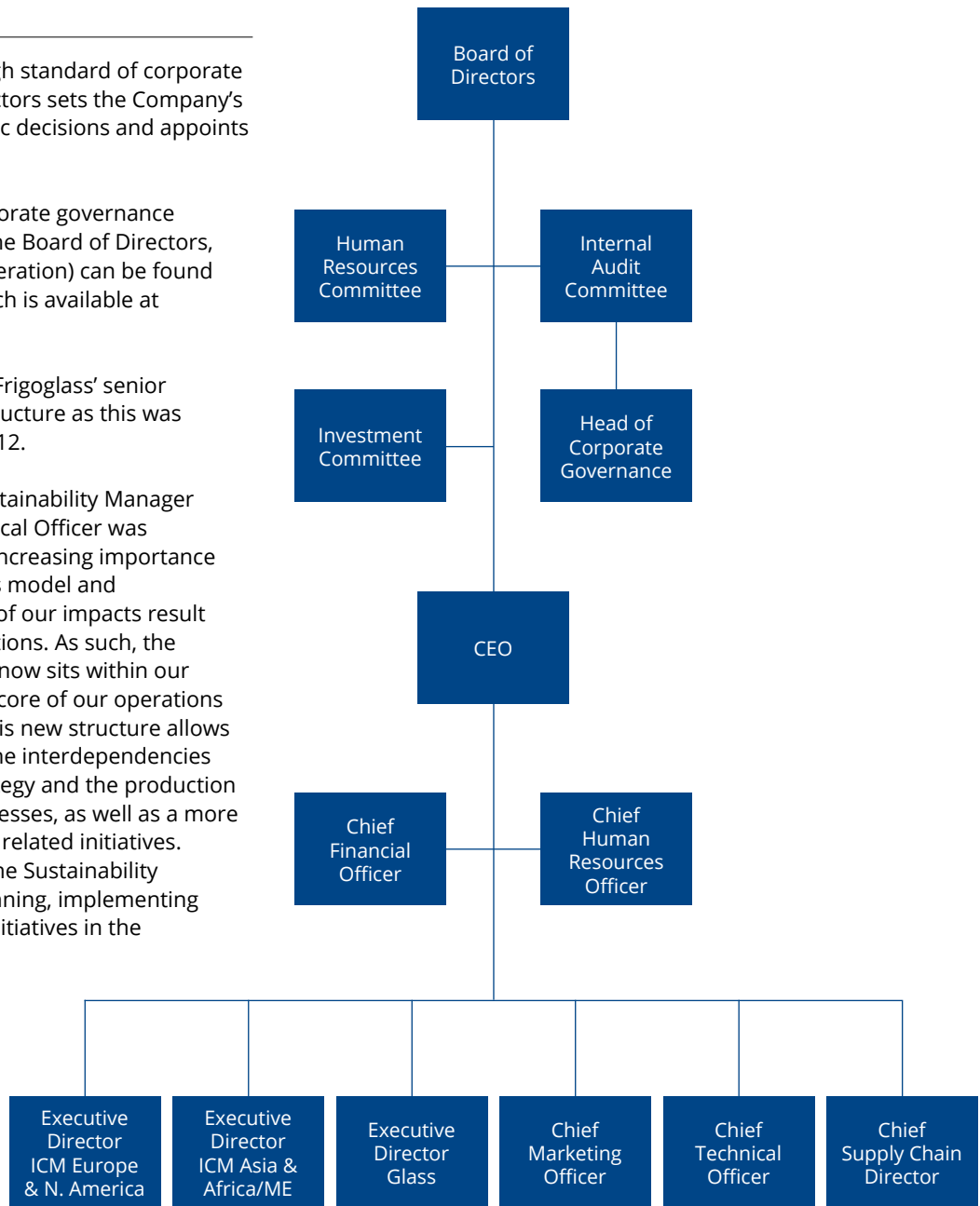
Frigoglass is committed to a high standard of corporate governance. The Board of Directors sets the Company's long-term goals, makes strategic decisions and appoints senior executives.

Information on Frigoglass' corporate governance (including the composition of the Board of Directors, Board Committees and Remuneration) can be found in the 2012 Annual Report, which is available at [www.frigoglass.com](http://www.frigoglass.com)

The figure on the right depicts Frigoglass' senior management organizational structure as this was announced in September of 2012.

Under this structure, a new Sustainability Manager position under the Chief Technical Officer was established. We recognize the increasing importance of sustainability in our business model and acknowledge that the majority of our impacts result from our manufacturing operations. As such, the responsibility for sustainability now sits within our technical function; close to the core of our operations and the production process. This new structure allows for a better understanding of the interdependencies between the sustainability strategy and the production and product development processes, as well as a more efficient implementation of the related initiatives. In the newly-established role, the Sustainability Manager is responsible for planning, implementing and overseeing sustainability initiatives in the following areas:

- product design
- manufacturing processes
- production planning
- logistics and warehousing.





## Stakeholder engagement

Our stakeholders are those groups that are directly or indirectly affected by our operations and vice versa. We recognize that our stakeholders are crucial in the success of our business and that's why our communication and interaction with them is an ongoing process. It is our priority to listen and respond to the needs of all our stakeholder groups. In order to achieve this we have established various means of engagement.

The table below depicts the stakeholder groups we have engaged with over the reporting period and the issues and concerns raised. Frigoglass uses a number of engagement processes such as one-on-one interactions, seminars and workshops, new initiatives and development of policies and procedures to respond to stakeholder concerns.

Stakeholder group	Issues of concern	Response
<b>Employees</b> We believe clear and transparent communication is of the essence in good employee engagement and we encourage an open dialogue across all functions, departments and levels.	<b>Health and safety, working conditions</b>	<ul style="list-style-type: none"> <li>OHSAS 18001 certification program is in progress. Four sites have already been certified and the rest are scheduled to be completed within 2014.</li> <li>Local HR teams develop a number of H&amp;S initiatives at our plants.</li> </ul>
	<b>Career development and training</b>	<ul style="list-style-type: none"> <li>Performance Management System with annual reviews for each employee</li> <li>In-house and external seminars, workshops and web-based training</li> </ul>
	<b>Employee satisfaction and communication</b>	<ul style="list-style-type: none"> <li>Quarterly employee call organized by the CEO office with the participation of all Frigoglass employees around the world.</li> <li>Annual events for employees on a local level</li> <li>Intranet site and departmental blogs</li> <li>Internal publications</li> <li>Induction process</li> <li>Employee benefits</li> </ul>

## Stakeholder engagement

Stakeholder group	Issues of concern	Response
<p><b>Customers</b></p> <p>Sustainability is a key element of our business strategy and we collaborate with our customers on a number of sustainability issues. This involves reviewing and complying with their codes of conduct and communicating our standards and performance through our sustainability report.</p>	<p><b>Quality of products and services</b></p>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Regular communication and meetings with customers</li> <li>• Formal complaints procedure</li> <li>• Initiation of lean manufacturing system to improve efficiencies and quality of products</li> </ul>
	<p><b>Alliance and collaboration on sustainability issues</b></p>	<ul style="list-style-type: none"> <li>• Review and compliance with customers' code of conduct</li> <li>• Collaboration on key sustainability initiatives and new technologies</li> <li>• Communication through sustainability report</li> </ul>
<p><b>Shareholders</b></p> <p>We recognize the importance of clear and timely communication and engagement with our shareholders and the wider investment community. Frigoglass maintains an investor relations section on its website where shareholders can access governance, financial and other related information. We also communicate with the investment community through a number of scheduled reporting events.</p>	<p><b>Delivery of financial results and risk management</b></p>	<ul style="list-style-type: none"> <li>• Quarterly financial results</li> <li>• Investor roadshows</li> <li>• Annual General Meeting</li> <li>• Website</li> <li>• Athens Stock Exchange announcements</li> <li>• Regular electronic communication</li> <li>• One-to-one meetings with shareholders</li> </ul>
<p><b>Suppliers-Partners</b></p> <p>Sustainability is an essential element of our engagement with suppliers. We work together with our suppliers to increase the energy-efficiency of products, reduce our transportation, waste and overall carbon emissions.</p>	<p><b>Cooperation on innovation</b></p>	<ul style="list-style-type: none"> <li>• Collaboration on new initiatives, development of new products, the application of new technologies and use of new materials</li> <li>• Collaboration on new production processes</li> </ul>
	<p><b>Greenhouse gas emissions</b></p>	<ul style="list-style-type: none"> <li>• Working together towards reducing overall GHG emissions throughout the value chain</li> <li>• Collaboration towards reducing transportation emissions</li> </ul>







## *Product responsibility*

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

### **Reducing environmental impact through innovation**

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At Frigoglass, we have long recognized the indirect impact our products have on the environment. In response, we were one of the first companies in our industry to commercialize green refrigeration technology. Environmental innovation is our primary driver in product development. We focus on designing and developing solutions that reduce greenhouse gas (GHG) emissions and contribute to increased recyclability, while meeting the needs and requirements of our customers.

#### **Ecocool**

The Ecocool range of beverage coolers, the world's first complete range of environmentally-friendly ICMs, is the strongest evidence of our commitment to reducing our indirect GHG emissions and making green refrigeration technology widely available to all customer segments.

First launched in 2009, Ecocool continues to be one of our most popular solutions. In 2012, 51.3% of our ICM placements in Europe were HFC-free, Ecocool units. As well as allowing our customers to significantly reduce their carbon footprint, the Ecocool ICMs provide the opportunity for retailers to gain up to 50% reduction on their energy consumption and bills. Since launching the range, we have continued to invest in the expansion of the product line-up by adding new units as well as improving existing ones with more advanced components and energy management systems.



## Product responsibility

### Miracool

The Miracool range was designed specifically for the North American market and is one of the first cooler ranges that can be adapted to function with three different refrigerant configurations (R134a, HC and CO<sub>2</sub>) in a variety of ICM types and sizes. The use of the cartridge-based refrigeration system that can accommodate the three mechanisms interchangeably is what allows Miracool to conform to the different environmental requirements of our North American customers.

In addition to the use of hydrofluorocarbon (HFC) free refrigerants (hydrocarbon (HC) and carbon dioxide (CO<sub>2</sub>)), additional environmentally friendly features include the use of natural substances in the insulation process and increased recyclability.

### Solar ICM

Building on the innovative concept of the EcoCantina and the use of alternative power sources, the Solar ICM is the first solar-powered ICM and the latest addition to Frigoglass' green product portfolio. The Solar ICM operates using rechargeable batteries powered by a solar panel placed on top of the cover structure. Only when solar power is not sufficient does the unit switch to grid electricity.

Three key drivers led to the development of the Solar ICM – Frigoglass' own sustainability strategy and commitment to innovation and the desire by key customers to find more sustainable refrigeration solutions that will serve rural regions with limited power resources.

### HC and CO<sub>2</sub> capabilities

Over the last two years we worked on a new type of cassette that can operate with a lower HC charge. This has allowed us to significantly increase the safety of our HC units, as well as to extend the technology to larger size coolers.

At the same time, we have expanded our CO<sub>2</sub> range which now consists of more than 15 different coolers of all types and sizes. We have also increased our CO<sub>2</sub> product manufacturing capability in our plants around the world, enabling Frigoglass to roll-out CO<sub>2</sub> units that better meet the sustainability objectives of our key customers.

### Lightweight bottles

In 2012 we made a significant investment in our Jebel Ali plant in Dubai and upgraded our technology to enable lightweight bottle manufacturing. The lightweight bottle, (also manufactured in our Nigeria glass operations), is up to 30% lighter and reduces material use and energy consumption during the manufacturing process as well as during transportation.





## 2012 European Business Awards for the Environment

At the Greek scheme of the 2012 European Business Awards for the Environment, Frigoglass received the 2nd prize in the Product category, for the EcoCantina. The EcoCantina, a modular, easy-to-assemble kiosk, is powered by solar energy. It delivers a dual benefit in that it supports the operation of the coolers placed in the kiosk but also enables other devices such as a television and mobile chargers to be used. It therefore minimizes the impact on the environment, while it also allows beverage companies to contribute to remote local communities.



## Product recycling

From a product perspective, our goal is to reduce materials use and recycle as much as possible. We aim to achieve this by developing products that use fewer materials as well as through advanced assembly techniques that facilitate disassembly and recyclability.

Frigoglass complies fully with the EU Directive on Waste Electric and Electronic Equipment (WEEE). The purpose of the WEEE Directive is to contribute to the environmentally-sound recovery and disposal of electrical and electronic equipment. Users wishing to dispose of ICMs can deliver the units to appropriate recycling companies. To facilitate disposal, Frigoglass has agreements with various such companies.

We will continue to seek further product recycling opportunities. We envisage these may result from innovations developed by our suppliers or from product life cycle assessments.

## Product responsibility

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### Product quality

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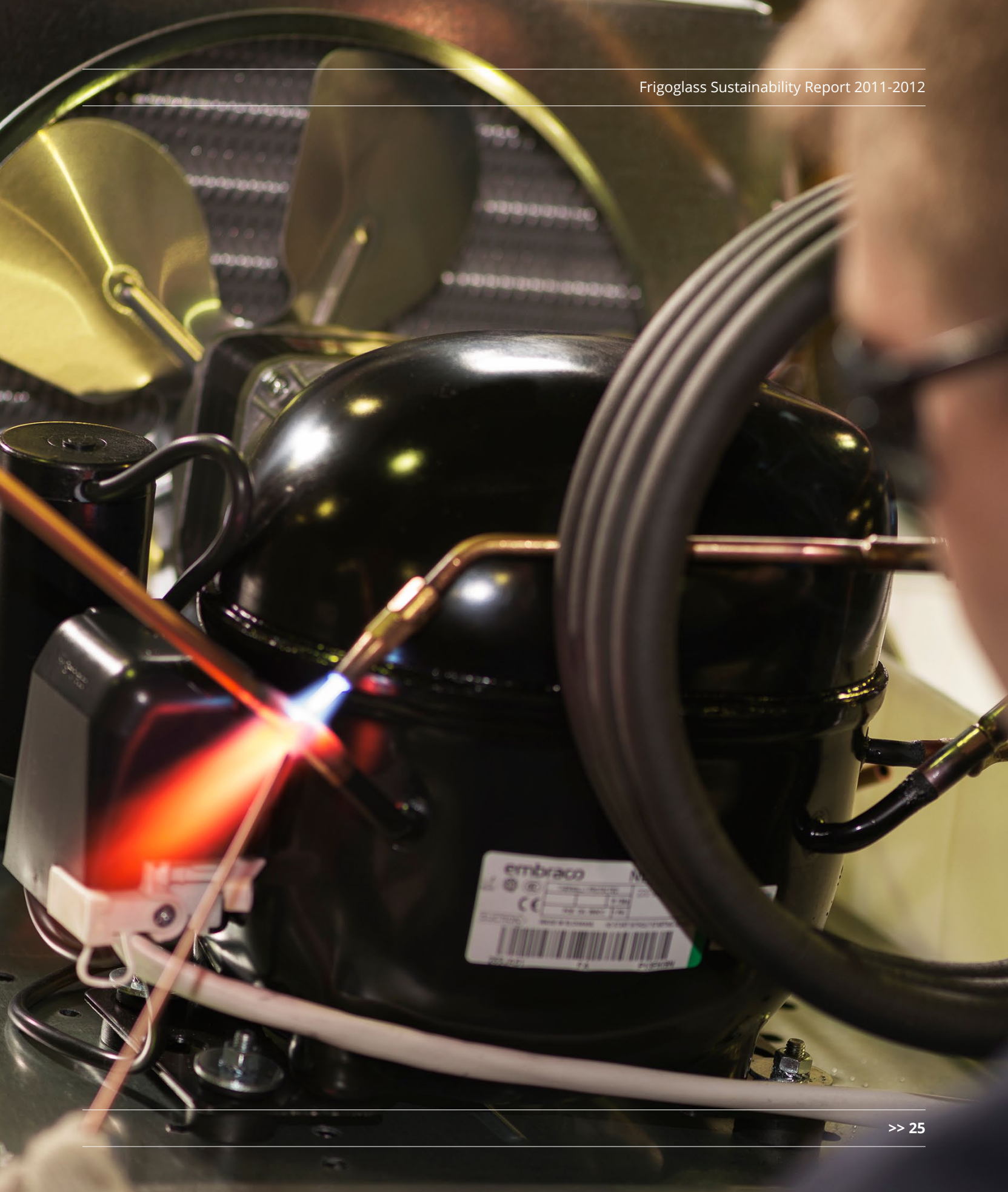
At Frigoglass, we have set high standards for product quality and safety. The increased complexity of our product offering and the operational environment of our business have rendered the Quality & Engineering function an important aspect of product management. All products are required to pass quality assurance, hence increasing the integrity of our products in the market and providing us with a unique competitive advantage that will sustain our business growth potential.

Quality tests are applied throughout the entire cycle of product development including certification, manufacturing, R&D, storage, distribution, supply and use. Each year we work towards increasing the level of quality tests that we apply to ensure that the products are of the highest integrity and safety for our customers.

In the period 2011-2012, we focused on a number of short to medium term priorities.

- We put strategies into place and integrated the systems and tools which promote quality across the organization. We strengthened Quality teams at a plant and Head Office level and defined communication methods within the Quality & Engineering function.
- We then deployed a set of methodologies and tools throughout our manufacturing “shop floors” aiming to secure a standardized and safe work environment, eliminate “defect” manufacturing and increase efficiency. Quality is embedded in manufacturing and our approach is one of “quality at the source” instead of “control and fix”. To achieve this we have established procedures that sustain manufacturing excellence throughout all stages of production.
- We have enhanced collaboration with our suppliers, to better ensure the quality of our outsourced components and facilitate the selection process. To that end we have established regular quality audits and performance measurement tools to safeguard the high quality of components and materials and to manage the quality performance of our supply base.
- We strengthen our Quality Management System in our high priority manufacturing locations. Key areas of improvement include:
  - enhancement and integration of ISO9001 and ISO14001
  - the implementation of the ISO10015 system for training our employees
  - introducing initiatives in the area of vendor and supply chain management
  - the improvement of sub-optimal processes and the strengthening of the internal audit management system.
- In the course of 2011-2012, we prepared six of our plants (USA, China, Romania, Turkey South Africa and India) to manufacture CO2 coolers.
- To capture every aspect of our manufacturing plants’ operating performance, we have established a system comprising regular audits followed by thorough root-cause analysis. The aim is to identify any inefficiencies and administer corrective action, aiming to deliver consistent quality across all geographies.





## Product responsibility

### Customer engagement

We are committed to improving and reinventing our products and services through regular feedback and engagement with our customers

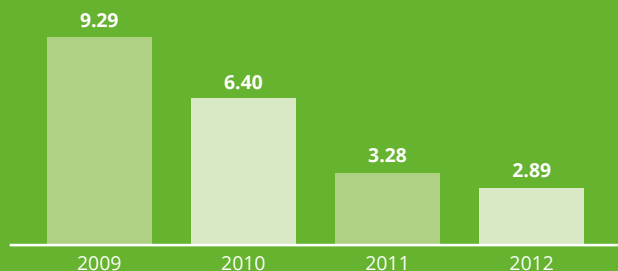
#### Responding to customer feedback

Customer satisfaction is a key driver in our business model. Therefore the need to improve the way we handle customer complaints was essential.

The new system empowers team members to effectively deal with complaints through established cross functional processes and contribute to ongoing improvement initiatives within our organization. It requires a teamwork approach and the engagement of people from different functions and departments across the organization. Systematic monitoring, validation and effective corrective actions as well as reporting allows us to close the loop of customer complaint management and ensure positive results.

The new process is more customer-focused and aims to manage complaints in an effective and positive way while seeking to eliminate the recurrence of systemic issues. Rather than seeing complaints as a nuisance, the new process views complaints as an opportunity to eradicate problems through improving product integrity and the products' lifetime performance, as well as enhancing customer loyalty.

#### Total Complaints per 10.000 ICMS



#### New customer satisfaction survey

In 2011 we conducted our first web-based Customer Satisfaction Survey. The survey aims to increase our understanding of our customers' perceptions of our products and services. Furthermore, we wish to specifically gain insight into the overall performance of the company in terms of product quality, sales force performance and performance on deliveries of products and spare parts.

The survey was distributed to all our customer groups, covering a number of operational functions and several regions including Eastern and Western Europe, Asia, Oceania, Africa. North America was not included because the local operations had not been fully integrated into the global Frigoglass framework at the time. Our North America customers will be included in the next survey.

In 2011, we received a successful response rate of 40% which marked an 11% increase from the previous survey. Whilst our customers were satisfied overall with Frigoglass products and services, the survey identified a number of areas for improvement. These included product quality and deliveries on agreed date and times. The findings of the survey were further broken down on a regional basis so that corrective actions could be identified at a regional/plant level.

In 2012 we put in place a number of initiatives to address the areas of improvement and further enhance customer satisfaction. In terms of product quality, we have established a number of short to medium term priorities. A number of projects have already been initiated and these are outlined in the Product Quality section of this report.

To address issues relating to deliveries, we have invested significantly in the consolidation and centralization of our warehouses. This process has included the establishment of the Central European Warehouse for spare parts and continues with the consolidation of warehouses at our European plants. In addition, we have also initiated the consolidation of our central European order desk with the aim of improving order processing and deliveries.

## Upgraded mobile services

Driven by market needs and customer requirements, we developed the innovative Frigoglass Mobile Service (FMS) smartphone application.

FMS is an Android-developed system that replaces paper-based customer service with a powerful back-office tool and a flexible smartphone interface. Using GPS records, any call for customer service, preventive maintenance, 1-2-1 placement or refurbishment is routed to the technician with the right skill set and availability, located nearest to the customer.

The technician receives real-time notification via a smartphone, followed by the full job details (type of problem, severity, time constraints, etc) along with an auto-dialer for the outlet's telephone number and a route recommendation through Google maps.

The technician then visits the outlet and matches the asset to the call by scanning the ICM's asset tag and serial number. The call's start time is recorded and once the repair or maintenance required is completed, the technician reports all tasks performed and spare parts used through the application. This feedback is in turn automatically forwarded to the customer, providing on time and correct information and ensuring transparency in our service business.

This industry-standard solution offers a wide range of functionalities, including barcode scanning, GPS location registration, photos, e-signatures and many more. This allows for a highly efficient solution that enhances customer service and adds value to both Frigoglass and its customers.

The FMS system was first rolled-out in Greece in June 2012. The application will be next rolled-out in Cyprus and Romania with a plan to eventually extend it throughout our operations.







## *Sustainable operations*

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We work with our suppliers, partners, customers and employees to minimize the impact of our operations on the environment through mutual long-term partnerships based on environmentally and socially-responsible business conduct.

### **Environmental impact of operations**

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Frigoglass is aware of the environmental impacts of our operations, in particular our heavy consumption of energy and emission of greenhouse gases. Each year we make further efforts to improve our manufacturing facilities and office-based operations in order to reduce our impact on the environment.

Our plants and sites across Greece, India, Romania, Russia, South Africa and our Head Office in Athens are certified to the ISO14001 environmental management standard. By 2014 we will extend this certification to our operations in Indonesia and Turkey.

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

- Comply with all environmental and statutory requirements or voluntary agreements
- Identify and manage environmental risks and impacts
- Conserve the use of natural resources and minimize waste generation
- Raise environmental awareness of employees and provide training
- Work with our supplier-partners to reduce environmental impact within the supply chain
- Establish indicators and monitor environmental performance
- Provide all the required means and resources, such as training and installation of equipment
- Audit operational procedures and implement preventive and/or corrective action.

### **Environmental risk management**

We have enhanced our environmental management capability by upgrading our operational risk management program to cover specific environmental risks and considerations. The areas of assessment include the following:

- Application of the environmental policy
- Identification of the individual plant's impacts and emissions
- Assessment of environmental risks
- Measures taken to reduce emissions and waste and increase energy efficiency
- Measures taken for accidental release.

The operational risk management program covers all of our production facilities.

## Sustainable operations

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### Energy use and greenhouse gas emissions

A significant part of Frigoglass' environmental footprint is comprised of energy consumption and greenhouse gas emissions. Our production sites are responsible for the majority of energy consumption and emissions, followed by transportation of our products and people.

While our products provide an eco-friendly refrigeration solution for our customers, we recognize that as a responsible multinational, we must continue to improve our own energy and emissions reduction efforts in order to decrease the impact of our operations on the environment.

Between 2009 and 2012 we completed energy and greenhouse assessments over all our production sites. These assessments have enabled us to arrive at a 5% emissions reduction target per standard unit in the ICM (Cool) division.

In 2011 we completed our first submission to the Carbon Disclosure Project and have since continued to report on an annual basis. Concurrently, we have been working on a comprehensive energy and greenhouse gas emissions reduction strategy and have also made plans to undertake a lifecycle assessment (LCA) analysis on one of our standard products. In order to fully integrate energy and carbon management into our business, we have also introduced energy cost saving incentives for plant managers to further encourage them to reduce energy consumption at a plant level. These reductions are part of the Annual Business Plan and the incentives are supported in the annual bonus scheme.

### Energy consumption

In 2012, our energy consumption totaled 826,188 MWh. This is an increase of approximately 43% on 2010 when we consumed 577,165 MWh. This increase, however, is due to the addition of two more plants in the assessment process. In the 2012 assessment we included for the first time, Frigoglass North America, the most recently acquired ICM production site in the USA, as well as Frigoglass Jebel Ali, our newest glass manufacturing site in Dubai. If we remove these sites from the 2012 assessment, our energy consumption increased by 7.7% in comparison to 2010. This increase is

attributable to an increase in production, as well as extensive maintenance work in some of our plants.

Natural gas and electricity continue to be the main sources of power for our plants and facilities. Besides these energy sources, we also consume diesel fuel, petrol and LPG.

Table 1 on page 31 shows our energy consumption by source for both Cool and Glass operations. In 2012, the sites which consumed the most energy were the Guinea plant in Nigeria (325,176 MWh), Jebel Ali in Dubai (195,078 MWh) and our Delta plant in Nigeria (164,855 MWh).

### Greenhouse gas emissions

Since 2009, we have increased our capacity to reliably measure our energy use and emissions. As a result we can better understand our impacts and provide greater transparency about the climate change impact of our operations to our customers, shareholders, employees and other stakeholders.

The breakdown of our emissions by type is highlighted in Table 2 on page 31. In 2012, Frigoglass generated an equivalent to 217,268 tonnes of CO<sub>2</sub>e, an increase of approximately 59% in comparison to 2010. Once again, much of this increase can be attributed to the addition of our two recently acquired plants and changes to production at particular sites. Data protocols<sup>1</sup> and conversion factors have also varied between periods. However we also acknowledge inaccuracies and/or variations in the provision of data between sites and became aware of further issues collecting data whilst preparing this report. We are making a considerable effort to improve the accuracy and consistency of data collection and reporting processes across various sites. As such the data we have reported for 2012 is in many instances, more complete and accurate than the data reported in earlier years.

<sup>1</sup> Emissions factors for electricity generation in Russia have been changed, almost doubling 2011 reported emissions for our site in Russia.

**Table 1: Energy consumption by source (MWh) for Cool and Glass operations**

Source	2010 Cool operations	2011 Cool operations	2012 Cool operations	2010 Glass operations	2011 Glass operations	2012 Glass operations
Natural Gas	18,800	28,134	19,755	451,284	324,248	512,404
LPG	12,211	14,367	10,298	3,805	2,883	36,119
Petrol	2,469	2,274	4,153	2,282	2,593	4,102
Diesel	4,013	11,068	29,810	45,259	9,883	11,662
CNG	30	8,665	-	-	-	-
Fuel Oil & lubricants	44	108	69	-	-	125,453*
Grid electricity	20,914	17,700	27,963	16,054	10,555	44,400
<b>Total</b>	<b>58,481</b>	<b>79,316</b>	<b>92,048</b>	<b>518,684</b>	<b>350,162</b>	<b>734,140</b>

\* The figure is attributable to Jebel Ali which was included in the assessment for the first time in 2012.

**Table 2: Breakdown of GHG emissions by type\***

Type of GHG emission (tCO <sub>2</sub> e) <sup>5</sup>	2010	2011	2012
Carbon dioxide (CO <sub>2</sub> )	132,168	147,105	213,215
Methane (CH <sub>4</sub> )	67	75	412
Nitrous Oxide	188	192	334
Hydrofluorocarbons	4,400	6,535	3,207
<b>Total</b>	<b>136,823</b>	<b>153,908</b>	<b>217,268</b>

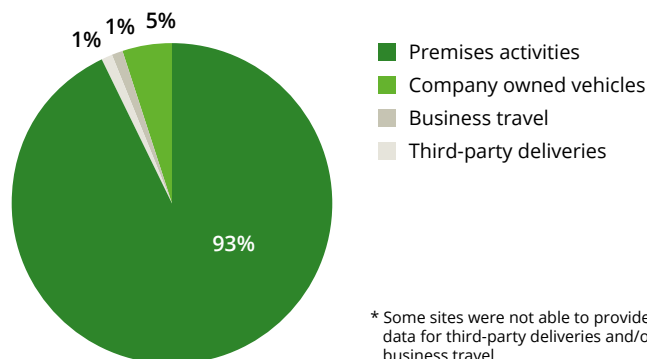
\* Note: Increases in the methane and nitrous oxide numbers reflect the expanded scope of the assessment.

## Sustainable operations

Figure 1 and Table 3 illustrate where the bulk of our emissions are generated. In 2012 our sites generated 203,135 tonnes of CO<sub>2</sub>e (93%), and as such our emission reduction activities are focused on finding efficiencies in this area. The majority of emissions generated at our sites can be attributed to direct fuel combustion, namely the combustion of natural gas which contributed 107,794 tonnes of CO<sub>2</sub>e for all sites combined. This equates to 50% of the total emissions reported.

Electricity consumption represented the next greatest proportion of emissions, with electricity consumption at our Jebel Ali plant having contributed 19,465 tonnes of CO<sub>2</sub>e or 47% of the total 41,682 tonnes of CO<sub>2</sub>e.

**Figure 1:**  
Total GHG emissions broken down by general activity (%)\*



\* Some sites were not able to provide data for third-party deliveries and/or business travel

**Table 3: Total GHG emissions broken down by general activity (tCO<sub>2</sub>e and %)**

Source of emissions (tCO <sub>2</sub> e)	2010	2010 %	2011	2011 %	2012	2012 %
<b>Premises</b>						
Grid Electricity	17,165	13.0%	16,837	11.6%	41,682	19.0%
Diesel	7,557	5.5%	4,951	3.4%	3,897	1.8%
Petrol	517	0.4%	726	0.5%	954	0.4%
LPG	2,830	2.1%	2,908	2.0%	10,385	4.8%
Natural gas	95,066	69.0%	110,778	76.6%	107,794	50.0%
Refrigerants	4,400	3.2%	6,534	4.5%	3,207	1.4%
Fuel Oil	12	0.01%	7	-	35,158	16.0%
Other*	22	0.02%	1,793	1.2%	36,169	0.4%
<b>Total Premises</b>	<b>127,569</b>	<b>93.2%</b>	<b>144,534</b>	<b>89.0%</b>	<b>203,135</b>	<b>93.0%</b>
<b>Company owned vehicles</b>	<b>956</b>	<b>0.7%</b>	<b>1528.6</b>	<b>0.9%</b>	<b>1,140</b>	<b>0.5%</b>
<b>Business travel</b>	<b>865</b>	<b>0.6%</b>	<b>1,549</b>	<b>1.0%</b>	<b>1,197</b>	<b>0.6%</b>
<b>Third party deliveries</b>	<b>7,434</b>	<b>5.4%</b>	<b>6,296</b>	<b>8.7%</b>	<b>11,796</b>	<b>5.4%</b>
<b>Total</b>	<b>136,823</b>	<b>100%</b>	<b>153,908</b>	<b>100%</b>	<b>217,268</b>	<b>100%</b>

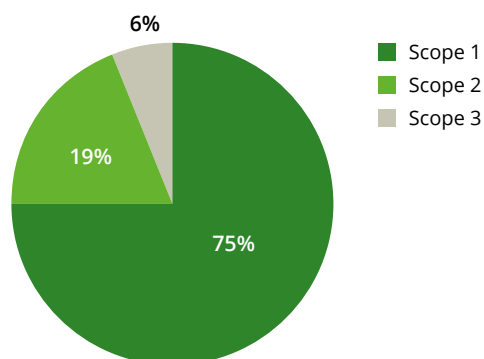
\* Includes emissions from lubricants and CNG



A breakdown of emissions by region is provided in Table 4. In 2010, the single largest source of emissions was natural gas consumption at the Beta Glass plants (Guinea and Delta) in Nigeria, which created 95,066 tCO<sub>2</sub>e (69% of total emissions).

In 2012, the Beta Glass plants (Guinea and Delta) generated 102,419 tCO<sub>2</sub>e (48% of total emissions). The Jebel Ali site generated a further 63,212 tCO<sub>2</sub>e (29% of total emissions). These sites represent a single largest opportunity for reducing emissions and will be a focus of an emissions abatement strategy in the future.

**Figure 2:**  
Total GHG emissions broken down by WBCSD/WRI Scope



**Table 4: Emissions per region (tCO<sub>2</sub>e)**

Regions	2010	2011	2012
<b>Cool Operations</b>			
Europe	15,201	18,927	20,691
Asia	15,422	15,911	14,709
Africa/Middle East	2,523	2,499	2,758
North America	-	-	3,415
<b>Total Cool Operations</b>	<b>33,146</b>	<b>37,337</b>	<b>41,573</b>
<b>Glass Operations</b>			
Africa/Middle East	103,676	116,568	112,483
Asia (Jebel Ali)	-	-	63,212
<b>Total Glass Operations</b>	<b>103,676</b>	<b>116,568</b>	<b>175,695</b>
<b>Total (Cool and Glass Operations)</b>	<b>136,822</b>	<b>153,908</b>	<b>217,268</b>

Note that Jebel Ali and North America sites have not been assessed prior to 2012.

## *Sustainable operations*

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### **Reducing our energy use and greenhouse gas emissions**

Based on the information gathered in our operational reviews, we began implementing a number of energy and emissions reduction initiatives throughout our sites starting in 2010 in order to achieve our carbon reduction targets. These initiatives have been enhanced over the years and those currently underway include:

- Replacing the high-energy burners with energy-efficient ones
- Installing temperature controls on equipment and monitoring usage
- Turning off equipment during production breaks
- Eliminating compressed air network leakages to improve use of compressed air
- Adjusting paint shop burners for optimum operation
- Continuous monitoring of the electricity load balance
- Adjusting FLT's engine for optimum operation
- Installing light sensors and implementing sectional lighting
- Replacing lights with energy-efficient bulbs throughout our plants
- Reduction of production scrap
- Installation of solar panels for hot water
- Adjustment and continuous check of air-condition set points

We are also taking further steps to integrate management of climate change into our overall business strategy and commenced the development of a Climate Change Strategy in 2012. As a first step we conducted a pilot analysis of our production plant in Romania which has provided the basis for our carbon reduction initiatives as well as strategy going forward.

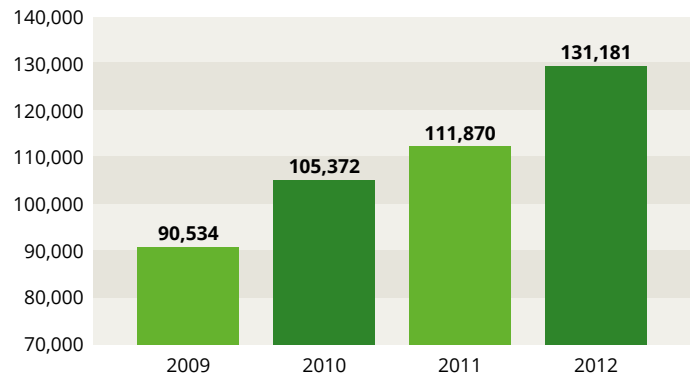
We aim to ensure that as we increase our production and expand our operations, we will conduct regular assessments to measure the impacts of our activities and track our progress in achieving energy and emissions reduction over time.

**Water**

In 2012, the total water consumption for Frigoglass was 131,181m<sup>3</sup>, an increase of 19,311m<sup>3</sup> from 2011 when we consumed 111,870m<sup>3</sup>. This increase reflects the addition of the Jebel Ali plant in the last reporting period. Due to some difficulties in obtaining information on water use at our North America plant, the water use of the specific production facility is not included in this section. Figure 3 on the right depicts water consumption across Frigoglass operations since 2009. It is evident from the graph that as Frigoglass operations and production volumes have expanded over the years, so has our water consumption.

Table 6 depicts our water consumption across the various regions in which we operate. In 2012 the sites which consumed the largest quantities of water were our Indonesia (33,339 m<sup>3</sup>) and China (29,269 m<sup>3</sup>) sites.

**Figure 3: Water consumption in m<sup>3</sup> (2009 – 2012)**



**Table 6: Comparison between 2011 and 2012 water consumption by region**

Regions	2011 (m <sup>3</sup> )	2012 (m <sup>3</sup> )
Europe	41,080	37,735
Asia	64,457	82,658
Africa	6,333	8,806
North America	0	1982
<b>Total</b>	<b>111,870</b>	<b>131,181</b>

Note: All of our water is sourced from municipal supplies.

## Sustainable operations

### Waste

As a manufacturing company, Frigoglass generates considerable amounts of both hazardous and non-hazardous wastes. Knowing the impacts that hazardous waste can have on ground and water tables, we are adopting policies and measures that contribute to the reduction of waste and increased recycling.

We have a number of different hazardous wastes in each plant including oil, rubber, fluorescent lamps, batteries and heavy metals among others, and have put in place detailed procedures for their collection and disposal. Once generated, waste is then separated by material and stored in a safe warehouse within the plant's premises.

Authorized third party contractors collect the different types of waste and properly dispose of it. Frigoglass is fully compliant with the EU Directive on Waste, Electrical and Electronic Equipment (WEEE) and we have contracts with authorized waste management companies to implement the WEEE guidelines.

This year, for the first time we are reporting on our waste generation figures. The table below depicts our general and hazardous waste generation across our operating regions.

In 2012 we generated approximately 5,372 tons of both general and hazardous waste, of which we recycled or reused an estimated 79%. This is a decrease of approximately 127 tons of general and hazardous waste from 2011. Every year we ensure that we try to increase our recycling rates. In 2012, we were able to achieve 100% recycling at our Greece site and more than 75% recycling at our Indonesia, Nigeria Cool, Romania and Turkey sites.

We recognize that our data collection in regards to waste is in need of improvement. We are currently working to implement appropriate procedures and systems that will allow us to more accurately measure and report in the future.

**Table 7: Total weight of waste (tonnes) 2012**

Regions	General waste	Hazardous Waste	% of waste recycled or reused
Europe	3,200	51.28	61
Asia	1,685	36.35	15
Africa	259	0.87	24
USA	228	N/A	N/A
<b>Total</b>	<b>5,372</b>	<b>88.50</b>	



## Glass recycling Sustainable operations in action

Cullet refers to scraps of broken or waste glass that are gathered in order to be re-melted, mixed with new material and used again for the production of new glass. Cullet reduces the use of raw materials and saves energy, however, it is not always easy to find due to the lack of recycling infrastructure, especially in the areas where our Glass operations are located. In our plants in Nigeria and Dubai we use as much cullet as we can find while we focus our efforts towards finding new ways to collect cullet.

In 2012, cullet used in our Jebel Ali plant represented 35.7% of our materials used in production whereas cullet in our Nigeria glass operations was at 27.7% in the Delta plant and 37.7% at our Guinea plant.

- With a 29% increase in cullet use this year, there has been a 7.2% reduction in greenhouse gases due to reduced fuel and 4.9% reduction in greenhouse gases due to reduced raw materials\*
- Glass produced from cullet reduces related water pollution by 50%
- Re-melting cullet uses 40% less energy and saves 300kgs of CO<sub>2</sub> in comparison to making glass from raw materials

In the coming years we have plans to develop the first glass recycling facility in the UAE which will have the capability to process up to 300 MT of cullet every day.

Meanwhile, the plan is to collect up to 10,000 MT of domestic cullet in year 2013 through collaboration with local cullet collection projects and coordination with the UAE. Authorities, Emirates Environmental Group (NOG) and the private sectors. This will increase the use of cullet in Dubai and support its environmental strategy.

\* Reductions are based on the calculation that with every 10% increase in cullet use, there is a 2.5% reduction in greenhouse gas due to reduced fuel use and 1.7% reduction in greenhouse gases due to reduced raw materials.

## Sustainable operations

### Material use

The nature of our business requires heavy material use. We attempt to reduce overall materials used in production by sharing best practice examples in this area with all our plants across the world. Due to capital constraints we were unable to conduct a life cycle analysis of our process this year as planned. We intend to undertake this analysis during 2013.

Overall, metals (63%), glass (22%), insulation (7%) and plastics (7%) are the four largest material sources used in the Frigoglass ICM production process. These percentages vary according to the type and size of product.

The following tables show the materials used in our Cool operations from 2010 to 2012 and in our Glass operations in 2012.

We continue to strive to reduce our material use despite increases in production. To that end we have put in place two major initiatives as previously described – (1) the implementation of lightweight bottle manufacturing, and (2) the increased use of cullet (scraps of broken or recycled glass). Both of these initiatives contribute to a significant reduction of raw materials use.

**Table 8: Materials used in Cool Operations (tonnes)\***

	Metals	Glass	Plastics	Refrigerants	Insulation	Paint
2010	37,082	8,535	2,083	194	3,922	608
2011	31,280	9,580	2,888	228	3,542	556
2012	27,294	9,478	3,095	221	3,604	375

\* The data set does not include the amounts of glass used in our Nigeria Glass and North American operations. Our newly-acquired Jebel Ali plant in Dubai, has not been included in this reporting period. Data for China and Greece was not calculated in 2011.

**Table 9: Materials used in Glass Operations 2012 (% tonnes)\***

	Soda Ash	Silica Sand	Fledspar	Limestone	Cullet	Other
Beta Glass – Delta	13.12	43.77	1.63	12.48	27.72	0.48
Beta Glass – Guinea	10.90	38.25	2.73	9.91	37.69	0.51
Dubai – Jebel Ali	12.48	36.98	4.42	10.35	35.77	-

\* Materials used in our Glass operations differ from those used in our Cool operations. No data was collected for this data set in 2011



**Biodiversity**

None of our manufacturing plants or site offices are located in areas of high biodiversity value. As such our activities do not have a direct impact on biodiversity. However, we do undertake improvement opportunities where possible and manage any impacts through our Environmental Management System that has been in place since 2006. We also comply with local, national and international regulation at all our sites.

## *Sustainable operations*

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### **Supplier engagement**

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Sustainability at Frigoglass is embedded throughout our value chain. We work with our suppliers to develop environmentally-friendly solutions and to reduce greenhouse gas emissions associated with our products and operations. The contribution of our suppliers is crucial and we rely on them for the supply of high quality, innovative and recyclable materials, energy-efficient components and state-of-the-art machinery. Strong supplier partnerships also allow us to collaborate to reduce our transportation and warehousing emissions and extend the scope of our carbon emissions data assessment and reporting.

In our Cool operations we have more than 730 supplier partners across 56 material categories supplying all types of materials ranging from critical components such as compressors, plastics, glass and controllers to less critical but high impact materials such as aluminum profiles, pre-painted steel and metal components among others. In our Glass operations we have fewer suppliers who are equally important in terms of volume and criticality. Our supplier base is geographically diverse, with 52% of suppliers based in Asia, 40% in Europe, 5% in America and 2% in Africa. We are working to localize our supply chain to shorten lead times and reduce costs.

Working together with our suppliers enables us not only to remain competitive but also achieve the sustainability goals of our business as well as those of our customers. In the past two years, we have focused on improving these partnerships through the alignment of goals, expectations and targets. Some of the areas we have been investing in, in collaboration with our suppliers, include product quality, energy efficiency of both our products and operations, alternative power sources and optimized transportation and warehousing. Going forward we will work towards fully embedding sustainability throughout our value chain and engaging further in this area with our suppliers.

### **Supplier guidelines**

Frigoglass complies with standards well above local regulated standards in some cases, and expects its suppliers to do the same. The Suppliers' Code of Conduct outlines the key principles under which all Frigoglass suppliers are required to operate. It is communicated to each new partner prior to signing a contract. The issues covered in the Suppliers' Code of Conduct include the areas of corporate governance, human and labor rights and environmental protection.

In 2011 we introduced a new supplier audit procedure which comprises a number of performance measures under manufacturing, quality performance, order cycle management and sustainability. This audit tool scores our suppliers on a scale of 1 – 4 and provides an opportunity for continuous improvement, feedback and dialogue. In 2011 we implemented this audit procedure to the suppliers that are the biggest and most critical to our operations. Since then we have been progressively introducing a larger number of suppliers in the audit scheme. We completed 34 audits in 2011 and another 33 in 2012. Our end-goal is not only to include all our suppliers – no matter how big or small – but also introduce a wider range of criteria into our supplier assessment scorecard.

### **Supply Chain Conference**

Following the first Supply Chain Conference in 2010, two more conferences were held in Dubai, UAE in 2011 and in Thessaloniki, Greece in 2012. With a solid turnout of more than 50 business partners from both our Cool and Glass businesses, the Conference provided a good opportunity for us to engage with our suppliers, align our targets and strategies and discuss future projects and opportunities.

The main themes of the two conferences revolved around sustainable quality, the importance of customer satisfaction and creating customer value. Frigoglass' corporate and sustainability strategies were presented as well as the role of suppliers within the corporate and sustainability plans.



Moreover, participants had the opportunity to discuss the latest technology trends and the way these affect Frigoglass products and services.

Both conferences ended on a high note with award ceremonies recognizing top-performing suppliers for their valued contribution and relationship.

### **Sustainability in logistics and packaging**

A global operating environment means that the impacts from Frigoglass' suppliers' logistical activities affect the environment in a number of ways. These operations consume space, energy and fuel and represent multiple emissions burdens. At the same time they offer significant opportunities to create lasting positive impacts.

In 2011 and 2012, Frigoglass undertook a number of initiatives in collaboration with our suppliers to change the way our logistics influence the environment.

- **Establishment of the European Central Warehouse**

One of our most significant projects in 2011 was the implementation and operation of our new European Central Warehouse (ECW). All our European spare parts warehousing operations were integrated into one in order to provide our customers with best-in-class service levels. The initiative has also resulted in huge savings for Frigoglass. We have reduced trip numbers, fuel consumption and energy costs associated with multiple plants. The standardized procedures and optimized levels of inventory have increased productivity at the plants.

- **Improved ICM stackability**

Reconfiguring our stacking method has led to a reduction of warehouse space required for storing ICMs in addition to direct cost and energy reductions and savings.

- **Optimize and reduce pallet use**

In 2011 Frigoglass adopted an alternative pallet size for small carton shipments. The new pallet is approximately half the size of the EURO pallet resulting in less wood use for pallet production and smaller shipments.

For carton shipments of spare parts that were below 70kg we have eliminated pallets altogether reducing our pallet requirements by 1500 pallets in the process. As a result, transportation costs were reduced by one third.

- **Increased truck utilization from Turkey**

Our multiple suppliers are now required to send their orders to a consolidation center operated by a logistics partner. Only once sufficient orders have been collected, are they then loaded to the trucks for delivery. This results in fewer trucks that are more efficiently loaded, reducing fuel costs and emissions. By improving container loading and introducing consolidation centers and control towers, we achieved a 60% truck utilization rate, up from the previous 45-50%.

Additional work in progress aimed to increase the efficiency of our logistical operations includes:

- The relocation of our warehouse closer to our plant in Turkey. This is projected to reduce distance travelled each year by over 50,000 kms and thereby achieve a 40-50% reduction in monthly roundtrips/ km.
- In Russia we are aiming to reduce the number of warehouses from six to four, maintaining those closest to our plant.
- We are working on removing the top carton hat from the single door ICMs packaging in order to reduce packaging material and costs.



## Social responsibility

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We aim to develop safe, responsible and collaborative workplaces and contribute to and engage with the communities where we operate.

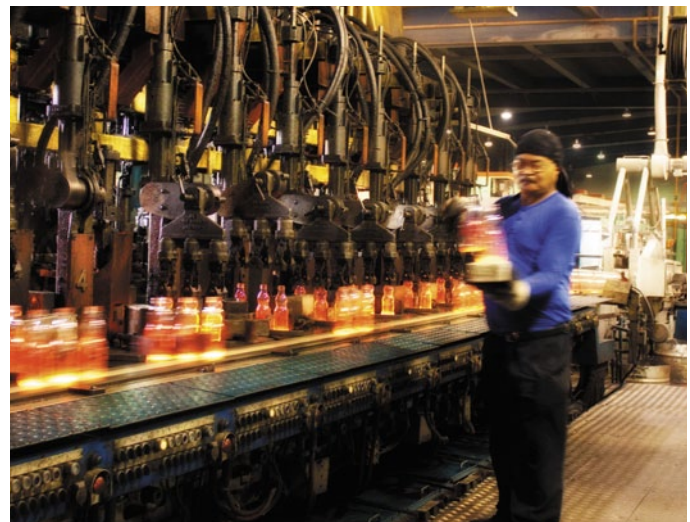
Frigoglass is comprised of a diverse team of dedicated employees who work together in our multiple plants and offices across the globe. The capabilities, talent and commitment of our people are the key to our success and what drives our business and creates value.

### Our people

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A significant part of our success depends on the people who work for us. Our workforce plays a crucial role in building an organization that delivers today and it is our goal to ensure that our company is always best prepared for future opportunities and challenges.

Driving performance is very important at Frigoglass and we achieve success by focusing on teamwork, people development and implementing systems and policies that meet the expectations of our employees, customers and shareholders and provide the groundwork for the successful operation of our organization.



## Social responsibility

### Workplace statistics

As of December 2012 we had a workforce of 6,266 staff. Our employee numbers have remained stable with a small reduction in 2012 versus 2011. The majority of our employees are permanent, full time and are based in Europe followed by Asia and Africa.

The proportion of females in our workforce has remained fairly static between 2010 and 2012 at approximately 10%. The majority of our workforce falls in the 30-50 age bracket.

Tables 1-3 depict our workforce by type of employment, age, gender and region.

**Table 1: Workforce numbers by employment type, contract and category**

	2010	2011	2012
<b>Employment Type/Contract</b>			
Permanent	3,862	4,411	4,333
Temporary	2,371	2,017	1,470
Part time	4	334	463
<b>Total employees</b>	<b>6,237</b>	<b>6,762</b>	<b>6,266</b>
<b>Employment Category</b>			
Directors	13	8	8
Senior Management	68	97	88
Middle management	455	569	559
Administration	506	933	715
Production	5,195	5,155	4,896
<b>Total employees</b>	<b>6,237</b>	<b>6,762</b>	<b>6,266</b>

**Table 2: Workforce by age and gender**

	<30			30-50			51+		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Male	2,418	2,146	2,284	2,816	3,485	2,993	395	437	324
%	38.8	31.8%	36.4%	45.2	51.5%	47.8%	6.3	6.5%	5.2%
Female	208	234	200	358	424	413	42	36	52
%	3.3%	3.4%	3.2%	5.7%	6.2%	6.6%	0.7%	0.6%	0.8%

**Table 3: Workforce by age and region**

	2010	2011	2012
<b>Age</b>			
Under 30	2,626	2,380	2,484
30-50	3,174	3,909	3,406
Over 50	437	473	376
<b>Employment by Region</b>			
Europe	2,860	2,834	2,284
Asia	1,766	1,841	2167
Africa	1,514	1,990	1690
North America	97	97	125
<b>Total</b>	<b>6,237</b>	<b>6,762</b>	<b>6,266</b>



## Social responsibility

### Equal employment opportunity

The Frigoglass approach to employment is one that is equal and fair to all employees. We abide by our Code of Business Conduct which supports our commitment to providing equal opportunities in the workplace irrespective of race, colour, religion, ethnicity, gender, national origin, disability, age and sexual orientation.

We evaluate our employees based on workplace performance and professional conduct. We have zero tolerance for any form of discrimination or workplace harassment and actively manage this through a procedure for reporting these issues.

To promote meritocracy and equal opportunities, we do not employ individuals who have an immediate family member who is already a part of the Frigoglass workforce.



### Workforce turnover

The table below summarises our turnover by gender and region.

**Table 4: Turnover (number) by region**

Voluntary Turnover	2011		2012	
	Male	Female	Male	Female
Europe	483	22	538	35
Asia	1,004	71	815	94
Africa	45	0	49	4
USA	14	3	N/A	N/A

### **Labor relations policy**

Frigoglass' Labor Relations Policy regulates all labor relations issues and ensures compliance with national and international laws and regulations. The policy sets out our approach to employment issues and applies to all our manufacturing plants, sales offices and the Head Office where the respective Managers are responsible for implementing the policy.

The Labor Relations policy outlines our commitment to the elimination of any type of discrimination, in terms of ethnic origin, color, religious beliefs, gender and sexual orientation as well as in terms of salaries and benefits, ensuring a competitive and equal pay for all employees according to their level and grade.

The policy also defines our approach towards health and safety whereby we guarantee compliance with the local and international regulations while at the same time we implement additional measures aimed at the prevention of accidents and diseases.

Finally, the policy includes the right of employees to participate in unions and also outlines their right for personal and professional development.

### **Labor standards**

Frigoglass complies with the principles of the United Nations Universal Declaration of Human Rights and the International Labor Organization. The Company's labor relations policy strictly forbids child labor or forced labor in all of our operations.

All our employees (permanent and temporary) around the world are also free to join trade unions. In some countries, over 70% of the employees associate with a trade union and are covered by collective bargaining agreements. In these cases, formal communication is in place and 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.

### **Compensation and benefits**

At Frigoglass, we ensure that all our employees receive fair and competitive compensation based on their skills and performance evaluation. They are entitled to various benefits depending on their employment grade and country of location. To indicate a few, benefits include pension and medical plans (in addition to what is provided by the state), stock options, company car, fuel allowance, day care subsidies, and many more.

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. Salaries are paid in accordance with the laws of each country, including those governing minimum wage and overtime pay. Employees also participate in the Company's pension scheme in countries where it is applicable.

## *Social responsibility*

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### The ART of People

In 2011 we went one step further with our performance management system, by recognizing that enhanced performance can only be achieved through discussion and dialogue. Approximately 500 employees participated in this program which includes annual and mid-year reviews.

We now need to place greater emphasis on people's behaviors. Leaders and managers do not directly manage the results; they manage the people - and their behaviors - who deliver the results. As such, the key role of the leader is to help improve the employees' performance by coaching them and helping them develop the appropriate behaviors. To achieve that we developed the new performance management initiative ART (Achieving Results Together) that was introduced to our leadership team in June of 2011 with an aim to focus on people development.

Some of the features of ART include:

- Focus on the 'how' side of the equation and a greater focus on behaviors (not only on the 'what' side)
- New competency framework for our management team
- Clear objective setting
- Single point of evaluating objectives and competencies

### Learning and development

At Frigoglass, our training and development efforts support our employees by following a blended approach that includes a variety of training tools, in-house and external seminars, workshops, web-based training and coaching/mentoring. We also facilitate leadership and management training for our senior managers to support leadership development.

We understand that a skilled workforce is essential for the success of the organization and place a high importance on regular learning. In 2011, Frigoglass staff completed an average of 17.5 hours of training per employee across all functions as listed below. In 2012 employees received an average of 9 hours of training. Training was provided to employees in Russia, Turkey, Romania, South Africa, Indonesia, China, India, Nigeria and Dubai.

**Table 5:**  
Average hours of training per employee by function

Employee category	2010	2011	2012
Directors	38	29	10
Senior Management	24	13	8
Middle Management	16	20	12
Administration	19	22	13
Production	12	12	9
Other	10	9	30

### Occupational Health and Safety (OH&S)

Occupational health and safety is of critical importance to us. This year we continued our efforts towards ensuring that all employees across our global operations are provided with the best possible working conditions.

We achieve this through the development of OH&S systems, standards and practices appropriate to the risks associated with our business activities and an OH&S policy that is applicable to all our employees at all levels within the organization. The main issues outlined in our OH&S policy include:

- Identifying, assessing and minimizing the risks associated with all types of work activities.
- Providing OH&S training and supervision, including safe work practices and emergency procedures.
- Reviewing and assessing all workplace accidents and safety incidents as part of an integrated management review program.
- Ensuring that all employees, visitors and contractors are fully aware of and observe the Frigoglass OH&S policy, standards and workplace safety rules.

In 2012 we undertook a number of initiatives across our plants including analysis of personal protective equipment at our Turkey plant, a health and safety campaign at our Greek site and medical examinations, analysis and health and safety tests in Romania.

Overall, we ensure that Frigoglass abides by the applicable international and national practices, regulations and legislations. Our Head Office and Greek, Russian and South African manufacturing plants are certified to the international health and safety management system, OHSAS 18001:2007.

Meanwhile, we have started 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

The tables below highlight our health and safety results across our plants. In 2012 we achieved zero occupational injuries at our Head Office, India and 3P Romania plant. However, our Turkey and Dubai sites experienced a significant number of injuries (29 and 12 injuries respectively). Our goal is to reach

zero occupational injuries and work-related illness in all our workplaces around the world.

We have not experienced any fatalities or occupational diseases over the past three years.

**Table 6: Health and safety indicators**

	2010		2011		2012	
	No. of incidents	Total days lost	No. of incidents	Total days lost	No. of incidents	Total days lost
Injuries	81	1,029	224		66	
Injury rate	0.0000110	-	0.000000371		0.00000009	
Absentee days <sup>1</sup>	-	23		33		39
Lost day rate <sup>2</sup>	-	0.0001398		0.0003696		0.00033187
Total labor hours	7,361,525		8,933,792		11,790,315	

<sup>1</sup> Includes sick leave but excludes maternity leave

<sup>2</sup> Includes both injury and sick leave

### Managing serious diseases (HIV/AIDS)

Frigoglass condemns and prohibits any form of HIV/AIDS discrimination in our offices. We continue to provide equal opportunities for all our staff across all our offices and also undertake regular training and awareness.

In the reporting period, at our Turkey and China plants, we distributed information brochures on HIV/AIDS and other life-threatening diseases. We also have a policy on HIV/AIDS in our South Africa manufacturing plant which outlines our approach and encourages sensitivity and understanding to affected employees.



## Wellbeing – Transforming our perspective on life

Our goal is to be a responsible employer but also an employer of choice. We believe that promoting our employees' wellbeing and being responsive to their needs, raises morale and increases motivation and commitment. In line with these objectives we are implementing a number of initiatives aimed at improving our employees' physical and mental health.

One such initiative was the "Wellbeing Event" organized at our Head Office in May of 2011. Four wellbeing kiosks were created at our premises and experts provided information on an array of topics including work-life balance, healthy nutrition and fitness, de-stressing and re-energizing, positive thinking and quitting smoking.

Employees were able to walk around the kiosks and get information on the issues that were of interest to them. Throughout the day, participants were also invited to attend presentations by experts as well as take part in group discussions and activities.

## Social responsibility

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### Community

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Giving back to the community in which we operate and having a direct positive contribution is the guiding principle behind Frigoglass' support of several organizations and initiatives.

With operations in Western Europe, Eastern Europe, Asia, North America and Africa we tend to have a substantial positive impact and influence on our local communities. This includes direct and indirect employment, purchasing, capital investment, payment of taxes, sponsorships of local initiatives and monetary investments into the local community.

In 2011 we developed our community investment strategy which has consolidated our approach on investment and provided guidance on new opportunities. Our focus is 'education' and 'environment' because these areas are of importance to us and aligned to our business. As part of this strategy, we have committed to supporting one major community project per plant/community where we operate each year and our goal is to synchronize our contributions in a way that they align with Frigoglass' overall community strategy while providing scope for local flexibility.

The first result of this strategy was the WWF educational program supported in Greece. We hope to continue this and expand the program of work with similar initiatives in other countries.



### South Africa

In South Africa the company's contributions involved ICM and monetary donations which were gratefully accepted by the beneficiaries, including:

- Kopanya, a day care center for underprivileged children.
- Soweto Blind Workshop; Ebenezer Home, which is committed to meeting critical community needs such as schooling and housing for the elderly
- Akani, an aftercare facility that provides proper meals to children in need and assists them with their homework.

These important organizations make a significant difference to their local communities. We are proud to support the altruistic, passionate people who are behind them and recognize them as true heroes.

### Turkey

Acknowledging the role of mothers in helping their children navigate through life, our employees in Turkey organized a heartfelt event to celebrate Mothers' Day. During the event, all women employees received commemorative gifts and were really touched when they found out that their colleagues had made them a special cake to mark the occasion.



### Indonesia

Social responsibility events may sometimes be easy to organize but their impact is really great when employees are wholeheartedly involved in them. With that in mind, the Frigoglass Indonesia team invited thirty underprivileged orphan children to join them for lunch, listen to their stories and experiences and learn about their talents, ambitions and dreams. After this relaxed and enriching meeting, our Indonesian employees offered their young guests school bags and stationery.

### Greece

During the Head Office Christmas gathering in December, our Athens office decided to donate food and other supplies to the 'Ark of the World' organization, which provides housing, food, education and guidance to children that have experienced abandonment, racism and social exclusion. Over fifty crates of food supplies, toys and household goods were collected and distributed to the organization, to the excitement and appreciation of sixteen children who came on the day.

## Frigoglass and WWF join forces in the "Journey to Future City"

Staying true to our Sustainability principles, Frigoglass teamed up with WWF Greece to support a unique environmental workshop titled "Journey to Future City" aimed at educating students of all ages on the consequences of climate change.

"Journey to Future City" is an educational game through which students have the opportunity to learn, reflect and come up with solutions on how to work towards a sustainable world. The workshop's main objective is for students to understand the consequences of climate change and discuss the simple measures that can be applied by individuals and by households to reduce energy consumption in everyday life.

The program ran for two consecutive academic years, 2011-2012, during which more than 6,000 students and 150 educators from 125 schools in Greece had the opportunity to participate. During the second year we also introduced a competition in which participating schools submitted a proposal on how to reduce energy consumption in their premises. The school that submitted the best proposal but also committed to implementing the initiatives proposed, will receive gifts from the WWF collection as well as an Ecocool ICM for the school's cafeteria.



## Global Reporting Initiative table

### STANDARD DISCLOSURES PART I: Profile Disclosures

Profile	Disclosure	Level of reporting	Location of disclosure
<b>1. Strategy and analysis</b>			
1.1	Statement from the most senior decision-maker of the organization.	Fully	Message from the CEO
1.2	Description of key impacts, risks, and opportunities.	Partially	Message from the CEO Risk management systems Throughout report
<b>2. Organizational profile</b>			
2.1	Name of the organization.	Fully	Cover page
2.2	Primary brands, products, and/or services.	Fully	About Frigoglass
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Risk management and governance
2.4	Location of organization's headquarters.	Fully	Athens, Greece
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	2012 Annual Report pages 10-11
2.6	Nature of ownership and legal form.	Not	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	2012 Annual Report pages 5, 9, 10 -11
2.8	Scale of the reporting organization.	Fully	2012 Annual Report page 8
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Message from the CEO
2.10	Awards received in the reporting period.	Fully	Awards
<b>3. Report parameters</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About this report
3.2	Date of most recent previous report (if any).	Fully	About this report
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	About this report
3.5	Process for defining report content.	Not	Sustainability strategy About this report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About this report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	There are no specific limitations

Profile	Disclosure	Level of reporting	Location of disclosure
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Joint ventures are not included in the scope of this report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Greenhouse gas emissions
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	There are no restatements made
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	There are no significant changes
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Table
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Frigoglass will not be undertaking assurance of its report at this time

#### 4. Governance, commitments, and engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	2012 Annual Report pages 32-33
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	2012 Annual Report page 34
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	2012 Annual Report page 34
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Shareholders can provide recommendations and feedback at the Company's Annual General Meeting. There are no specific mechanisms for employees
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	2012 Annual Report page 37
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	2012 Annual Report pages 32-33



## Global Reporting Initiative table

Profile	Disclosure	Level of reporting	Location of disclosure
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	2012 Annual Report pages 32-34
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Risk management and governance
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Risk management and governance  Code of Conduct <a href="http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf">http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf</a>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	2012 Annual Report page 37
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Partially	Global reporting Initiative UN Declaration of Human Rights Hellenic Network for CSR
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Memberships
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder engagement
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Partially	Stakeholder engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Stakeholder engagement

**STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)**

DMAs	Disclosure	Level of reporting	Location of disclosure
<b>DMA EC</b>	<b>Disclosure on management approach EC</b>		
Aspects	Economic performance	Fully	2012 Annual Report page 8
	Market presence	Fully	2012 Annual Report pages 8-9
	Indirect economic impacts	Fully	2012 Annual Report
<b>DMA EN</b>	<b>Disclosure on management approach EN</b>		
Aspects	Materials	Fully	Product recyclability Materials use Glass recycling Supplier guidelines Sustainability in logistics and packaging
	Energy	Fully	Reducing environmental impact through innovation Environmental impact of operations Glass recycling
	Water	Fully	Water
	Biodiversity	Fully	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on biodiversity
	Emissions, effluents and waste	Fully	Greenhouse gas emissions
	Products and services	Fully	Reducing environmental impact, Product recyclability
	Compliance	Fully	Operational risk management
	Transport	Fully	Sustainable operations
	Overall	Fully	Reducing environmental impact, Product recyclability, Sustainable operations
<b>DMA LA</b>	<b>Disclosure on management approach LA</b>		
Aspects	Employment	Fully	Workplace statistics
	Labor/management relations	Fully	Labor relations policy and Labor standards
	Occupational health and safety	Partially	Social responsibility Occupational health and safety
	Training and education	Fully	Learning and development
	Diversity and equal opportunity	Fully	Equal employment opportunity
	Equal remuneration for women & men	Fully	Equal employment opportunity

## Global Reporting Initiative table

DMA	Disclosure	Level of reporting	Location of disclosure
<b>DMA HR</b>	<b>Disclosure on management approach HR</b>		
Aspects	Investment and procurement practices	Fully	Supplier guidelines
	Non-discrimination	Fully	Equal employment opportunity
	Freedom of association and collective bargaining		Labor Relations Policy and Code of Conduct - <a href="http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf">http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf</a>
	Child labor	Fully	Labor relations policy
	Prevention of forced and compulsory labor	Fully	Labor relations policy
<b>DMA SO</b>	<b>Disclosure on management approach SO</b>		
Aspects	Local communities	Fully	Community
	Corruption	Fully	Risk management and governance
	Public policy	Fully	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
	Anti-competitive behavior	Not	Please provide a statement of why this has not been disclosed
	Compliance	Fully	Operational risk management
<b>DMA PR</b>	<b>Disclosure on management approach PR</b>		
Aspects	Customer health and safety	Fully	Quality and Safety and Code of Conduct - <a href="http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf">http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf</a>
	Product and service labelling	Fully	Product Responsibility
	Marketing communications	Fully	Code of Conduct - <a href="http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf">http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf</a>
	Customer privacy	Fully	Code of Conduct - <a href="http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf">http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf</a>
	Compliance	Fully	Product responsibility and Code of Conduct - <a href="http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf">http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_3_12.pdf</a>

**STANDARD DISCLOSURES PART III: Performance Indicators**

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Economic</b>			
<b>Economic performance</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	2012 Annual Report page 8
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Reducing environmental Impact, Energy use and Greenhouse gas emissions
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Social responsibility Compensation and benefits
EC4	Significant financial assistance received from government.	Fully	Nil
<b>Market presence</b>			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	We do not collect this data
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	Supplier engagement
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	We do not have a procedure for local hiring
<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	Community We have not made any infrastructure investments in the reporting period
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partially	2012 Annual Report
<b>Environmental</b>			
<b>Materials</b>			
EN1	Materials used by weight or volume.	Fully	Key Performance Indicators and material use
EN2	Percentage of materials used that are recycled input materials.	Partially	Product recyclability

## Global Reporting Initiative table

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source.	Fully	Key Performance Indicators, Energy Consumption
EN4	Indirect energy consumption by primary source.	Fully	Energy consumption
EN5	Energy saved due to conservation and efficiency improvements.	Partially	Greenhouse gas emissions
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	Greenhouse gas emissions Glass recycling Sustainability in logistics and packaging
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	Sustainability in logistics and packaging
<b>Water</b>			
EN8	Total water withdrawal by source.	Fully	Key Performance Indicators, Water
EN9	Water sources significantly affected by withdrawal of water.	Not	All water is sourced from municipal sources and are not affected by Frigoglass's water sourcing operations.
EN10	Percentage and total volume of water recycled and reused.	Not	We do not currently measure the percentage of water recycled or reused.
<b>Biodiversity</b>			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on the biodiversity.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on the biodiversity.
EN13	Habitats protected or restored.	Fully	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on the biodiversity.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on the biodiversity.



Indicator	Disclosure	Level of reporting	Location of disclosure
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on the biodiversity.
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Greenhouse gas emissions
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Greenhouse gas emissions
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	Greenhouse gas emissions
EN19	Emissions of ozone-depleting substances by weight.	Fully	Greenhouse gas emissions
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	We do not have the data collection systems in place to report on this indicator. We are working to implement appropriate procedures and systems that will allow us to more accurately measure and report in the future.
EN21	Total water discharge by quality and destination.	Not	We do not have the data collection systems in place to report on this indicator. We are working to implement appropriate procedures and systems that will allow us to more accurately measure and report in the future.
EN22	Total weight of waste by type and disposal method.	Fully	Waste
EN23	Total number and volume of significant spills.	Fully	Nil
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	None of our manufacturing plants and site offices are located in areas of high biodiversity value. As a result our activities do not have a direct impact on the biodiversity.
<b>Products and services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Sustainable operations
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	We do not collect this data however we plan on collecting this data and reporting in 2013
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Nil

## Global Reporting Initiative table

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Transport</b>			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Greenhouse gas emissions Supplier Engagement Sustainability in logistics and packaging
<b>Overall</b>			
EN30	Total environmental protection expenditures and investments by type.	Not	Greenhouse gas emissions
<b>Social: Labor practices and decent work</b>			
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Workplace statistics
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partially	Equal employment opportunity
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Our permanent staff receives 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. 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
LA15	Return to work and retention rates after parental leave, by gender.	Not	We do not collect this data

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Labor/management relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Social responsibility Labor standards
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	HO - n/a KA - 1week Russia - 2 months China - n/a India - n/a Turkey - We give information minimum one month ago if there is a change in the organisation and affects the employees substantially 3P Romania - 2 weeks Romania - 30 days prior notice North America - n/a Indonesia - Usually 4 weeks South Africa - Depending on the circumstance it could be from 5 - 21 days Nigeria - 2 weeks Dubai - 1 month
<b>Occupational health and safety</b>			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	Occupational health and safety
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	Managing serious diseases (HIV/AIDS)
<b>Training and education</b>			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	Learning and development
<b>Diversity and equal opportunity</b>			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	Workplace statistics
<b>Equal remuneration for women and men</b>			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	We do not have the data measurement systems in place to report on this indicator but plan to do so in 2013.

## Global Reporting Initiative table

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Social: Human rights</b>			
<b>Investment and procurement practices</b>			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Our investment agreements do not include human rights clause
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	Nil. With respect to suppliers and contractors, Frigoglass promotes respect for ethical conduct and Human Rights with suppliers and contractors and demonstrates a preference for working with those who share our values.
<b>Non-discrimination</b>			
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Nil
<b>Freedom of association and collective bargaining</b>			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	As far as we are aware no operations have been identified to be at significant risk, however we do not have a formal process for identifying these risks. Frigoglass respects the rights of workers to organise in labor unions in accordance with local laws and established practice. Wherever trade unions exist, we are committed to cooperating and consulting with their representatives
<b>Child labor</b>			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	As far as we are aware there are no operations bearing significant risk for incidents of child labor. We comply with local minimum age laws and requirements and do not employ child labor.

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Prevention of forced and compulsory labor</b>			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	As far as we are aware no operations have been identified to be at significant risk. However, we do not have a formal process for identifying these risks. Frigoglass ensures no forced, bonded or involuntary prison labor is used in Frigoglass Group production facilities. We ensure that the overall terms of employment are voluntary.
<b>Indigenous rights</b>			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	Require a statement
<b>Social: Society</b>			
<b>Local communities</b>			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	Community
<b>Corruption</b>			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	All
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Fraud awareness program
SO4	Actions taken in response to incidents of corruption.	Fully	There were no incidents of corruption in the reporting period
<b>Public policy</b>			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Refer to DMA Public Policy  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, politicians, and related institutions by country.	Fully	Nil



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Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Anti-competitive behavior</b>			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Nil
<b>Compliance</b>			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Nil
<b>Social: Product responsibility</b>			
<b>Customer health and safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	Reducing environmental impact
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	Nil
<b>Product and service labelling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	We follow European and national legislation and guidelines on product labelling
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Nil
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Customer engagement
<b>Marketing communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	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
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	Nil

Indicator	Disclosure	Level of reporting	Location of disclosure
<b>Customer privacy</b>			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	Nil
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Nil

## ***Notes***

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## *About this Report*

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The Sustainability Report 2011-2012 covers Frigoglass' sustainability performance for the two years starting in January 1st, 2011 and ending December 31st, 2012. This is our fifth Sustainability Report and follows the 2010 Sustainability Report.

The primary audiences for this report are our employees (current and potential), customers, suppliers, investors and local communities. This report covers all Frigoglass sites, including manufacturing facilities and sales offices, as well as subsidiary companies unless otherwise stated.

The format and content of this report is 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.

Stakeholder feedback is important for the development of sustainability reporting. We encourage feedback on this report.

To provide feedback or for any information regarding this report please contact:

Marketing Communications Manager

**Venia Zafolia**

**T** + 30 210 6165736

**E** vzafolia@frigoglass.com

Quality Systems & Sustainability Manager

**Olga Vayena**

**T** +30 210 6165785

**E** ovayena@frigoglass.com







[www.frigoglass.com](http://www.frigoglass.com)