



NIREUS GROUP OF COMPANIES

Communication on Progress

Year : 2011

Country : Greece

STATEMENT OF CONTINUED SUPPORT

In joining the United Nations Global Compact in 2008, we established another important milestone in Nireus' 23-year history.

The support of the United Nations Global Compact principles is a valuable investment for our company. During our operation we have formed our own business values that include the basic principles of transparency and moral management, the respect for the law and institutions, the endeavor for continuous improvement, the preservation of our excellent relationships with the local communities, the impartial offer to groups of people with special needs and the continuous concern and care for our employees.

Since the above values form the foundation on which we base our operations, we agree and support all of the principles of the United Nations Global Compact and we stress their importance throughout the whole organization.

The requirement to produce a Communication of Progress for the Global Compact gives us an annual opportunity to review our progression toward our goal of more fully supporting the ten principles of the Global Compact with respect to Human Rights, Labor Rights, the Protection of the Environment and Anti-corruption.

May 2011
Aristides Belles, Chairman & CEO
NIREUS Group of Companies

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Description of nature of business

Nireus SA has the following activities:

- ü Production and sales of juveniles for marine fish farmed in the Mediterranean Sea
- ü Production and sales of Mediterranean marine fish (mainly seabass and seabream) in raw and processed form (fresh and frozen, whole, gutted and fillets)
- ü Production and sales of fish feed for Mediterranean farmed fish and trout
- ü Production and sales of aquaculture equipment (cages and nets)
- ü Sales of genetic material, feed, medicine and hygiene products to swine, poultry and cattle farmers

For all these activities the Group owns and operates hatcheries, farming units, factories etc.

We have 1,100 employees in Greece, Spain and Turkey who work in over 60 locations.

Principles of the UN Global Compact:

HUMAN RIGHTS

PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed Human Rights.

PRINCIPLE 2: Business should ensure that they are not complicit in Human Rights abuses.

Commitment

Our company is committed to upholding the United Nations' Universal Declaration of Human Rights. We also comply with the relevant Greek Legislation, as well as the local laws and legislations of all the countries in which we operate. To ensure that we constantly improve on our commitment, we continuously review and revise our internal and external policies.

Nireus is also a member of local and international networks, chambers and associations.

- ü Athens Chamber of Commerce & Industry
- ü Hellenic Russian Chamber of Commerce
- ü Italian Chamber of Commerce
- ü Greek – Turkish Chamber of Commerce
- ü Arab-Hellenic Chamber of Commerce & Development
- ü Hellenic Federation of Enterprises
- ü Entrepreneurship Association
- ü Panhellenic Exporters Association
- ü Hellenic Network for Corporate Social Responsibility
- ü Hellenic Management Association
- ü Union of listed companies
- ü Alba Graduate Business School

Each year we continue our commitment to various charities with cash and in-kind donations.

Outcomes

Nireus has donated fish fillets (fresh and frozen) to refugees organizations, children's campuses etc., has helped sport associations and business schools with cash donations and has sponsored cultural events.

We also offer practical training in aquaculture to university students.

Additionally, Mr Belles, Nireus Chairman, has given lectures at many events sponsored by Universities and professional associations.

Future Commitments

We will continue to support materially the social groups that need support, as well as universities and students.

LABOR

PRINCIPLE 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4: Business should uphold the elimination of all forms of forced and compulsory labor.

PRINCIPLE 5: Business should support the effective abolition of child labor

PRINCIPLE 6: Business should support the elimination of discrimination in respect of employment and occupation.

Commitment

We recognize that our employees are our greatest asset and to ensure that we are able to recruit, hire and retain the most talented people we strive to assist all of our employees in maintaining a healthy work-life balance.

Nireus is committed to supporting, encouraging and facilitating employee's personal and professional growth and well being and offers them many benefits.

We encourage them to develop their professional skills through enrollment in seminar courses and conference attendance in order to enhance and broaden their skills and knowledge.

To maintain the highest standard of honesty, openness and accountability employees are encouraged to express their opinions and concerns to any member of management. Our company complies with the Greek Labor Legislation on all of its activities, as well as the local laws and legislations of all the countries in which we operate. These, among other things, forbid all forms of forced and compulsory labor, give the right to employees to resign from their work voluntarily and reward extra-hours of work with additional payment.

We have a workers' union in our company with which we communicate openly and frequently.

We do not support, encourage or endorse any form of child labor in all of our operations in Greece and abroad.

Outcomes

All employees sign a contract of employment upon hire that includes: date of hire, place of work, working hours, job title, wage and collective agreements applicable to the specific job, as well as the relevant laws that determine the amount of indemnity in case of involuntary termination of employment. The government authorities check wages for employees at the time of hire and every time there is a change to verify that the rate and overtime provisions are equal or greater to the minimum rates applicable for each job. The same authorities also check that there is no illegal or forced labor.

At the date of payment all employees receive a wage receipt with an analysis of their payment that includes tax and social security deductions.

Nireus provides its employees the following benefits:

- ü No interest loans to help offset health problems (available both to the employees and their families).
- ü Extra paid annual leave for health problems.
- ü Financial gifts (cash) when they are married or have children
- ü An annual painting contest for our employees' children with special prizes and gifts for all the contestants. One of the paintings becomes the company's Christmas card.
- ü Special discount on the company's products.
- ü A company restaurant with reduced prizes for the employees

We have also developed an Appraisal System through which we design the career path of our employees and we define their training needs. When these needs are detected we organize each year company seminar courses on various subjects.

All our facilities are been frequently visited by a doctor and Safety Manager in order to inspect or solve Health & Safety issues.

Regarding our support on the abolition of child labor on our application form for employment, we ask for the age of the applicants to ensure that we don't consider, when hiring, persons under the age of 18.

Again, upon hire, the age of the employees is checked from official documentation provided by them.

Our personnel has the following age distribution:

Age group	% of total
20-30	14%
31-40	38%
41-50	32%
50+	16%

Future Commitments

We shall continue to support universities for the required practice of their students and to provide all our employees with a balanced work-personal life.

We shall continue to expand our employees' education to enhance their professional development.

In 2011 we shall hire a Health & Safety Manager in order to focus in depth on Health & Safety issues.

ENVIRONMENT

PRINCIPLE 7: Business should support a precautionary approach to environmental challenges

PRINCIPLE 8: Business should undertake initiatives to promote greater environmental responsibility

PRINCIPLE 9: Business should encourage the development and diffusion of environmental friendly technologies.

Commitment

As stated in its Environmental Policy, Nireus Aquaculture S.A. commits to:

- complying with the environmental legislation and all the codes and principles that apply to the company's activities
- preventing pollution in coastal and marine establishments
- preserving the quality of the marine environment that surrounds the existed production units, as well as the new ones
- promoting recycling
- monitoring the environmental performances of all its production sites
- providing the appropriate environmental training and educating employees on the environmental aspects of the activity
- working cooperatively with third parties to further promote common environmental objectives

Nireus always conducts an Environmental Impact Assessment before starting any new activity. Also, when we plan for new and existing operations, all the environmental factors such as wastes, water and land, emissions, natural resources and energy consumption are considered.

We set environmental targets and we monitor critical parameters in order to establish early indications of any possible environmental risks. We promote recycling and manage natural resources in order to enhance the viability and sustainability of aquaculture.

Nireus identifies and evaluates all the environmental aspects related to its activities and sets measurable objectives and targets.

This procedure is standardized and applicable to all the activities and all the sites of the company's operations.

Outcomes

In 2010 we upgraded our facilities in order to avoid environmental accidents by placing special tanks to collect used oils until they are finally disposed to the Panhellenic Oil Disposal System.

Our divers have participated in the "Clean the Mediterranean Sea 2010" action by cleaning the bottom of Nafpaktos harbor. Also our divers and other employees often organize the cleaning of the shores near our facilities.

There are common research projects with Academic and Research Institutes in order to establish an environmental monitoring system based on solid and state of the art scientific knowledge

We have established physicochemical indicators that can be measured through direct measures or more elaborate laboratory analysis in order to continuously monitor our activities.

The analysis and continuous monitoring of these physicochemical indicators allows the competent Environmental Team of the company to evaluate any potential risk of pollution.

In 2010 we have conducted 291 physicochemical and 638 microbiological analyses in the rear water and also 850 analyses in water waste disposals.

We publish an annual Environmental Management Report and a Corporate Social Responsibility report where the company's initiatives and results are communicated to stakeholders

The continuous improvement of NIREUS environmental performance can be seen through the progress of the environmental targets indicators such as:

Recycling of packaging materials: starting in 2008, the organization installed in its major production site, pressing machines for compressing and packaging fish feed bags in bundles of 100 kg, which are then sent to a recycling company that uses them as raw material to manufacture garbage bags. In year 2010 3 tons of plastic bags and 150 tons of polystyrene (from the fish boxes) were given for recycling.

Recycling of stationary and electronic equipment: recycling of paper and ink cartridges began in 2006. We have recycled 6.1 tons of paper in 2010.

At the same time, all the inoperable electronic equipment from the production sites are collected at the Head Offices and sent for recycling. In 2010, 145 pieces of electronic equipment were recycled, along with 500 light bulbs.

Recycling of batteries: Battery collection began in 2006 with great and immediate response from the personnel. In 2010 47kg of batteries have been recycled.

In 2010 Nireus was awarded the 3rd prize in the Environmental Management category by the Greek Association of Environmental Protection companies, national member for Greece of the European Federation of Waste Management and Environmental Services (FEAD).

Future commitments

We shall continue our environmental efforts in order to contribute to the decrease of our ecological footprint

We shall also continue our collaboration with the universities and other educational institutions.

ANTI-CORRUPTION

PRINCIPLE 10: Business should work against all forms of corruption, including extortion and bribery.

Commitment

Nireus SA is against all forms of corruption (bribery, extortion, money laundering, law disobedience).

Outcomes

We have established procedures for procurements, in our purchasing department, to ensure that before we commit to any purchase we have at least 3 offers from different suppliers. The offers are assessed and signed by all the executives involved in the procurement process before a purchase is made. There is also a list of approved suppliers.

An international auditing firm audits our financial statements every six months. Regular and extra audits are also conducted for all departments by the Internal Audit Department.

Future commitments

We are also in the process of forming a written Code of Conduct for the entire Group and to develop clear and precise policies and procedures that would prevent all forms of corruption.