



**NIREUS**

**NIREUS GROUP OF COMPANIES**

**COMMUNICATION ON PROGRESS**

**Year : 2013**

**Country : Greece**

## **STATEMENT OF CONTINUED SUPPORT**

Year 2014 marks the 6th anniversary of NIREUS signatory to the United Nations Global Compact and the 26th anniversary of our Group.

During our twenty six years of operation we have formed our own business values, which include the basic principles of transparency and moral judgment, 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 of our employees.

Our commitment to the United Nations Global Compact aligns with our policies and strengthens our values. In this report we highlight the progress we made in 2013 towards advancing this commitment. For a full presentation of this progress please view our annual CSR statement, available at our website which will be available at our website.

During 2014, we will continue our efforts and take more important steps towards supporting the Ten Principles of the Global Compact, to which we hereby renew our commitment.

July 2014  
Aristides Belles,  
Chairman & CEO  
NIREUS Group of Companies

## **Description of nature of business**

Nireus SA has the following activities:

- ✓ Production and sales of juveniles for marine fish farmed in the Mediterranean Sea
- ✓ Production and sales of Mediterranean marine fish (mainly seabass and seabream) in raw and processed form (fresh and frozen, whole, gutted and fillets)
- ✓ Production and sales of fish feed for Mediterranean farmed fish and trout
- ✓ Production and sales of aquaculture equipment (cages and nets)
- ✓ 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 1.148 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.

Our company's operation is supported by the following committees and governing bodies:

- Audit Committee
- Strategic Planning Committee
- Committee on Corporate Governance
- Group Executive Committee

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

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

Our company, as an entity inseparable from the society, within which it operates, affects and is affected by the circumstances of our times and its place of action.

It acknowledges the responsibility it has towards the society.

It respects the principles and values that characterize our culture and meets the social challenges and sensitivities.

The actions that we undertake cover basic needs, develop and relieve local communities, which we recognize as our main social partners.

## Outcomes

Nireus has donated fish fillets (fresh and frozen) to refugees organizations, children's campuses, houses for homeless etc., has supported financially sport associations and schools and has sponsored cultural events.

<b>Education</b>
6th Primary School in Lousikon
10th Primary School in Keratsini
BETTER LIFE DAY - Educational Meeting
Summer University 2013 AEGEE-Athens
Kindergarten & Primary School in Chios
High School in Athens (Technical Vocational)
56o High School – Via Hellenic Network for CSR
7η International Olympic of Astronomy - Astrophysics
15o Congress of Ichthyologists in Thessaloniki
High School in Kardamila -Chios

<b>Sports organizations</b>
Christoforos Merousis - Athlete from Chios
The Corporate Relay Run
Sport Organization from Ahagia

<b>Culture</b>
Federation & Cultural Societies Kerateas - Municipality Lavreotikis
Filotechniko Group of Chios
Mikelia Legatou-Ceramics Exhibition
Cultural Association Vathikoilou
Communication and Fine Arts Theatre "PRASSEIN HORSES"

<b>Society</b>
The Pammakaristos
Agios Dimitrios Kouvaras
Holy Church of Nikaia
Holy Church of Saint Nicolas
Saint Nicolas Koukaki Filopappou
Therapeutic Education Center "The Concern "
National Solidarity
Elderly care Center in Piraeus
Saint Alexander - Orphanage for girls
Anadysi Aiginas – Autistic Children
Galini-Concern Disabilities
Iris- Company Promoting Psychosocial Health for

Children & Adults
Food Bank
Social Grocery in Amfissa
Municipality of Mesologgi
Municipality of Aliveri
Best Athens - National Technical University of Athens
Elderly care Center in Chalkida
"Theofilos" Organization
Breath of Life in Koridallos
Network for child rights
Social Grocery in Chalandri
"Thesmophoros" Organization
Hellenic Association of Solidarity Orphaned "The Hope"
Elderly care Center in Piraeus
Social Grocery
"Onisimos" Organization
Scouts of Greece
Fire Service in Patra
Municipality of Glyfada
"Bread and Action" Organization
Child's Smile in Killini
Bridge of Life- Organization
Unesco Group for the Culture & Peace
Social Grocery in Zografou
Parents Association for Children with Disabilities
"CHATZIKYRIAKIO" Foundation Child Protection
"ALMA LIFE" Organization for Breast Cancer
Social Grocery in Aharnes
Association of "Friends of Chios"
Unisef
Association for the rights of the child
Social Grocery in Marathon
Social Grocery in Ilion

We have organized an Easter Bazaar in our offices in Koropi aiming to collect money for the children living in "KIVOTOS TOU KOSMOU" and the charitable organization for children with cancer "FLOGA". We have donated books, accessories etc. and homemade cookies and other food staff which our colleagues have bought in symbolic prices and thus we have gathered 1.096,30 euros for children in need.

Also our Company's Blood Bank is kept in our branches in Patras and Chios, which has helped many times our employees and their relatives in their needs.

We also offered three practical training in aquaculture to university students.

### **Future Commitments**

We strongly believe that food is one of the basic human rights, therefore will continue to support materially the social groups in need.

We will also support universities and students in order to promote the right to education.

Finally we will continue to implement internal procedures that acknowledge the respect of human rights within the corporate environment of our organization as one of our top priorities.

### **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 the 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 two workers' unions in our company with which we communicate openly and frequently. They are based in Chios Island and in Chiliadou of Nafpaktos.

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

### **Outcomes**

Given the wide dispersion of our branches, NIREUS is, in most areas, the largest and most preferred employer. The selection of our personnel is based on their qualifications, work experience, and, if necessary, on personal interviews without

gender or age discriminations. A recruitment procedure approved by the Group Management is strictly followed by all branches.

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.

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	11,4 %
31-40	32,8 %
41-50	37,5 %
50+	18,2 %

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:

✓ Advance Payments/No interest loans.

The basic policy of the Nireus is to support employee's both financially and psychologically when they are in need. To achieve this goal a standard policy is in place regarding non-interest bearing loans to the amount of 1.500€ for a period not exceeding 12 months.

Higher amount may be also provided for a particularly important and emergencies situations such as health problems of the employees or members of their families or other serious financial needs that are impossible to predict.

During the year 2013 Nireus provided 47 loans to his employees.

✓ Extra paid annual leave for health problems.

✓ Financial gifts (cash) when they are married or have children.

Nireus offer the amount of 300€.

✓ Employee of the month & Year

The Employee of the Month is a type of a "reward program" which is being given out by Nireus. The main purpose is to encourage the employees to work more productively as teams and individuals. It involves recognizing employees for achieving excellence in their field, and being the best

employee across all fields. A very important factor for the program is that the candidates are elected from their fellow workers.

The award of 150€ is given out every month to every winning employee.

At the end of the year the winner of each month is candidate for the Employee of the Year. The award is 1500€.

- ✓ 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.
- ✓ Special discount on the company's products.

Job descriptions have been designed for all work positions within the Group and, apart from the central organizational chart, each individual Department has its own detailed organizational chart. Furthermore, the operating procedures of each Department are documented under the ISO system.

Since 2009, the group has applied a Performance Appraisal System based on quantitative and qualitative targets, which are set each year according to the company's strategic goals and are communicated to the employees.

The performance appraisal system is linked to the compensation and benefits system of the company, with the career and development plan of each employee together with its annual training.

In 2013, emphasis was given on long-term training courses for those employees with more extensive knowledge and expertise in their jobs.

Training on 25 subjects (such as HACCP, foreign languages, employment and tax legislation, financial topics etc) was carried out throughout the year, both at the company's headquarters and at the other branches of the Group, with a total duration of 552 hours and a value of EUROS 31.669.

All our facilities are been frequently visited by a doctor and a safety technician in order to inspect or solve Health & Safety issues. Medical records for all employees are kept. Safety inspections are carried out frequently by our safety technicians in order to oversee that safety rules are kept and to train workers in the use of personal protective equipment. All employees working on the fish cages are required to wear special lifejackets suitable for work in aquaculture.

In 2013, we had (in a total of 1.065 employees) 8 minor accidents, less by 45% compared to 2012.

The number of accidents per site is an indicator in the performance evaluation system for all our production managers.

## **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 personal and professional development.

We shall enhance internal procedures that encourage the freedom of expression on behalf of all our people.

## **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**

The implementation of the Environmental Management System which is based on ISO 14001:2004 continued for a seventh year in 2013 in our Group's production facilities. In December 2012, Nireus was the first Greek production company of sea bass and sea bream which was certified in compliance with the standards of GLOBALG.A.P, a product certification which is issued by an independent body. Having been granted with this certification, the Group Nireus further enhances its commitment to the achievement of a full sustainability, and more specifically concerning matters which relate to the health of fish, the minimization of the effects arising from the environment and its biodiversity, in addition to the improvement of waste management.

### **GLOBALG.A.P Certification**

The Global G.A.P standard is specifically designed for agricultural products and ensures that all products are cultivated with responsibility and under environmentally friendly conditions. The standard covers the entire production chain, from broodstock, to farming, harvesting as well as processing of these, and it includes more than 200 prerequisites which relate to the quality and safety of food, breeding animal welfare, employee safety in addition to the concern over the environment and the ecosystem.

The Global G.A.P is internationally recognized and has been implemented in more than 20 countries. The Nireus Group has been certified in accordance with the updated 4.0 version regarding Aquaculture which is the result of a four year research program, thereby expanding the Global GAP certificate, for the first time, to the aquaculture sector of sea bass and sea bream.

The Nireus Group implements a continuous and evolving Integrated Management System for all activities concerning the environment, employee health safety and operational security. Apart from the Global GAP, the Group is additionally certified in accordance with ISO 9001:2008, ISO 22000:2005 (HACCP), ISO 14001:2004 και BRC Global Standards (British Association of Retail).

### **Monitoring the Quality of Sea Water**

During 2013, 350 physicochemical and 680 microbiological analyses were undertaken in the aquatic farming.

The physicochemical analysis includes heavy metals, mercury, residue of pesticides, as well as nutrient salts and the microbiological analysis includes TVC (Total Viable Count), Total Coliforms, E. coli, Staphylococcus aureus, Salmonella, Listeria, Fecal streptococci, Clostridium perfringens, Pseudomonas, Fecal coliforms. The intensification of the analysis and the systematic monitoring of the farming parameters ensure the maintenance of the quality of the sea environment.

### **Monitoring Liquid Waste Parameters**

Liquid waste is monitored with respect to the biochemical oxygen demand (BOD), the chemical oxygen demand (COD), the total suspended solids (TSS), the total nitrogen and total phosphorus levels through laboratory analysis which are carried out in both internal and external accredited laboratories. The purpose of the analysis is to ensure that the liquid waste will not alter the physicochemical properties of the

final recipient (sea, underground, drainage systems). In 2013, 800 analyses of liquid waste were carried out.

### **Benthos and Sediments**

The seabed and the surrounding areas of fish growing units are systematically inspected for biochemical and chemical elements.

### **Recycling Programs**

The company actively participates in the Joint Recycling Programs that have been created at a nationwide level including smaller programs which the company also develops on its own.

- In 2013, 4,5 tons of paper was gathered for recycling which was disposed of to the accredited by the Ministry of Environment (YPEXODE), subcontractor who has been granted the license for management of used paper.
- Ink ribbons from all facilities are gathered at the Head office and sent for recycling and/or reuse to the accredited subcontractors.
- Portable batteries which were delivered to the accredited bodies AFIS and SIDESIS reached 1.058 kgr.
- Old electrical and electronic equipment in addition to fluorescent light bulbs are gathered and disposed of to the recycling organisations Recycling Devices SA and Photocycling respectively. In 2013, 44 electrical devices and 1000 lamps have been gathered.
- Used lubricant oils were gathered in specially formed containers and are gathered by the management body ELTEPE. In 2013, the quantities which were gathered in the production units of the company reached 5.000 litres.
- Used reagents from the physicochemical analysis plant are delivered to the supplier who has developed a network for the gatherings and exploitation of the materials which are produced.
- Significant amounts of iron which are produced from the upgrading works carried out in the production facilities are disposed of to the accredited subcontractors. In 2013, 5,5 tons of plastic from floating facilities and 45 tons of iron were given for recycling and/or reuse.

### **Management of Production By-products**

Total processing by-products are used in accordance with the European Regulations on management of fish by-products. The intestines and fish heads are sent to a fur farming breeder who uses these as raw material for the production of feed. The fish farming units' by-products are incinerated either in the company's veterinary furnace or in collaborating licensed premises.

### **Communication actions**

The company places great emphasis on communication with interested parties such as with the Association of Hellenic Sea Culture, the Authorities, the Local Communities and the University community.

The results of the monitoring programs on the quality of aquatic farming are communicated to the responsible authorities in a form of an analytical report.

High level employees of the Group actively participate in conferences held by accredited University Academics, on the issue of the interaction of aquaculture and

the environment. In addition, these employees are also members of the Scientific Advisory Committee of the Association of Hellenic Sea Culture.

### **Collaboration with Academic Institutions and Research Organisations**

Significant research collaboration has begun with the Charokopeio University/Department of Nutrition and Dietetics. The project comprises the third phase of an important research program which the Company has initiated and which aims at the development of aquaculture products possessing highly featured characteristics. The specific research activity has a total budgeted cost of € 80.000; it began in 2012 and completed in September 2013.

The program relating to the monitoring of residues and the materialization of self-monitoring actions concerning the company's products has a budgeted cost of € 21.000. It includes investigation on the possible effects on the products resulting from actions performed in the sea environment (i.e. Oil spills). The project is performed in collaboration with the University of Athens / Laboratory of Analytical Chemistry.

The collaboration with the Norwegian research AKVAFORSK Genetics Center on the genetically selected sea bream and sea bass broodstock further continued in 2013. The annual budget cost amounted to € 100.000. The very positive results arising from the progress of the genetic selection project have already begun to be reflected in the production results of the company.

### **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 in order to promote innovative methods that will allow the sustainability of our sector at the maximum possible level.

### **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 and law disobedience).

#### **Outcomes**

The Group's supplies policy requires an assessment of Nireus suppliers in Greece and abroad, apart from the traditional aspects of cost, quality and consistency, and is in line with the Group's code of values and the principles of corporate governance.

The group acknowledges the important role of chain markets for its growth and wishes its suppliers to act with responsibility, integrity, honesty and transparency. We evaluate suppliers based on the following standards:

- The overall business activity should be guided by respect for and compliance with the applicable laws and regulations.

- Fair competition and refraining from unfair trade practices. Suppliers must also take care to safeguard the integrity, prestige and dignity of the profession to which they belong, with respect for the interests of consumers.
- Disposal of products and services consistent with the applicable quality and safety standards.
- Conduct of business with respect for the environment and compliance with applicable environmental laws and regulations.

The group has long standing relationships of healthy and profitable collaboration, which require trust, honesty and constant communication between the parties. For this reason, key suppliers are visited at least once a year.

Our Internal Labor Code refers (in Chapter Z) to our business principles about our employees' ethics and conduct to our suppliers, clients and other coworkers.

According to our company's Code of Conduct all our employees are encouraged to report any case of violation comes to their attention in order to deal with it directly for the benefit of all and do justice. For this purpose a special e-mail address was created ([codeofconduct@nireus.com](mailto:codeofconduct@nireus.com)) which addresses solely, under strict confidentiality, to the Legal & Corporate Affairs Department.

Also 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 drafting and implementing enhanced Compliance Programs throughout the organization and to promote further clear and precise policies and procedures that prevent all potential forms of corruption.

#### **Contact :**

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