



# FOCUS ON SUSTAINABILITY

Sustainability is a priority at Greif. Although we may not have always used the term “sustainability” to describe our efforts, we have worked diligently to create a sustainable company and a better world in which we all live. The following topics and anecdotes provide a glimpse into the corporate social responsibility activities of Greif worldwide.

## Safety

In 2005, Greif’s medical case rate, our standard measure of safety in the workplace, was 4.08.

Since then, with intense focus on emphasizing safe work procedures and conducting employee training and developing our proprietary electronic data management system that tracks incidents, delivers assignments and reports statistics, we have improved our safety record. In 2009, with more than 200 locations worldwide, the medical case rate was 2.66, a 35 percent reduction over five years.

Each day on the factory floor begins with a talk about safety. Safety is the first priority of every Greif employee. And earning the Greif Chairman’s Safety Excellence Award, established in 2003, is the goal of every location. To qualify for the Award, a facility must have a medical case rate less than 1.0 during the fiscal year, and pass an independent audit. To meet the medical case rate, all but a few large operations with more than 200,000 work hours must have zero medical cases. The criteria for audit scope and scoring is reviewed and revised to be more difficult each year.

The first year, nine locations in North America clocking 560,000 work hours earned the Award. In 2009, 52 locations worldwide with more than 5 million work hours earned the Award. Fifty-one of these factories were injury-free the entire year.

We are proud that three Greif plants in the USA have achieved the Voluntary Protection Program’s STAR recognition from the Occupational Safety & Health Administration. Nationwide, only 2,300 sites out of approximately 7 million have achieved such status.

## Environmental

Greif’s perspective on issues such as the environment is shaped by our global footprint. With operations on six continents, we recognize that such issues extend well beyond geographic borders or regions. Consistent with our commitment to being a good, responsible corporate citizen, we are committed to being part of the solution for issues we can impact through our efforts.

We accepted an invitation to join the World Business Council on Sustainable Development in 2008,



World Business Council for  
Sustainable Development

and we continue our membership alongside approximately 200 of the most environmentally responsible corporations in the world. The CEO-led Council's mission is to provide business leadership as a catalyst for change toward sustainable development and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues. We wholly support this mission.

We also rely on The Conservation Fund to provide guidance on our environmental initiatives. Their advice has been invaluable as we have focused increased attention and resources on this important aspect of our business

## Energy

Three years ago, the Company's CO<sub>2</sub>e (carbon dioxide equivalent) emissions totaled 1.45 million tons. At the end of 2007 we challenged our employees to reduce energy consumption by 10 percent by January 2010 and referred to this program as our "10/2" initiative. In December 2009 we declared the initiative a success with a reduction of energy consumption of 10.1 percent, which is equivalent to energy savings of 259 MWh.

Latin America led the way, instituting a culture of continuous improvement, focusing on changing employee behavior. The business units required daily reading and reporting of meters,

including gas, electric and compressors. These efforts resulted in a 34 percent reduction in energy consumption in 2009 among all factories in the business unit against the base of 2006.

Of course, all Greif sites and employees responded well to our challenge. For example, Ellesmere Port in the United Kingdom reduced its energy usage 24 percent. North America completed lighting upgrades at 25 facilities, resulting in 12.7 million kWh of savings annually.

Since 2006, Greif's information technology team (IT) has consolidated 20 data centers into three. In 2009, the IT EMEA team recognized an additional way to reduce power consumption, cooling needs and operational costs and embarked on a virtualization project that reduced 77 physical servers to three and replaced most desktop PCs with a smaller, less energy-intensive device. Greif's Data Center consolidation projects have reduced electricity consumption of PCs and servers by at least 50 percent, generating \$1.3 million in operational savings along with the power and cooling consumption cost savings.

In addition, our forest holdings will sequester 55 million tons of CO<sub>2</sub>e over a 30-year growth period.

With the achievement of our 10/2 challenge, we have established a new goal for the reduction of energy consumption and greenhouse gas



*By 2015, it is our intent to reduce energy consumption and GHG emissions by 15 percent per unit of production over our baseline of fiscal year 2008.*

Source Category	Emissions (tons per year)						
	CO <sub>2</sub> e	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>
<b>Direct Emissions</b>							
Mobile Combustion	316,224	316,224	-	-	-	-	-
Stationary Combustion	543,860	543,860	-	-	-	-	-
Fugitive Emissions	52,027	1,307	2,415	-	-	-	-
<b>Total Direct</b>	<b>912,111</b>	<b>861,391</b>	<b>2,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indirect Emissions</b>							
Purchased Electricity & Steam	385,644	380,804	5	15	-	-	-
Outsourced Shipping	154,467	154,276	-	1	-	-	-
<b>Total Indirect</b>	<b>540,112</b>	<b>535,080</b>	<b>5</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>1,452,223</b>	<b>1,396,471</b>	<b>2,420</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>

HFCs, PFCs and SF<sub>6</sub> = negligible or 0  
Source: Battelle Memorial Institute and Solution Dynamics, LLC

(GHG) emissions. By 2015, it is our intent to reduce energy consumption and GHG emissions by 15 percent per unit of production over our baseline of fiscal year 2008. By 2020, we intend to have reduced energy consumption and GHG emissions by 30 percent per unit of production over the same baseline year. This will require continued adoption of best-in-class sustainability practices and cost-effective capital expenditures.

### Waste reduction

At two factories in the Netherlands, we installed Regenerative Thermal Oxidizers to destroy Volatile Organic Compounds (VOCs) and other gasses emitted by the plants. With an efficiency rating between 97 and 98 percent, these thermal oxidizers destroy VOCs by treating the gasses with high heat, which converts the gasses to carbon dioxide and water vapor. Also, the energy released by the process is recycled, reducing operating costs.

Greif's sheet-feeding subsidiary, CorrChoice, developed a product from what would have otherwise been added to the waste stream. Using the trimmed material taken off its corrugators, the division produces dust-free corrugated bedding for equine facilities in the eastern United States. The corrugated properties of this bedding allow for greater circulation within the stall, creating healthier living conditions for animals. It also deteriorates up to 50 percent faster than traditional material, minimizing the amount of material going to landfills.

CorrChoice also developed an EE-flute corrugated sheet strong enough to replace the non-recyclable polystyrene core in foam board display sheets.

### Stewardship

Our timber segment was renamed Land Management during the fourth quarter of 2009 to reflect a broader business focus going forward. Previous emphasis on responsible timber management, harvesting and the sale of special use properties has been expanded to include additional opportunities in wildlife stewardship, recreation and development.

"We believe that our word is our bond and our commitment to the future is vital to our organization's success." *Matt Bonham, Soterra LLC General Manager*

In December 2008, Soterra, our subsidiary engaged in Land Management, achieved Sustainable Forestry Initiative® (SFI) certification for its managed timberlands. Soterra manages timberland in Alabama, Louisiana and Mississippi, and provides wildlife, recreational land use and forestry management services. SFI, Inc. audited Soterra for its forest practices including forest regeneration and best land management practices. Soterra was also audited for the promotion of sustainable forestry practices, commitment to legal compliance and the incorporation of continuous improvement, which are obligations under SFI.

Both of Greif's paper mills (Massillon, Ohio and Riverville, Virginia) earned certifications from SFI, Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC) in 2009. These three standards require mills to create and maintain extensive systems to ensure that all incoming fiber is sourced from certified land or responsibly managed sources, and that fiber can be tracked through the stages of production to assure customers that all of the fiber contained in the product originated from well-managed forests, reclaimed materials or controlled sources. To attain certification for Responsible Fiber Sourcing and Chain of Custody, the mills passed separate audits. As a result, approximately 650,000 tons of paper production will be certified annually.

During 2009 we had two commitments approved by the Clinton Global Initiative.

Using our Soterra lands and working with the NAPPCC (North America Pollinator Protection Campaign) and the Pollinator Partnership, we will be researching what infrastructure is necessary to improve pollinator habitat, which involves birds, bees, butterflies, bats and beetles that transfer pollen between plants. Pollination is an integral function to ensure continuity in the world's food chain.



*Our paper mills were certified for Responsible Fiber Sourcing and Chain of Custody in 2009.*



*Land Management reflects a broader business focus going forward.*

We will also be piloting a program to manage rainwater. Using Greif's newly developed rain barrels, two municipalities will measure the impact of having their residents capture rainwater. Residents will then be able to use the non-potable water for purposes such as watering lawns and gardens. Using rainwater has the added benefit of saving energy and reducing the amount of water being treated chemically. An additional environmental benefit of this project will be to reduce the direct inflow and infiltration of storm water into sewer systems, lakes, rivers and creeks.

If the projects are successful, Greif will then partner with other organizations to bring the program to a much larger scale. Greif will also design the project to increase public awareness of water issues and encourage conservation practices.

### *Employee engagement*

None of our actions could be accomplished without our employees. They are the ones who envision better ways, develop the plans, marshal the resources and achieve results. Throughout the year, we provided opportunities for them to combine their interest in the environment with their responsibilities at work.

On Earth Day, we announced a photo contest for all Greif employees. We received 142 outstanding entries, and because of the interest it generated, we plan to repeat the photo contest in coming years.

The 2009 grand prize winner was Bart Weener, a production worker at our Closures factory in Amsterdam. He entered *Marius discovers a chestnut*.

Another photograph, *Conservation in action*, was entered by Jorge Munoz, plant manager in Bogota, Colombia. He took the picture during the planting of the YARUMO (*Cecropia peltata*), a beautiful tree that grows in tropical Colombia. Greif moved into a new facility in Bogota during 2009 and the employees wanted to plant a tree to signify the importance of growth and

the need to take care of the tree in the same way they are responsible for Greif's Bogota operations. They also made a commitment to take care of the environment, which was reinforced by their signatures that were displayed at the plant.

Adam Galliers, who works for Greif in Delaware, Ohio, photographed an employee garden that was established in 2009 on the grounds adjacent to Greif's North America headquarters building. The employee garden includes a water source and deer fencing. More than 30 associates tended their plots throughout the summer, reaping the fruits and vegetables of their labor.

To recognize and reward our associates further for their work on sustainability issues, we have introduced the Greif Global Sustainability Award Program. We believe that every job is a green job, and every person is responsible for conducting his or her work in the most sustainable way possible. The first award will be selected in December 2010 for work accomplished in fiscal 2010.

### Social

Greif has supported numerous philanthropic organizations through the years, but 2009 was a special year for us. We dedicated significant resources to three new programs that promise benefits extending far into the future.

The Greif International Pediatric Fellowship at Nationwide Children's Hospital was endowed in 2009 to improve children's access to quality health care around the world. Each year, one of the best and brightest medical minds from outside the USA will be brought to Nationwide Children's Hospital for a one-year fellowship. That doctor will work alongside the hospital's team and develop new skills to share back at home. To assure the long-term success of the fellowship and the widest reach possible, the program will train only those physicians who intend to return to their countries and remain lifelong partners with Nationwide Children's



*Grand prize:  
Marius discovers a  
chestnut.*



*Planting a YARUMO tree  
at Greif's new facility in  
Bogota, Colombia.*





Hospital. We envision that some of those doctors in the future – or the doctors they in turn train – may be caring for family members of our employees.

“Why are we committed to international collaboration? We know that we benefit as much or more from these interactions as do our global partners. The academically rich, professionally expansive environment that surrounds such fellowships enables us to attract and retain top faculty, staff and trainees. They open new avenues of inquiry heretofore unimaginable. They force us to examine and improve everything we do. In short, they make us the best we can be.” *Dr. Karen Heiser, Vice President and Co-Director of Nationwide Children's International Program*

The first product of EarthMinded LLC, Greif's environmental and consumer product business, was developed by a small team internally and introduced to the market in 2009. The self-consuming Charcoal Buddy charcoal starter is made entirely of linerboard; its cone is coated with soy wax. In June of 2009 it passed the USA Environmental Protection Agency's emission tests. Greif has licensed Charcoal Buddy production and sales to The Alpha Group of Delaware, Inc., an Ohio-based provider of services to adults with developmental disabilities.



*Self-consuming Charcoal Buddy charcoal starter.*

“We had an idea for a better way to start charcoal. The idea was not part of our core business, but we felt it deserved to be developed and shared with non-profit sheltered workshops for them to be able to nurture a self-sustaining product.” *Peter Apostoluk, Technical Director, Plastics and IBC Containers, Greif*

For one week last summer, teams of Greif employees volunteered their days at the Recreation Unlimited End of

Summer Residential Camp. This camp, for youth ages 8 to 22 with both physical and developmental disabilities, was for 24 campers who were not able to attend camp previously due to lack of funding. Greif paid the expenses for the week-long event, and provided volunteers to help the counselors and maintenance crew throughout the week. The volunteers, and employees who were not able to participate, are looking forward to the next Greif-sponsored camp.

“I opted to paint on Tuesday; that is where the help was needed. It was a rewarding experience to know that we were assisting an organization that is totally focused on helping others who need attention, caring, and friendship. But I didn't really understand the impact Greif was having until we took a break for lunch. Seeing all of our Greif team members caring for all of the children was something special. Understanding how we could make such a difference in a short period of time was truly impactful. Taking the time out of our busy schedules to concentrate on such an important, benevolent aspect of life made me feel good about myself and the company we work for!” *Eric Nelson, Director of Sales & Marketing, Industrial Packaging North America*

Years ago, Greif's former Chairman, Jack Dempsey reflected on “the many devoted men and women, of diverse types and sometimes of explosively direct power, who combined with others of quiet competence to make the improbable practical and the difficult, profitable.”

This 2009 report was made possible by and is dedicated to all the Greif associates who made the improbable practical and the difficult, profitable.