

Sustainability Update 2013/1H2014



About this report

This is Frigoglass' sixth sustainability report, covering the sustainability performance of Frigoglass from January 2013 to June 2014. The report should be read in conjunction with the Frigoglass Annual Report 2013 which discloses financial and management performance for the 2013 calendar year. The primary audiences for this report are our customers, investors, employees (current and potential), suppliers and local communities in which we operate.

The report includes information from all sites over which Frigoglass has operational control such as manufacturing facilities and sales offices, as well as subsidiary companies (unless stated otherwise). Water, materials and waste data in this report covers only our Cool Operations. Greenhouse gas and human resources data has been reported from January 2013 to December 2013. Due to the closure of our North American production plant, we have not included diversity, health and safety, and training data for this region. As these plants were still in operation when the Carbon Disclosure Report was produced, we have included environment data for our North American plant for consistency.

A materiality assessment covering our Cool and Glass operations was undertaken in 2011. In January 2014, the materiality was reviewed and this report has been informed by the issues identified from the updated assessment. The assessment was aimed at determining those issues of most importance to our internal and external stakeholders. The report content is based on those issues identified during the assessment and the format of reporting is concise to suit this approach. We identified 12 material issues and this report discusses how we manage and mitigate our impacts in each of these areas.

Contents

Our plan for sustainable growth	4
Key highlights	5
About our business	6
Financial performance	8
Our business and sustainability strategy	10
Material aspects	11
Sustainability governance	12
Code of Conduct	14
Speak-Up policy	14
Risk management	14
Climate change as a business risk	15
Product responsibility	16
Environmental impacts of products	17
Quality management	19
Customers	22
Sustainable operations	24
Energy and emissions	25
Greenhouse gas emissions	26
Emissions management	28
Materials use and resource efficiency	29
Water	30
Waste and recycling	31
Supply chain optimisation through inventory management	32
Supplier engagement	32
Social responsibility	34
Workplace	35
Community	40

Our plan for sustainable growth

Sustainability is an integral part of how Frigoglass does business. It directly informs our growth strategy and supports key business platforms around innovation and the environment.

During the reporting period we continued to embed sustainability within the business. This has included finding ways to minimize the environmental impact of our products, to improve the efficiency of our operations, looking for innovation opportunities in our manufacturing processes, concentrating on waste, reuse and recycling, and promoting environmental education and awareness amongst our employees and in the communities in which we operate.

Going Forward strategy

Going Forward, is our global business strategy aimed at strengthening our position as a leading partner of international beverage brands and enhancing customer value. Our commitment to sustainability is embedded in the Going Forward strategy and we recently modified our sustainability strategy to link directly to the key strategic priority projects thus facilitating implementation as well as employee engagement.

More information can be found in the section of this report 'Our business and sustainability strategy'.

Business consolidation and efficiency improvement

The past two years have been challenging for us. Changing market dynamics have demanded a new focus in the way we approach our business. Following a period of rapid expansion in previous years, we commenced a phase of consolidation in 2012. During this period, we have made significant steps in reviewing our manufacturing operations in the face of sustained volatile market conditions. As part of this process, we have consolidated our manufacturing footprint, discontinuing manufacturing operations in the USA and integrating the production volume of the Turkish plant in our flagship Romania facility which has been in turn upgraded and expanded to absorb the additional capacity.

While these have been difficult decisions, we believe they will help Frigoglass significantly improve our cost structure, strengthen long-term competitiveness and help position our business to capture future growth opportunities.

Our successes

In spite of the challenges faced during the year, we continued to make progress across a range of sustainability, innovation and efficiency projects.

In 2013, we carried out our first life cycle assessment, reviewing one of our most popular ice-cold merchandisers (ICM) - the FV650 unit.

Our Solar ICM was recognised at the 2013 Beverage Innovation Awards where we were proud to receive the award for Best Environmental Sustainability Initiative.

This year we also completed our fourth submission to the Carbon Disclosure Project and recorded a substantial improvement in our performance score.

Across our glass operations, we continued to see an increase in the production of lightweight bottles, with this product now accounting for 25% of all bottles manufactured.

From a community involvement perspective, 2013 was our second consecutive year collaborating with the World Wildlife Fund on its 'Journey to Future City' program. As part of our community investment strategy we also provided financial support to development projects supporting communities at our Agbara and Delta operations in Nigeria.

We will continue to further embed sustainability across our value chain, report our progress and strive for continuous improvement that will allow us to strengthen our business and enhance customer value.

Torsten Tuerling
Chief Executive Officer

Key highlights

Financial performance	Completed inaugural bond transaction of €250m
Water	Reduced water consumption by 21,237 m ³ since 2012
Energy	Completed fourth Carbon Disclosure Project (CDP) report Reduced greenhouse emissions in Cool Operations by 5,495 tonnes CO ₂ e
Waste	Recovered and reused 38,000 pallets and 15,000 frames from customers
Materials	Reduced material use by 10,729 tonnes since 2010
Products	Conducted the first life cycle analysis of our Romanian manufactured FV650 CO ₂ unit – one of our most popular ICMs. Awarded Best Environmental Sustainability Initiative for our Solar ICM at the 2013 Beverage Innovation Awards Developed the Cooler Range of Innovative Simplified Products (CRISP) Increased lightweight bottle production – lightweight bottles now account for 25% of all bottles manufactured in our glass operations
Supply chain	Introduced new supplier questionnaire to all our suppliers
Customers	Reduced customer complaints by almost 50% since 2011 Launched the Frigoglass Integrated Services unique solution
Health and safety	Zero fatalities since 2009
Community	Engaged with 6,000 students and 150 educators through the 'Journey to Future City' program with the World Wildlife Fund



About our business

We are the global leader in the Ice-Cold Merchandisers (ICM) market, ensuring that our customers' products are uniquely positioned for the consumer. We are also the principal supplier of glass packaging in the high growth markets of West Africa.

Frigoglass has established relationships with the world's leading brands in the soft drinks and alcoholic beverage sectors. Our bespoke ICMs (beverage coolers) enhance our customers' branding at the point of sale and drive consumption. At the same time, our consistent ability to innovate, particularly in environmentally-friendly refrigeration solutions, enables our customers to meet their ambitious sustainability and carbon emission reduction targets.

Cool Operations

Europe & North America

- Production plants and sales offices
Greece, Russia, Romania
- Sales offices
Germany, Norway, Poland, Turkey, UK/Ireland, USA

Asia & Africa / Middle East

- Production plants and sales offices
China, India, Indonesia, Nigeria, South Africa
- Sales offices
Kenya, Malaysia, UAE (Dubai)

Glass Operations

- Production plants and sales offices
Nigeria, UAE (Dubai)



About our business (continued)

We are excited to win, to be different and to create pioneering solutions that foster better lives.

At Frigoglass, we are passionate about what we do and our commitment is defined in the above purpose statement.

Along with the development of the Going Forward strategy, we also defined a set of behaviors that are directly linked with our corporate values and which will ensure we achieve our goals and will motivate our team to perform.

Speed

Our objective is to create customer value by being better, quicker and more effective. Speed to market and continuous innovation is the essence of our business. We focus on prioritizing in order to pursue what is most important.

Simplicity

We make things simple for our customers, partners and colleagues. At the same time we challenge complexity aiming at being efficient and cost-effective.

Reliability

We are reliable and transparent in the way we conduct business. We deliver on our commitments and trust others to do the same.

Financial performance

Full details of our financial performance for the reporting period can be found in our Annual Report. The following table provides an overview of financial performance in 2013.

Table 1: Key 2013 figures

Revenues	522.5 €m
EBITDA	63.9 €m
Market capitalisation	258.5 €m*
Net profit	-13.8 €m **
Payments to government (gross taxes)	11.4 €m
Total assets	586.7 €m
Employees	4,790

* Share price at 31 December 2013 was €5.11

** FY 2013 Net Profit excludes restructuring charges of €17 million

Bond transaction

In 2013 we recorded a significant milestone with the successful completion of our first bond transaction of €250m. The pricing and level of demand demonstrated investors' confidence in our business model and our future prospects.

The transaction was significant in that it has opened up the international debt capital market for Frigoglass. It allows us to diversify our sources of funding, extends our debt maturity profile and provides financial stability to allow us to focus on operational improvements in our business.



Our business and sustainability strategy

Sustainability is a key ingredient of our overall business strategy and is embedded in the pillars of our corporate Going Forward strategy.



Linking the business and sustainability strategies

Following an assessment of our material issues in 2011, we updated our sustainability strategy to reflect and support our core business. The updated sustainability strategy focuses on three pillars, product responsibility, sustainable operations and social responsibility, and is underpinned by a three year action plan.

Following that, in 2012 we refreshed our overall corporate strategy in order to further strengthen our position as a strategic partner of global beverage brands, to enhance our financial performance and to better respond to global market challenges. The result was the Going Forward business strategy.

At strategy session in 2014 it was agreed to incorporate the three sustainability pillars into the Going Forward strategy in order to achieve maximum alignment and engagement at the same time. The Going Forward strategy is comprised of four business priorities – as shown in the interior quadrant on the left - which we linked with the sustainability strategy pillars to result into three new areas of focus for our sustainability strategy: customer engagement, supplier engagement and community engagement.

Incorporating our sustainability strategies within the Going Forward business strategy, allows us to more easily implement our action plan and at the same time to better engage with our internal and external stakeholders.

Aligning our business and sustainability strategies allows us to increase our impact and engagement with stakeholders.

Material aspects

In January 2014 we reviewed the materiality assessment that was undertaken in 2012 to determine those sustainability issues of most importance to our stakeholders and our business. We have defined our material aspects through a process of research, analysis, interviews, testing, validation and refinement.

Through this process we identified 12 key or material issues, each of which is discussed in this report.

The key issues identified were:

- Product responsibility
- Quality management
- Energy and emissions
- Materials use
- Waste
- Supplier relations
- Inventory management
- Talent development and wellbeing
- Health and safety
- Diversity and equal opportunity
- Community investment and engagement
- Human rights

Our focus on only material issues has reduced the size of this year's sustainability report. This is reflective of best practice reporting which focusses on disclosure around those issues of most importance to stakeholders and the business.

Sustainability governance

Our Board and management have a proactive approach to managing and driving sustainability throughout the organization.

Our Board is appointed by our shareholders and consists of nine members, eight of whom are non-executive and four of whom are independent. The Board and the executive committee meet on a regular basis to discuss a range of issues and to provide overall direction to the company. The Board is also supported by a number of Board committees.

Following the announcement of an organizational restructure in 2012, a new Sustainability Manager position was created reporting to the Quality and Engineering Director. In the two years since this position was established we have enhanced our engagement with key stakeholders including employees, suppliers and customers across all areas of sustainability.

The Sustainability Manager has overall responsibility for all sustainability aspects including developing and implementing a response to the risks and opportunities associated with climate change. Specific sustainability actions are assigned to relevant departments, functions or individuals with oversight from the Sustainability Manager who tracks progress and provides updates to the Quality and Engineering Director.

The following diagram illustrates how sustainability issues are managed at Frigoglass.

Sustainability roles and responsibilities

Human Resources Committee

- Provides strategic guidance on social responsibility, diversity, talent management and training

Corporate Compliance Committee

- Decision making on cases related to the Speak-Up policy

Head of Corporate Governance

- Responsible for all corporate governance issues and the development of related policies
- Develops and manages the Code of Business Conduct and the Speak-Up policy

CEO

- Signs-off the Sustainability Report
- Reviews company-wide audit report findings
- Oversees risk and opportunities identification processes

Quality and Engineering Director

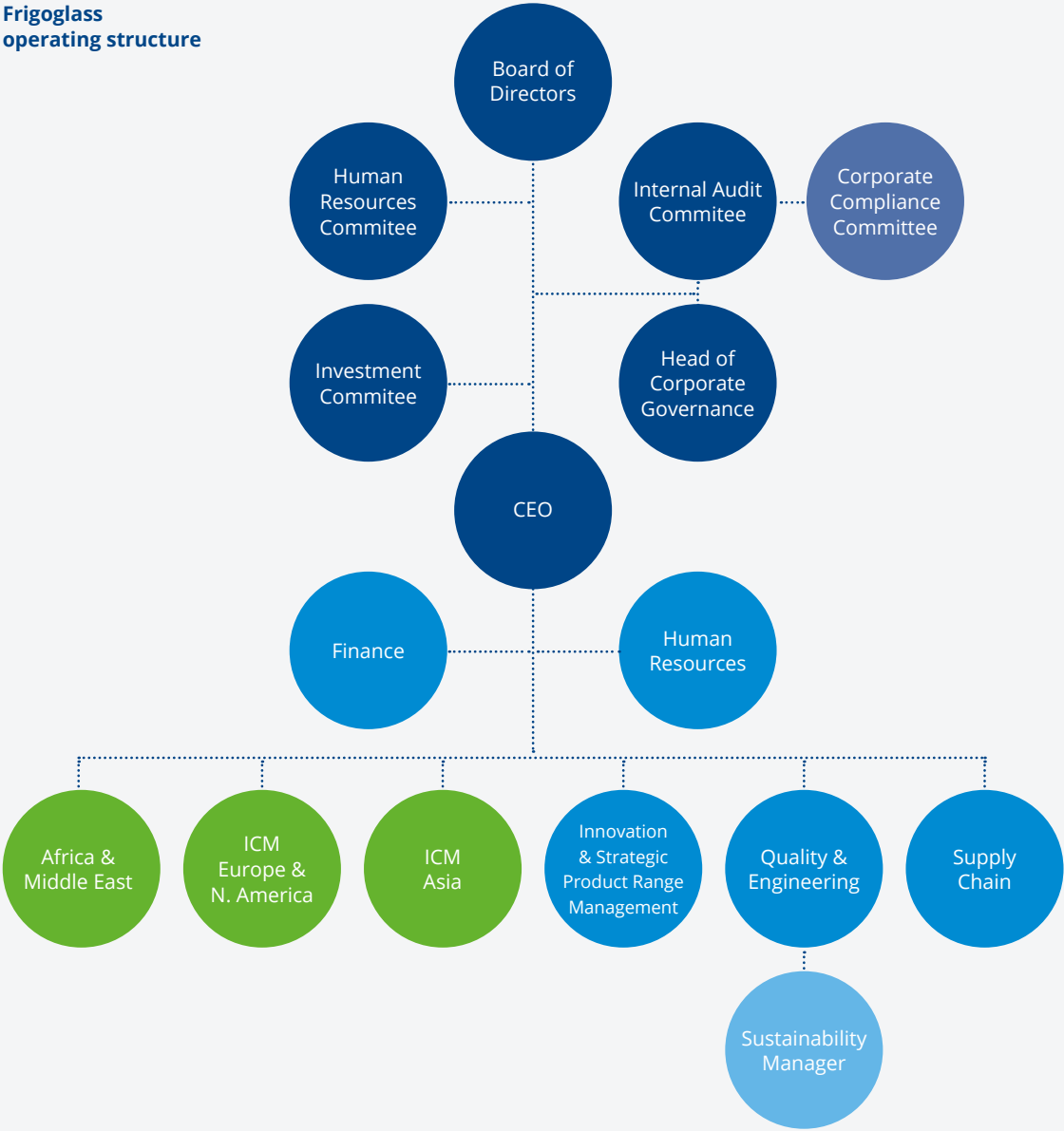
- Reviews the Sustainability Report

Sustainability Manager

- Manages sustainability actions across the company
- Monitors and reports the sustainability progress
- Provides input and reviews the Sustainability Report

- Business Unit
- Central Function

**Frigoglass
operating structure**



Sustainability governance (continued)

Code of Conduct

It is vital to Frigoglass that we have a strong reputation for honesty and integrity among our customers and suppliers. Preserving the trust of our stakeholders is the responsibility of every individual in the company.

Our expectations of employees are clearly detailed in our business conduct and ethics code which is designed to help everyone meet their responsibilities. The Code, which can be found on our website, sets out Frigoglass policies on how to conduct business around the world and is an integral part of the corporate governance framework. The Code was approved by the board in 2006 and was last reviewed in 2014.

Speak-Up policy

The Speak-Up policy is designed to provide our employees, contractors, suppliers, clients and other stakeholders with the opportunity to be heard and voice any concerns they may have. Under the policy they are able to report violations of company procedures, including corruption or other irregularities. The Speak-Up policy is aimed at raising concerns at an early stage so that any issues can be dealt with promptly.

Stakeholders can report irregularities through an online reporting form. All relevant concerns are elevated to the Head of Corporate Governance who notifies the Corporate Compliance Committee consisting of the Chief Financial Officer, the Chief Human Resources Officer as well as a representative from the audit committee. More information on our speak-up policy can be found on our website.

Risk management

Identification and mitigation are the key pillars of our risk management system. Early identification of environmental, social and governance risks, and the establishment of effective controls, helps us to manage risk effectively.

Our operational risk management program was upgraded and extended over 2011 and 2012. The upgraded program now consists of three major assessment categories – health and safety, environmental issues and licensing, and local registration. As a result of this upgrade we can now assess risk at an asset level which includes annual auditing and monthly follow-ups on progress.

The key areas of focus are:

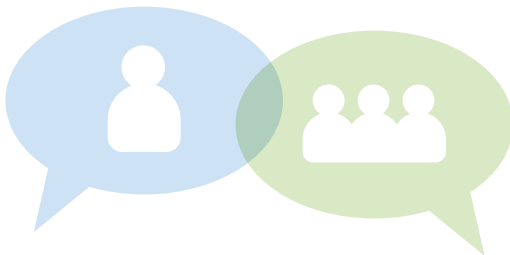
- safety measures
- site and construction risks
- business continuity planning
- environmental capabilities
- occupational health and safety capabilities
- logistics/ cargo risk management capabilities

The introduction of these upgrades to the program as well as a new, structured and detailed reporting system allows us to better identify, manage and mitigate risk.

Annual health, safety and environment audits

Annual health, safety and environmental audits are carried out in each plant by third party providers. Within the environmental section of our risk management program, we measure our emissions, the risk of accidental spills and waste management. We also include risks related to extreme weather conditions.

These audits assess how well the risks are managed in terms of the operational risk management program. They are also used to assess the level of risk, the measures being taken to address the risk and the opportunities to reduce the risk.



Findings from the annual audits are reported to the CEO and executive committee. This provides an opportunity to view the findings on a company-wide level so that risks and opportunities as a whole are identified and assessed effectively.

As of the end of 2012, environmental management practices, which form part of the risk management program, were implemented across all plants.

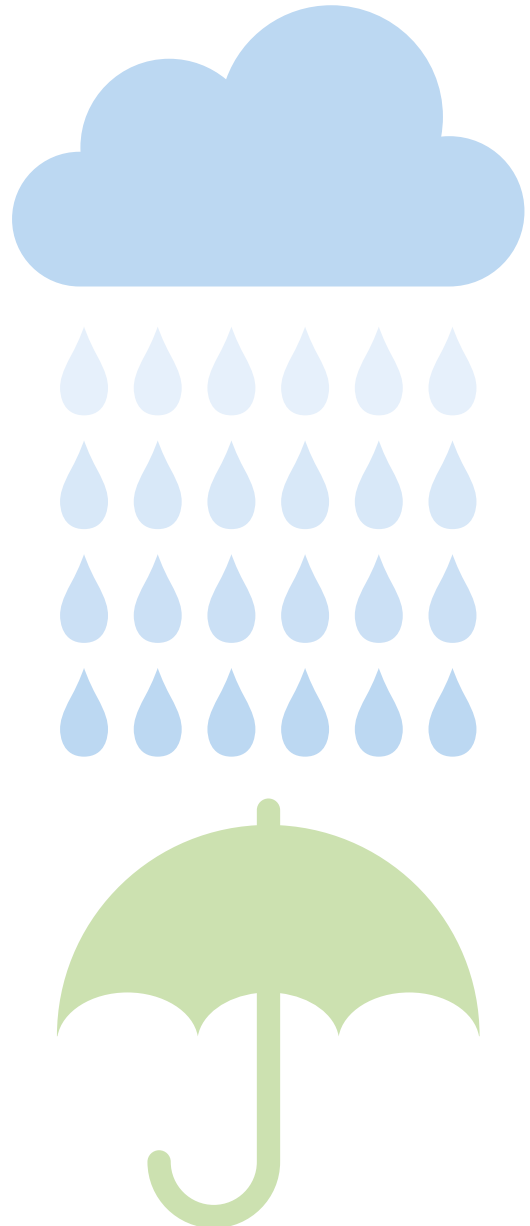
Climate change as a business risk

We have long recognized the risk of climate change both internally and externally and have taken steps to integrate climate change risks and opportunities into our overall business strategy through several mechanisms.

Climate change has been highlighted in our operational risk management program relating to business continuity and environmental management. In consequence, we have built resilience into our manufacturing facilities and supply chain against extreme weather events.

At the same time we also sought to understand the emissions profiles of our Cool and Glass manufacturing businesses and have implemented a process to collect energy use and emissions data. Carbon emissions and energy use data has been used to assess energy efficiency opportunities at a number of our plants as well as to help us establish our carbon emissions target which is to reduce emissions by 5% by 2020.

Moreover, we are aware that our ICMs, through their operation, contribute significantly to our customers' carbon footprint and have heavily invested in developing beverage coolers that are environmentally-friendly. In our glass business we have been focusing in the production of lightweight bottles, using fewer raw materials, while we have also been trying to source the largest possible quantities of cullet.



Product responsibility

As a global supplier of beverage coolers, our commitment is to design and produce innovative products while reducing their environmental impact.

Increasing demand from our customers for energy efficient and lower emission beverage coolers has profoundly shaped our product strategy. Energy use associated with the operation of our ICMs often makes up the most significant proportion of our customers' carbon footprint – in some cases from 40% to 60% of their overall footprint - so addressing environmental efficiency is a priority.

Glass packaging on the other hand, is not only energy intensive during production but also requires a large amount of raw materials. Reducing material use is the primary goal in our glass operations.



Environmental impacts of products

Why is this important?

We strive to deliver quality products to our customers that are not only innovative but also designed to be sustainable and efficient. We believe that minimal environmental impact beverage coolers and lightweight bottles will be an even greater element of our growth strategy in future years.

To enable this, we heavily invest in research and development to improve the energy efficiency of our products. This allows us to provide customers with a wide range of eco-friendly options and encourages environmental responsibility among suppliers and customers.

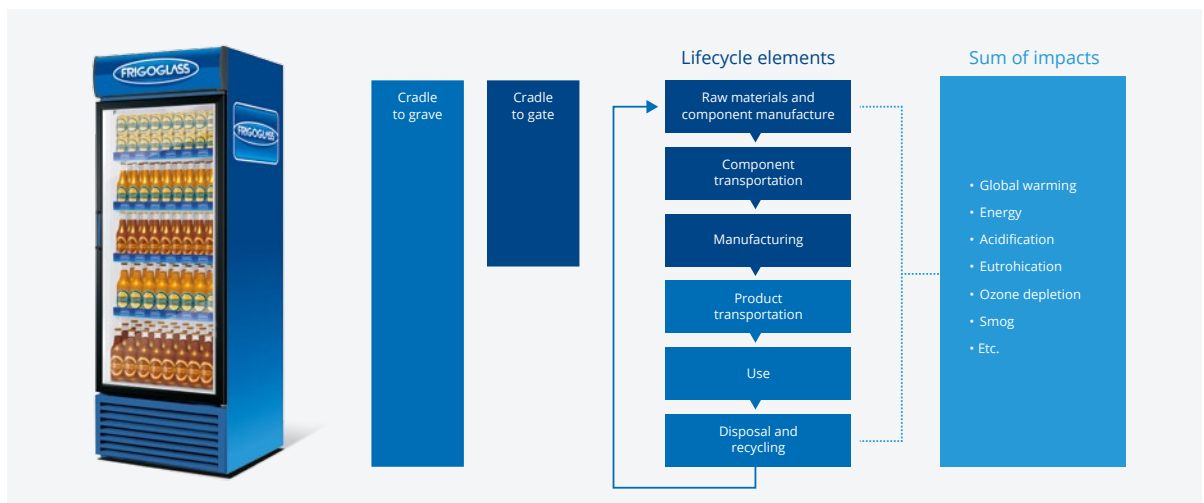
Assessing the lifecycle of our ICMs

In 2013 we successfully carried out our first life cycle analysis (LCA) of the Romania-manufactured FV650 unit – one of our most popular ICMs.

Through an interactive data gathering and gap analysis process, we conducted a cradle to grave analysis of the FV650's impact on the environment. The study examined the product's lifecycle from the extraction of raw materials, through manufacture, transport, installation, use and disposal. The assessment followed the ISO 14040 framework and was able to identify stages that contributed to the FV650's biggest environmental footprint. Two of the largest impacts identified were associated with the energy required to operate the product and the emissions associated with transporting the compressor, steel and plastic parts.

Some of the recommendations from the LCA included focusing on in-use energy efficiency, expanding refurbishments surveys and dematerialising high impact components.

We have used these findings to develop the new CRISP range (discussed in this report) in which, among other innovations, we have achieved a substantial reduction in in-use energy consumption. At the same time we continue using the detailed LCA findings in our product development work of our new as well as existing product ranges aiming to make concentrated changes to further improve the efficiency of our complete product offering.



Product responsibility (continued)

Improving energy efficiency across our ICM range

Improving the energy efficiency of our beverage coolers and reducing their environmental impact has been a top product development priority and an ongoing process. During the reporting period, our work in this area has been intense.

On the one hand we have been investing towards optimizing our CO₂ range. Through continuous work on technological innovation we have not only increased the number of CO₂ units in our range but have also achieved significant energy consumption reductions – in some cases a reduction of up to 40%.

The know-how and technological advances have been applied not only in our CO₂ units but across our entire ICM fleet, resulting in a substantial 10% energy consumption reduction per ICM unit.

Reducing the need for maintenance

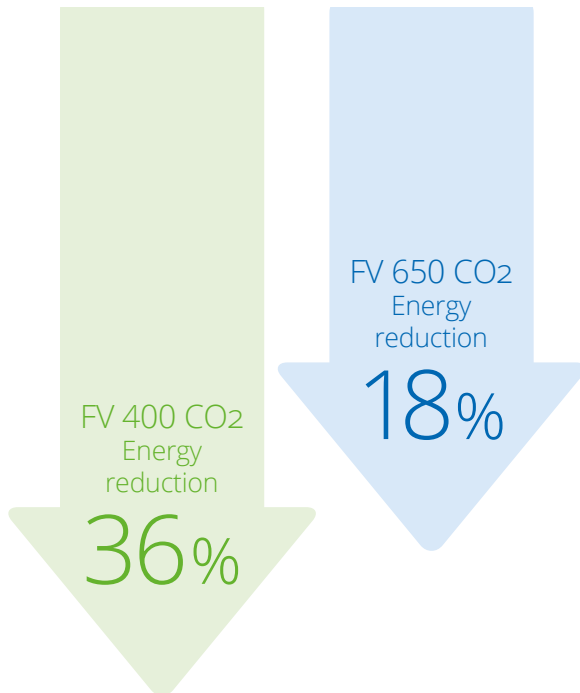
We have been long working on further improving product engineering as well as using superior top-quality components. As a result of this work, we have developed coolers which are more robust and require substantially less maintenance. This translates not only in a reduced lifetime cost but also in an overall reduction of a unit's emissions throughout its lifecycle.

As part of this project, we applied “low maintenance” engineering solutions to 100% of all our new developments and more than 50% of our entire ICM fleet with a focus on Asian markets where the need for “low maintenance” coolers is greater due to weather and market conditions as well as lack of service infrastructure. Using the application of stress-resistant components with low failure rates we were able to strengthen the performance of our coolers, reduce the MTBF (Mean Time Between Failures) and minimize the need for preventive maintenance.

Lightweight bottles and cullet use in Glass Operations

In 2013, we increased production of lightweight bottles which now account for 25% of all bottles made. As lightweight bottles consist of 15% less glass than a standard bottle there is a reduction in materials required to make the bottles, as well as transport savings because of the lower freight cost. We are working to increase the production of lightweight bottles to at least 45% of all bottles by the end of 2014.

We have also increased the use of cullet, or scraps of broken glass, to account for 45% of the raw material used in production at our Jebel Ali plant. Cullet allows us to reduce raw material consumption and at the same time reduce energy consumption during the manufacturing process.



Best environmental sustainability initiative award

Our Solar ICM was recognized at the 2013 Beverage Innovation Awards hosted at Drinktec in Munich, where we received the best Environmental Sustainability Initiative Award.

The Solar ICM is a stand-alone unit that operates through rechargeable batteries powered by solar energy. The unit is part of our Ecocool range that uses HFC-free refrigerants and insulation substances. The Solar ICM is the latest addition to Frigoglass' green product portfolio and is based on the Company's innovative refrigeration equipment and the use of alternative power sources.

The 2013, Beverage Innovation Awards were the largest to date with more than 370 entries from 40 countries.

"We are very pleased to be recognized for our commitment to environmental innovation and for the Solar ICM in particular. Sustainable development is a top priority for Frigoglass and we continue working closely with our customers in order to develop solutions that meet their ambitious sustainability targets."

*Pierre Boyer, Executive Director
BU ICM Europe & North America*



Quality management

Why is this important?

Delivering consistently high quality and safe products to our customers is one of our core values. It helps to ensure high customer satisfaction as well as long-term prosperity for the company.

Quality is achieved through an established culture, uncompromising commitment to the highest standards and a sustained focus on constantly improving our products to meet customers' requirements.

LEAN operational excellence

Quality is a key ingredient and an ultimate objective of one of our strategic priority projects rolled out during the reporting period. The LEAN operational excellence project focuses on achieving and reinforcing excellence throughout our operations in order to maximize value creation for our customers. The LEAN manufacturing operational model includes mapping the value flow in the manufacturing process, identifying value adding activities, establishing a pull flow mode to match customer demand pace and identifying and eliminating all waste from transport, inventories, movements, waste, overproduction, overprocessing, defects and skills. Supplier integration and product innovation are two more pillars of our Operational Excellence System.

During 2013/14 we made significant progress implementing LEAN manufacturing principles across our plants. For 2014/15, we will further accelerate the rollout of these principles.

Product responsibility (continued)

LEAN Manufacturing Principles

	Supplier integration	Manufacturing excellence	Product innovation
Integrity	Optimize specifications and produce design fit for component integrity		Working on establishing the appropriate organization, structure and systems to develop products that are fit for manufacturability and meet the criteria of high integrity and superior functionality
Excellence in performance	Manage performance of suppliers. Perform supplier audits, appraise and help improve their performance	Provide systems and tools to sustainably achieve manufacturing excellence within the work area, aiming at always delivering world class manufacturing and quality products	Ensure performance requirements and safety criteria are met for 100% of production
Build competencies and procedures	Build strong relationships and support competency development		Establish a procedure of low level integrity validation for all components, assemblies and products prior to every commercialization to ensure the smooth and faultless production

ISO Certified

In 2008/ 09 we achieved our first ISO 14001 environmental management system certification at our Head Office in Greece. Over the years we have extended this and other health and safety certifications to our other sites. At the time of reporting, all Frigoglass sites across Europe, Asia and Africa were certified to ISO 9001 quality management systems and five sites were certified to ISO 14001 environmental management system and ISO 18001 occupational health and safety system.

Encouraging innovation

Sustainable innovation is at the core of our business strategy and forms the foundation of our research and development (R&D) efforts. Frigoglass operates R&D centers in Greece, India and China with 19 test chambers globally.

Innovation has long been a key product development driver and 2013/14 was a particularly strong year in this area. As a result of our focus on energy use across the ICM fleet, we were able to achieve a 10% reduction in energy consumption per unit. We have also been developing customised ICM units to enhance customers' brand equity and visibility at the point of sale. This collaborative approach involving customers and third parties has helped us to develop ICM solutions that increase sustainable cold drink availability.

CRISP: Cooler Range of Innovative Simplified Products

One of our four strategic priority projects has been that of product optimization in which we have been focusing on our long-term innovation leadership and on developing the winning future product range.

The Cooler Range of Innovative Simplified Products (CRISP) is the successful outcome of this effort, offering best-in-class performance and innovative features that allow our customers to enhance product visibility, reduce cost, stay connected with their consumers as well as meet their sustainability targets.



Premium aesthetics

The CRISP line-up features premium, three-dimensional aesthetics, strong brand identity, enhanced product visibility and differentiation at the POS.



Energy efficiency

CRISP coolers offer best-in-class energy efficiency and allow our customers to save up to 60% on energy.



Noise reduction

Implementing a substantial noise reduction as low as 55dBA for a single door unit. "Silent" units are easier to place and are ideal solutions for a variety of outlets.



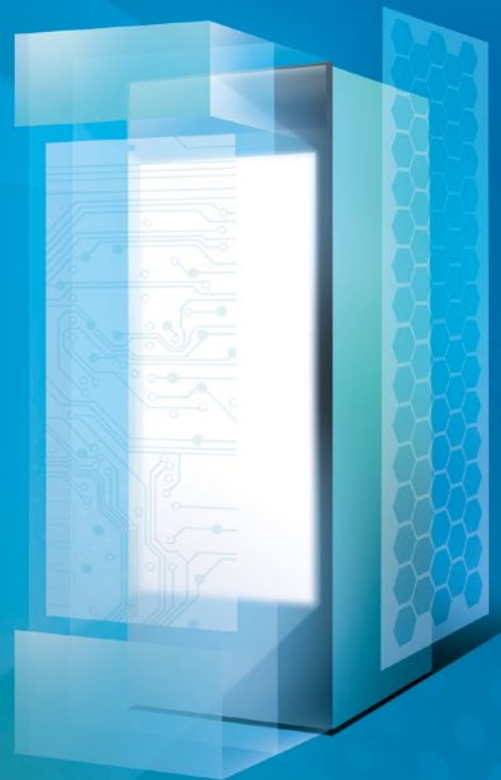
Connectivity

The connectivity feature allows beverage companies to have instant access to important information, such as location and cooling performance of the ICM, need for maintenance as well as sales performance. Connectivity also enables location-based marketing campaigns for immediate consumer attraction at the POS.



Total Cost of Ownership reduction

Through advanced engineering and the use of top quality components, the need for cooler maintenance is reduced up to 50%. This translates to significantly reduced lifetime cost and complexity, allowing beverage companies to focus on their core business of selling more beverages.



Product responsibility (continued)

Customers

Why is this important?

Customer satisfaction is a key driver in our business model. Engaging with our customers on environmental issues and seeking their feedback on innovation helps us to continually improve and reinvent our products and services.

Frigoglass Integrated Services

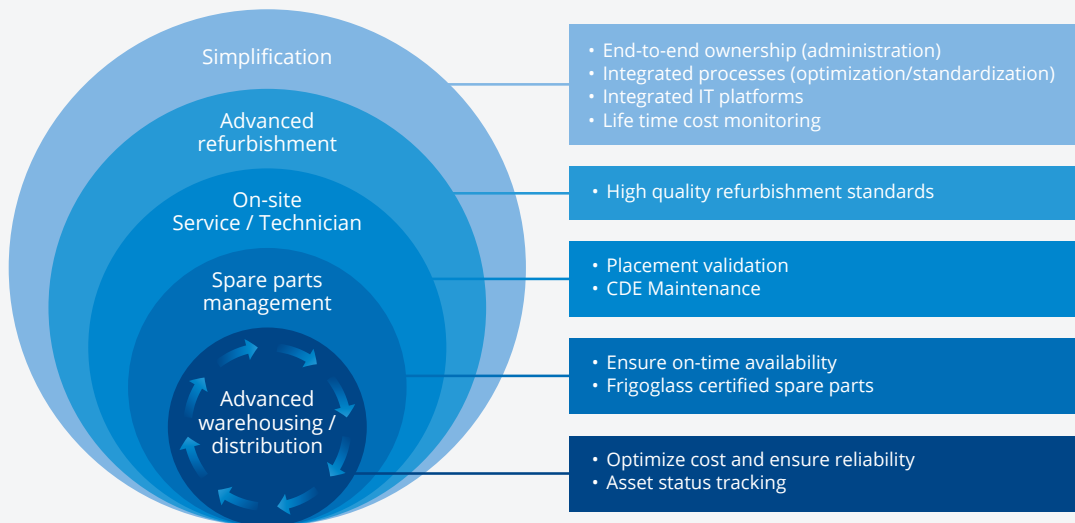
In 2014 we launched a unique and unprecedented customer service program - Frigoglass Integrated Services – aimed at providing our customers with an outsourcing model to manage their cold drink equipment (CDE) at a significantly reduced total cost of ownership.

Through this service we are able to support our customers in the management of their CDEs from distribution through to the end of life. This includes placement, storage, service, refurbishment and end-of-life recycling of ICMs.

An advanced IT infrastructure and a central control center enable a seamless and live monitoring of all units and all stages of the process.

Keeping a sustainability focus in mind, this program also allows customers to refurbish their old units thus saving on the cost of a new unit and reducing material use.

Frigoglass Integrated Services One service... Five-tier value proposition



Engaging our customers

Customer feedback is a key element to improving our service and product offering and we have been regularly collecting feedback since 2009.

The chart below illustrates the reduction in customer complaints since 2009. This is attributed to the importance placed in quality from top management over the past years. Quality has been defined as a top priority project and with this mandate we have been striving to continually improve our manufacturing standards across the entire manufacturing process and geographic footprint. We have set high standards for product quality and safety and have implemented a number of initiatives and procedures that have helped achieve a significant increase in customer satisfaction which has in turn resulted in substantially lower customer complaints as shown in the related chart. The Cooler Range of Innovative Simplified Products (CRISP) is the successful outcome of this effort, offering best-in-class performance and innovative features that allow our customers to enhance product visibility, reduce cost, stay connected with their consumers as well as meet their sustainability targets.

Figure 1: Total complaints per 10,000 ICMs



Sustainable operations

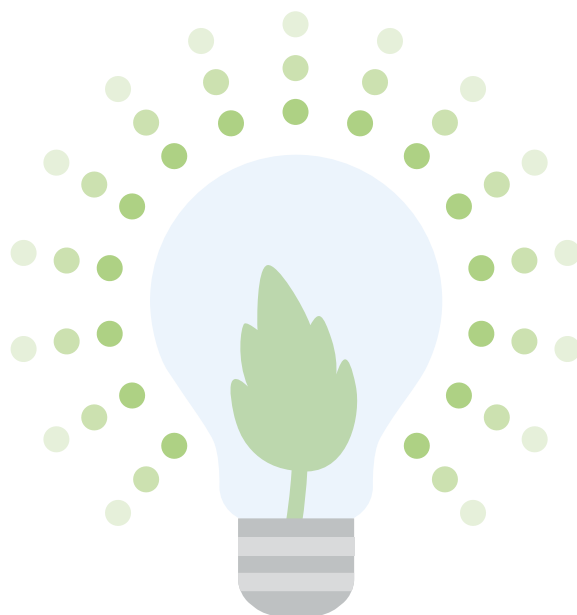
Our objective is to continue to reduce our impact on the environment through constantly measuring and improving what we do, continuing to innovate in our manufacturing process, reducing waste, re-using or recycling materials, and promoting education and awareness within our business and in our society.

Energy and emissions

Why is this important?

Maintaining the natural environment in which we operate is imperative to the sustainability of our business. We believe we can continue to grow while reducing and managing our energy consumption and associated emissions.

As a manufacturing business, we recognise the potential environmental impact of our operating facilities. In particular, we recognise that we are heavy consumers of energy during the manufacturing process. Consequently, our focus on reducing greenhouse gas emissions is a key business priority and at the forefront of our sustainability initiatives.



Energy consumption

Natural gas and electricity are the main sources of power for our plants and facilities. The table below highlights our energy consumption by fuel type across our regions. In 2013, our energy consumption totaled 831,321MWh. This is 5,133MWh higher compared to 2012 and is due to the 8% production increase in our Glass Operations.

Table 2: Energy consumption by fuel type and region

Regions	Natural gas	LPG	Petrol	Diesel	Fuel oil	Lubricants	Grid electricity
Cool Operations	18,596	8,297	2,715	2,241	26	53	26,095
Glass Operations	532,274	37,742	3,741	17,294	128,450	-	52,556
Total Operations	550,870	46,039	6,456	19,535	128,476	53	78,651

Sustainable operations (continued)

Greenhouse gas emissions

In 2013, we generated approximately 224,317 tonnes of CO₂e, with the largest contributors being carbon dioxide (220,637 tonnes CO₂e), methane (429 tonnes CO₂e), nitrous oxide (331 tonnes CO₂e), and hydrofluorocarbons (2,920 tonnes CO₂e).

Every year, we report on our scope one, two and three emissions. Scope one emissions include the direct greenhouse gas emissions from sources that are owned or controlled by Frigoglass such as natural gas combustion and company owned vehicles. Scope two emissions account for greenhouse gas emissions from the off-site generation of purchased electricity, heat and steam. Scope three emissions include all other indirect emissions such as those from waste disposal, business travel and staff commuting.

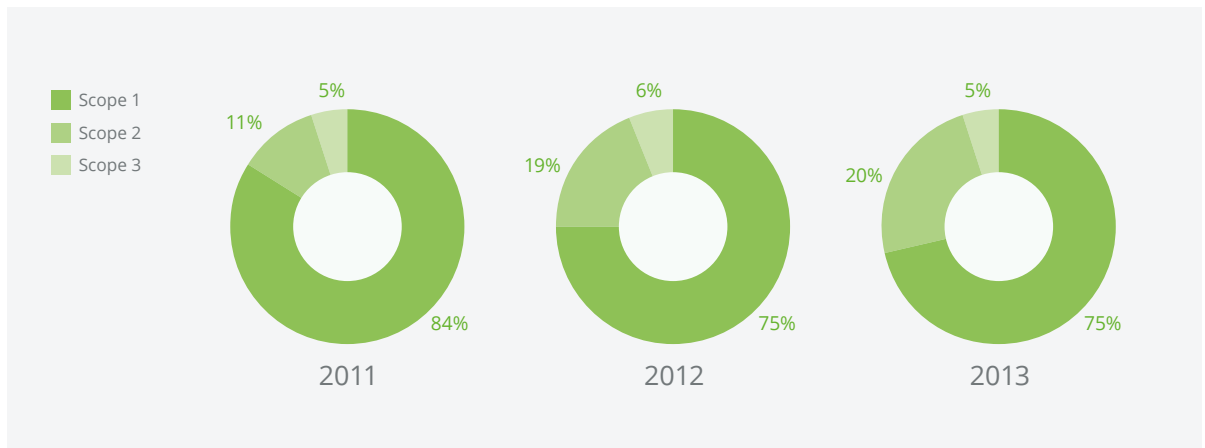
This year, we have presented a comparison of our performance over the last three years. As seen in the diagram below, scope one emissions have consistently been our biggest source of greenhouse gas emissions.



However, we have been able to reduce this by 9% since 2011 and have maintained this level for the last two years. While scope two and three emissions have fluctuated, they have remained relatively consistent in 2012 and 2013.

Moreover, since we first began reporting on our emissions we have achieved significant improvements in the consistency and accuracy of our data gathering.

Figure 2: Comparison of emissions by scope (2011 - 2013)



1 It should be noted that Frigoglass operates a number of offices/sales offices that are not included within this assessment.
 2 It is important to note that Romania, Beta Glass - Delta, Beta Glass - Guinea, Jebel Ali, Agbara Plastics, Delta Plastics, and Nigeria Crowns sites were not able to provide data for third party deliveries and/or business travel, and so are not directly comparable as the emissions from those sites would be higher if these emissions sources were to be included.



Our greenhouse gas calculations for the 2013 calendar year covered our sites in Europe, Asia, Africa, the Middle East and North America.

Table 3: GHG Emissions per region

Region	2013
Cool Operations	
Europe	18,046
Asia	11,085
Africa/Middle East	2,714
North America	4,233
Total Cool Operations	36,078
Glass Operations	
Africa/Middle East	121,853
Asia (Jebel Ali)	66,387
Total Glass Operations	188,240
Total (Cool and Glass Operations)	224,318

Across our cool operations, Russia had the highest emissions at 7,790 tonnes CO₂e (3.5% total company emissions), followed by Turkey with 4,979 (2.2% total company emissions).

Across our glass manufacturing operations, site-specific emissions included Beta Glass Guinea Plant with 72,077 tonnes CO₂e (32% of Frigoglass' total emissions), followed by Jebel Ali with 66,387 tonnes CO₂e (30% of total company emissions), and Beta Glass Delta Plant with 39,920 tonnes of CO₂e (18% of total company emissions).

In 2013, emissions intensity across our Cool Operations increased by 3% due to a decrease in production volume. As part of an overall climate change strategy, we have now set a target of 5% reduction to be achieved by 2020 based on our 2012 baseline.

Sustainable operations (continued)

Emissions management

In recent years we have implemented a series of initiatives aimed at reducing energy consumption and emissions across all of our manufacturing sites. A key aspect of this is our program of monitoring greenhouse gas emissions and publishing detailed data on our carbon footprint.

Figure 3 below highlights our GHG performance for our Cool and Glass Operations from 2011–2013. Over the last three years, we have reduced emissions across our Cool Operations by 1,259 tonnes CO₂e. In India our total emissions decreased by 13% despite a 10% increase in production. This reduction was mainly due to a decrease in refrigerant gas losses and reduced on-site fuel consumption.



Emissions from our Glass Operations have continued to increase due to the energy intensive nature of the manufacturing process. The single largest source of emissions results from natural gas consumption at the Guinea and Delta glass plants in Nigeria. These two plants generated 98,606 tonnes CO₂e or 44% of Frigoglass' total emissions. While this represents the largest carbon footprint of our business, it also represents the single biggest opportunity for any emissions abatement strategy.

Figure 3: GHG emissions three year performance



In addition to this report we also disclose our emissions through the Carbon Disclosure Project (CDP). In 2014, we completed our fourth CDP submission and achieved a steady improvement in our performance score from 76C in 2013 to 86C in 2014.

Band C (>40%): Some activity on climate change with varied levels of integration of those initiatives into strategy.
 Band D (>20%): Limited evidence of mitigation or adaptation initiatives and no/limited strategy on climate change.

Materials use and resource efficiency

Why is this important?

We understand that the nature of our business requires the heavy use of materials and we are working to reduce this. By improving productivity and efficiency we can reduce costs, while increasing opportunities for recycling and reuse.

In 2013, we used a total of 41,695 tonnes of materials in our ICM production process. Metals (67%), glass (17%), insulation (7%) and plastics (6%) continue to be our four largest material sources used in our Cool Operations.

We have continued to reduce our material use over the years, even during years with increased production. We are now reporting our material use since 2010 and, as highlighted in the graph, we have reduced our material use by 10,729 tonnes over this period.

Figure 4: Materials used (tonnes) in Cool Operations (2010 - 2013)

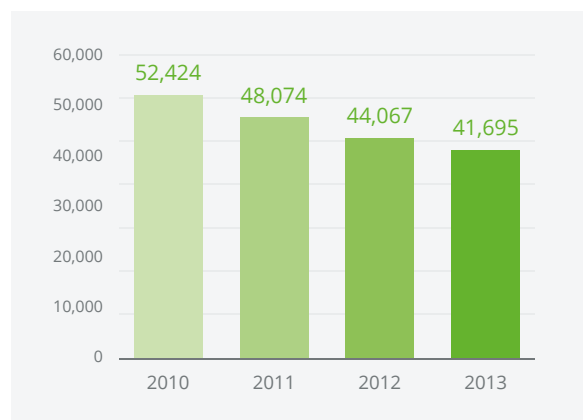


Table 4: Materials used (tonnes) in Cool Operations by region

Regions	Metals	Glass	Plastics	Refrigerants	Insulation	Paint
Europe	14,070	4,875	1,705	887	1,415	117
Asia	11,181	1,393	672	64	1,265	150
Africa	2,823	806	22	11	236	4
North America	-	-	-	-	-	-
Total	28,074	7,074	2,399	962	2,917	271

Sustainable operations (continued)

Water

Why is this important?

Water is an essential input into our manufacturing process and a limited resource that needs to be conserved. Our business functions depend on water and community livelihoods cannot exist without it.

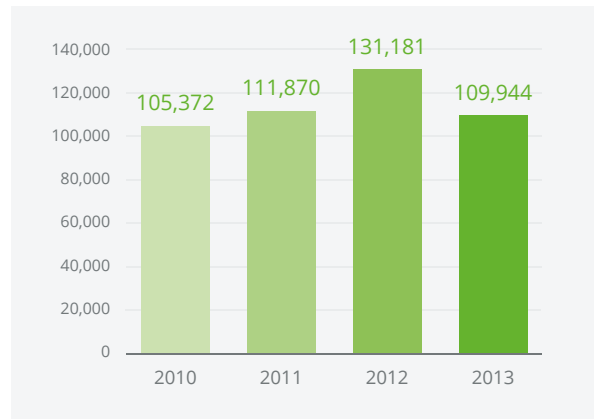
It is therefore essential that we manage our operations in a way that promotes water sustainably for both our communities and our business.

Our total water consumption during 2013 was 109,944 m³, a reduction of 21,237 m³ from 2012.

In 2013 Asia and Europe continued to be our largest water consuming regions while for the first time in four years, our water consumption has reduced. This reduction is attributed to implemented initiatives for the elimination of leakages and consumption as well as a drop in production volume.

The figure below compares our water use from 2010 to 2013.

Figure 5: Water consumption (m³) (2010 - 2013)



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

Waste and recycling

Why is this important?

Hazardous and non-hazardous wastes are produced as by-products from the manufacturing processes. Our focus is two-fold. Firstly, we aim to minimise the amount of waste generated and secondly we look for opportunities to appropriately manage that waste.

Recycling and reusing are two ways we manage waste generation. This helps us to reduce our impact on the environment.

This is the second year in a row that we have reported our waste generation figures. Being transparent about our impact on the environment provides us the opportunity to reflect on where we can make the most difference.

In 2013 we generated 10,823 tonnes of general waste which is close to double that generated in 2012.

During 2013, we recovered and reused 38,000 pallets and 15,000 frames from our customers.

We produced 76 tonnes of hazardous waste during the reporting period a decrease of 12 tonnes from the 88 tonnes recorded in 2012. This decrease resulted from a reduction in oil, rubber, fluorescent lamps, batteries and heavy metals use, as well as from the implementation of detailed waste collection and disposal procedures.

This year we maintained 100% recycling rates at our Greek plant while our Russian operations increased recycling rates from 52% in 2012 to 100% in 2013.

We continue to make efforts to reuse and recycle where we can. During 2013, we worked with customers to recover and then reuse 38,000 pallets and 15,000 frames. We are also focused on reducing WIP, reusing carton trays and recycling obsolete packaging material. Each of these initiatives contributes to waste reduction which is better for the environment and for our bottom line.

Table 5: Total weight of waste (tonnes) 2013

Regions	General Waste	Hazardous waste	% of waste recycled or reused
Europe	4,753	55	77%
Asia	5,754	19	18%
Africa	315	1.3	6%
North America	N/A	N/A	N/A
Total	10,823	76	-

All our sites are fully compliant with the EU Directive on waste of electrical and electronic equipment (WEEE) and we have contracts with authorized waste management companies to implement the WEEE guidelines.

Sustainable operations (continued)

Supply chain optimization through inventory management

In 2013, we implemented a revised inventory and supply chain management program which introduced processes and governance practices that have helped us achieve environmental efficiencies throughout our supply chain.

Since the launch, we have witnessed a consistent reduction in inventory every successive quarter. An 18% reduction was achieved in 2013 and inventories are now sitting at 33% or €60 million lower than they were at the end of 2011.

This has been a positive contribution to cash flow and from a sustainability perspective it means we have used fewer resources, generated fewer transport emissions and consumed less energy.

The improved supply chain management processes have also had a positive impact on supplier integration, lead times and customer service.

Supplier engagement

Why is this important?

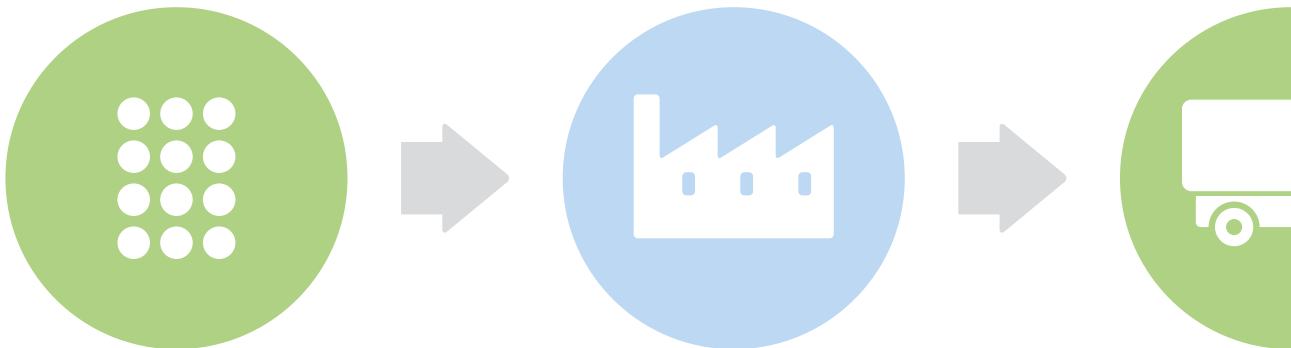
Suppliers are a key stakeholder in Frigoglass. As we have grown into a global corporation, one of our primary goals is to create strategic alliances with our suppliers to foster sustainable development.

Supplier relations

We deal with approximately 435 suppliers across our operations and, while our relationship with all suppliers is important, our current focus is on engaging with our 15 largest suppliers who represent 35% of our total supplier spend. This has allowed us to strike a balance between managing our key risks and opportunities and managing our capacity to effectively engage with them.

Supplier sustainability questionnaires

While our suppliers are expected to comply with the supplier code, in 2013 we also introduced a sustainability questionnaire that requires disclosure against a number of sustainability criteria such as greenhouse gas emissions and targets, material use and resource efficiency, waste disposal practices, packaging reductions and transportation impacts.



Supplier Code

In early 2014 we updated the Frigoglass Supplier Code. This code sets out the basic principles and minimum standards we expect from our suppliers in the areas of ethics, labour, human rights, health and safety, and environmental performance.

Suppliers commit to comply with the principles detailed in the code and compliance covers all activities including those at supplier sites, in their own operations and in their supply chain.

The code was updated to respond to new market dynamics and requirements, and reflects the Frigoglass code of business conduct.

Compliance with the code, combined with supplier audits, is our way of ensuring that our suppliers operate sustainably and gives our customers confidence that both Frigoglass and the people we work with adhere to the same corporate governance and sustainability principles.

Supplier audits

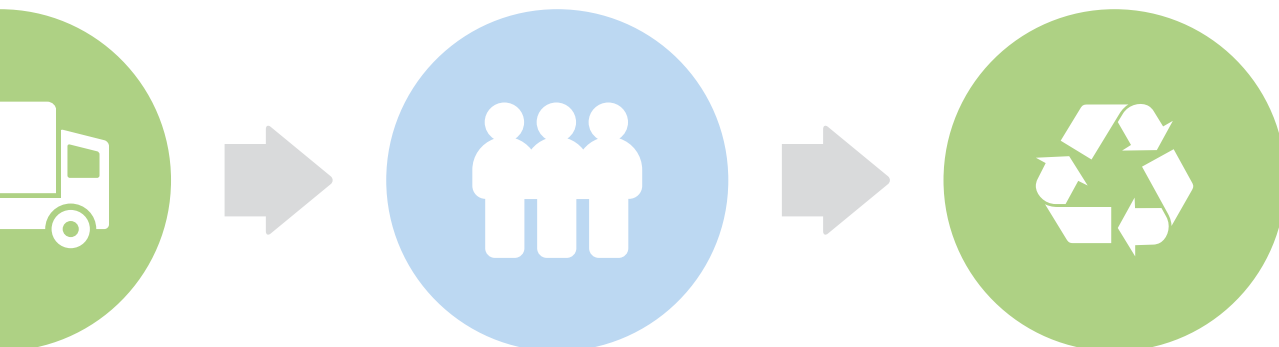
Our suppliers are subject to regular audits as part of our supplier risk management strategy. These audits assess the suppliers' approach to environmental management, social compliance practices such as human and labour rights laws, as well as an overall approach to other sustainability performance practices.

Sustainability accounts for 10% of a supplier's overall audit score. If the score is low, Frigoglass requests that a corrective action plan is established which is reviewed regularly to ensure implementation. This way we are able to constantly encourage our suppliers to incorporate sustainable management principles into their day to day business.

Frigoglass has been conducting supplier audits since 2011 with 36 audits completed in 2013 and 28 year to date.

Table 6: Supplier audits conducted by Frigoglass since 2011

Year	Audits conducted
2011	34
2012	33
2013	36
2014	28 YTD



Social responsibility

We contribute to the development of our workforce and the communities in which we operate.

Our success depends on our people - how they are selected, developed, challenged and rewarded.

Recognising our impact on community, we aim to strengthen social inclusion, support charities and improve quality of life through our programs and projects.



Workplace

Why is this important?

Our employees are the lifeline of our business. With an engaged and motivated workforce, we are able to create solutions for our customers and work innovatively with our suppliers.

We are always looking for new ways to attract and retain our people and encourage active participation in the workplace through training and capacity building.

Talent development and wellbeing

The success of Frigoglass is a direct result of our teamwork culture. Good teams are created through open dialogue and collaborative engagement.

We view training as an investment rather than as an expense. At Frigoglass, we try and create a learning culture where employees have the ability to practice their skills and stay on top of their professional fields of work. This directly contributes to the success of our company and the satisfaction of our customers.

Every year, employees across the organisation undertake several hours of compulsory and non-compulsory training in the areas of quality management, business improvement systems, risk, compliance and health and safety. We use a combination of training approaches including in-house and external seminars, workshops, web-based training and individual coaching and mentoring.

In 2013, Frigoglass employees completed an average of 12.3 hours of training per employee across all categories compared with nine hours in 2012.

Table 7: Average hours of training per employee by employee category and region

Regions	Europe	Asia	Africa	North America
Senior management	7.9	4.6	8.6	N/A
Middle management	23.6	5.2	32	N/A
Admin	18.5	11.7	32.6	N/A
Production	13.2	20.8	43.2	N/A
Directors	0.73	0	8	N/A

Social responsibility (continued)

Table 8: 2013 training by region

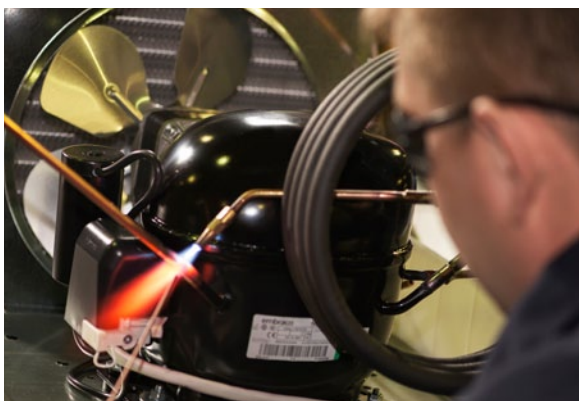
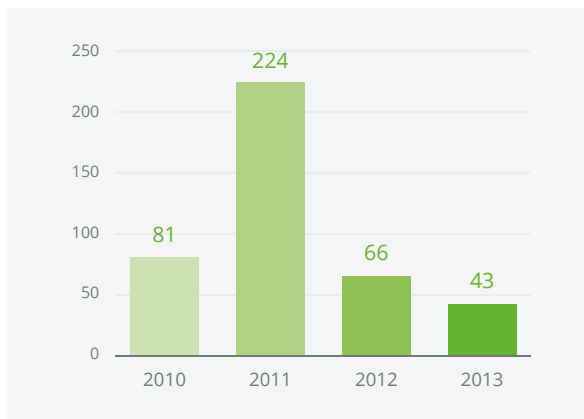
Europe	
3P Romania	External training for our sales teams on sales specific themes
Head Office	Leadership essentials training series Harvard Manage Mentor online training for middle managers
Russia	LEAN training based on the LEAN implementation schedule
Romania	Assertive communication training Managerial skills development program Skills matrix production training program
Asia	
Indonesia	Safety training including emergency response teams, first aid and fire drill Human rights labor training by the local labor unions
China	LEAN management training for all foremen and team leaders Equipment and technical training for production employees
Dubai (Jebel Ali)	External technical training for production employees and their department managers Completed internal training on 5S for production, administration, supervisors, superintendents and managers
Africa	
Nigeria	Team building workshop for executive management teams Leadership effectiveness training for unit/departmental managers and supervisors Labor law/ negotiation/ industrial relations training for labor leaders Pre-retirement training program to support employees after retirement
South Africa	1-year manufacturing and business skills leadership for plant workers Technical and health & safety training for production workers Re-certification for production workers on forklift use

Health and safety

We always focus on maintaining high levels of safety across the business. Given the operational nature of our business, health and safety management is a key priority and our systems and processes are embedded across the organization from design and manufacturing through to delivery and installation.

Workplace incidents have reduced from 66 in 2012 to 43 in 2013 and our goal is to achieve zero work related incidents. We have not recorded a workplace fatality for the past four years.

Figure 5: Workplace incidents



Social responsibility (continued)

Diversity and equal opportunity

Frigoglass embraces diversity and is an equal opportunity employer with zero tolerance for any form of discrimination. Our Code of Business Conduct upholds our commitment to providing equal employment opportunities in the workplace and treating all applicants and employees without bias.

We are constantly trying to improve the gender diversity of our workforce. For the first time in two years, we recorded an increase in the number of women in our workforce from 10% in 2012 to 11% in 2013.

While this is only a small increase, it represents a step forward for Frigoglass in terms of improving our gender diversity.

Throughout the year we recorded a number of site specific improvements. Our 3P Romania site increased the number of female employees in supervisory positions by 5%. At our Head Office in Greece, we also increased our male to female ratio at senior management positions from 74:26 in 2012 and 70:30 in 2013. In our South African operations, we have increased the number of indigenous employees.

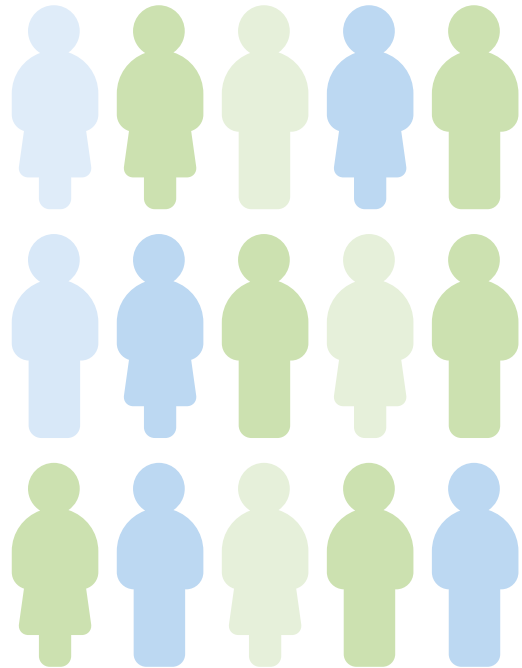


Table 9: Breakdown of employees by gender and employee category

Regions Gender	Europe		Asia		Africa		North America	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior management	25	11	31	7	17	0	N/A	N/A
Middle management	87	35	76	12	112	0	N/A	N/A
Admin	388	140	38	30	98	30	N/A	N/A
Production	1,299	158	770	32	1,304	59	N/A	N/A
Directors	11	-	1	-	3	0	N/A	N/A
Total (by gender)	1,810	344	916	83	1,534	103	N/A	N/A
Total (employees)	2,154		999		1,637		N/A	



Human rights and labour standards

Frigoglass has operations in regions of high risk where child labor and forced labor are common, making this issue important for the company to manage. We are committed to protecting and advancing human rights as defined in the Universal Declaration of Human Rights (UNDHR). It is our aim to promote respect for human rights within areas of our influence, including respecting the freedom of association of our employees.

Frigoglass' labor relations policy regulates all labor relations issues and helps to ensure compliance with national and international laws and regulations. All our employees have the freedom to join trade unions and all our sites abide by local labor standards and legislation.

In 2013 our Indonesian site conducted elections for the position of the chief of union. Union members at this site meet regularly to discuss issues and have had six meetings in 2014. Mid-year industrial relations meetings took place at our Nigerian operations between human resources and the unions. The aim of this initiative was to review the general micro and macro industrial relations atmospheres at the site and pro-actively clarify and resolve issues.

At our South African site, we conducted an employment equity plan in the first quarter of 2014. A committee was established with different working groups covering the areas of training, development, health and wellness. It represents different levels and races within the organization and is empowered to identify and address barriers to equal opportunity and report any discrimination cases.

Social responsibility (continued)

Community

Why is this important?

Frigoglass' work exists within the communities in which we operate. Educating and empowering our communities are key to our social responsibility values.

Employee volunteering

The Frigoglass staff has contributed to our local and global communities through a range of developmental and participatory projects.

Russia

On June 1st, 2013 (Children's Day), staff at our Russian offices arranged a celebration in one of the children's homes in the Orel region. We celebrated the day with a professional entertainment team. The children were given gifts, sweets and balloons. A similar event was also organized before the New Year holidays.

South Africa

Our South African officers conducted a Soweto Workshop for the Blind on July 18, 2013. This day is celebrated as the Nelson Mandela international day in recognition of the former South African President's contribution to peace and freedom.

Our employees purchased and prepared lunch packages for all the workers and staff at the Soweto Workshop for the Blind. In the past, we have donated ICMs to the organisation so this lunch was a means to further develop the relationship we have with this organisation.

Dubai

Frigoglass Jebel Ali was one of the sponsors and participants in the 2013 Environment Health and Safety (EHS) Fun Run held in March of the same year. Our staff participated in the five kilometer run and won the first place under the corporate team category.

The event raised funds to improve the critical marine habitat at the Jebel Ali Free Zone where 19 coral species were inventoried. The money from the run will be used to develop an eco-center that will promote coral propagation programs, tree planting and other conservation activities.

The 'Journey to Future City' continues

Our collaboration with the World Wildlife Fund (WWF) Greece continued for a second consecutive year. Through the 'Journey to Future City' educational workshop, we reached a total of 6,000 students and 150 educators in 125 schools throughout Athens and the surrounding regions.

The program was originally designed to raise awareness among students and their families on the consequences of climate change. Educators were specifically trained to enable them to replicate the workshops on their own at a later stage, thereby increasing the program's reach.

In its second year, a new element was added to enhance the program. The 'Journey to Future City' competition asked students to submit innovative energy reduction ideas that could easily be applied in their premises. The winner in 2013, the 9th High School of Nikaia, had a plan to motivate both the faculty and students to adopt a list of recommendations. Frigoglass awarded the school with an environmentally-friendly 'Ecocool' cooler for the student cafeteria.

Addressing the climate change challenge and protecting the environment are key priorities of the Frigoglass sustainability agenda and the sponsorship of the WWF program is a direct result of this agenda.



Community enrichment

Frigoglass has a long tradition of supporting the communities in which we operate. Last year we developed a community investment strategy under which we support one major community project at each plant or local community. In 2013, our focus was improving the livelihoods of our local communities in Nigeria.

Nigeria – Agbara site

At our Agbara plant, we assisted in the rehabilitation of the community bridge in Ogun State. By supporting the project, we were able to provide the local school children with easy access to their school.



Nigeria – Delta site

We assisted with three community projects at our Delta site. Frigoglass helped develop three classroom blocks at the Ekrerhawwe Community, provided interlocking pavement for the Health Centre and Town Hall at the Eruemukohwarien Community and established 12 lock-up shops at the Ekakpamre Community.



Contact

Frigoglass welcomes feedback on our sustainability report. If you would like to comment or require further information, please contact:

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

Contact information

Frigoglass Head Office

15, A. Metaxa Street

145 64 Kifissia

Athens, Greece

T +30 210 6165700

F +30 210 6199097

www.frigoglass.com

