



NIREUS GROUP OF COMPANIES

Communication on Progress

Year : 2010

Country : Greece

STATEMENT OF CONTINUED SUPPORT

The support of the United Nations Global Compact principles is a valuable investment for our company. During our twenty years of operation we have formed our own business values, which include the basic principles of transparency and moral management, the respect for the law and institutions, the endeavor for continual 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 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. We are also starting to develop the metrics to exhibit our compliance.

In year 2009, we paid special attention to the environmental impact of our operations and we also focused on the further training our employees, our valuable human resources.

May 2010
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 for swine, poultry and cattle

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

We have 1,200 employees in Greece, Spain and Turkey who work in over 60 locations.

Principles of the UN Global Compact:

HUMAN RIGHTS

PRINCIPLE 1: Business 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.

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.

Commitment or Policy

Our company complies with the Greek Labor Legislation on all of its activities, as well as the local laws and legislations of the other countries on 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.

Systems

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.

Activities

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.

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

Commitment or Policy

Nireus Group does not support, encourage or endorse any form of child labor in all of our operations in Greece and abroad.

Systems

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	20%
31-40	38%
41-50	28%
50+	14%

Activities

We aim to extend the same standards against child labor to our network of suppliers.

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

ENVIRONMENT

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

Commitment or Policy

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

- comply with the environmental legislation and all the codes and principles that apply to the company's activities
- prevent pollution in coastal and marine establishments
- preserve the quality of the marine environment that surrounds the existed production units, as well as the new ones

Systems

- 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 taken into account
- We set environmental targets

- We monitor critical parameters in order to establish early indications of any possible environmental risks

Activities

- Nireus' top Management commits to provide all the necessary resources to achieve its environmental targets which are designed to preserve the natural environment, prevent pollution, promote recycling and manage natural resources and to enhance the viability and sustainability of aquaculture
- 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

Performances

- 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.
- These analyses were increased from 69 in 2006 to 400 in 2009 in order to cover all of Nireus' activities as well as all potential environmental aspects identified throughout the environmental impact assessment.
- We have collaborated with academic institutes on 2 scientific publications

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

Commitment or Policy

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

- promote recycling
- monitor the environmental performances of all its production sites
- provide the appropriate environmental training and educate employees on the environmental aspects of the activity
- work cooperatively with third parties to further common environmental objectives

Systems

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.

Activities

The Environmental Management System implemented at Nireus' production sites is certified according to the International Standard ISO 14001:2004.

Also, Nireus continuously develops activities and initiatives to promote the environmental responsibility of its personnel and the environmental performances are communicated to all the stakeholders.

The implementation of the Environmental Management System is the result of collective effort and environmental sensitivity and consciousness of Nireus' personnel.

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

Performances

The continuous improvement of NIREUS environmental performance can be seen through the progress of the environmental targets indicators. There is:

- Continuous visual and aesthetic upgrading of the facilities to harmonize with the environment: the increasing demands of the Environmental Management System and its targets lead the production sites to achieve more and more important and impressive works, such as upgrading of the waste water treatment plants, plantation of trees, configuration of premises according to biosecurity rules. From these works, a large amount of metal scrap was obtained which was given to licensed contractors for recycling (49 tones in 2006, 43 tones in 2007 and 7.5 tons in 2008).
- 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. Overall, 67.6 tons of plastic were recycled, representing 66% of the total consumption. At the same time, the fish boxes are recycled since 2007, in collaboration with the suppliers (185.560 pieces were recycled in 2007 and 499.200 pieces in 2008).
- Recycling of stationary and electronic equipment: recycling of paper and ink cartridges began in 2006 and the performance indicators are presented in the following table.

	2006	2007	2008
Paper (% recycled/consummed)	1 ton (14%)	11.25 tons (99%)	10.5 tons (137%)
Ink cartridges (%recycled/consummed)	292 pieces (29.7%)	288 pieces (19%)	483 pieces (49%)

At the same time, all the useless electronic equipment from the production sites are collected at the Head Offices and are then sent for recycling. In 2007, 152 pieces were recycled.

- Recycling of batteries: Battery collection began in 2006 with great and immediate response from the personnel

	2006	2007	2008
Accumulators	1.323 tons	-	1.025 tons
Portable batteries	45 kg	60 kg	60 kg

- Natural resources: Since 2004 there is a gradual reduction of the fishmeal percentage in the fish feed we used.

	2004	2005	2006	2007	2008	2009
Fish meal % (all feed until 2005, Sea bass feed since 2006)	40.44%	37.20%	36.07%	36.07%	33.59%	33.13%
Fish meal % (Sea bream feed)			30.26%	27.35%	30.63%	27.52%

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

ANTI-CORRUPTION

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

Commitment or Policy

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

Systems

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 before a purchase is made. There is also a list of approved suppliers.

Activities

Regular and extra controls are conducted for all departments by the Internal Audit Department. We are also in the process of forming a written Code of Conduct for the entire Group.