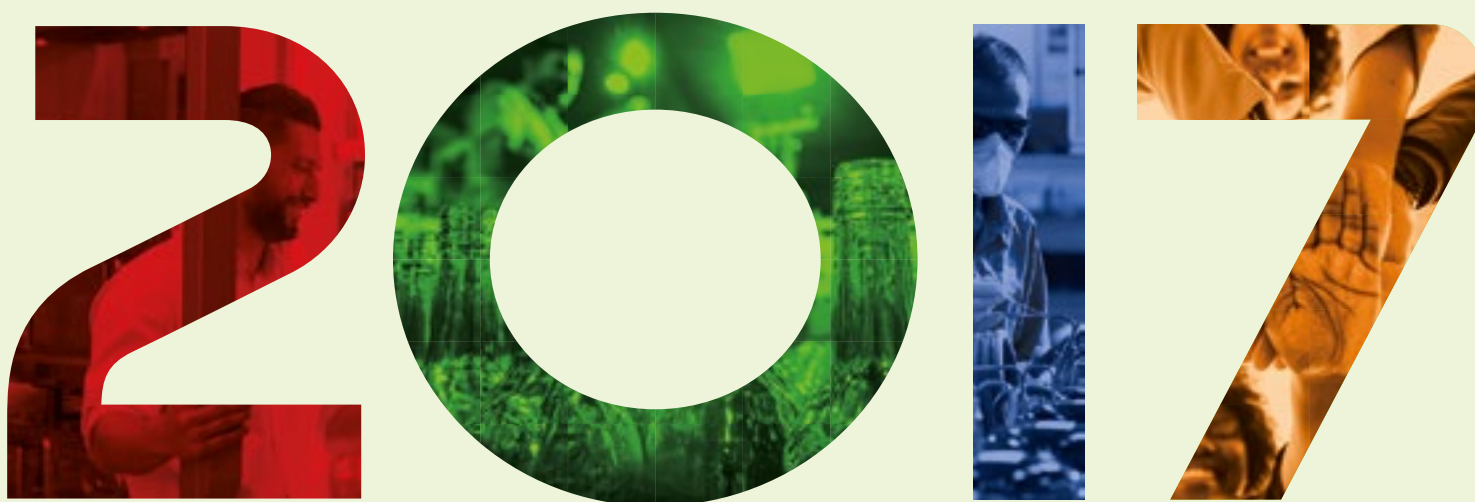


# Frigoglass

## Sustainability Report 2017



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



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## CEO's message

In a challenging and transformational year, we remained focused on our sustainability commitments to improve the business, protect the environment and make a positive impact on people and communities.



**Nikos Mamoulis**  
Chief Executive Officer

Sustainability is central to our business strategy. It is embedded in our strategic priorities and incorporated in our business activities. In 2017, we continued integrating sustainability into the way we do business, making clear progress against our sustainability commitments. Our product portfolio became even greener, our operations even more environmentally friendly and our impact on the world more meaningful. Our efforts were highly recognized and valued when we were awarded a Gold Recognition Level by EcoVadis - a leading CSR rating agency - for our responsible business practices, placing us in the top 2% of all suppliers assessed by their global platform.

In line with our Sustainability strategy, last year, we enhanced the risk management identification process across our operations. We upgraded our Operational Risk Management tool and updated our reporting system to better assess potential risks and develop mitigation actions.

In 2017, we adopted the latest version of the sustainability guidelines published by the Global Reporting Initiative (GRI Standards), ensuring that we stay up to date with the progress on sustainability reporting. Also to express our continued support to the Ten Principles of United Nations Global Compact, we communicated our progress through our Sustainability Report 2016 which disclosed our achievements in the major areas of sustainability.

Within the same year, we took sustainability reporting one step further by aligning each of the material issues with the UN Sustainable Development Goals (SDGs). The SDGs represent the world's most pressing environmental, social and economic issues, and provide a shared global framework for improving the organization's performance on sustainable development and for addressing the world's greatest challenges. Engaging with the SDGs is a proof of our commitment to operate responsibly and transparently.

Last year, we identified the top twenty issues that are material for our organization and stakeholders. This analysis is essential to understand stakeholders' expectations and main areas of concern, allowing us to fine-tune our strategic priorities.

The materiality analysis, which was conducted in accordance with the latest reporting framework, affirmed our four core pillars – **Marketplace, Environment, Workplace and Community**. It also validated the twenty material issues that have the greater economic, environmental and social impact and influence on our stakeholders, which are depicted in the Materiality Matrix of this report.

During the year, we have made further progress against our ambitious targets across all sustainability pillars. In **Marketplace**, the year was characterized by the successful commercial expansion of ICOOL and Smart ranges, but also by the development of innovative, high quality and environmentally friendly solutions to satisfy our customer needs. We introduced Super range with Hydrocarbon (HC) refrigerant in Asia and the Hybrid cooler in Africa. We also phased out models with HFC refrigerants, increasing the contribution of green coolers from 60% in 2016, to 70% of our product portfolio in 2017.

In **Environment**, we created value by reducing the impact of our operations and products on the environment. In ICM Operations, we improved the efficiency related to emissions, materials and waste management in production. We also reduced the average energy consumption of our coolers and optimized ICOOL's cooling mechanism by developing the low charge version, raising the industry standards in terms of energy efficiency.

In **Workplace**, we successfully launched "Frigoglass Academy", an online training platform that provides business-related courses and systematically educates people on our sustainability policies. Our relentless focus on Health and Safety resulted in a significant decrease of accidents and injuries across our plants in 2017. Finally, we further improved the female-to-male ratio, in line with our gender equality targets.

In **Community**, we continued working closely with our community stakeholders and investing in creating value for the communities in which we operate. A typical example is Nigeria, where we significantly contributed to the construction of classroom blocks, the renovation of the community Town Hall and the purchase of school equipment to support the local society. In 2017, above 90% of our workforce globally was of local origin and nearly half of our suppliers worldwide consisted of local companies.

As we look ahead, we will continue leveraging Sustainability to mitigate potential risks, as well as drive innovation and quality across the organization. In close collaboration with our people, customers and partners, we will keep innovating in ways that serve our business and secure a sustainable future. Building on the progress we have already achieved, we will continue to work hard together with our partners to promote and drive improvements along the entire value chain.

**Nikos Mamoulis**  
Chief Executive Officer



## About this report

Sustainability is central to our business strategy and is firmly embedded in our strategic priorities, operations and products. We communicate our approach to sustainability, our progress and achievements in the field through our annual sustainability report.

This sustainability report has been prepared in accordance with the “Core” approach of the GRI Standards, disclosing the organisation’s sustainability performance for the year 2017. Adhering to the GRI Standards ensures that the contents of the report are relevant, consistent and comparable.

Our sustainability report describes our purpose, our focus areas and the actions taken for accomplishing our goals.

The scope of this report covers all operations and sites over which Frigoglass has operational control, such as manufacturing facilities and sales offices, as well as subsidiary companies (unless stated otherwise).

Frigoglass is a signatory to the UN Global Compact (UNGC) and we align our reporting to the criteria set by it. This report constitutes the company’s Communication on Progress to the ten principles of the UN Global Compact.

This report should be read in conjunction with the Frigoglass 2017 annual report which discloses financial performance, strategic priorities update and business review for the year 2017.

The primary audiences for this report are our customers, investors, business partners, current and potential employees, our suppliers and the communities in which we operate.

This sustainability report has been prepared in accordance with the “Core” approach of the GRI Standards, disclosing our sustainability performance for the year 2017.

It also constitutes the company’s Communication on Progress to the UN Global Compact.

## Process for defining report contents

The development of this report was carried out by our sustainability team in collaboration with all departments, which jointly shaped its content.

The process for defining the report content consisted of:

- establishing the main pillars of sustainable development and the issues associated with them
- prioritizing the identified issues considering both our strategy and our stakeholder’s perspective
- defining Key Performance Indicators (KPIs) and targets linked to those issues

During the preparation of the sustainability report, we have adhered to the four GRI principles for defining report content: materiality, stakeholder inclusiveness, sustainability context and completeness.

Input was provided through continuous engagement of the involved departments in all our operations, which assessed and validated the outcomes of each phase. Final validation and approval of the content was provided by the Frigoglass Management.

In an effort to demonstrate transparency, metrics regarding our energy consumption and carbon emissions have been verified by a third party (TUV Hellas). The specific verified metrics are indicated in the GRI index at the end of this report.

Other metrics which have not been subject to third party assurance, have been verified through standard internal audits procedure.

Our aim is to further improve our sustainability reporting process through establishing regular monitoring of the metrics and KPIs as well as through wider engagement of departments and stakeholders and deeper investigation of the impact of our operations.



## About Frigoglass

Frigoglass is a strategic partner to the world's leading beverage brands.

We are one of the global leaders in Ice Cold Merchandisers (ICM), providing our customers with a complete range of innovative merchandising solutions, which uniquely position and promote their brands to consumers around the world.

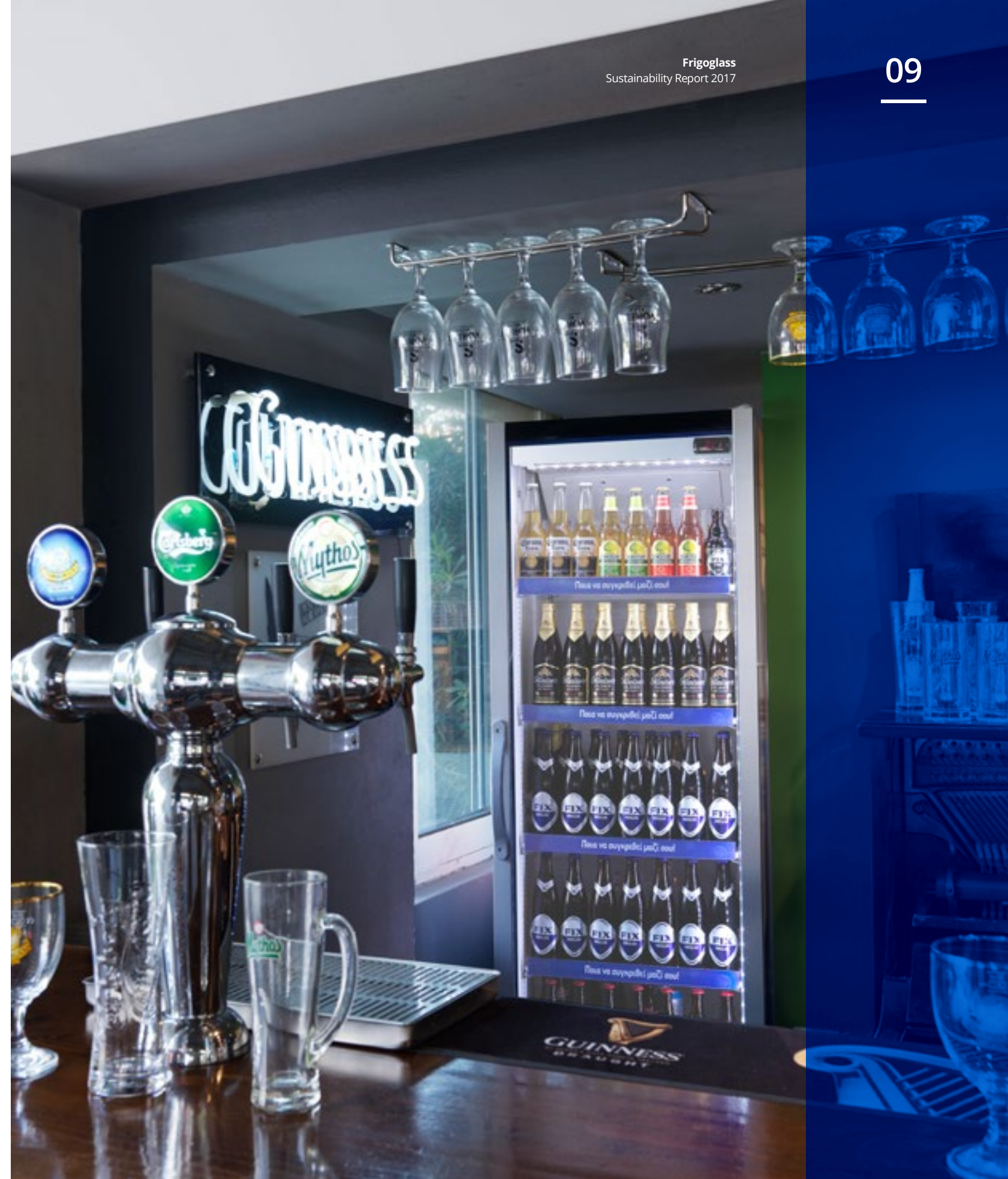
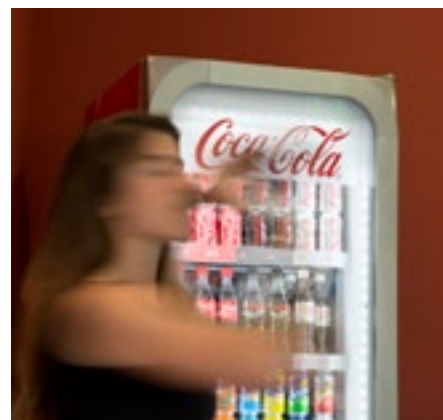
Frigoglass supplies Ice Cold Merchandisers (beverage coolers) to soft drinks and alcoholic beverage companies. Our market-leading products combined with our commitment for consistent, superior after-sales support, have allowed us to build and continuously develop long standing partnerships with our customers, who include leading beverage companies in more than 100 countries that we serve globally.

Our innovative coolers enhance our customers' beverage branding at the point of sale, drive impulse consumption and maximize merchandising opportunities. We are committed to providing increasingly environmentally friendly product solutions which enable our customers to meet their ambitious sustainability and carbon emission reduction targets.

Frigoglass is also a principal supplier of glass bottles and complimentary packaging solutions in the high-growth markets of Africa. These markets present an attractive long-term investment opportunity for our customers and as such we remain committed to supporting them in capitalizing on this opportunity.

As a global company with approximately 5,000 employees worldwide, Frigoglass is fully committed to applying a strict code of business conduct to all employees as well as complying with local laws and regulations.

At our organization, we believe that ethical governance is not only a tool for responding to the rapidly changing global market, but also a vehicle for building trust with our various stakeholders, including customers, shareholders, suppliers, employees and the society.







## About Frigoglass

## Our Values

With a strong focus on our customers – beverage companies all around the world – the Frigoglass team is guided by a set of core values:

The Frigoglass **TREE** of Values

## Teamwork

We win together,  
we are part of one global team

- ✓ We foster a positive and collaborative workplace that supports continuous learning and encourages feedback culture.
- ✓ We respect and trust each other and we value cross-functional partnerships to achieve results.
- ✓ We value our people by investing in personal development, recognizing accomplishments and empowering them to be the best they can.

## We never...

- quit sharing ideas and information
- disrespect each other
- stop caring for our people

## Ethos

We act ethically,  
we lead by example

- ✓ We do what is right and we uphold the highest standards of integrity in all of our actions.
- ✓ We are authentic, open and true to ourselves and to others.
- ✓ We foster inclusion and value diverse cultures, backgrounds, approaches and points of view.

## We never...

- fail to speak out when it is the right thing to do
- compromise our code of ethics
- stop respecting backgrounds when different from own

## Responsibility

We honor our commitments,  
we care for the world where we operate

- ✓ We're committed to our responsibilities towards our shareholders, employees, customers and suppliers.
- ✓ We make a difference to the people living in the communities we operate.
- ✓ We value the environment we live in and we continuously improve our environmental performance.

## We never...

- say one thing and do another
- commit without following through, every time
- act without considering environmental implications

## Excellence

We strive for excellence  
in everything we do

- ✓ We think and act as owners, we put our hearts into what we do and we take pride in the quality of our work.
- ✓ We are a performance-driven company committed to creating sustainable value for our stakeholders.
- ✓ We make it simple for our customers to do business with us.

## We never...

- stop raising the bar
- accept poor performance
- sacrifice quality for convenience

## About Frigoglass

## Where we operate

Cool Operations  
Europe

Production plants and sales offices

- Greece
- Russia
- Romania

Sales Offices

- Germany
- Norway
- Poland
- Turkey

Cool Operations  
Asia & Africa / Middle East

Production plants and sales offices

- India
- Indonesia
- South Africa

Sales Offices

- Kenya
- Nigeria
- UAE (Dubai)

## Glass Operations

Production plants and sales offices

- Nigeria
- UAE (Dubai)\*

\* On 2 April 2018, Frigoglass entered into an agreement to sell the entire share capital of its wholly owned subsidiary Frigoglass Jebel Ali.

## About Frigoglass

## 2017 financial highlights

Sales (€m)

386.0

2016: 382.3

EBITDA (€m)<sup>1</sup>

54.1

2016: 36.9

EBITDA Margin (%)<sup>1</sup>

14.0

2016: 9.7

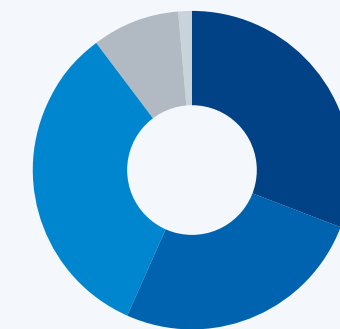
Net Profit (€m)

7.6 (27.6)\*

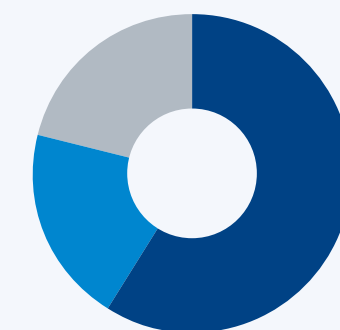
2016: -89,2 (-49.5)\*

## Consolidated revenue breakdown

By geography

Eastern Europe  
€119.2m (31%)Western Europe  
€100.1m (26%)Africa/Middle East  
€128.2m (33%)Asia  
€34.3m (9%)North America  
€4.3m (1%)

By customer group

Coca-Cola  
€228.9m (59%)Breweries  
€76.1m (20%)All others  
€81.1m (21%)<sup>1</sup> For details on Alternative Performance Measures (APMs) please refer to the Annual Financial Report 2017 \* Net Profit from continuing operations

# Corporate governance

## Governance framework

The Board is responsible for dealing with the Company's affairs exclusively in the interest of the Company and its shareholders within the existing regulatory framework. The Board's key responsibilities are:

- setting the Company's long-term goals;
- making all strategic decisions;
- making available all required resources for the achievement of the Company's strategic goals;
- appointing top executive management.

The Board is appointed by the General Meeting of the Company and at the time of execution of this present consists of 9 members, 8 of which are non-executive and 5 of which are independent. The only executive member is the Chief Executive Officer. The members of the Board serve for a three (3) year term that can be prolonged until the Annual General Meeting to be held following the termination of their term. Their term shall in no case exceed four (4) years.

The experience of the members of the Board encompasses diverse professional backgrounds, representing a high level of business, international and financial knowledge contributing significantly to the successful operation of the Company. The Board is fully balanced as far as the number of independent and non-independent members is concerned. The independent, non-executive members contribute to the Board's decision-making with the provision of impartial opinions and resolutions, thus to ensure that the interests of the Company, the shareholders and the employees are protected, whereas the executive member is responsible for ensuring the implementation of the strategies and policies decided by the Board.

According to the Company's Code of Business Conduct and Ethics the members of the Board must avoid any acts or omissions from which they have, or may have, a direct or indirect interest and which conflict or may possibly conflict with the interests of the Company.

The members of the Board receive remuneration which is approved by the Company's General Meeting, in accordance with the specific provisions of the Articles of Association and the Law.

## Audit Committee

According to Article 44 of Law 4449/2017, the Company has established and operates an Audit Committee ("the **Audit Committee**") which is, inter alia, responsible for:

- the update of the Board regarding the outcome of the mandatory audit and the contribution of the latter in the integrity of the financial information, and for the role of the Audit Committee during the process,
- monitoring the process for provision of financial information and the submission of proposals or recommendations in order to ensure the integrity of the process;
- monitoring the effective operation of the internal audit and risk management systems, and in some cases the department of internal audit of the Company regarding the financial information, without, however, violating the independence of the Company;
- monitoring the course of the mandatory audit of individual and consolidated financial statements, and especially the performance of the audit;
- reviewing and monitoring of matters relating to the existence and safeguarding of the impartiality and independence of

the legal auditor or audit office, particularly in relation to the provision to the Company of other services by the statutory auditors or audit firms;

- the selection process of statutory auditors or audit firms and the recommendation for hiring specific legal auditors or audit offices.

Further, the Audit Committee is also responsible for the submission of proposals to the Board regarding any change to the chart of authorities and the organizational chart of the Company.

The members of the Audit Committee have been appointed by the Extraordinary General Meeting of the Company that took place on 14.12.2017 as per the provisions of Law 4449/2017 and are the following:

### Chairman

**Kyriakos Riris**  
Independent member

### Members

**Loucas Komis**  
Non-executive Board member

**Ioannis Costopoulos**  
Independent, non-executive Board member

The majority of the members of the Audit Committee are independent, as per the provisions of Law 3016/2002.

The above members have sufficient knowledge and hold substantial past experience in senior financial positions and other comparable experience in corporate activities.

Finally, Mr. Kyriakos Riris fulfils the requirements provided by law regarding the requisite knowledge of accounting and auditing.

The Audit Committee shall meet whenever this is deemed necessary and in no circumstances less than four times a year. It must also hold at least two meetings attended by the Company's regular auditor, without the presence of the members of the management.

The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman. The Audit Committee held a total of four (4) meetings in 2017. The said meetings were scheduled in such a way so as to coincide with the publication of the Company's financial information.

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2016 annual financial statements and the 2017 half-year financial information.

In this respect the Audit Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial statements and the financial information, and the content of results announcements prior to their submission to the Board. The Audit Committee also considered reports from PwC on their annual audit of 2016 and their review of the 2017 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2017, the Audit Committee has:

- reviewed the results of the audits undertaken by Internal Audit and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made;

- reviewed the effectiveness of Internal Audit, taking into account the views of the Board and senior management on matters such as independence, proficiency, resourcing, and audit strategy, planning and methodology;
- reviewed regular reports on control issues of major level significance, as well as details of any remedial action being taken. It considered reports from Internal Audit and PwC (for 2016) on the Company's systems of internal control and reported to the Board on the results of its review.

## Internal Audit Department

The main duties and obligations of the Internal Audit Department include:

- monitoring the accurate implementation of and compliance with the Company's Articles of Association, Internal Regulation of Operation and directives, and in general evaluate, review and audit the internal control system and its efficiency;
- reporting cases of conflict of interests between members of the Board or managers and the interests of the Company;
- submitting written reports to the Board of Directors at least once each quarter on any important findings of the internal audits it has conducted;
- attending the General Meetings;
- cooperating with state supervisory authorities and facilitating them in their work.

The internal auditor acts according to the International Standards for the Professional Practice of Internal Auditing and the policies and procedures of the Company and reports to the Audit Committee.

## Human Resources and Remuneration Committee

The role of the human resources and remuneration committee ("the Human Resources and Remuneration Committee") is to establish the principles governing the Company's human resources policies which guide management's decision-making and actions.

More specifically, its duties are to:

- oversee the management's succession planning policy;
- establish the Compensation and Benefits Strategy;
- submit to the Board proposals for executive Board members remuneration.

The Human Resources and Remuneration Committee, which is appointed by the Board, is comprised of the following 3 non-executive Board members:

### Chairman

**Iordanis Aivazis**  
Independent/ Non-executive member

### Members

**Haralambos (Harry) G. David**  
Non-executive member

**Evangelos Kaloussis**  
Independent/Non-executive member

The Chief Executive Officer and HR Director shall normally attend all meetings of said Committee, except when discussions are conducted concerning matters affecting them personally. The Group HR Director act as the Secretary of the Committee.

The Human Resources and Remuneration Committee held five (5) meetings in 2017.



# Corporate governance

## Investment Committee

The duties of the investment committee (“**the Investment Committee**”) are to recommend to the Board the Company’s strategy and business developmant initiatives, as well as to evaluate and suggest to the Board new proposals for investments and/or Company expansion according to the defined strategy of the Company.

Moreover, the Investment Committee is also responsible for evaluating and suggesting to the Board opportunities for business development and expansion through acquisitions and/ or strategic partnerships.

The Investment Committee, which is appointed by the Board, is comprised of four members, two of which are non-executive, and is formed as follows:

*Chairman*  
**Haralambos (Harry) G. David**  
Non-executive member

*Members*  
**Nikos Mamoulis**  
Executive member

**Loucas Komis**  
Non-executive member

**Emmanouil Fafalios**  
Chief Financial Officer<sup>1</sup>

The Investment Committee held two (2) meetings in 2017.

## Communication with Shareholders

Frigoglass recognizes the importance of the effective and timely communication with shareholders and the wider investment community. The Company maintains an active website [www.frigoglass.com](http://www.frigoglass.com) which is open to the investment community and to its own shareholders; the site features this Code, as well as a description of the Company’s corporate governance, management structure, ownership status and all other information useful or necessary to shareholders and investors. Finally, Frigoglass also communicates with the investment community through its participation in a number of conferences and meetings held in Greece and abroad and the schedule of conference calls.

<sup>1</sup> Mr. Emmanouil Fafalios has left the Company, effective May 31, 2018

## Corporate governance Board of Directors

### Board of Directors (three-year term ending in 2020)

**Haralambos (Harry) G. David**  
Chairman, non-executive member

**George Leventis**  
Vice Chairman, non-executive member

**Nikos Mamoulis**  
Chief Executive Officer, executive member

**Loukas D. Komis**  
non-executive member

**Evangelos Kaloussis**  
non-executive member / independent

**Ioannis Costopoulos**  
non-executive member / independent

**Jeremy Jensen**  
non-executive member / independent

**Iordanis Aivazis**  
non-executive member / independent

**Stephen Bentley**  
non-executive member / independent

### Management Committee

**Nikos Mamoulis**  
Chief Executive Officer

**Emmanouil Fafalios**  
Chief Financial Officer<sup>1</sup>

**Nick Evangelou**  
Chief Commercial Officer ICM

**Darren Bennett-Voci**  
Glass Division Director

**Hector Pergamalis**  
Manufacturing Director ICM

**Nikos Doulas**  
Group Procurement Director

**Emmanouil Souliotis**  
Group Human Resources Director

**Vassilis Soulis**  
Service Director

### Certified auditors

**PricewaterhouseCoopers**  
268 Kifissias Avenue,  
152 32 Halandri,  
Athens, Greece

### Legal advisors

**Theodore Rakintzis**  
Kyriakides-Georgopoulos, Law Firm

<sup>1</sup> Mr. Emmanouil Fafalios has left the Company, effective May 31, 2018

# Our approach to sustainability

At Frigoglass, sustainability is fully embedded in our business model, culture and strategy and is integral to how we run our business.

Our sustainability strategy is underpinned by a set of guiding principles; in specific, upholding high professional standards, being transparent, trusted and fair, fostering a culture of partnership and collaboration, valuing the long-term relationships with our customers and suppliers, and leading by example to create a more sustainable future.

We approach sustainability and corporate social responsibility focusing our efforts and resources on four, complementary and mutually-supported areas: **Marketplace, Environment, Workplace and Community**

## Aligning our sustainability approach with the SDGs

In 2015, the UN developed 17 Sustainable Development Goals (SDGs) “to transform our world, end poverty, protect the planet, and ensure prosperity for all” agreed upon and signed by the 193 UN member states.

The SDGs articulate the world’s most pressing environmental, social and economic issues, and also provide a universal framework that businesses can use to improve their performance on sustainable development.

In short, making the SDGs a success is critical for the health of global economy. In fact, the SDGs have been described as “the closest thing the world has to a strategy for future success”.

Businesses, governments, NGOs and communities are helping the global society move towards the achievement of these goals. As a company with a global footprint, we recognise our responsibility to contribute to the delivery of these ambitious goals.

To achieve this, we have performed a mapping of each of our material issues against the SDGs and have determined those goals, which we have an impact on and can contribute to. Based on this mapping, the SDGs we identified as the ones on which we have the biggest impact are: 6, 7, 8, 9, 12 and 13. The SDGs that we have less impact on but we still contribute to are: 3, 5, 10, 16 and 17.

### United Nations 17 Sustainable Development Goals (SDGs)



## Marketplace

Quality and innovation are two important drivers of our sustainability strategy. We aim to create value for our business and customers by developing high quality, reliable products and services, continuously enhancing their efficiency, whilst ensuring regulatory compliance with applicable laws in all areas of our operation.

## Environment

We create value by recognising and reducing our products’ impact on the environment. In our operations we measure performance through regularly monitoring the environmental impact of our products and undertaking actions to improve the efficiency of materials’ use.

## Community

It is important for us to be a responsible corporate citizen by supporting the local society. We work closely with our community stakeholders to find out how we can achieve greater social impact through our business operations. We also focus our efforts on creating value for the communities in which we operate.

## Workplace

Our people are our greatest asset. Engaging and developing our people is our firm objective. We are therefore strongly committed to attracting, developing and retaining the best people to successfully support our business strategy, whilst providing them a healthy and safe working environment.





## Our approach to sustainability

## Sustainability overview

Sustainability governance is of paramount importance, as we continue our efforts to embed sustainability principles into our decision making process across the organization.

Frigoglass' leadership has the ultimate accountability of the company's sustainability programs and performance. In partnership with leadership, the Head of Sustainability directs the design, development, execution and continuous improvement of our sustainability strategy, goals and initiatives. Supported by working committees throughout the locations of our operations, the sustainability strategy is applied across all our functions and locations of operation.

The sustainability working committees work collaboratively to engage with stakeholders, mobilise the organisation and enhance cooperation across departments. They are responsible for ensuring that the company is making systematic progress on its sustainability strategy, as well as for addressing risks, communicating results and working towards embedding sustainability within the organization.

Frigoglass memberships  
or associations:

- World Economic Forum/  
Community of Global Growth  
Companies
- Athens Stock Exchange  
Association Listed Companies
- Hellenic Federation of  
Enterprises (SEV)
- General Commercial  
registry (G.E.MI.)
- Athens Chamber of Commerce  
and Industry
- Hellenic Network for  
Corporate Social Responsibility
- UN Global Compact Hellas
- Federation of Peloponnese  
& Western Greece Industries
- United Nations Global Compact



We have been participating in CDP since 2010, verifying our carbon emissions by an independent third party and consistently scoring above overall and industry levels.



We have been participating in Ecovadis supplier sustainability ratings since 2013. For our performance in 2016, we were awarded the Gold recognition level, placing us among the top 2% of all companies in all industries worldwide for our responsible business practices.



We have been members and supporting the Ten Principles of the United Nations Global Compact since 2016.





# Risk management

In 2017, we enhanced the risk management identification process across our operations. We upgraded our Operational Risk Management tool and updated our reporting system to better assess potential risks and develop mitigation actions.

Frigoglass CEO and the Management Committee have overseen the risk and opportunity identification process, which included regulatory reviews, carbon emission and energy use data collection, as well as consultation with both suppliers and customers.

Data collection has been used to identify where climate change and other risks and opportunities exist across the company. Specifically, data on carbon emission and

energy use have been used to assess energy efficiency opportunities at a number of our plants, as well as help us set our carbon emission target for 2022 to reduce emissions intensity by 10%.

Customers’ consultation has guided our research and development efforts to produce more energy efficient ICMs. Frigoglass has developed a new Operational Risk Management program to assess risk at asset level. We introduced new standards to the program as well as a new, structured and detailed reporting system. Our updated program consists of three major assessment categories. For each of them a series of issues and potential risks have been outlined to allow us to have an accurate overview of the risks at asset level i.e. in each individual plant.

Under this program, climate change has been recognized as a key risk that relates to both business continuity and environmental

management. Annual Environmental, Health and Safety audits have been carried out in each plant by third parties.

These audits assess how effectively this risk is managed in relation to the program’s goals and more specifically:

- The level of risk,
- The measures being taken to address these risks and
- The opportunities to reduce these risks.

These audits have also been used as an opportunity to identify additional potential risks. The findings from the annual audits have been compiled and shared with the Management Committee for their further assessment and action planning.

Frigoglass has used a risk assessment process to prioritize the identified risks and opportunities, based on the following criteria:

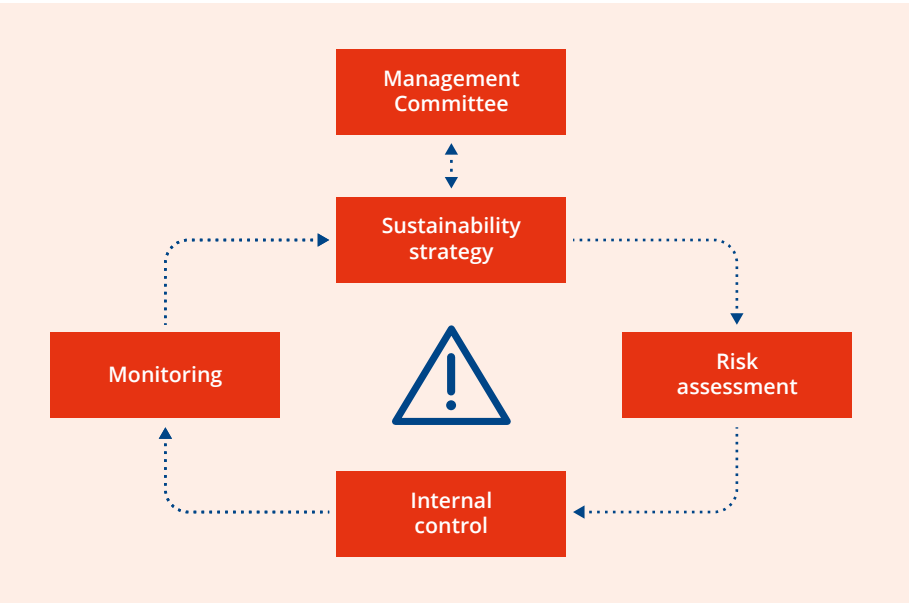
- Meeting regulatory obligations
- Meeting customer expectations with respect to energy efficiency and climate change
- Impacts to reputation
- Impacts to business continuity

The identified risks have been categorized in three groups, and more specifically, as risks resulting from:

- Changes in climate-related regulations
- Changes in physical climate parameters
- Changes from other climate-related developments

## Risks resulting from changes in climate-related regulations

Description	Potential impact	Impact magnitude	Estimated implications	Management method
Increasing reporting obligations imposed by regulators may lead to changes on how data are collected and reported.	Increased operational cost	Low-medium	The financial implications of emissions reporting obligations are associated with the cost to collect check and collate emissions data across all of Frigoglass businesses and report in the required format. This could be quite a complex task given that Frigoglass operates in a number of jurisdictions that may have very different reporting requirements.	Frigoglass started collecting emission data in 2010 and continues to annually collect, check and collate emissions data to feed into the development and tracking of emissions reduction targets across the business. In addition, the level of reporting for each operation is continually being improved to increase the accuracy of the collected data on all 3 emission scopes. It is anticipated that collecting emissions data now will reduce any risks associated with future emission reporting obligations.
Participation in the EU ETS and introduction of similar schemes in the US and throughout the world may have a flow- on effect on the cost of business inputs, such as electricity and fuels.	Increased operational cost	Low-medium	Existing and future regulations on GHG emissions, together with a trading scheme will serve to monetise the environmental cost of GHG emissions and will increase the cost of traditional fossil fuel based energy usage including: electricity, stationary and transport fuel as well as refrigerant gas for both Frigoglass and our suppliers. This could lead to a small increase in costs associated with our raw materials and components as well as direct increases in energy costs for our production facilities.	We use three methods to manage emissions and associated costs: 1. Measuring energy use and emissions including improving quality of collected data. 2. Managing operational costs by analysing collected data and identifying and implementing energy efficiency projects to reduce energy use across our operations. This has included dematerialising our supply chain and products (e.g. modular product design, less item codes and higher degree of standardization, more efficient component selection). 3. Investment in research and development so as to produce ICMs that use natural refrigerants and are powered by solar cells and eutectics technology. It is anticipated that by implementing these management measures we will be able to offset the increase in costs associated with the implementation of a carbon price and will be an industry leader with respect to natural refrigerants.
Changes to refrigerant regulation, including phasing out or banning of different refrigerant gases.	Increased operational cost	Low-medium	To date, Frigoglass has invested over €3 million to upgrade all plants in order to use HFC-free refrigerants. Should additional changes to refrigerant types be required, it is estimated that the costs to upgrade production facilities would be of a similar magnitude.	Frigoglass is investing in research and development into alternative refrigerants and in 2017, 70% of our ICM placements worldwide were with Hydrocarbon (HC) and CO2 refrigerants. Other refrigerant related projects include the development of cooling circuits that can operate with a lower HC charge to extend usage to larger size coolers. In addition, we completed building our manufacturing capability in our plants around the world so that Frigoglass can quickly and efficiently produce environmental-friendly units that can address potential changes in refrigerant regulation.



# Risk management

## Risks resulting from changes in physical climate parameters

Description	Potential impact	Impact magnitude	Estimated implications	Management method
Greater variability of temperature including high temperature which may lead to production downtime.	Reduction/ disruption in production capacity	High	Temperature extremes could reduce revenue by disrupting production. Production costs may increase due to increased electricity load for additional cooling of production sites and increased energy costs where energy providers need to upgrade their infrastructure to guarantee supply during periods of extreme weather. The financial implications could range from small increases in operational costs to significant costs related to plant shut down as a result of damage from extreme weather events. The financial costs of disruptions to plants due to weather related events is 1.3% of total spending.	Frigoglass has an Operational Risk Management program which includes new standards as well as a new, structured and detailed reporting system to identify and address risks associated with climate change. The major risk categories that have been identified are site construction, safety measures and critical hazards. Some other issues that fall under these categories are business continuity, environmental management and health and safety, among others. The potential impacts from changes in temperature extremes are considered by the Operational Risk Management program where critical thresholds on business continuity are reached. Regarding managing security of supply, our regular supplier assessment ensures that we continually identify those suppliers that are able to provide materials to different manufacturing sites around the world, ensuring a certain degree of resilience in the availability of materials and components required for manufacture of products. Diversification of our suppliers is another means of addressing the risk of climate impacts up and down our supply chain. On the commercial side, we manage the risk of production capacity disruption through possibility to supply same and/or similar products from different manufacturing sites.
Increase in average temperature over longer time frames which may lead to increased operation and production costs associated with cooling in factories. Additional impacts to personnel expected.	Increased operational cost	Medium	Change in average temperature will increase the production costs within our factories due to increased cooling requirements. Should temperatures exceed tolerable ranges, production would have to cease, which would reduce supply and potentially impact on Frigoglass ability to meet customer requirements. This would result in a loss of revenue of max 10%.	Currently, factories operate within the acceptable temperature tolerance range. However the risk of increased average temperatures is incorporated into our Operational Risk Management program. Heat risk to personnel is currently considered within the health and safety category of our Operational Risk Management Program. Should temperatures increase beyond acceptable tolerance levels, Frigoglass would implement facility upgrades to ensure that production continues uninterrupted.

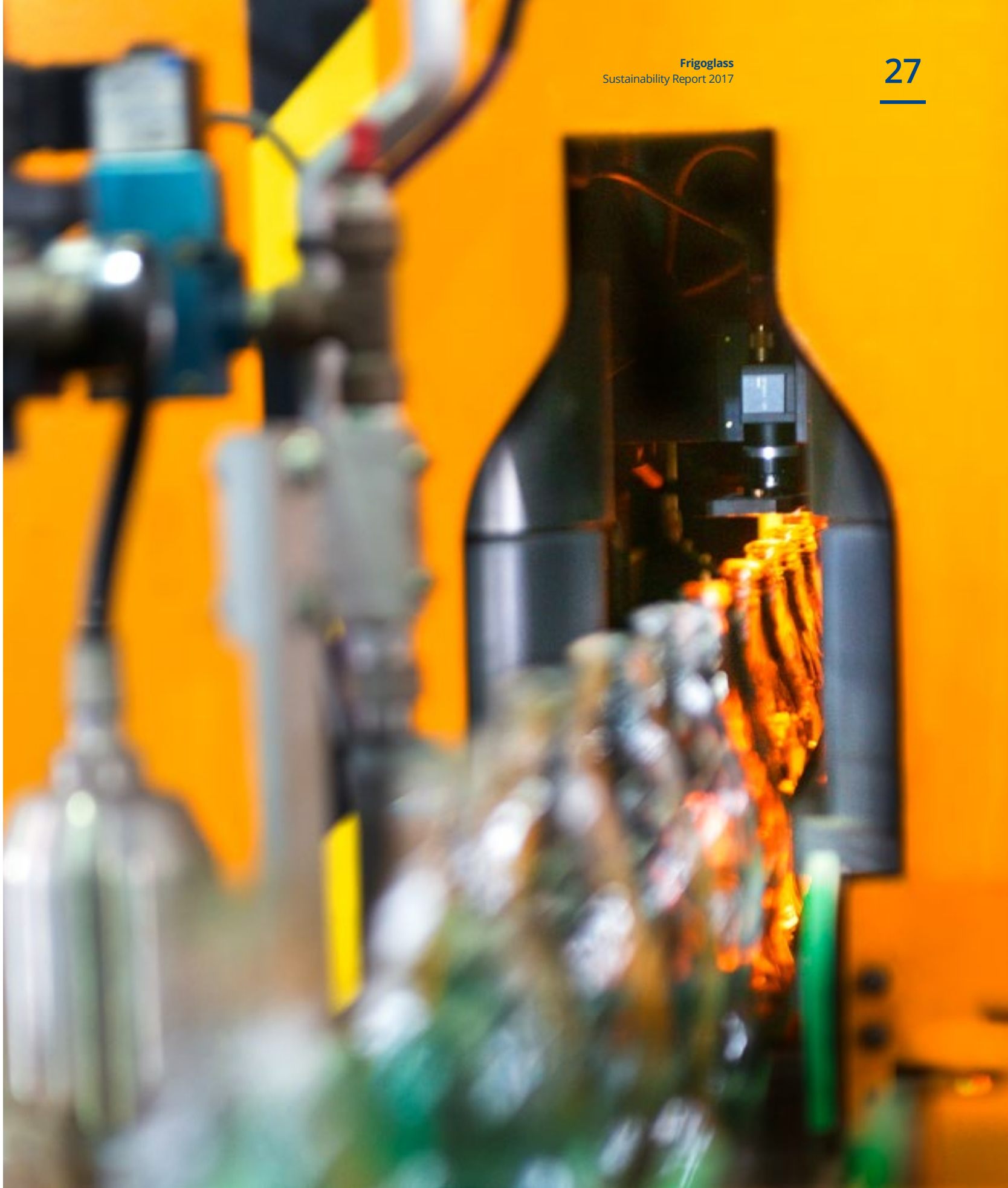
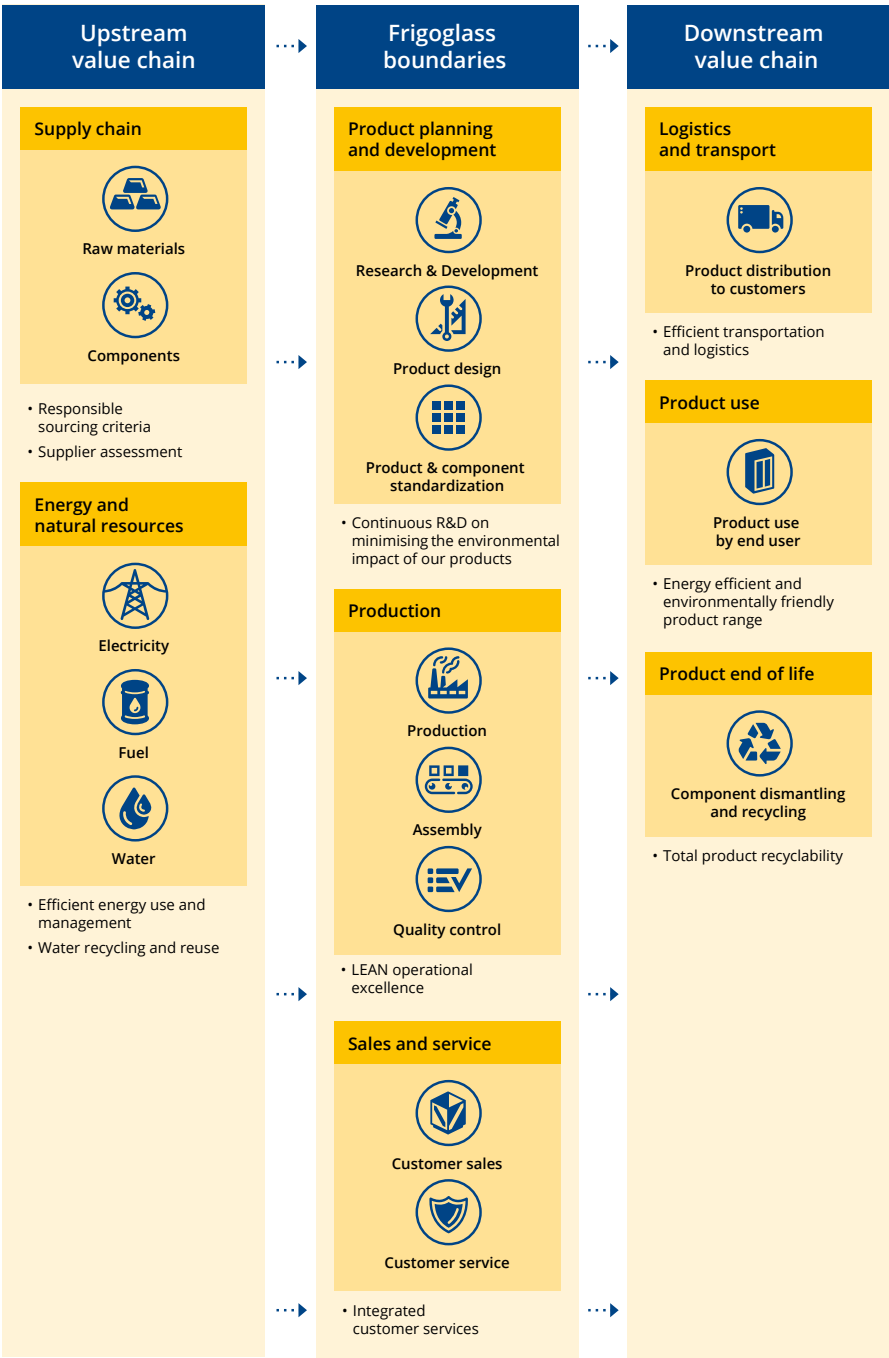
## Risks resulting from changes from other climate-related developments:

Description	Potential impact	Impact magnitude	Estimated implications	Management method
Damage to the reputation of Frigoglass as a provider of environmentally-friendly technologies by its customers and investors if the company fails to meet compliance requirements or is seen as insufficiently managing all business risks associated with climate change.	Reduced demand for goods/ services	High	The loss of Frigoglass reputation as a supplier of environmentally friendly technologies would have a significant financial impact as we could lose a large proportion of our customer base to other suppliers.	We manage reputation risk by maintaining our reputation as a leader in technology and innovation through funding our research hubs in Europe, Asia and Africa to ensure that our technology meets our customers' needs for energy efficiency, natural refrigerants and ICMs that work at lowest energy consumption levels within our industry. Some of our models are using alternative power sources such as solar power and eutectics technology.
Expectations of major customers with respect to environmental performance (from a design and use perspective).	Reduced demand for goods/ services	High	The financial implication of not being able to provide our customers with both supply chain management information and innovative emissions and energy related solutions pose a significant financial loss (up to 50% of sales) to Frigoglass if these customers move to other suppliers who can provide the required information, products and solutions.	As a technology and innovation leader in our sector, with research and development hubs in Europe, Asia and Africa, we are best positioned to provide global beverage companies with the most advanced product range to reduce their carbon footprint and address the rapidly rising energy costs. The innovations we develop affect our capital investment strategies in our plants, in order to equip manufacturing sites with the capability and capacity to manufacture newer models to meet the increasing demand, as well as our supplier sourcing strategies to ensure the appropriate components are available in expected quantities and meet our supplier quality standards. In addition, Frigoglass has been collecting and reporting on carbon emission data since 2010 and continues to improve and refine its emissions data. It also reports on a range of sustainability indicators that would be of interest to our customers.

# Our value chain

We are committed to adopting responsible business practices in our operations and throughout our value chain.

In order to be able to operate sustainably and create value, we need to control all stages of our value chain and their associated impact, from material sourcing to developing and producing our products, to ensuring their recyclability at the end of their lifecycle. We take measures to minimise that impact by focusing on delivering quality and innovative products while working together with our customers, business partners and suppliers to promote sustainable development, innovate and create win-win solutions that enable our mutual growth. This is also one of the main mechanisms that helps us deliver on the SDGs.







## Engaging with our stakeholders

At Frigoglass, we highly appreciate the role of stakeholders and the significance of their involvement when it comes to defining our sustainability strategy.

Engaging with them is essential for understanding their needs and creating value for the organization. Their insight also helps us acquire a multi-angle perspective that supports our decision making process and ensures that our sustainability targets and actions respond to their concerns and meet their expectations.

In the process of mapping our stakeholders, we have identified those for which we have legal, commercial or moral responsibility, such as our investors, clients and the communities in which we operate. Our employees and our suppliers are equally important stakeholder groups because we depend on them for our operation. Finally, we are conscious of external groups, such as our business partners and product end users, who are influenced by our products and performance.

Continuous dialogue and engagement with different stakeholder groups enable us to understand various perspectives, identify opportunities to improve our performance, create value for our customers and shareholders and set our sustainability targets. Integrity, transparency and compliance are the key principles behind all our engagement initiatives.

Stakeholder engagement outcomes inform our strategy, risk management and resource allocation, and help us meet stakeholders' expectations and address their concerns.

### Our key stakeholder groups



### Stakeholder engagement approach



Our ongoing engagement with our stakeholders helps us understand:

- The impact of our activities and how to handle them in a responsible manner
- The potential risks and opportunities associated with each stakeholder group and how we can effectively manage them in a proactive way
- The effectiveness of our sustainability strategy





Feedback from our stakeholders on how we can improve our management and reporting of sustainability issues has included the following recommendations:





- Integrate sustainability issues further into business strategy
- Enhance our sustainability reporting practices to demonstrate transparency
- Set clear KPIs and targets and measure progress against them
- Promote standardisation of procedures on quality, labour management and environmental issues across all operations

In specific, the mechanisms we use to engage with our key stakeholders, the relevant issues and how we respond to them are presented below:



## Engaging with our stakeholders

Stakeholder group	Basis for engagement	Engagement methods	Engagement frequency	Relevant issues
 <b>Customers</b>	Customers are vital to the organisation's success and have direct interest in our market impact and sustainability performance	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Sales</li> <li>• Service</li> <li>• Customer satisfaction surveys</li> <li>• Meetings</li> <li>• Performance</li> <li>• Quality KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Product responsibility</li> <li>• Quality management</li> <li>• Use of resources</li> <li>• Supplier relations</li> <li>• Economic performance</li> <li>• Innovation</li> <li>• Human rights</li> </ul>
 <b>Employees</b>	Our people are critical for our business, strategy and decision making. We therefore aim to create a diverse and inclusive environment, engaging and collaborating with them to achieve our sustainability goals	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Direct communication</li> <li>• Performance reviews</li> <li>• Feedback process</li> <li>• Trade union negotiations</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfaction and wellbeing</li> <li>• Health and safety</li> <li>• Diversity and equal opportunity</li> <li>• Training and education</li> <li>• Economic performance</li> </ul>
 <b>Investors</b>	Investors are essential for the organization and its performance by providing the necessary equity	<ul style="list-style-type: none"> <li>• BoD meetings</li> <li>• Stock exchange</li> <li>• Annual reports</li> <li>• Annual shareholder meetings</li> <li>• Quarterly results</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Business strategy</li> <li>• Governance</li> </ul>
 <b>Suppliers</b>	We aim to develop channels of mutual support with our suppliers that enhance the quality of our supply chain and foster long term collaboration and opportunities	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Business relationships</li> <li>• Supplier audits</li> <li>• Vendor meetings</li> <li>• Quality KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Supplier relations</li> <li>• Supplier assessment</li> <li>• Use of resources</li> <li>• New technologies</li> </ul>

Stakeholder group	Basis for engagement	Engagement methods	Engagement frequency	Relevant issues
 <b>Financial institutions</b>	Financial institutions are critical to our business, its strategy and sustainable growth. We aim to keep them continuously informed on our strategic goals and the progress made	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Performance reviews</li> <li>• Quarterly results</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Business strategy</li> <li>• Governance</li> </ul>
 <b>Business partners</b>	Collaboration with various business partners such as universities, governmental bodies and third party experts, is crucial for enhancing quality, ensuring sustainability and expediting innovation	<ul style="list-style-type: none"> <li>• Contracts</li> <li>• Development projects</li> <li>• Performance updates</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Supplier relations</li> <li>• Cooperation on product and technology developments</li> <li>• Innovation</li> <li>• Sustainability</li> </ul>
 <b>Media</b>	Media play an important role by communicating sustainability and business development to the wider public	<ul style="list-style-type: none"> <li>• Quarterly results</li> <li>• Ad-hoc communications</li> <li>• Press releases</li> <li>• Press interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Sustainability strategy</li> <li>• Innovation</li> <li>• Economic performance</li> </ul>
 <b>Local communities</b>	We support the local society with community-focused initiatives and take their needs into consideration to maximise shared value	<ul style="list-style-type: none"> <li>• Social events</li> <li>• Communication</li> <li>• Local legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Community investment</li> <li>• Employing and sourcing from local communities</li> <li>• Economic performance</li> </ul>

# Materiality analysis

## Materiality analysis process

The materiality analysis and the resulting materiality matrix has derived from a three-step process:

### Issue identification

- Reviewed issues raised by the leading sustainability standards and frameworks - SDGs, GRI, SASB, DJSI etc.
- Investigated the business and industry landscape on sustainability and conducted benchmarking of peers
- Introduced our company-specific issues
- Created the initial pool of potentially material sustainability issues which were grouped into 4 sustainability pillars

### Assessment and prioritisation

- Assessed and ranked the issues from the business perspective considering their impact on the business, their associated risks and opportunities and the degree of their influence
- Evaluated and ranked the issues from the perspective of different stakeholders, utilising their feedback

### Validation and alignment

- Reviewed the assessment results and validated that they are aligned with objectives that reflect Frigoglass' sustainability standpoint
- Produced the "materiality matrix", defined actions and allocated resources accordingly

Our ultimate goal is to fully embed sustainability into our business strategy and processes. In order to achieve that, we need to identify the most important issues for our business and our stakeholders, and to ensure that our strategy is designed to drive effective responses and actions.

For us at Frigoglass, engaging with sustainability means aligning with the needs and expectations of our stakeholders - customers, consumers, employees and shareholders around the globe. Identifying and evaluating the issues that are material for our organisation and stakeholders is essential for providing strategic direction and focus on our sustainability strategy which highlights business imperatives, monitors results and drives progress.

By identifying our material issues we ensure that we focus our efforts on managing the impact of our activities and the expectations of our stakeholders.

Aiming to identify the areas with the greatest impact, we implement an extensive materiality analysis of sustainability issues, that helps us prioritise the most important sustainability issues related to our operation.

The materiality analysis is a process undertaken by the sustainability team which identifies the relevant sustainability issues and filters them through the perspectives of the organisation and our stakeholders. The results compose our materiality matrix, which is the compass for designing our strategy, focusing our efforts and allocating our resources.

The material issues, that are presented in the materiality matrix, also guide the content of this sustainability report.

## Materiality matrix

### Material

Issues identified as the most material to our sustainability performance by both the company and our stakeholders. As they are considered the most critical to our performance, we have established ongoing control systems, targets and measurements to report their progress on a regular basis.

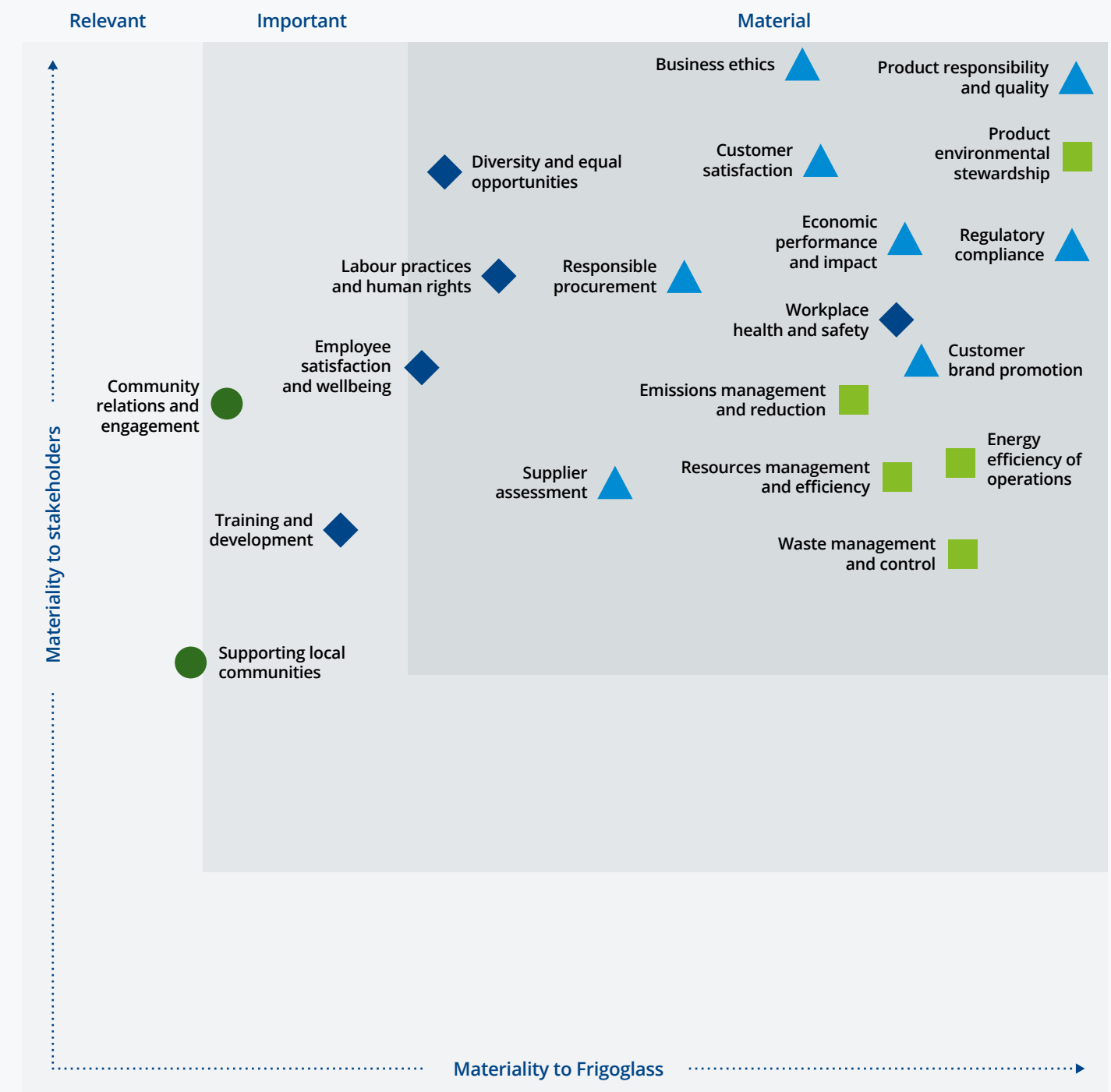
### Important

Issues frequently identified by either the company or stakeholders as important. We manage and report on those issues regularly.

### Relevant

Issues that although not critical to our sustainability performance are still considered relevant to engage with.

- ▲ Marketplace
- Environment
- ◆ Workplace
- Community

















Materiality analysis










Management and impact of material issues

The following table presents each material issue, its relationship with the SDGs, the location of impact within the value chain, the main stakeholder groups concerned with the issue as well as our approach to managing it.

Market

Material issue	Related SDGs	Impact within our value chain	Level of influence	Main stakeholders concerned/affected	Management approach
Product responsibility and quality	  	• Upstream • Downstream	Direct influence	• Suppliers • Customers • Product end users	Consistently delivering high quality, reliable and value adding products
Regulatory compliance	 	• Within organisation	Direct influence	• Investors • Financial institutions • Customers • Business partners • Suppliers • Employees	Ensuring that our business activities are conducted in accordance with all applicable laws and regulations in all the locations of our operation
Business ethics					Adhering to the highest levels of integrity and transparency in our business conduct
Customer satisfaction	 	Downstream	Direct influence	• Customers • Product end users	Satisfying our customers by developing products that meet their needs supported by an extensive network of sales and after-sales representatives
Economic performance and impact	 	• Within organisation • Upstream • Downstream	Direct influence	• Employees • Customers • Business partners • Suppliers • Investors • Financial institutions • Media	Safeguarding the company's financial stability and its ability to create and distribute economic value for its stakeholders
Customer brand promotion	 	• Downstream	Direct influence	• Customers • Product end users	Enhancing our customers' branding at the point of sale and maximising their merchandising opportunities
Responsible procurement	  	• Upstream	Direct influence	• Suppliers • Business partners • Customers	Implementing sustainable procurement practices and supplier assessment processes in order to ensure that no negative environmental and social impacts occur within our supply chain
Supplier assessment					

Environment

Material issue	Related SDGs	Impact within our value chain	Level of influence	Main stakeholders concerned/affected	Management approach
Product environmental stewardship	   	• Within organisation • Downstream	Direct influence	• Customers • Product end users • Business partners • Investors	Continuously improve our products' environmental performance through all stages of their lifecycle, thus enabling our customers to meet ambitious sustainability and carbon emission reduction targets
Energy efficiency of operations	    	• Within organisation	Direct influence	• Customers • Investors • Financial institutions • Local communities • Business partners • Suppliers	Minimising the environmental impacts of our operations by implementing comprehensive energy and emissions management systems and investing in innovative solutions and technologies
Emissions management and reduction					Adopt lean production patterns that allow the efficient use of resources and minimisation of waste, emphasising in the use of recyclable input materials and the reuse of water
Resource management and efficiency					
Waste management and reduction					Implement comprehensive waste management and minimisation systems, appropriately disposing all hazardous materials

Workplace

Material issue	Related SDGs	Impact within our value chain	Level of influence	Main stakeholders concerned/affected	Management approach
Workplace health and safety	 	• Within organisation	Direct influence	• Employees • Customers • Investors • Business partners • Local communities	Placing health and safety at the core of our activities and supporting it through a comprehensive management systems aiming to eliminate work related injuries and accidents
Diversity and equal opportunities	  				Fostering a culture of inclusiveness and equal opportunities, and providing a work environment that embraces diversity
Labour practices and human rights					Ensuring labour standards are consistently applied and human rights are protected across all locations of our operations

## Materiality analysis

## How we measure our performance

For Frigoglass, sustainability is a key component of our overall strategy and is placed at the core of our organization. We aim to innovate, build and deliver solutions to our clients, as well as meet the expectations of the people we employ and the communities in which we live and operate.

As part of our sustainability strategy, we hold ourselves accountable for the goals we set by measuring and monitoring our progress during the year. Throughout the course of the report, we keep track of and demonstrate our progress in two key ways: measuring our performance against metrics and reviewing our actions and initiatives against our sustainability strategy.

## Key Performance Indicators (KPIs)

We define short or long term targets for improvement that relate with each sustainability pillar. Respective KPIs are determined, established by the corresponding internal teams and monitored throughout the year.

## Actions and progress

We develop actions and initiatives that correspond to each sustainability target and constantly monitor their progress, seeking to improve our performance in relation to our four sustainability pillars.

## Our Sustainability Pillars







## Marketplace

### Economic performance and impact

Ensuring economic growth forms an integral part of Frigoglass' sustainable development. We aim to ensure that economic value is created on a constant basis and distributed among all stakeholders. At the same time we strive to fulfil the company's social and environmental responsibilities to the greatest possible extent.

We are committed to achieving long-term economic growth, as well as generating and distributing broader economic value for our stakeholders.

Economic value is distributed through various means:

- Payments to our employees
- Payments to our suppliers and business partners
- Payments to our providers of capital
- Government taxes
- Community investments

In pursuit of value creation, considerable effort has been put forward and several initiatives have been implemented which are directly related to it.

The financial performance of the group is presented in detail in 2017 Financial Statements.

### Fair business practices

Our core values guide our actions, aiming at conducting business in a socially responsible and ethical manner. Our policies and procedures related to Human Rights, Business Ethics, Anti-Corruption and Bribery have been effectively communicated to all (permanent) employees and business partners (e.g. customers and suppliers) through business contract terms and in-person, online training programs.

For our internal stakeholders, we have initiated an e-learning platform, the "Frigoglass Academy", which offers systematic training and uses comprehension test to verify understanding of our policies. It also provides reliable statistical data on the population coverage of the training.

The training focuses on the following policies:

- Code of Business Conduct and Ethics
- Labor policy
- Environmental policy
- Human Rights policy
- Speak-up policy
- Quality policy
- Health & Safety policy
- Data protection policy (GDPR)

### Material issues:

- Product quality and responsibility
- Regulatory compliance
- Business ethics
- Customer satisfaction and brand promotion
- Economic performance and impact
- Responsible procurement
- Supplier assessment

### Strategic priorities:

- ✓ Safeguard economic stability and growth
- ✓ Further enhance customer satisfaction and collaboration
- ✓ Drive product innovation
- ✓ Promote supply chain transparency and responsibility

### Related SDGs:





## Marketplace

## Product quality and responsibility

Quality is a top priority for Frigoglass. We are committed to continuously improve our quality standards across the entire scope of all our operations – from our supply chain to manufacturing processes to customer offering.

Consistently delivering high quality, reliable products to our customers is one of our strategic imperatives. It helps ensure high customer satisfaction as well as long-term prosperity for the company. Quality is part of our established culture and is achieved through uncompromising commitment to the industry standards and a sustained focus on constantly improving our products to meet customers' requirements.

In this context, our efforts to ensure quality and maintain product stewardship are mainly demonstrated through:

- Efficiency in product design and material selection
- Rationalisation of products / components
- Optimization of components' portfolio
- Reduction of product maintenance needs
- Improvement of manufacturability and recyclability
- Reduction of noise level
- Continuous investment in product Research and Development (R&D)

## Quality first

Quality has always been a key strategic priority and objective for Frigoglass. Our continuous investment in people and quality systems have allowed us to ensure best-in-class quality results in the products we deliver and the services we provide to our customers.

Keeping the customer at the heart of our business and despite a challenging economic climate, we managed to deliver sustained Quality and respond efficiently to higher production volumes through 2017. Our quality performance metrics continued improving as a result of team efforts to build an efficient and robust Quality function. More specifically, in our India and Romania operations the First-Time Pass Index and Product-Release Index remained at exceptional levels, while in all other plants the indices showed a consecutive positive trend for the last 3 years. Moreover, the customer Complaints rate (PPM) significantly reduced in all our operations, resulting in an overall double-digit improvement.

In 2017 we successfully implemented the Hermes Project Pilot aiming to establish a standard, cross- functional and effective method for new Product Development projects, ensuring Product and Engineering integrity from the earliest stages of the process. Hermes Project equipped the team with tools that allow for high degree of early identification of potential interface problems. Following the successful pilot, this proactive approach will be implemented as a standard process to address future challenges in product development.

As part of our continuous efforts to achieve top quality, South Africa was our first plant having been certified with the recently revised ISO 9001:2015, ISO's flagship quality management systems standard, replacing the previous version (ISO 9001:2008) that had already been achieved in all our production hubs. The revised standard focuses on improving an organization's management system and processes, putting increased importance on risk management. Our proactive engagement to upgrade our certification level is a proof of our commitment to provide the highest quality products and services to our customers. Our plan is to certify the quality management system of all Frigoglass ICM plants according to the new version of the standard by the end of 2018.

The past years Frigoglass focused its efforts in developing and improving processes that enhance Quality in fields directly related to its operations. In 2017, we launched a 3-year Total Quality Strategic Plan with the aim of ensuring the best-in-class standards across the entire organization, including both operations and functions, and enhancing our competitiveness going forward. The initiative will energise driving forces throughout the organization, with activities that aim to embed a Quality culture in every aspect of organizational life.







## Marketplace

## Product quality and responsibility

## Driving product innovation

Sustainable innovation is at the core of our business strategy and forms the foundation of our R&D efforts.

## Hybrid cooler range

The latest breakthrough development, Hybrid, has created excitement to customers in the emerging markets. In Africa, immediate consumption grows faster than electrical power availability and Hybrid cooler is designed to mitigate the impact of power outages in the continent. With the use of eutectic technology, it maintains low temperatures for more than 16 hours in an environment of 40°C without requiring electrical power source. The Hybrid solution is available in both Smart and ICOOL cooler ranges, keeping their merchandizing efficiency provided by the glass door and advanced aesthetics. During power-off hours, coolers remain fully illuminated with LED lighting that boosts impulse beverage sales. Also it uses HFC-free refrigerant that is preferred by customers and aligns with their sustainability goals. In 2017, annual sales of Hybrid range coolers were significantly higher compared to the first year of launch, showing clear trend in the region towards green cooling solutions that depend less on electricity net power.

## Market penetration

Listening closely to our customers and implementing our route-to-market approach, in 2017 we initiated the introduction of Flex cooler range, which offers great flexibility in promotion and placement at the point of sale. Flex coolers combine compact size that fits every kind of outlet, provide strong product and brand visibility, and drive impulse buying. Our customers in Europe recognized very quickly the merchandising benefits of the new range and placed orders to cover various merchandising needs. Next year the demand for Flex coolers is expected to grow further.

The year was characterized by the successful commercial expansion of ICOOL and Smart ranges, but also by the development of innovative solutions to satisfy the increasing demand for quality coolers at competitive pricing for targeted markets. In Europe, we successfully kept the momentum with ICOOL and Smart ranges, with sales increasing over 50% over the prior year. At the same time in Russia, we rolled out the Plus range with a successful expansion of our customer base.

## Research and Development (R&amp;D)

Frigoglass R&D labs in India and Greece have been accredited according to ISO17025 standard and recognized by The Coca-Cola Company, PepsiCo and Heineken for certification tests.

This significant development makes our labs equivalent to internationally recognized independent labs and allows us to test new configurations locally. In addition, it leads to important time and cost savings in the commercialization process. Finally, it reduces transportation of cooler samples to labs abroad, making the entire certification process more environmentally friendly.

## Connectivity expansion

Our connectivity solutions that were launched two years ago and gained ground in 2016, were further expanded in the European market in 2017. Our digital cooling device not only provides connectivity capabilities and digital services but also enhances technical excellence.

During the year, we further enhanced its connectivity features by adding Bluetooth connectivity modules which resulted in an even more efficient device. In 2017, this device was placed on more than 70,000 coolers, which is an indicator of market potential. Going forward, more customers are expected to adopt the solution and upgrade their fleet of assets.



## Marketplace

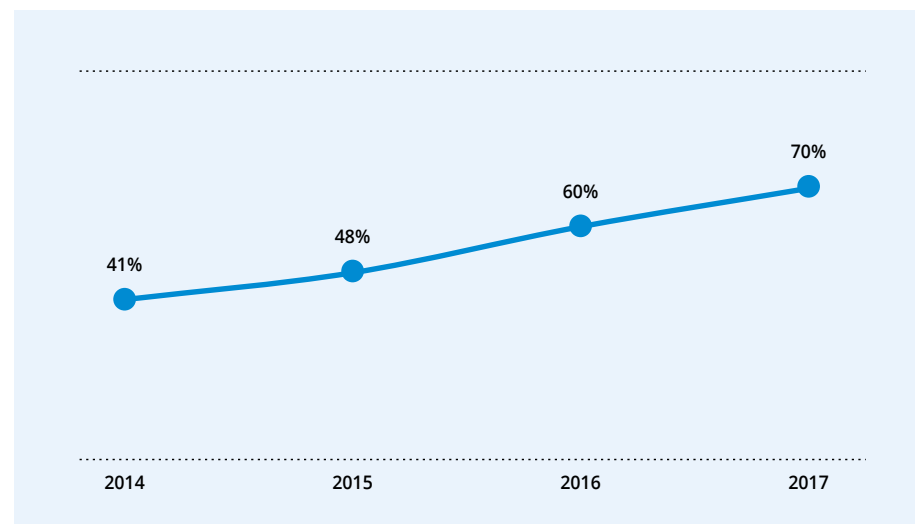
## Product quality and responsibility

## Greener Product portfolio

In 2017, Frigoglass extended its manufacturing capability of environmentally friendly coolers within its operations, generating an even greener product portfolio. In Europe, Frigoglass adopted an HFC-free approach and produced only HFC-free coolers, eliminating all models that used other refrigerants. In South Africa, the biggest part of the production output was towards Hydrocarbon (HC) coolers, while in India, we reached full HC production capability. The plant in India has been appropriately equipped for the expected transition of the local market to green coolers and in parallel has ensured security of supply for the markets of neighboring regions.

Furthermore, staying consistent with our commitment to be the industry leader in energy consumption, we dedicated our efforts in further reducing our products' energy consumption and carbon footprint. We are proud that in 2017 we managed to further optimize the cooling mechanism of the best-in-class range and develop the LC (low charge) version of ICOOL range, which raised the bar in energy efficiency.

## Eco-range share of total ICM placement



## Cost leadership

In 2017, our relentless focus on cost leadership continued, aiming to gain efficiencies in production, procurement and operating cost base. During the year, we identified and realized, cost-savings initiatives which revolved around three areas: product standardization, manufacturing efficiency and procurement cost control.

## Product standardisation

In 2017, we made product range simplification investments that drove cost efficiencies and improved our profit margin.

We implemented initiatives that focused on further standardizing components of our coolers. We extended the use of DC (Direct Current) block motors used in Europe for the majority of ICOOL models, maintaining high energy efficiency and achieving further standardization of the line-ups.

In Asia, we expanded the commonalization of compressors using Hydrocarbon (HC) refrigerant, by introducing the product range Super HC - which represents the HFC-free expansion of the R134a range produced in India - and created a greener product offering. In the same region, we applied a number of processes to achieve the optimization of the cooling mechanism in cold-merchandising models that are destined to cover the needs of juice companies.

In Europe, responding to Coca-Cola bottlers request, we discontinued the production of all ICOOL coolers with CO2 refrigerant and replaced them with coolers of the same range with HC, which resulted in an entire product family with HFC-free refrigerant and favorably supported our product standardization objectives.

## Manufacturing efficiency

Manufacturing footprint rationalization, complemented also by product portfolio rationalization, was combined with continued Lean manufacturing initiatives to drive significant productivity improvements in our commercial refrigeration business. Following the discontinuation of our China operations the previous year, we invested on the expansion and modernization of production in Asia, by adding an automated production line in India to meet customer needs.

Overhead cost reduction measures in our operations also contributed to profit margin improvement. Notable reductions in per unit energy and other production costs such as maintenance and consumables were achieved. This effect was mainly driven by energy-saving projects, preventive maintenance programs and waste minimization through Lean implementation.

Our cost leadership achievements are the end-result of close collaboration of cross-functional teams within each plant and between different plants. We have been nurturing, supporting and developing this framework of operation not only to drive the cost aspect of our operational effectiveness, but also our agility as a

Manufacturing organization. In 2017, our European operations managed to deliver record-breaking volumes in a very short time by responding in-full and on-time to satisfy significant year-end demand from one of the most important bottlers of Coca-Cola.

## Procurement cost control

During 2017 there were some organizational changes towards the creation of a more strategic Supply Chain function, mainly focused on driving cost leadership initiatives and maximizing efficiencies, on standardizing processes and on enhancing strong relations with our suppliers. A new Procurement Director was appointed with the aim to create a more centralized Procurement and ensure an optimized supply base.

At the same period of time, the negative impact of price rise in commodities like steel, copper, aluminum and chemicals, which are heavily used in manufacturing of our ICM business, created challenges which were mitigated by long-term booking agreements.

In an effort to achieve procurement cost control, we made global cost-saving adjustments in our operations and additionally implemented local cost reduction projects in our plants in Russia, Romania, India, Indonesia and South Africa.

We focused on achieving raw material cost savings through strategic sourcing and category management processes, and finally secured the smooth supply of raw materials to the plants.

## Marketplace

## Customer satisfaction

As one of the global leaders in Ice Cold Merchandisers (ICM) we aim to ensure that our customers' products are uniquely positioned for the consumer. As a result, we are constantly upgrading our products to meet the increasingly demanding technical, legal and quality control requirements of our customers. Any significant deviation on any of these aspects is likely to affect the products of our customers and potentially undermine their brands. Being fully conscious of this implication, we not only meet our customers' extensive requirements, but also actively participate in joint meetings and contribute to updating those requirements, using our expertise and deep knowledge of the products.

#### Examples of our focus on customer satisfaction include:

- Engagement with our customers through regular meetings and annual satisfaction surveys, utilising their feedback in order to improve our product and service offerings. Our surveys, over the last few years, have indicated that key focus areas of our customers are technical innovations and solutions on lower energy consumption, lower noise, easier and less maintenance, and component rationalization and standardization. We have already included all those focus areas in our product development priorities.
- Development of customised ICM units that enhance our customers' brand equity and visibility at the point of sale. This collaborative approach involves customers and third parties and helps us develop differentiated ICM solutions to promote cold drink availability.
- Expansion of Frigoglass Integrated Services (Frigoserve), a unique and unprecedented customer service program aimed at providing our customers with an outsourcing model to manage their cold drink equipment at a significantly reduced total cost of ownership. Through these services we are able to support our customers in the management of their ICMs from distribution to the end of life. This includes placement, storage, service, refurbishment and end-of-life recycling. An advanced IT infrastructure and a central control centre enable a seamless and live monitoring of all units at all stages of the process. Keeping the sustainability focus, this program also allows customers to refurbish their old units, thus reducing material use.
- Expansion of our portfolio rationalization program, focusing on both models and components used in the manufacturing of our products.



#### Customer Focus

In Frigoglass, we put the customer in the center of our business model. During the last years, we have redefined our ICM Commercial Vision and have taken a number of steps to further improve our Customer Focus.

Our ICM Commercial Vision is supported by three pillars:

##### Build on successful partnerships

Maintain strong partnership with our Global Accounts to serve them with a differentiated offering in line with regional requirements.

##### Optimize route-to-market approach

Integrate our customers' requirements into our products and serve them with great value, while Innovation & Sustainability remain key pillars for any new development.

##### Enhance commercial capabilities to strengthen customer relationships

Create a strong and ambitious commercial organization and culture as enabler of our go-to-market strategy and reach our targets. Split Sales teams per Global Account to increase focus and reflect customers' needs.

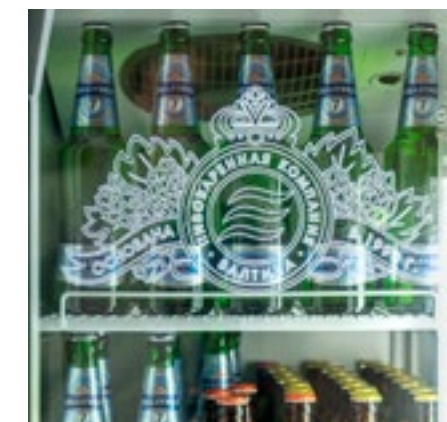
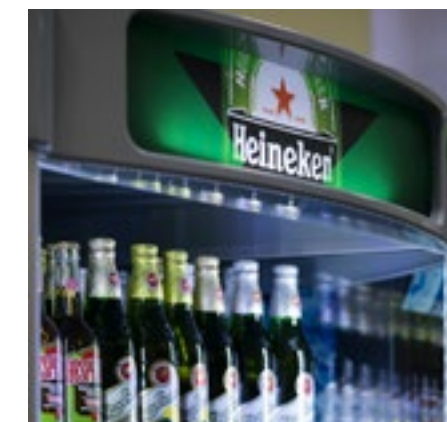
In 2017, we saw the immediate and tangible impact of a customer-centric culture transformation on the company revenue. The organizational changes implemented in late 2016 resulted in a highly effective commercial function in 2017, which focused on strategy implementation and led to strong sales growth.

The division of Frigoglass sales team into two major categories, the Coca-Cola Account sales team and the Global Accounts/Market Development sales team brought better key account management, accelerated speed in translating market messages into actions, and high quality customer service across all regions and continents.

For our Glass division, 2017 was a challenging year as market demand across West Africa was very subdued in the first half of the year, due to low investments of all major customers driven by currency uncertainty. During this downturn we enhanced our customer base and product range for pharmaceutical bottles through a fast track new product development process which supported in particular the operation of our Amber furnace.

During the second half of the year, we experienced a strong rebound with customers in Soft drinks, Beer, Wines and Spirits, all getting back to a more normal investment pattern, resulting from the improved stability in the Naira. Product development plans with Beer customers were muted, however we partnered with a local manufacturer of mayonnaise, Apple & Pears, to launch the first range of proprietary food jars in Nigeria. Also thanks to our strong customer orientation, we launched bulk production of global Spirits brands that are now being filled locally.

Close collaboration with our customers for the business of plastic crates and metal crowns through an improved key account management team enabled a solid performance in 2017.





## Marketplace

## Customer satisfaction

## Integrated Services (Frigoserve)

Integrated Services (Frigoserve)  
In 2017, we continued our journey of providing customers with excellence in operations and best-in-class services, through a unique, innovative integrated customer service program. We expanded the business by offering new services in the existing geographies, adding new geographies in the twelve countries where we operate and expanding into new market segments.

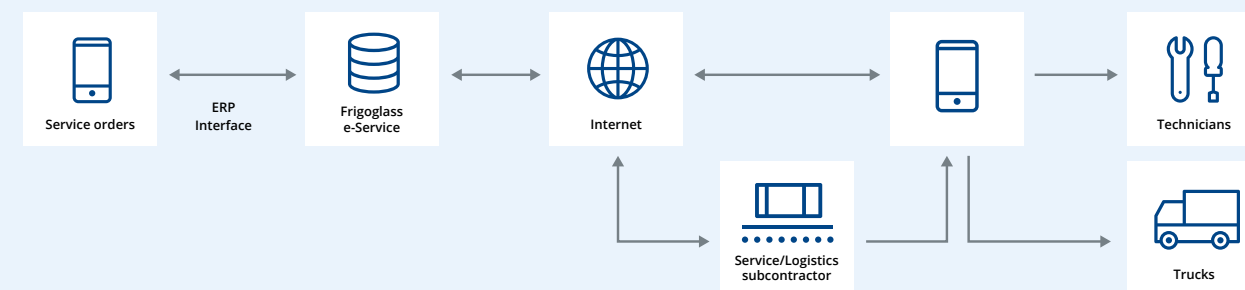
During the year, we achieved further progress with Coca-Cola bottlers in Europe and North Africa. More specifically, in Poland we rolled-out our offering in the entire country, in Norway we added new services to our offering, in Russia we expanded to new geographies, and in Nigeria we increased our coverage to service a total fleet of 80,000 coolers.

In addition, we capitalized on existing infrastructure and networks to enhance our relationships with breweries. We ran a successful pilot with draught beer machines in Greece and Bulgaria, and at the same time we initiated a refurbishment program for local brewing companies in Russia. In 2017, we made cost and quality improvements in our operations. We initiated field audits to evaluate the systems that are in place and secure the quality of provided services. We also revisited our operating model of logistics and made careful amendments to achieve cost and performance improvements. Also we conducted our annual service survey with all our customers in Europe to examine the overall level of their satisfaction. We are pleased to report that all areas of research improved, compared to the previous year, and customers viewed Frigoglass as a Trusted Partner.

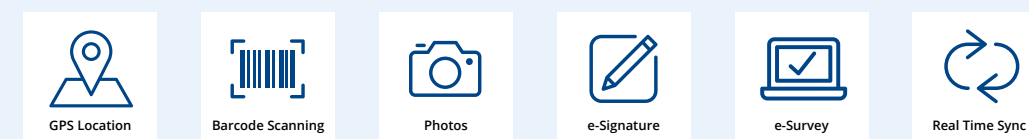
Moreover, we continued investing in the upgrade of Frigoglass e-Service, our highly sophisticated IT system. We replaced obsolete CRM applications with updated software and we enhanced various functionalities to achieve quality and efficiency improvements.

Our continuous improvements in processes, systems and people have allowed us to grow and provide our integrated services to a total number of 900,000 assets. In 2018, we plan to open a service center in Hungary to further enhance our Services footprint and build partnerships with more clients across Central Europe. Our goal for 2018 is to provide our services to a fleet that will reach 1,000,000 assets.

## Service delivery managed through Frigoglass e-Service



## Activities managed through e-Service





Marketplace

# Supply Chain

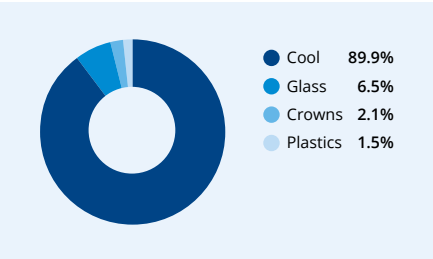
To us, suppliers are critical stakeholders with significant impact on our business operations. Our efforts focus on developing and maintaining a value-adding supply chain, based on the principles of sustainability, making a positive impact on all parties, directly or indirectly involved.

Our main suppliers provide raw materials for the manufacturing of our products, which vary significantly in both type and spending among our four company divisions. Supplier spending on raw materials in our Cool division accounts for 89,9% of our total spending, with Glass representing 6.5% and Crowns and Plastics 3.6%.

We make conscious efforts to engage as many local suppliers as possible in order to support and stimulate the local communities of our operations. In 2017, in our Cool operations, 40% of our materials were procured from local suppliers, while in our Glass operations the respective share was nearly 50%. At group level, around 40% of our total procurement spending was allocated to local suppliers.

Our goal is to continue implementing our procurement strategy, maintain and even expand the proportion of our local spending in order to have a positive impact on the economies and communities of our operations.

Proportion of spending per company division



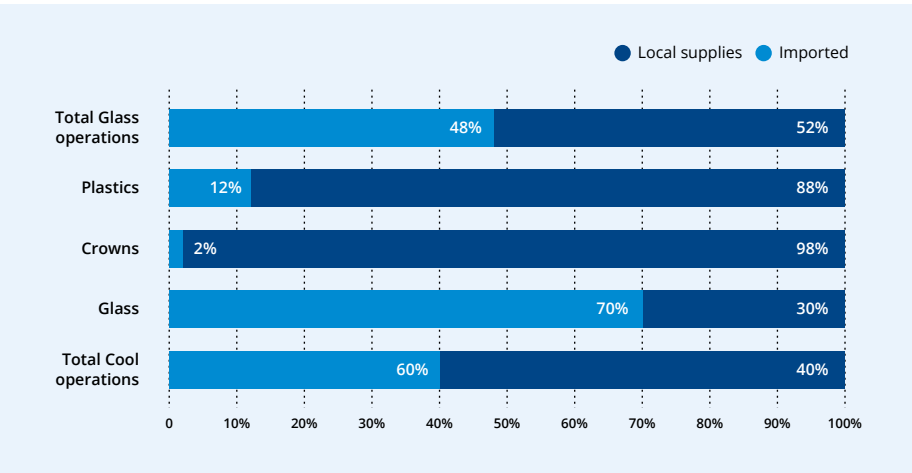
Main supplier categories and spent allocation in Cool operations

Main supplier categories	% of total spent	% Locally sourced	% Imported
Metals	33.84	39.73	60.27
Refrigerants	0.07	100	0
Paint	0.19	54.19	45.81
Glass	4.67	85.59	14.41
Plastics	5.71	39.05	60.95
Insulation	3.56	45.34	54.66
Others	51.95	35.44	64.56
Total	-	39.87	60.13

Supplier spent allocation in Glass, plastics and crowns operations

Main supplier categories	% of total spent	% Locally sourced	% Imported
Glass	63.9	70.3	29.7
Plastics	21	12.3	87.7
Crowns	15.1	1.7	98.3
Total	-	47.8	52.5

Proportion of spending on local suppliers



Marketplace

# Responsible procurement and supplier assessment

Given the nature of our business model and our commercial relationships, responsible procurement is a particularly important matter for Frigoglass. As a global corporation with plants operating in several countries, we always strive to establish honest working relationships with our suppliers which adhere to the principles of sustainable development.

An audit process has been put in place for our largest and most important suppliers, as well as for all our new suppliers. Our ultimate objective is to progressively include a wider range of criteria into our supplier assessment processes and audit forms.

This refers not only to operational issues, such as the mitigation of supply chain constraints, but also to sustainability aspects such as:

- The impact of our suppliers on ethics, labour and human rights
- Health and safety performance amongst our suppliers
- The environmental impact of our suppliers, with regard to both the materials used in manufacturing and their products
- Specific Request for Quotation (RFQ) forms targeted at examining sustainability aspects of our suppliers' operations

## The Frigoglass Supplier Code:

Our business relationships with suppliers are underpinned by the Supplier Code which Frigoglass has put forward. In this code, Frigoglass lays out the standards and principles to which we expect our suppliers to adhere. Ethics, labour and human rights, health & safety but also the environment are integral parts of our Supplier Code. Every new party, defined by Frigoglass as Supplier or Business Partner, is required to sign the Supplier Code thus committing themselves to complying with its defined principles.

Compliance covers all activities throughout all Suppliers' premises and operations, including their own supply chain, whilst contracts may also contain specific provisions addressing these issues.

By requiring our suppliers to comply with the requirements as outlined in the Supplier Code, Frigoglass helps "cascade" good practice throughout its supplier base and minimise its indirect negative impacts. By doing so, it is not only protecting its own reputation, but also the reputation of its suppliers – some of whom might be vulnerable to consumer activism. Suppliers are achieving a level of performance that is in line with our customers' own requirements (for example, requirements about supplier environmental performance).

As part of our risk management strategy, compliance with the Frigoglass Supplier Code is subject to audit by Frigoglass or an independent third party. We have also revised our supplier auditing to give more weight to sustainability-related factors. In cases where Suppliers fail to comply with the requirements addressed in this Code, Frigoglass reserves the right to renegotiate and/or terminate an agreement.

## The pillars of the Frigoglass Supplier Code:

### Ethics



- Antitrust
- Bribery
- Conflict of interest
- Information and intellectual property protection

### Labour



- Child and forced labour
- Working hours
- Wages and benefits

### Human rights



- Diversity and equal opportunity
- Harassment and violence
- Freedom of association

### Health and Safety



- Occupational health and safety

### Environment



- Regulations and law compliance
- Pollution, emissions and waste



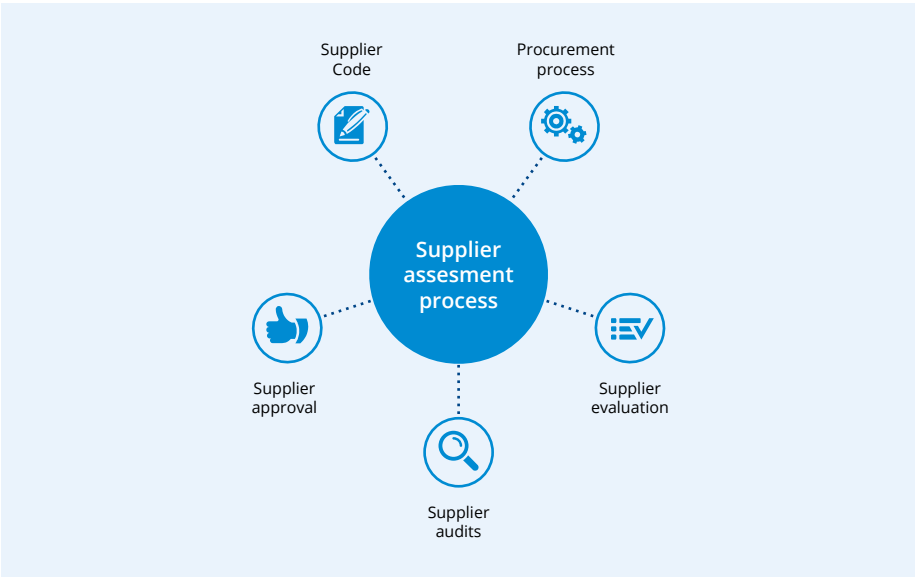
Marketplace

Responsible procurement and supplier assessment

We assess a wide range of suppliers representing annual purchases of over 90% of our total group spent. Out of those, over 35% each year are audited on-site.

As part of our responsible procurement strategy, we have initiated a training program on the sustainability criteria we place on our suppliers. As per target set the year before, in 2017 all our buyers completed the Sustainable Procurement training. This is an obligatory training that every new buyer of Frigoglass receives, as part of the standard employment process.

In addition, we regularly conduct risk analysis on key purchasing categories to ensure security of supply. When we identify suppliers with high probability of non-compliance with our Supplier Code of Conduct, we manage supply chain risk by proactively finding potential suppliers with higher probability to comply.



New supplier audits	2014	2015	2016	2017
% of new suppliers assessed on sustainability criteria	100%	100%	100%	100%
Instances of identified actual or potential negative impacts on the assessment criteria	0	0	0	0

Marketplace

Commitments and targets

Commitment	Target	Progress in 2017	Status
Increase annual sales share in green ICMs	Over 90% by 2020	70%	➡
Maintain high annual local spent on procurement	Over 40%	40%	➡
Maintain high annual share of on-site audits of defined supplier base (over 90% of total spent)	Over 30%	35%	🔄

- ⊕ New commitment
- 📅 Scheduled to begin
- ➡ In progress
- ✓ Achieved
- 🔄 Ongoing



## Environment

At Frigoglass, we are engaged in the preservation and conservation of the global environment and as such we remain committed to reducing the environmental impact of our business. We closely monitor the impact of our products, processes, supply chain and operations on the environment and take concrete measures to minimize it.

We follow environmentally conscious and sustainable business practices, which directly inform our corporate strategy and drive our approach to innovation. In the two previous years, we made considerable progress towards minimizing the environmental impact of our products, rationalizing our manufacturing processes and improving the efficiency of our operations.

We also systematically enhance environmental awareness through the environmental education of our employees. In this frame, we recently launched an e-learning platform with the objective to promote environmental awareness, among other things, throughout the company.



### Material issues:

- Product environmental stewardship
- Energy efficiency of operations
- Emissions management and reduction
- Resource management and efficiency
- Waste management and reduction

### Strategic priorities:

- ✓ Ongoing improvement of product energy efficiency
- ✓ Maintain high levels of component recyclability
- ✓ Reduce energy consumption per unit produced
- ✓ Enhance resource efficiency in production

### Related SDGs:





Environment

Product environmental stewardship

As a global manufacturer of beverage coolers, we are committed to designing and producing innovative products, which are energy efficient with minimum environmental impact.

ICMs make up the most significant proportion of our customers’ carbon footprint, in some cases from 40% to 60% of their overall footprint. Therefore, offering energy efficient solutions has long been an integral part of our product strategy and one of our main competitive advantages.

Glass operations, on the other hand, are characterized by energy intensive production and require large quantities of raw materials. Therefore, in these operations our primary goal is to recycle and reuse as many materials as possible. Another important goal for Glass is to continue innovating on lightweight bottle production, which again leads to use fewer raw materials and helps us to meet our primary goal.

Improving environmental performance across our ICM range

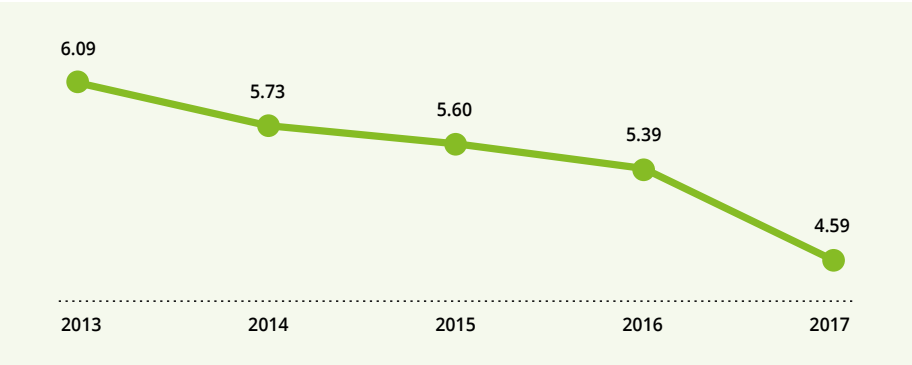
Continuously improving the environmental performance of our coolers is one of our top priorities, which is aligned with our customers’ expectations and upcoming global regulations. During the previous years, our efforts to this front have been intense and have yielded substantial results.

- We continuously strive to achieve best in class energy consumption for our coolers, through cooling optimisation adjusted to diverse ambient conditions of temperature and power supply. We focus on designing, developing and continuously improving solutions that reduce GHG emissions while meeting the needs and requirements of our customers. The result of our relentless focus on energy was an impressive 25% reduction in the average energy consumption of our coolers from 2013 to 2017.
- In close collaboration with our customers and suppliers, we gradually convert our product portfolio into a fleet of coolers with environmentally friendly refrigerants. The share of our so-called “eco range”

has grown considerably in the last years, reaching 70% of our total ICM sales in 2017.

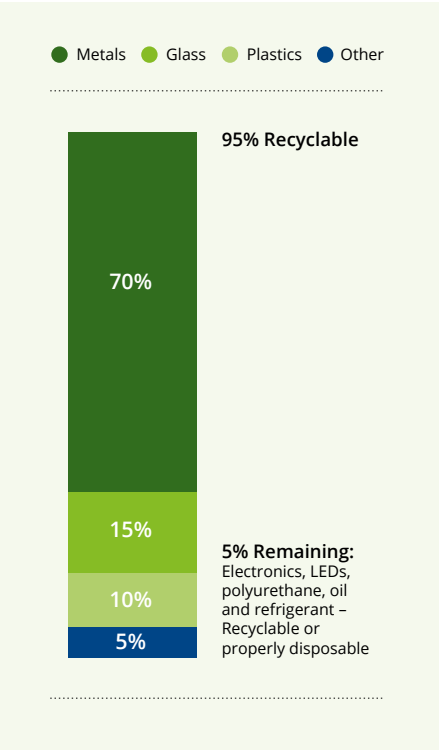
- In 2015 we initiated the development of the Hybrid range which uses eutectic technology to secure cold drink availability in regions with long power outages, like in the African continent. This was a significant addition to our offering of coolers that make use of alternative power sources (e.g. Solar 200, EcoCantine), require lower maintenance and work with exceptionally low energy in relation to their size (higher efficiency is achieved through storage of cooling capacity inside the cooler during operating hours). Hybrid models have already been placed in the field and in 2017 they were established as the solution of choice for the specific markets.
- In our plants, we have further enhanced our manufacturing capabilities for using environmentally friendly refrigerants, so that we can quickly address potential future changes in refrigerant regulation and efficiently roll out new products.

Average energy consumption (kWh day) of Frigoglass cooler fleet



Total recyclability

We strive to maintain high component recyclability, controlling the use of plastics and rationalizing spare parts and components used in manufacturing. Our product design provides easy dismantling that facilitates recycling, following internal procedures on product end-of-life treatment. Furthermore, our product design takes into account the optimization of transport, ensuring maximum loading capacity in trucks and containers.



Assessing the lifecycle of our ICMs

After conducting a life-cycle assessment (LCA) for an average cooler, from extraction of raw materials to disposal, we have concluded that the processes with the most important environmental impact are the following:

- In-use energy efficiency
- Refurbishment
- Dematerialisation of high impact components

Following this assessment, all our new ranges are been developed taking into consideration the impact of the above key outcomes.

Production of optimised bottles in our Glass operations

In our Nigeria operations, we continued our lightweighting efforts, developing even lighter returnable bottles, which reduce the carbon footprint of our customers. We have also applied rightweighting processes in the development of one-way bottles and jars, for the spirits and food segments respectively, with optimized weight to ensure safe product transportation in the country.

We have also produced returnable bottles which are heavier than non-returnable or one-way containers, but have considerable benefits for the environment. These containers are heavier to withstand multiple trips in large glass bottles floats, but have considerable benefits for the environment as they can be used more than 25 times before being downcycled to cullet and reused.

Last year, our Dubai operations met the growing demand for lightweight one-way glass containers, by producing an increasing number of bottles with a specialized method, which allows to manufacture particularly lightweight glass.

In general, we have managed to increase the use of cullet or scraps of broken glass, which has allowed us to reduce raw material consumption and also reduce energy consumption during the manufacturing process.

Environment

Emissions management and reduction

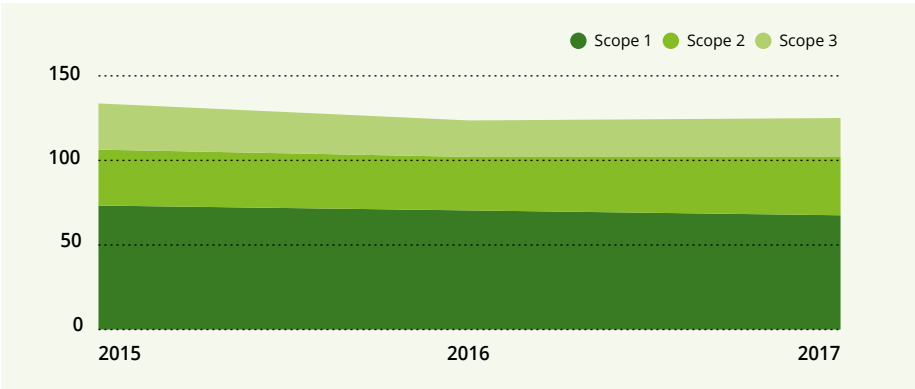
At Frigoglass, we are committed to protecting the physical environment where we operate and understand its importance for the sustainability of our business. We believe that reducing our energy consumption and controlling associated emissions can serve as a key growth driver. As a manufacturing business, we recognise the potential impact of our operating facilities on the environment. Consequently, reducing greenhouse gas (GHG) emissions is a key business priority and at the forefront of our sustainable development.

We have been actively monitoring and measuring our GHG emissions since 2014 and have set 2015 as our base year for measuring our emission management and reduction performance. Although the reduction of emissions on an absolute level is highly important, total emissions and output of our operations are not considered a representative benchmark of our performance. The most appropriate indicator of our emissions performance is the emission intensity i.e. emissions per production output against which we measure our performance and set targets for improvement.

Kilo tons of CO <sub>2</sub> e		2015	2016	2017
Scope 1	Cool	6.61	5.71	5.35
	Glass	58.52	62.06	59.41
	Plastics and crowns	7.52	2.79	1.81
	Total	72.65	70.56	66.57
Scope 2	Cool	12.12	9.80	9.52
	Glass	21.38	21.94	25.43
	Plastics and crowns	0.00	0.00	0.00
	Total	33.50	31.74	34.95
Scope 3	Cool	23.78	7.51	11.56
	Glass	2.02	14.34	11.60
	Plastics and crowns	1.07	0.00	0.00
	Total	26.87	21.85	23.17
Total	Cool	42.51	23.02	26.43
	Glass	81.91	98.35	96.45
	Plastics and crowns	8.59	2.79	12.68
	Total	133.02	124.16	124.69

Scope 1: Fuel combustion on company premises and company owned vehicles  
Scope 2: Electricity consumption  
Scope 3: Outbound third party deliveries and business related travel

Total GHG emissions of operations  
Kilo tons of CO<sub>2</sub>e

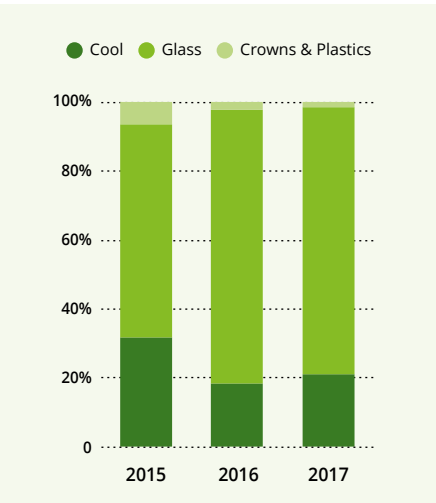


In 2017, our total GHG emissions on absolute numbers decreased by 6.3% in relation to 2015, whereas in 2016 we had a 6.7% reduction in relation to the prior year. The contribution of each company division remained unchanged year-on-year: Glass operations accounted for more than 75% of our total emissions, with Cool operations covering around 21%, and Plastics and Crowns less than 2% of emissions.

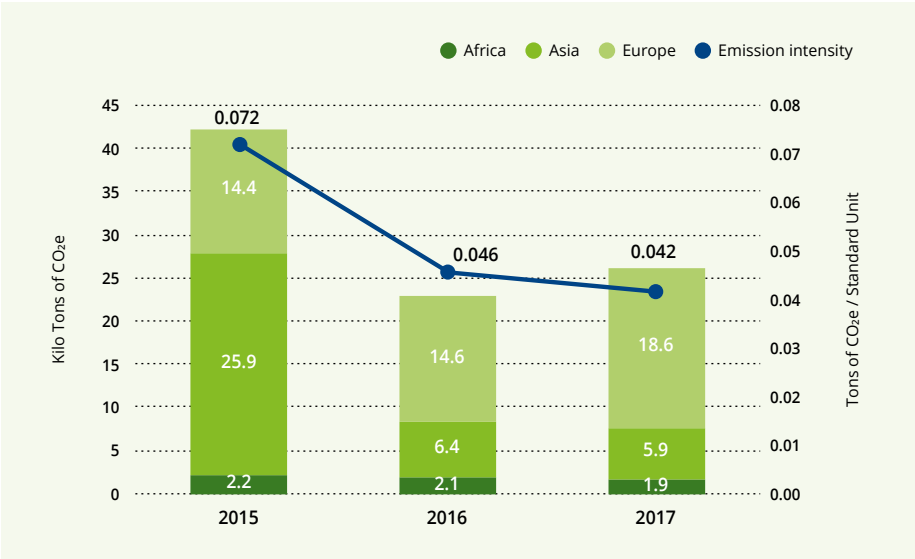
However when emissions are reported with respect to our business output, in 2017 we continued our good performance with reduced emissions per production output in relation to our base year.

Specifically in our Cool operations, absolute emissions increased by 15% solely due to a significant increase in production output. However, emission intensity maintained a good performance, decreasing by 42% compared to 2015 levels and 9% compared to 2016. This is indicative of the growing efficiency of our Cool operations.

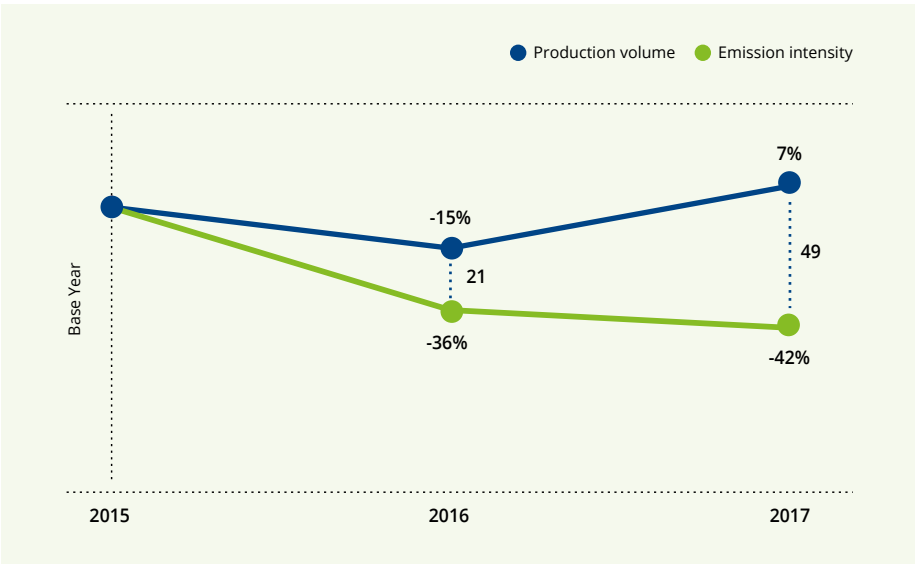
Emissions allocations per company division



GHG emissions from Cool operations  
Total emissions and intensity per Standard Unit produced



Evolution of production volumes in relation to emission intensity  
Production in Standard Units, intensity in tons of CO<sub>2</sub>e / Standard Unit





## Environment

## Emissions management and reduction

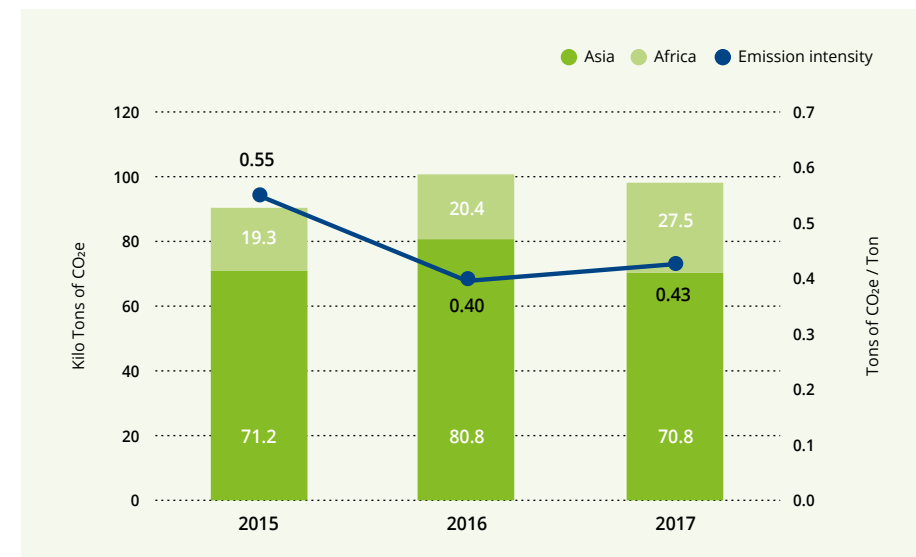
In our Glass, Plastics and Crowns operations, total emissions in 2017 increased by 9% compared to base year levels and decreased by 3% compared to 2016. Our Dubai plant (Jebel Ali), which accounts for the majority of our Glass emissions (65%), reported decreased emissions, while our Nigeria plants reported increased, but still lower than the previous year, emissions.

However it is important to note that while production volumes have been significantly increased within the last two years, emission intensities have actually decreased.

The efficiency of our Glass, Plastics and Crowns operations reached a peak in 2016 with a 55% increase in production output and 28% decrease in emission intensity. In 2017, our performance somewhat slowed down, but its trajectory remained positive compared to base year levels.

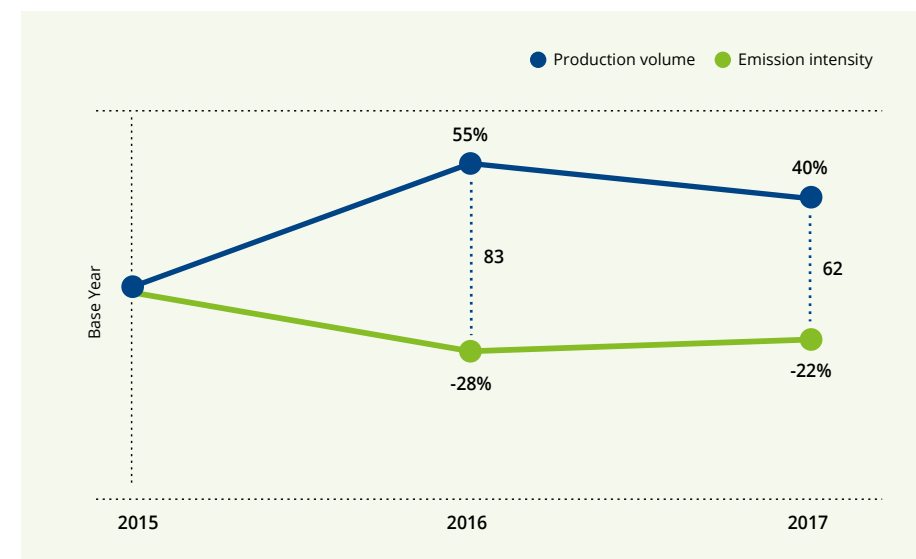
## GHG emissions from Glass, Plastics and Crowns operations:

*Total emissions and intensity per ton of production*



## Evolution of production volumes in relation to emission intensity

*Production in tons, intensity in tons of CO<sub>2</sub>e / ton of production*



## Environment

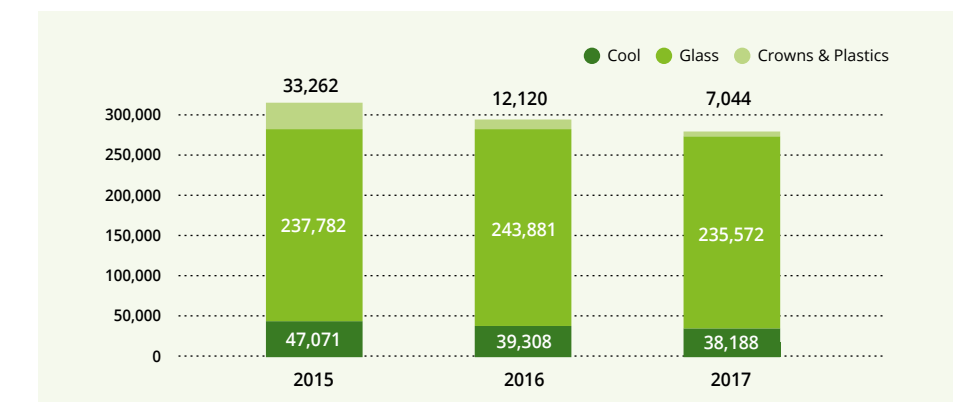
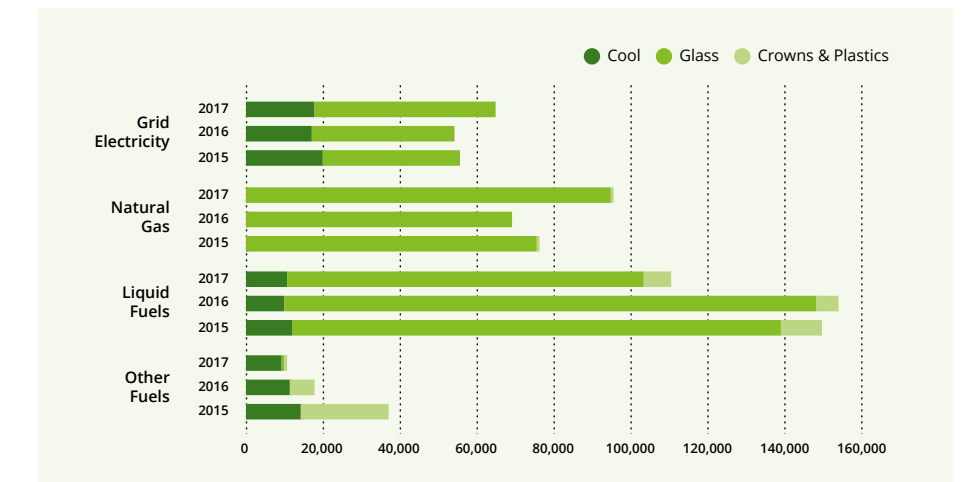
## Energy efficiency of operations

In our operations, we are constantly seeking ways to improve the energy efficiency that makes up an integral part of our activities and constitutes a key element of our overall sustainability and competitiveness. To achieve this, we closely monitor all energy sources, and focus our efforts on enhancing the utilisation of resources and minimizing any negative environmental impact.

In 2017, our energy consumption allocation per company division remained similar, with our Glass operations accounting for the majority (75%) of our overall consumption. In this division, consumption decreased by 12% compared to 2015 and by 5% versus 2016.

When analyzing consumption from the perspective of energy sources, we see that total liquid fuels used in our company divisions decreased significantly (26% compared to 2015 and 28% compared to 2016) contributing to the improvement of our carbon profile.

## MWh of Energy consumption per source and company division



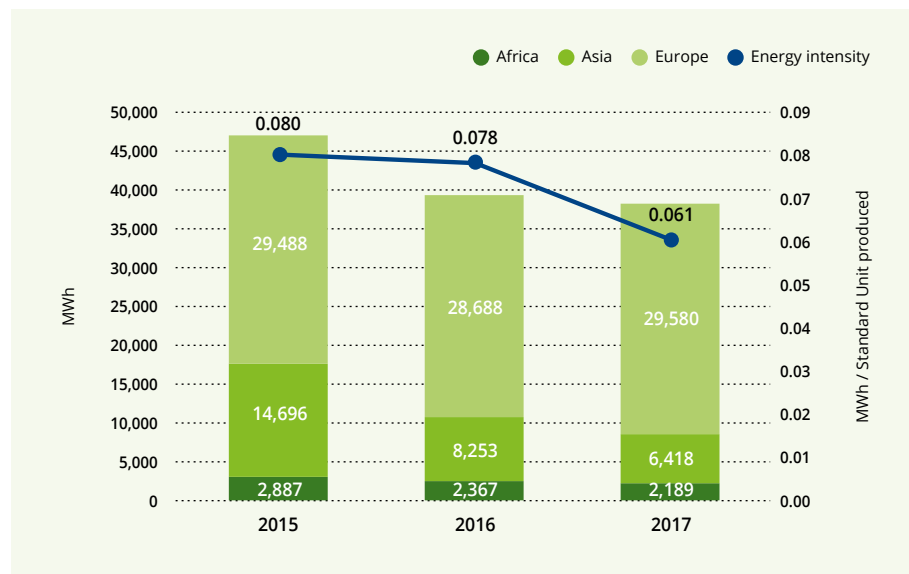
MWh	2015	2016	2017
Cool	47,070.6	39,308.2	38,187.6
Glass	237,782.4	243,881.1	235,571.7
Plastics and crowns	33,261.5	12,120.4	7,044.2
Total	318,114.6	295,309.6	280,803.4

## Environment

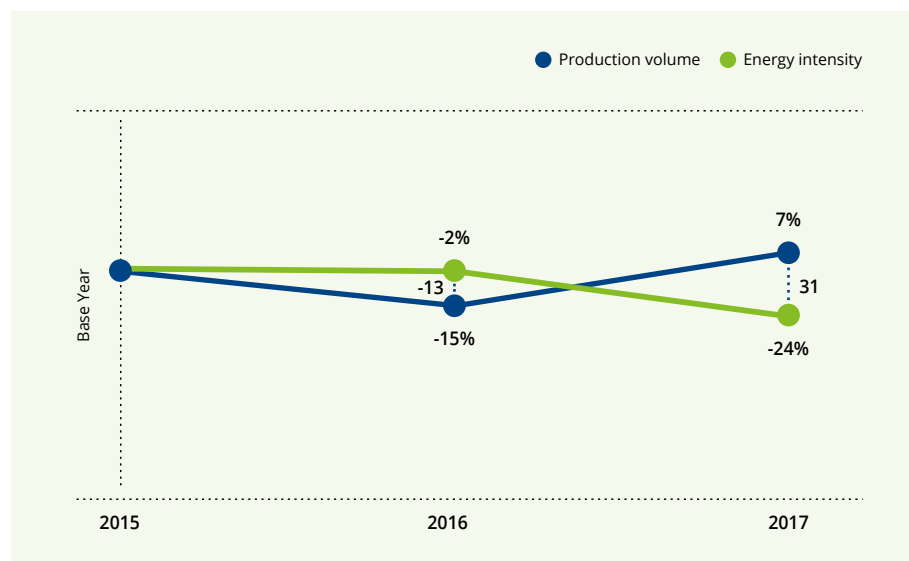
## Energy efficiency of operations

In our Cool operations, after a year of relatively slower progress, 2017 has seen significant improvements in energy consumption and efficiency with all related aspects demonstrating improvement. Absolute energy consumption has decreased by 19% and energy intensity by 24% compared to base year levels, with production volumes increasing by 7%.

**Energy consumption from Cool operations:**  
*Energy consumption and intensity per Standard Unit produced*

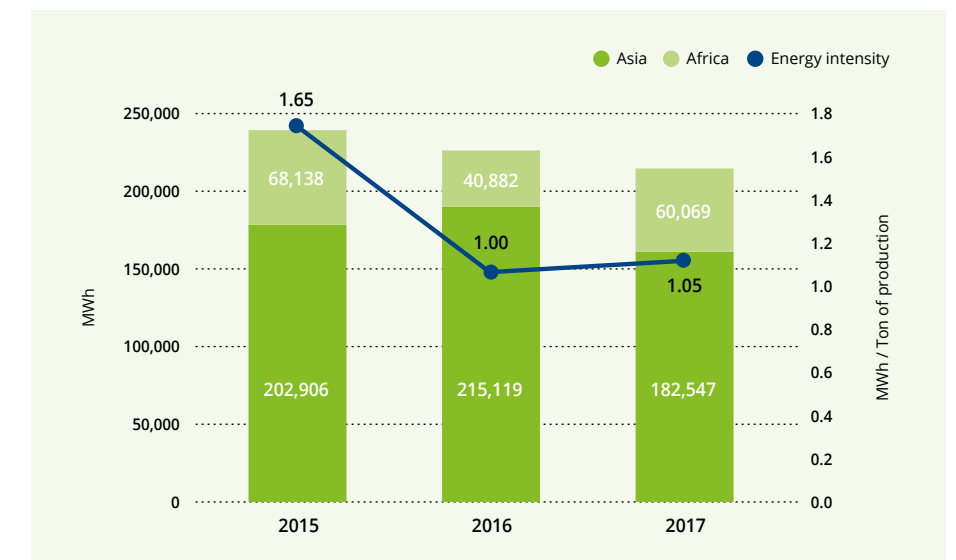


**Evolution of production volumes in relation to energy intensity**  
*Production in Standard Units, intensity in MWh / Standard Unit*

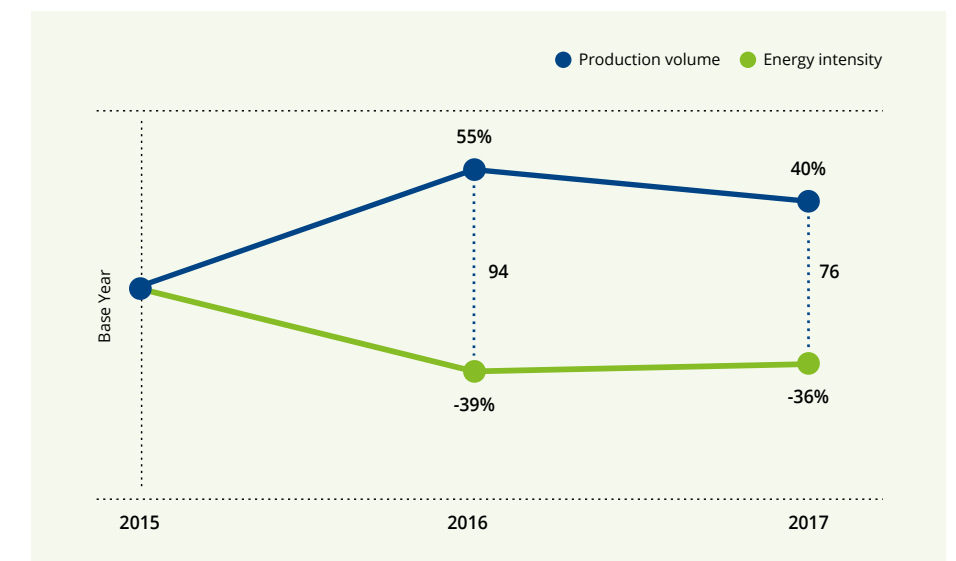


Our Glass, plastics and crowns operations, continued to operate more efficiently compared to 2015, with a slight decrease in the efficiency growth rate in relation to 2016.

**Energy consumption from Glass, Plastics and Crowns operations:**  
*Energy consumption and intensity per ton of production*



**Evolution of production volumes in relation to energy intensity**  
*Production in tons, intensity in MWh / ton of production*





# Energy efficiency of operations

In 2017 we realized several investments, aiming to protect the environment and enhance the energy efficiency of our plants. Our investments covered a wide spectrum of processes, ranging from simple process optimizations to sophisticated equipment upgrades in our production facilities. Our environmental protection expenditures have proven to be very effective, as we have never received grievances about the environmental impact of our operations.

Below we highlight some of these investments in our plants:

In our Romania plant, further to the improvements of previous years, in 2017 we fully replaced plant illumination with high efficiency LED lighting. We also optimized the paint shop operation by condensing it to less hours of usage.



In the same plant, in 2017 we obtained a “CO2 reduction certificate” as partner in the “Green transport” program, aiming to substitute road transport with rail or sea or combination of different modes of transport. We keep on working towards optimizing our inbound and outbound shipment of materials and finished goods.

In our Asian ICM plants, India and Indonesia, we invested in reducing power consumption of our metal processing machines, replaced old transformers with newer and more efficient ones, and advanced our air and water leakage detection systems, where necessary. Also in these plants we extended the use of LEDs into most areas of operation.

In our ICM plants, we also made special effort to redesign the pallets of our high volume product ranges. The target was to reduce the weight of used wood and also standardize some of their construction parts. We achieved material reduction that ranged from 10% to 40%, depending on product size and type.

In our Glass operations in Nigeria, we installed more energy efficient pumps, both in the hydrant and the water circulation lines. Here also, we invested in LED illumination in different areas of operation.

Finally, as part of our environmental management system, over 75% of our operation facilities were certified as per ISO14001 in 2016. Our standardization efforts continued last year and our plan is to have all facilities certified by 2019.

In addition, as every year, also in 2017 we invested about 5% of our annual IT budget in “Green IT”, allowing for reduction of business travels, while maintaining or even improving internal and external communication capabilities.





Environment

Resource management and efficiency

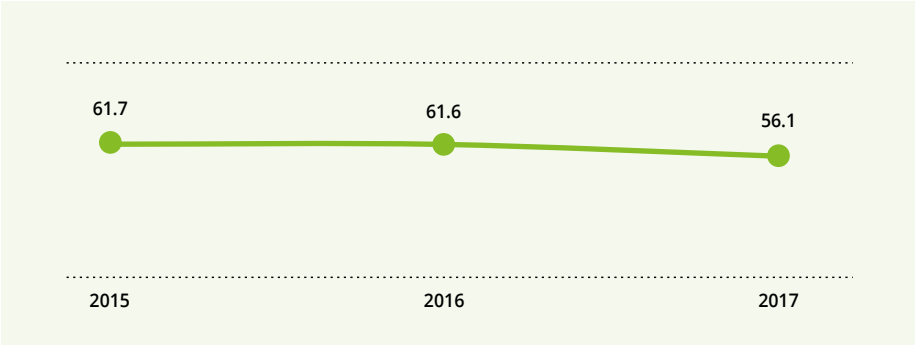
Materials management  
in Cool operations

At Frigoglass, we recognized early that our ICM operations are material-intensive. Since 2010, we have been monitoring and reporting on our material use, with the objective to keep rates of material consumption over produced volume at low levels, despite varying product mix.

Furthermore, our Procurement cooperates with strategic suppliers to ensure that stock of raw materials is maintained at warehouses close to the plants. This helps avoid sub-optimal freights (e.g. by air) while still enables us to satisfy our customers’ needs for shorter delivery times.

The evolution of our materials consumption shows that our material efficiency strategies in product design and production have begun to yield positive results. In 2017, the total kg of materials consumed per ICM dropped by 9% compared to 2015 levels.

Materials efficiency in Cool operations:  
*Kg of materials used over Standard Units produced*



Tons of materials used in Cool operations

Metals

	2015	2016	2017
Europe	10,595	10,066	13,106
Asia	9,481	6,330	6,012
Africa	2,256	2,127	1,743
Total	22,331	18,523	20,861

Plastic

	2015	2016	2017
Europe	1,140	1,105	1,438
Asia	2,840	2,490	2,311
Africa	176	163	120
Total	4,156	3,758	3,869

Insulation

	2015	2016	2017
Europe	1,299	1,196	2,288
Asia	1,045	624	633
Africa	337	320	238
Total	2,681	2,140	3,159

Glass

	2015	2016	2017
Europe	3,391	3,996	5,233
Asia	2,721	1,647	1,552
Africa	639	602	498
Total	6,751	6,245	7,283

Refrigerants

	2015	2016	2017
Europe	41	37	42
Asia	47	32	24
Africa	19	14	4
Total	107	83	70

Paint

	2015	2016	2017
Europe	123	100	81
Asia	126	41	34
Africa	33	12	5
Total	282	153	120

Materials management  
in Glass operations

In Glass operations, materials consumption is mainly based on recycled cullet. Therefore this part of our business is by definition very efficient and environmental-friendly.

Water consumption  
management

Water is a key input of our manufacturing process, especially in Glass operations, and we recognize its scarcity. We are committed to making every effort to avert water losses in the production processes through water recycling and reuse, both in our Cool and Glass operations.

In our Cool operations, used water is being properly treated according to the required specifications for discharge back into the sewage system.

In our Glass operations, we have set procedures for leakage avoidance and maximum recycling. Especially in our Effluent Treatment plant in Nigeria, where we utilize the latest advances in water treatment technologies, we have achieved over 95% water recycling and reuse in our operations. The remaining 5% mostly evaporates during the process, while a negligible part is being treated and discharged in the sewage system.

Tons of materials used in Glass operations

Silca Sand

	2015	2016	2017
Asia	47,170	51,952	33,895
Africa	94,208	84,517	73,859
Total	141,378	136,469	107,754

Soda Ash

	2015	2016	2017
Asia	16,453	17,765	12,071
Africa	23,070	22,765	19,037
Total	39,523	40,530	31,108

Other

	2015	2016	2017
Asia	7,703	8,638	6,996
Africa	4,918	5,002	4,667
Total	12,621	13,640	11,663

Cullet

	2015	2016	2017
Asia	18,829	8,484	37,265
Africa	67,837	65,294	83,588
Total	86,666	73,778	120,853

Limestone Powder

	2015	2016	2017
Asia	11,864	12,850	8,923
Africa	21,696	20,988	17,620
Total	33,560	33,838	26,543



Environment

Waste management and control

In our ICM operations, hazardous and non-hazardous waste is generated from the manufacturing process of coolers. Reducing waste from production, without undermining the effectiveness of the process, is a key priority for Frigoglass.

In 2017, we increased our general waste in Cool operations due to increased production compared to 2016, but drastically reduced waste intensity by 22.3% compared to 2015 levels and by 17.6% versus 2016. Also, as we are committed to increasing the levels of recycling general waste, in 2017 we maintained over 85% ratio of recycled to total general waste. Our target is to reach over 90% of waste recycling or reuse by 2020.

At Frigoglass, we respect local legislation and comply with internal policies governing the handling of hazardous waste. No hazardous waste is shipped internationally, whilst all is collected from the plants by authorized agencies using their own transportation methods for further disposal and/or recycling. In 2017, total hazardous waste was reduced by 19.4% compared to 2016 and accounted for less than 1% of the overall waste being generated, while our hazardous waste intensity decreased by 29% compared to 2015 levels. We remain committed to firmly maintaining these levels.

In our Glass operations, both general and hazardous waste are of negligible quantities. General waste is fully recyclable, while hazardous waste comes mainly in form of machinery oil and water contaminated with oil, and is all properly discharged by authorized companies.

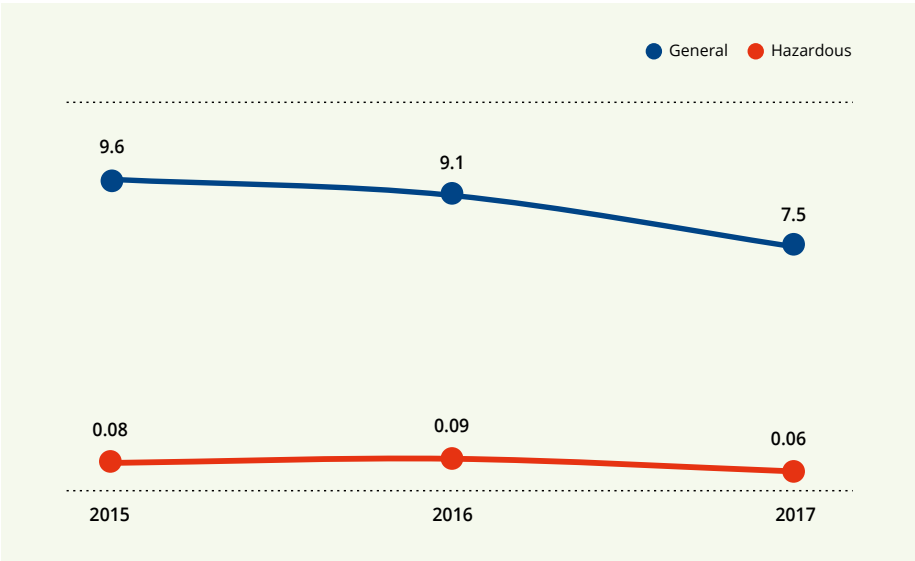
Tons of general waste generated in Cool operations

Tons	2014	2015	2016	2017
General waste	4,585	5,668	4,554	4,721
Recycled general waste	2,767	4,848	4,022	4,043
% of recycled general waste	60.3%	85.5%	88.3%	85.6%

Tons of hazardous waste generated in Cool operations

Tons	2014	2015	2016	2017
Hazardous waste	65	45.7	43.2	34.8
% change		-29.7%	-5.4%	-19.4%

Kg of waste generated over ICM Standard Units produced



Environment

Commitments and targets

Commitment	Target	Progress in 2017	Status
Reduction of average energy consumption of Frigoglass ICM fleet vs. 2013 levels	Over 30% by 2022	25%	➡
Maintain low level of emissions intensity in Cool operations	Below 0.05	0.042	🔄
Maintain low level of emissions intensity in Glass operations	Below 0.5	0.43	🔄
Maintain low level of energy intensity in Cool operations	Below 0.08	0.061	🔄
Maintain low level of energy intensity in Glass operations	Below 1.5	1.05	🔄
ISO14001 certification of operation sites	100% by 2019	77.7%	➡
Increase share of recycled general waste in Cool operations	Over 90% by 2020	85.6%	➡

- ➕ New commitment
- 📅 Scheduled to begin
- ➡ In progress
- ✅ Achieved
- 🔄 Ongoing



## Workplace

At Frigoglass, our people are our greatest asset. We believe that our long-term success depends on our ability to attract, develop and maintain an engaged workforce.

We implement a long-term strategy that focuses on finding and retaining talent, promoting their development whilst supporting and safeguarding their rights. We always strive to attract highly qualified personnel, respect their aspirations and ensure their continued professional growth.

We also pay special attention to providing a healthy, safe and supportive working

environment. We always operate with the highest ethical standards and promote diversity in the workplace.

Our main areas of focus include maintaining employee satisfaction by creating an inclusive, diverse and safe working environment, promoting their training and development, and encouraging proactiveness in the workplace. We strive to provide an engaging and motivating environment that empowers our people to give their best and develop their full potential.

The following table refers to Frigoglass permanent employees in Head Offices and operational sites, and does not include seasonal staff.

	Permanent employees		Composition			
			Managerial		Non-managerial	
	2016*	2017	2016*	2017	2016*	2017
Head offices	105	75	53	43	52	32
Nigeria	817	737	82	76	735	661
Dubai	330	309	26	22	304	287
India	240	235	21	18	219	217
Indonesia	249	247	10	10	239	237
Greece	99	98	11	11	88	87
Romania	841	1,348	19	19	822	1,329
Russia	740	717	13	17	727	700
South Africa	285	337	11	23	274	314
Total	3,706	4,103	246	239	3,460	3,864

\* Employee data for 2016 are corrected and restated to include the total number of employees

### Material issues:

- Workplace health and safety
- Diversity and equal opportunities
- Labour practices and human rights
- Employee satisfaction and wellbeing
- Training and development

### Strategic priorities:

- ✓ Maintain strong health and safety culture and minimise incidents
- ✓ Ensure compliance with all applicable laws throughout all locations of operations
- ✓ Promote policies against discrimination
- ✓ Maintain fair compensation across our workforce
- ✓ Integrate digital training across all workforce

### Related SDGs:





Workplace

The following tables present data on the diversity of our people.

	Gender			
	2016*		2017	
	Male	Female	Male	Female
Head offices	73	32	47	28
Nigeria	790	27	715	22
Dubai	325	5	307	2
India	236	4	232	3
Indonesia	219	30	212	35
Greece	90	9	89	9
Romania	662	179	956	392
Russia	645	95	623	94
South Africa	237	48	265	72
Total	3,277 88.4%	429 11.6%	3,446 84%	657 16%

	Age group							
	2016*				2017			
	<30	31-40	41-50	>51	<30	31-40	41-50	>51
Head offices	5	32	53	15	4	24	32	15
Nigeria	39	218	339	221	43	172	290	232
Dubai	58	106	102	64	55	101	96	57
India	57	123	55	5	49	126	57	3
Indonesia	60	145	43	1	55	148	43	1
Greece	0	6	56	37	0	6	51	41
Romania	205	250	246	140	415	343	382	208
Russia	172	311	164	93	177	301	158	81
South Africa	54	117	79	35	76	136	86	39
Total	650 17.5%	1,308 35.3%	1,137 30.7%	611 16.5%	874 21.3%	1,357 33.1%	1,195 29.1%	677 16.5%

\* Employee data for 2016 are corrected and restated to include the total number of employees

Workplace

Labour practices and human rights

Respect for human rights is a fundamental value of Frigoglass.

Some countries, where Frigoglass operates, are identified as presenting higher risk of labour and human rights violations. In these locations, we regularly evaluate our standards and procedures for identifying, preventing and mitigating adverse labour practices and adverse human rights impacts in our operations and value chain.

Our Labour Relations policy ensures compliance with the national legislation, and internationally agreed human rights standards and regulations such as the Universal Declaration of Human Rights (UNDHR).

Our Human Rights Policy, which is guided by the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, sets out the principles for how we relate to our employees, contractors, suppliers and partners.

We are committed to respecting all internationally recognized human rights. Forced or slave labour and child labour are strictly forbidden, while we prohibit the employment of persons under 18 years of age in occupations that require exposure to hazardous conditions, as provided for in ILO Convention 182.

Our employees have the right to join and support a union and be covered by a collective agreement. In the majority of our plants there are unions or authorized employee representatives. We encourage constructive dialogue with our employees' freely chosen representatives and we are committed to bargaining in good faith.

Our Speak up policy, which is intended to allow employees and business partners raise any concerns and indicate any violation of the company policies and procedures, provides a free communication channel around the clock, every day of the year.

At Frigoglass, we aim to provide competitive compensation to our employees, based on a structured remuneration process. We offer wages which are well above the local law, always complying with all national laws on overtimes and working hours. In the case of significant operational changes, our employment contracts contain at least one week's notice to employees, unless otherwise required by local laws.





Workplace

Diversity and equal opportunity

We aim to foster an inclusive environment where our people can meet and exceed their expectations, regardless of race, gender, or socioeconomic background, and conversely benefit from diversity to deliver the highest value to our stakeholders.

Diversity and inclusion are a vital part of our corporate culture. During the recruitment process, we undertake a number of steps to ensure workforce diversity without any form of discrimination based on gender identity, ethnicity, national origin, age, disability, marital status or any other characteristics protected by law. We do not tolerate any form of harassment , abuse or exploitation.

Our Code of Business Conduct upholds our commitment to providing equal employment opportunities in the workplace and treating all employees without bias. Our Code of Conduct is read and signed by all employees during the hiring process. Besides that, it is an integral part of the training program of our new e-learning tool.

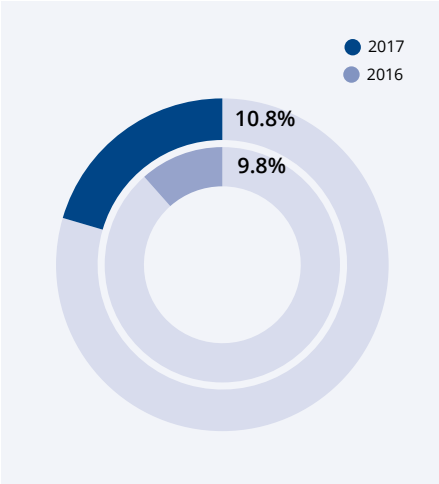
We provide nondiscriminatory, fair employee compensation, and firmly believe that talent diversity has a direct impact on our success. We embrace diversity and celebrate our people’s unique qualities, differences and similarities, so much that our success is attributed to it. Diversity is part of our culture that drives creativity and leads to innovative solutions for our customers.

We’re proud that there have been no recorded incidents of discrimination during the reporting period. Our internal audits and whistleblowing procedures are aiming at maintaining zero incident levels.

Frigoglass is committed to promoting gender diversity and equality in the workplace. We strive to provide equal job and advancement opportunities for men and women in our operations. Our goal is to become more gender balanced and gradually increase the representation of women in leadership positions.

The table below illustrates our gender diversity progress, as 11 women were appointed to governance positions in 2017, increasing female representation from 9.8% in 2016 to 10.8% in 2017.

Female representation in governance bodies



	Governance bodies composition			
	2016*		2017	
	Male	Female	Male	Female
Head offices	7	0	43	0
Nigeria	76	6	68	8
Dubai	7	1	5	0
India	6	1	15	3
Indonesia	3	1	6	4
Greece	3	1	11	0
Romania	5	1	16	3
Russia	6	1	14	3
South Africa	7	1	20	3
Total	120 90.2%	13 9.8%	198 89.2%	24 10.8%

\* Employee data for 2016 are corrected and restated to include the total number of employees





## Workplace

## Occupational health and safety

Occupational health and safety have always been a top priority for Frigoglass. Our manufacturing operations are part of the heavy industry and consequently the work environment and several production processes in our facilities hold potential risks. At Frigoglass, we aim to maintain high level of safety across the business whilst consistently improving our safety culture.

It is of outmost importance to ensure that all employees are aware of the hazards and potential risks, and always comply with safety standards and regulations. In this respect, at Frigoglass we:

- Provide compulsory training on health and safety (H&S) issues to employees as well as to external partners working at our facilities
- Offer healthcare programs to all our employees
- Provide personal protective equipment and follow procedures of handling chemicals and hazardous materials in all our plants, which are regularly inspected and updated
- Cooperate closely with clinics and/ or hospitals located in the vicinity of our plants.
- Conduct regular risk analysis on H&S issues and implement appropriate measures for controlling risks

We are committed to keeping workplace accidents at zero levels by applying and implementing various structural and technical measures, as well as conducting risk assessments on our facilities and equipment.

More specifically, risk assessments are conducted on a periodic basis in order to promptly identify and mitigate potential hazards. They include the following steps:

- Identify and record potential hazards
- Identify the groups of employees exposed to those hazards
- Evaluate the severity of hazards
- Identify measures to mitigate risk
- Implement corresponding measures
- Re-evaluate and revise previously conducted risk assessments

Our Head Offices and our ICM plants in Romania, Russia and South Africa have been certified per OHSAS 18001. Our 3 Glass plants are currently undergoing the certification process targeting to complete it within 2018. In line with our commitment to workplace health and safety, we target to obtain OHSAS 18001 certification for all the remaining plants by 2020.

In all our plants we also implement a concrete and comprehensive safety management system, which is subject to strict approval processes. As part of this system, we closely monitor the accident frequency rates in all our plants and we are constantly working towards minimising them.

In 2017, workplace accidents in ICM operations more than halved compared to the previous year (from 39 to 18). The corresponding injury rate for 2017 was 0,55% and the absentee rate was 3,09% per 1000 hours of work.

## Workplace

## Employee training and career development

At Frigoglass we recognize the importance of employee training and development. We continuously try to provide our people with opportunities to grow professionally and resources to advance their career.

The company ensures that all employees are equipped with the right mix of knowledge, skills and abilities to fulfil their job requirements.

Frigoglass systematically invests in employee training, providing a wide range of training opportunities. We view employee training and development as an essential

element of our success, as it effectively aligns action with objectives. The company puts emphasis on the development of technical skills and is committed to supporting employee professional advancement.

We also provide training on ethical issues, such as anti-corruption, anti-competitive behaviour and human rights, which aim at further promoting an equal and fair working environment. In 2017, the average recorded hours of training per employee amounted to 48.

During the year, we initiated “Frigoglass Academy”, an online training platform that provides business-related courses to our people. The program is aimed to reach all our permanent employees, first those with computer access and at a later stage those lacking access.

The program offers extensive training on our Code of Business Conduct, Values and core operating policies i.e. Human Rights, Labor, Environment, Speak-up and Health & Safety.

Performance reviews are also a key component of employee development. At Frigoglass, reviews take place twice a year and give our people the opportunity to provide and receive feedback through individual guidance. 100% of our supervisory and managerial level employees receive annual performance reviews based on pre-determined and agreed-upon performance criteria. Career development needs and actions are often tackled through informal meetings and mentoring, while we always listen closely to our workforce's views on how their career goals can be met.

**FRIGOGLOSS**

A great new tool for developing our knowledge!

**Frigoglass Academy**

Learn new things, acquire new skills and take a step forward!

The first 2 courses of Frigoglass Academy are available:

- Frigoglass Policies
- Code of Business Conduct and Ethics

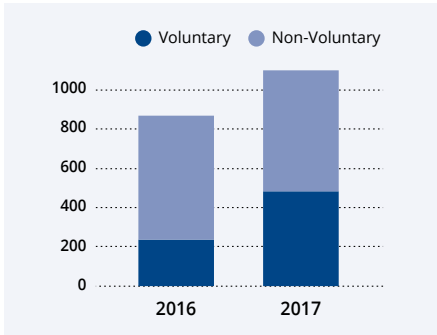
Workplace

Employee satisfaction

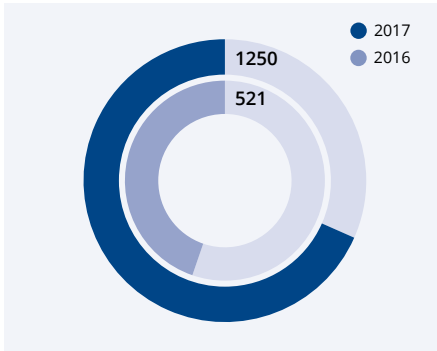
Employee satisfaction is of utmost importance for Frigoglass and leads to creating value for our customers and communities.

We make every effort to build and maintain strong relationships with our people, recognizing that their daily work, attitude and interaction have an impact on our customers, as well as on society and the communities in which we live and operate. We foster frequent communication and provide open channels for discussion. Within the year we conduct regular employee meetings to discuss and exchange feedback on business matters, as well as on working conditions and any other work related subjects.

Employee turnover



New hires



The new hires and employee turnover for 2017 are presented in the following tables:

	Employee turnover							
	2016*				2017			
	Voluntary		Total		Voluntary		Total	
	No.	%	No.	%	No.	%	No.	%
Head offices	13	12.4	20	19	6	8	16	21.3
Nigeria	264	32.3	578	70.8	30	4.1	44	6
Dubai	26	7.9	30	9.1	31	10	38	12.3
India	14	5.8	19	7.9	19	8.1	19	8.1
Indonesia	0	0	0	0	0	0	2	0.8
Greece	0	0	0	0	0	0	0	0
Romania	85	10.7	324	38.5	88	8.3	640	60.5
Russia	31	4.2	31	4.2	30	4.2	36	10.7
South Africa	19	6.8	23	8.1	20	5.9	21	6.1
Total	452	12.2	1,028	27.7	224	5.5	816	19.9

	New hires			
	2016*		2017	
	Number	%	Number	%
Head offices	13	12.4	20	26.7
Nigeria	44	5.4	32	4.3
Dubai	23	7	15	4.9
India	13	5.4	16	6.8
Indonesia	11	4.4	0	0
Greece	0	0	1	1
Romania	319	37.9	1,130**	106.8
Russia	47	6.4	16	2.2
South Africa	50	17.7	20	5.9
Total	521	14.1	1,250	30.5

\*\* New hires mainly reflect the increase in production shifts in 2017

Workplace

Commitments and targets

Commitment	Target	Progress in 2017	Status
Maintain zero grievances about discrimination	Zero	Zero	🔄
Reduce injury rate	Below 0.5%	0.55%	🔄
OHSAS18001 certification of operational sites	100% by 2020	77,7%	➡️
Successful pass of Frigoglass Academy program and testing by our permanent employees	100% of permanent employees	0%	🔄

- ➕ New commitment
- 📅 Scheduled to begin
- ➡️ In progress
- ✅ Achieved
- 🔄 Ongoing





## Community

### Supporting local communities

At Frigoglass, we remain committed to supporting local communities and giving back to the local society. We take several initiatives to support local economies, which contributes to the overall success of our business whilst highlighting our strong commitment to our social responsibility values.

There is a long-standing tradition in supporting local communities, either directly with donations, or by making infrastructure investments in the locations where we operate.

Our support to the local community takes various forms in the countries of our operations. For instance, as part of our community investment strategy, every year we donate coolers to charity organizations and support local schools with infrastructure improvements.

A characteristic example of our commitment is the annual in-kind investment we make in Nigeria, where every year we pledge 30,000 to 40,000 Euros for various infrastructure works. In 2017, we contributed to the construction of classroom blocks, the renovation of the community town hall, as well as the purchase of market stalls and school desks.

In Greece, we continued the successful initiative “Cool for Good” for the fourth year in a row, donating beverage coolers to charity organizations and nonprofit institutions, supporting hundreds of people in need.

In our Romanian operations, we continued supporting the “Lighthouse for the Blind of Greece”. The organization is our preferred supplier of shelf clips used in our coolers, generating an income of more than 200,000€ annually.

Last but not least, at Frigoglass we are strongly committed to employing staff from the local communities in which we operate. In 2017, above 90% of our workforce was of local origin and all employment contracts offered wages above local average.

Also as part of our procurement strategy, we’re focusing our efforts on supporting local companies. In 2017, over 40% of all our suppliers worldwide were of local origin. For 2018, we plan to at least maintain the same rate of local supplier contribution.

### Material issues:

- Supporting local communities
- Community relations and engagement

### Strategic priorities:

- ✓ Hiring local workforce
- ✓ Supporting local suppliers
- ✓ Investing in local communities

### Related SDGs:



Appendices

United Nations Global Compact

United Nations Global Compact principles		Chapter	Page
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2	Businesses should ensure they are not complicit in human rights abuses	Responsible procurement and supplier assessment	51
Labour			
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Responsible procurement and supplier assessment Labour practices and human rights Diversity and equal opportunity	51 73 74
4	Businesses should uphold the elimination of all forms of forced or compulsory labour		
5	Businesses should uphold the effective abolition of child labour		
6	Businesses should uphold the elimination of discrimination in relation to employment and occupation		
Environment			
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● Fully ● Partially

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	102-3 Location of headquarters	Contact information	90	●	
	102-4 Location of operations	Where we operate	12	●	
	102-5 Ownership and legal form	About Frigoglass	08	●	
	102-6 Markets served	Where we operate	12	●	
	102-7 Scale of the organisation	About Frigoglass	08	●	
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