



INDEVCO

2018 Sustainability Initiatives

A GRI-Referenced Report

Sustainability *in focus*



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In this GRI-referenced report, the numbers in the side margins represent GRI Standards disclosure numbers. All data included in this report is as of 31 December 2018.



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A Message from *Our Chairman*

From the time we began communicating our progress three years ago, sustainability has become a strategic priority for INDEVCO. The transition to where we are today wasn't easy, but the challenges we faced propelled us forward. We've worked to unify our vision, objectives, and initiatives across business units worldwide, and we're automating environmental and social data to ensure visibility into the future.

Our sustainability workshops in 2017 and 2018 allowed us to develop Global Reporting Initiative (GRI)-referenced reports and have paved the way

for us to set INDEVCO's 2025 Sustainability Pledge in the coming year. We remain committed to the UN Global Compact (UNGC) Ten Principles and submitted our first Communication on Progress in 2018. In addition, we're dedicated to partnerships that help achieve UN Sustainable Development Goals (SDGs).

Building on our legacy as a community-oriented company, our responsibility today is more important than ever. Our INDEVCO family remains front and center in steering our businesses responsibly. I thank each and every one of you for your part in making INDEVCO a sustainability pioneer in the region.

Neemat G. Frem
INDEVCO Chairman & CEO

“ INDEVCO 2025 Pledge will quantify our global objectives for the first time. ”



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INDEVCO Overview

Founded in 1956 by Georges N. Frem, INDEVCO has grown from its first 80 m² paper plant to a multinational group employing over 10,100 employees in nearly 80 operations and 20 countries worldwide. Guided by our forward-thinking corporate philosophy "What is good for the community, is good for the company", sustainability has been embedded in our culture, with seven values serving as pillars to corporate development and growth.

We have diversified over the years both vertically and horizontally with our major operations currently divided into 5 divisions and with additional support products and services. Today, our nearly 40 plants in 8 countries export to customers in 95 countries, including manufacturers, distributors, retailers, wholesalers, institutions, government ministries and municipalities, and non-profit organizations.

FOUNDING VALUES

Honesty

Modesty

Hard Work

Entrepreneurial Drive

Servant Leadership

Family Spirit

Precision

*See *Ethics & Integrity* on page 11.

10,114

Employees

 **FULL-TIME**
10,019

 **PART-TIME**
95

 **PERMANENT**
9,338

 **TEMPORARY**
776

79

Operations

 **39 MANUFACTURING FACILITIES**

 **40 COMMERCIAL COMPANIES & SALES OFFICES**

INDEVCO abides by the local labor laws of all the countries in which it operates, including right to freedom of association and collective bargaining (UN Global Compact Principle 3). The group also ensures no forced or compulsory labor at offices and plants worldwide (UN Global Compact Principle 4).

As a privately-owned company, net sales are not publicly provided.

INDEVCO OVERVIEW



Exporting to over
95 Countries

SECTORS SERVED

- Agriculture
- Away-from-Home
- Beverage
- Building & Construction
- Chemical & Petrochemical
- Consumer Retail
- Dairy & Ice Cream
- Food
- Healthcare
- Household Care
- Hygiene Converting
- Other Manufacturing
- Personal Care
- Plastics Converting
- Renewable Energy
- Retail & Wholesale
- Tissue Converting
- Transportation & Warehousing

See full list of export countries in Appendix A.
See full list of companies included in financial statement in Appendix C.

INDEVCO Management Resources, Inc. (IMRI) maintains a 20% share in DS Smith North America Packaging and Paper.
INDEVCO Plastics, Inc. is a shareholder in ePac Holdings LLC and has signed an owner-operator agreement for 5 ePac flexible packaging plants to launch in the US starting 2019.

OPERATIONS & PRODUCTS

INDEVCO Consumer Products

4,100+ Employees

8 Manufacturing Plants

7 Countries

INDEVCO Consumer Products Division manufactures consumer disposables for adult, baby, family, feminine, and household care. The division also produces professional and paramedical away-from-home (AFH) disposable products.

The division's products include: adult and baby diapers, aluminum containers, aluminum foil, cleaners, cling film, coasters, combo boxes, cotton, detergent, dispensers, facial tissue, feminine napkins, food storage bags, garbage bags, gloves, gowns and aprons, meal boxes, napkins, oven bags and baking sheets, pack carrier, panty liners, paper bags, paper cups, paper sheets, paper towels, plates and cutlery, pocket tissue, pre-cut lids, refills, sandwich boxes, sanitizers, table covers, table napkins, toilet tissue, toiletries, towels, trash bags, under pads, wet wipes.

INDEVCO Flexible Packaging

2,900+ Employees

20 Manufacturing Plants

6 Countries

INDEVCO Flexible Packaging Division manufactures plastic raw materials, films, and packaging, as well as paper packaging and sheets. The division also produces flexographic and rotogravure packaging printing inks, as well as digital printed pouches.

The division has established leading waste collection, segregation, washing and recycling services, as we grow a circular economy in our core locations of operations that produce recycled products for secondary and tertiary packaging.

INDEVCO Paper Containers

1,360+ Employees

8 Manufacturing Plants

6 Countries

INDEVCO Paper Containers Division manufactures single, double and triple wall corrugated boards and converts them into various packaging and display solutions, including corrugated and solid board cartons, corrugated sheets, corrugated containers, point of purchase (POP) displays, and shelf-ready packaging.

The division added recycled linerboard and recycling fluting to our portfolio after our recent acquisition in Greece and also produces printing plates for high-quality printing on corrugated packaging.

OPERATIONS & PRODUCTS

INDEVCO Paper Making

700 Employees

2 Manufacturing Plants

2 Countries

INDEVCO Paper Making Division manufactures virgin and recycled jumbo tissue rolls for converting into facial tissue, paper towels, napkins, and toilet tissue.

Phoenix Group

150+ Employees

3 Manufacturing Plants

2 Countries

Phoenix Group of Companies is a cluster of small business units that supply a wide range of products from furniture manufacturing management and technical prefab installations to hygiene and tissue converting machinery, high-precision CNC parts, automation, power management and MEP services, to renewable energy solutions. Renewable energy solutions include LED and solar lighting, biomass and PV solar power, waste management sorting lines and plants, composting and waste-to-energy solutions, water hydropanels, solar heaters, and PV pumping systems.

SUPPORT SERVICES

800 Employees

8 Companies

1 Country

INDEVCO Group central service departments offer member companies a diverse range of consultancy services, including customer experience management, integrated marketing and communications, customer events and exhibition management, content strategy and development, social and digital media management, and sustainability management. INDEVCO also provides other specialized Technical & Consultancy Services to companies, including business units. These services include audit, business development, manufacturing and engineering, process improvement, R&D, and more.

Other additional member companies provide trading, real estate, hospitality, and technology services.

<http://www.indevcogroup.com/services>

BRANDS

Consumer Disposable & Away-From-Home Brands



Flexible Packaging Brands



Corrugated Packaging Brands



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Supply Chain

Each division at INDEVCO has a dedicated procurement team focused on sourcing raw materials, finished goods, and services from local, regional or international suppliers. The group also has a centralized Procurement and Logistics team at headquarters that also facilitates the procurement of products and services used across division.

Our business units purchase machinery and spare parts, raw materials, packaging, logistics and transport, warehousing, and travel services from global suppliers.

Seven of INDEVCO's corrugated and flexible packaging manufacturing companies in Lebanon, Saudi Arabia, and the UAE are monitored by Sedex Members Ethical Trade Audit (SMETA) audit.

~8,800

Suppliers

60

Countries

See full list of Origin of Supplier countries in Appendix B.

SUPPLIER CODE OF CONDUCT

INDEVCO identifies that its current Supplier Code of Conduct is preliminary and will be working to elevate its supplier standards, as well as implement auditing and follow-up of mechanisms to ensure compliance with our code. This code coincides with the UN Global Compact's 10th Principle of anti-corruption by requiring ethical business practices across our supply chain.

<http://sustainability.indevcogroup.com/pdf/INDEVCO-2017-Supplier-Code-of-Conduct.pdf>

SUPPLIER IMPACT ASSESSMENT

In Q4 2018, INDEVCO Sustainability Team launched the process to survey suppliers for environmental and social impacts. Working with divisional procurement and centralized procurement teams, the team set up SupplyShift technology platform to trace, evaluate, and engage top suppliers in the supply chain.



In 2018, INDEVCO's Sustainability Team set up the platform, designed the supplier surveys, identified top first-tier suppliers of paper and resins to survey, and began the set-up of the survey with the SupplyShift support team to launch in Q1 2019. INDEVCO also evaluated the group's paper supply chain of custody.

See Specific Disclosures, Environment, Sourcing Paper Responsibly on p. 32.

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Beliefs

ETHICS & INTEGRITY

Set forth by our founder, the late Georges N. Frem, INDEVCO's community-centered philosophy and timeless values have served as guiding pillars for the group since our beginning.

With a philosophy that focuses predominantly on identifying and resolving community social and economic needs, sustainability by essence is embedded in the group's culture.

CORPORATE PHILOSOPHY

“What is good for the community is good for the company.”

“What is good for the company, we will strive to do excellently and in a way that enriches the lives of our people.

The objective of each member company will be to resolve one or more of the problems, which now hamper the social and economic development of the community. They will demonstrate that private companies with social spirit can, in some areas, contribute more effectively than government institutions. In solving these problems they can also be profitable and finance their own growth.”

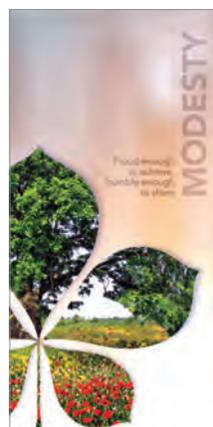
Georges N. Frem
INDEVCO Founder & Former Chairman



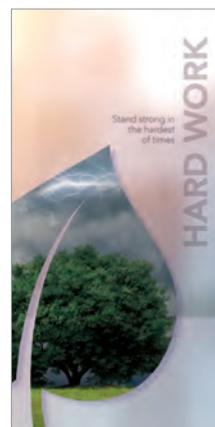
CORE VALUES



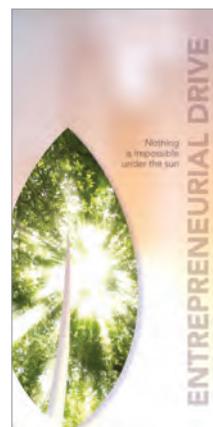
Honesty
Behaving transparently and with no hidden agenda



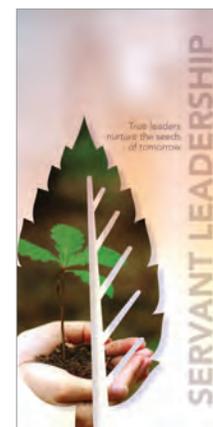
Modesty
Demonstrating humility & remaining focused on the company mission



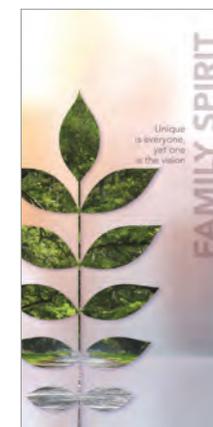
Hard Work
Delivering quality work on-time through dedication and perseverance



Entrepreneurial Drive
Steering innovation through pioneering spirit and out-of-the-box thinking



Servant Leadership
Nurturing team growth through hands-on management & open-door policy



Family Spirit
Living a culture of team building, success sharing, and collective accountability



Precision
Focusing on accuracy, quality, and timeliness through attention to detail

Decision-making on corporate culture lies with our Board of Directors, who have delegated to our Human Resources and Organizational Development (HROD) Department the task of upholding and cascading INDEVCO philosophy and values to all employees through internal campaigns, office and plant décor, and comprehensive onboarding programs for new employees.

Employees are expected to know and live INDEVCO values which are embedded in our corporate culture and enforced in our Code of Conduct. These values serve as critical recruitment criteria, as well as indicators in our 360 employee performance evaluation and appraisal.

See www.indevcogroup.com/about-us for INDEVCO Philosophy and Values.
See INDEVCO Code of Conduct in Appendix D, including 'Core Values' on p. 74.

102-17 CODE OF CONDUCT

In line with INDEVCO's philosophy, values, and culture, INDEVCO Code of Conduct sets clear standards of employee behavior to uphold personal integrity and ethical business practices. The Code of Conduct focuses on the UN Global Compact's Principle 10 against corruption, emphasizing that employees must not engage in conflicts of interest, accept bribery through gifts and other benefits, and engage in personal or competitive business that may compromise the group.

Coinciding with UN Global Compact Principle 5 for 'the effective abolition of child labor', our Code states that there shall be no use of child labor at INDEVCO and its affiliates. INDEVCO strictly prohibits employment of persons below the age of 16 and/or younger than the legal minimum age. Furthermore, emphasizing UN Global Compact Principle 6 'the elimination of discrimination in respect of employment and occupation', our Code of Conduct emphasizes fair, respectful, and inclusive work environment, where we value diversity and have zero tolerance for unlawful discrimination, violence, bullying, and harassment in any form.

Our Code of Conduct is available to all employees in English and Arabic on our internal HR Portal, which shares policies, procedures and outlines common rules for behavior. Employees are required to act with honesty and integrity and in accordance with INDEVCO policies and procedures, as well as professional standards, laws and legislations applicable to their responsibilities. Furthermore, employees will be held accountable for their actions and decisions and must also conform with INDEVCO's commitment to sustainability.

To uphold ethical business, INDEVCO Audit Department evaluates business units, divisions, and departments worldwide through scheduled and surprise audits. The department ensures implementation of required policies and procedures and identification of misconduct and violations of group policies, regulations, and international standards.

We have zero-tolerance for breaches of the code, including unacceptable, dishonest and deceptive behavior, such as dereliction of duty, failure to comply with instructions, prejudicial action to the health or safety of others, bullying, harassing, intimidating, overbearing or

physically or emotionally threatening. Employees are urged to report or seek advice about breaches in the Code, misconduct, and corruption through the internal audit department or business unit/ department management, with the ability to report higher in the organization, if deemed necessary, through the HROD Department. Employees must fill the Acknowledgment and Pledge Form for Conflict of Interest and submit it to the Administration/Personnel Department.

See INDEVCO Code of Conduct in Appendix D.

STANDARDS

External Initiatives & Memberships

INDEVCO business units across the Middle East, North Africa, Europe and the USA apply a wide array of externally-developed principles through initiatives, certifications, and memberships. By upholding international standards, business units align with manufacturing best practices, global sustainability objectives, and reporting requirements to allow stakeholders to track progress and performance.



UN GLOBAL COMPACT

INDEVCO joined **United Nations Global Compact (UNGC)** as a signatory member in September 2017 and submitted its first Communication on Progress in 2018. As part of our commitment to the UNGC Ten Principles on human rights, labor, environment and anti-corruption, 7 member companies in Lebanon also joined the local network throughout the year.

<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/421482>

In October 2018, INDEVCO Chairman & CEO participated in a panel discussion about Sustainable Development, Reforms, and Public Good during the 2018 Multi-Stakeholder SDG Forum, organized by the UN Global Compact Network Lebanon (GCNL) in the Grand Serai in Beirut, Lebanon. Additionally, executives from across the group took part in SDG Round Table events organized by the UN GCNL to progress specific SDGs in Lebanon.

<http://news.indevcogroup.com/corporate/indevco-chairman-ceo-speaks-multi-stakeholder-sdg-forum-2018/>



GLOBAL REPORTING INITIATIVE (GRI)

In 2016, INDEVCO identified the Global Reporting Initiative to be the most comprehensive and fitting sustainability reporting standard, used by leading companies worldwide.

For the third consecutive year, INDEVCO's 2018 Global Sustainability Report covers the requirements of select Global Reporting Initiative (GRI) 2016 Standards relative to sustainability topics identified as impactful for the group. GRI disclosure numbers are designated in the margins.

<https://database.globalreporting.org/reports/62533/>



UN SUSTAINABLE DEVELOPMENT GOALS

Today, 17 Sustainable Development Goals (SDGs) are transforming the world and pioneering the move towards achieving the United Nations' 2030 Agenda for Sustainable Development.

CERTIFICATIONS, PRINCIPLES & MEMBERSHIPS



	Environment	Food Safety & Contact	Health & Safety	Manufacturing	National Standards	Quality Management	Supply Chain	Sustainability	Workplace Organization
Certifications	 	 	 			 Standards of Operational Excellence	 		
Principles					 Lebanese Standards Institution Co-creating Responsibility	 INSTITUTE OF SUPPLY CHAIN MANAGEMENT		 	
Memberships	 Packaging Waste Compliance Scheme						 		

102-10 SIGNIFICANT CHANGES

Acquisition of PAKO SA in Greece

UNIPAKHELLAS SA, corrugated packaging manufacturer in Greece and member of INDEVCO Group, completed the acquisition of PAKO SA in Greece in September 2018. A vertically integrated paper manufacturing company operating since 1960, PAKO produces recycled linerboard and fluting, as well as corrugated packaging.

<http://news.indevcogroup.com/paper/unipak-hellas-sa-member-indevco-group-completes-acquisition-pako-sa-greece/>

Expanding Operations in the USA

At the end of 2018, INDEVCO Plastics, Inc. launched the process of formally structuring a North America headquarters in the US to support growth. The new structure will include central service departments to support divisions and business units.

Facility Openings

INDEVCO opened two new trading companies, Masterpak Trading as a division of Masterpak sal. in Lebanon and Napco Trading a branch of Napco National in Saudi Arabia.

Facility / Company Closings

The group finalized the closing of Phoenix Technology FZ LLC and deregistration of LG-Sanita Limited Joint Venture in the United Arab Emirates (UAE).

Governance

GOVERNANCE STRUCTURE

INDEVCO's highest governance body, the Board of Directors headed by Chairman & CEO Neemat Frem, is comprised of six internal directors who maintain responsibility for monitoring risk management processes and regularly review the group's performance and strategy. INDEVCO uses a stringent enterprise risk management system to effectively identify and evaluate economic, environmental, and social risks, upon which the Board of Directors acts.



SUSTAINABILITY GOVERNANCE

Although the group has not yet appointed an executive-level position with explicit responsibility for economic, environmental, and social topics nor a Group Sustainability Committee, INDEVCO Chairman & CEO retains responsibility for INDEVCO's overall sustainability strategy. He has appointed the Global Communications & Sustainability Management department the responsibility to develop sustainability strategies, objectives, and initiatives with departments, divisions and business units and also to manage group-level sustainability, data collection, automation, and reporting.

The Department facilitates the materiality assessment stakeholder engagement processes, identifying key stakeholders with divisional leadership, developing and delivering the communications for stakeholder engagement, and mapping results on Materiality Matrix. Biennially the Department presents to the Chairman & CEO key sustainability topics identified as material by internal and external stakeholders. Furthermore, the Chairman & CEO reviews and approves the annual Sustainability Report to ensure all material topics are covered.

INDEVCO's 2018 Sustainability Summit held a private session with the Board of Directors and owners about the importance of Sustainability Governance and the role of the Board of Directors in bringing sustainability to the forefront of business.

AUDITS & EXTERNAL ASSURANCE

Currently, INDEVCO does not seek external assurance of its annual sustainability report. However, in 2018 the group submitted the report to the GRI, as well as UN Global Compact as its first Communication on Progress (CoP). We intend to seek external assurance at a later stage when INDEVCO has finalized sustainability data automation across divisions and business units to be able to effectively report on all material topics, further measure performance in environmental disclosures, and develop a document in accordance with the GRI 'Core' option.

INDEVCO Sustainability *Management Approach*

Embedding sustainability at the heart of operations, we have shifted to a 'Do Well by Doing Good' business model which creates purposeful profit and sustainable growth. At INDEVCO, we emphasize four major social and environmental sustainability pillars.



ENVIRONMENTAL PILLARS

ENVIRONMENT



Solar Energy



Sustainable Supply Chain



Circular Economy of Plastics

PRODUCT DEVELOPMENT



Mineral Fillers



Sanita Natura



SOCIAL PILLARS

EMPLOYEES



Occupational Health & Safety



Diversity & Inclusion

COMMUNITY



Arab Women's Empowerment



Childhood Development in Middle East



Youth Development in Lebanon



102-11 PRECAUTIONARY APPROACH

Part of INDEVCO's strategy since its establishment in 1956 is to identify community needs and develop products, services, and other solutions to cater to these needs. INDEVCO Board of Directors, division senior executives, and all levels of management take a precautionary approach to decision making, ensuring to identify potential risks and avert decisions that can in any way harm the public.

The Board of Directors and senior divisional executives leverage INDEVCO departments' expertise to identify traditional and geopolitical risks that affect our operations. The objective is to take a proactive approach to risks associated with product materials, development and innovation, as well as the privacy and rights of our stakeholder groups.



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How We Report

STAKEHOLDER ENGAGEMENT

Community and employees serve as social pillars for the group. Formal stakeholder engagement is conducted biennially, as part of INDEVCO's Sustainability Materiality Assessment, through surveys and other communication channels as identified during the materiality workshops. Our next formal stakeholder engagement is scheduled for Q1 2020.

In 2017/2018, the group's Materiality Matrix presented skewed results due the larger inflow of internal survey responses compared to external stakeholder responses. Thus in 2019/2020, INDEVCO will emphasize direct alignment and follow-up with external stakeholders to ensure a fair and balanced internal/external stakeholder engagement. Accordingly, the group will be able to plot a more representative materiality matrix that will be the basis for setting the Group's 2025 Sustainability Pledge and relevant key performance indicators (KPIs).

INDEVCO divisions, departments and business units, however, regularly engage key stakeholder groups as they forge strategic partnerships with customers, industry associations, environmental and humanitarian organizations, schools and universities, government ministries and municipalities, and others.

	Internal	External
Stakeholder Groups	<ul style="list-style-type: none"> • Board of Directors • Employees 	<ul style="list-style-type: none"> • Consumers • Customers • Government Ministries & Municipalities • Industry Associations • Local Communities • NGOs • Schools • Shareholders • Suppliers • Universities in Lebanon
Methods of Engagement	<ul style="list-style-type: none"> • Employee Intranets • Internal emails • Surveys • Annual INDEVCO Global Leadership Conference 	<ul style="list-style-type: none"> • Surveys: <ul style="list-style-type: none"> - Annual Customer Satisfaction (CSAT) surveys - Net Promoter Score (NPS) surveys - Supplier Surveys • Visits, events, & campaigns • Focus groups & panels

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MATERIALITY AT INDEVCO

INDEVCO conducts materiality assessment workshops biennially with division leadership to identify key economic, environmental, and social impacts and pinpoint material topics and their representative boundaries. During these workshops, INDEVCO also highlights major internal and external stakeholders to engage.

The group conducted its first materiality assessment in 2017 and will hold materiality workshops in Q4 2019. INDEVCO's 2018 Global Sustainability Report focuses on the same material topics as identified in the previous 2017 Sustainability Report, as well as describes the impacts of major on-going environmental and social initiatives.

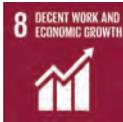
INDEVCO ensures that its annual Sustainability Report presents substantial context to reflect the relative importance of topics covered and is balanced, transparent, and clear to facilitate stakeholder comprehension. As INDEVCO Global Sustainability Report serves as a Communication on Progress submitted annually to the UN Global Compact (UNGC), the group also ensures comparability, accuracy, timeliness, and coverage of the UNGC 10 Principles on human rights, labor, environment, and anti-corruption.



INDEVCO PILLARS

	Objective	Material Topic	Topic Boundary	SDGs	GRI
Environment	Solar Energy in the Middle East	Energy	INDEVCO HQ & Divisions Phoenix Energy Chamber of Commerce, Industry and Agriculture of Tripoli & North Lebanon Egyptian New & Renewable Energy Authority (NREA) International Finance Corporation United Nations Development Programme (UNDP)	 	GRI 302
	Responsible Paper Sourcing	Raw Materials	GESPA sal INDEVCO / Napco Division Purchasing Units Paper Brokers Paper Manufacturers	 	GRI 301
	Circular Economy of Plastics	Waste	INDEVCO / Napco Flexible Packaging Agricultural Growers Beverage Manufacturers Gulf Chemical & Petrochemical Association (GPCA) Petrochemical Manufacturers	 	GRI 306
Product Development	Mineral Fillers for Plastics Converting	Raw Materials	INDEVCO / Napco Flexible Packaging Plastics Converters		GRI 301
	Sustainable Consumer & Food service Disposables	Raw Materials	INDEVCO HQ INDEVCO / Napco Flexible Packaging INDEVCO Consumer Products	 	GRI 301

INDEVCO PILLARS

	Objective	Material Topic	Topic Boundary	SDGs	GRI
Employee	Employee Health & Safety	Occupational Health & Safety	INDEVCO / Napco Employees INDEVCO / Napco HROD Department INDEVCO Insurance Department INDEVCO / Napco Division Strategy & Transformation Departments	 	GRI 403
	Employee Training & Development	Training / Education	INDEVCO / Napco Employees INDEVCO / Napco HROD Learning & Development Unit	 	GRI 404
	Diversity & Inclusion in the Middle East	Diversity & Equal Opportunity	INDEVCO / Napco Employees INDEVCO / Napco HROD Department	   	GRI 405
Community	Arab Women's Empowerment	Local Community	INDEVCO / Napco Consumer Products Divisions NGOs Schools Universities	    	GRI 413-1
	Childhood Development in the Middle East	Local Community	INDEVCO / Napco Consumer Products Divisions Healthcare Institutions NGOs Schools Universities	  	GRI 413-1
	Youth Development in Lebanon	Local Community	INDEVCO HROD Department INDEVCO Polymer Application Technology Center (PACT) Phoenix Group Universities in Lebanon University Placement Offices Faculty Members, Interns & Recruits Maronite Foundation	  	GRI 413-1

REPORTING PRACTICE

102-48 Restatements of Information

We have restated information pertaining to our Saudi Arabia operations restructuring, as well as on-going liquidations that were not complete in 2017.

102-49 Changes in Reporting

As in 2018 we have not yet set 2025 sustainability pledge. We expanded on last year's material topics.

102-50 Reporting Period & Cycle

INDEVCO reports annually from January – December. It covers the calendar year 2018.

Date of Most Recent Report

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Our most recent report was for the calendar year 2017.

See our previous 2017 Global Sustainability Report at <http://sustainability.indevcogroup.com/wp-content/uploads/INDEVCO-2017-Sustainability-Report.pdf>

GRI Claims & Content Index

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This document is a GRI-referenced report.

See GRI Content Index on p. 69

102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT



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Environmental *Sustainability*



103 MANAGEMENT APPROACH

During the manufacturing process, INDEVCO business units consume renewable and nonrenewable raw materials and energy, while generating waste and effluents and emitting greenhouse gases from the use of fossil fuel-based energy, solvents, and inks. Operating a diverse array of industries, INDEVCO's divisions have identified specific material topics relevant to their major impacts.

The purpose of our environmental management approach is to reduce our negative impacts and identify key areas where we can have a significant positive impact. We aim to partner across the value chain for a circular economy, renewable raw materials and energy, responsible sourcing, as well as by innovating sustainable products.

Under the environment pillar, we actively engage in the following initiatives:

- **Growing Solar Energy Capabilities in the Middle East**
- **Sourcing Paper Responsibly**
- **Partnering for a Circular Economy of Plastics**

Learn More

<http://sustainability.indevcogroup.com#environmental-sustainability>

With Product Development another critical pillar, we have developed:

- **Renewable Alternative Fillers**
- **Innovative Consumer & Foodservice Disposables**

The boundaries of these material topics include direct impacts from our operations, as well as the extended impacts from our suppliers, customers, and other external partners, including recycling companies, ministries and municipalities, educational and healthcare institutions, NGOs and consumers.

We are working on automating sustainability data across the group worldwide to make reporting seamless and improve visibility of key group impacts. As such, we will also conduct our second materiality assessment and stakeholder engagement in Q1 2020 to set the group's 2025 sustainability pledge and respective KPIs.

Environment

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4

Growing Solar Energy Capabilities in the Middle East



OUR COMMITMENT

is to reduce energy consumption within our manufacturing group and to partner closely with Middle East and North Africa governments and energy associations to formalize solar power as a political priority

Management Approach

With our plants located in a region with 300 to 345 days of sunshine per year, INDEVCO identifies powering operations with solar energy among its key initiatives. INDEVCO has installed PV power plants across its member companies in Lebanon to leverage on the abundant and untapped renewable energy from the sun.

With topic boundaries extending past our plants, INDEVCO's Phoenix Energy also works to prioritize solar energy as a priority in Lebanon and Egypt partnering with ministries and municipalities, healthcare institutions and other organizations to launch solar projects in two countries.

Context

In order to meet the international target to keep the global temperature below two degrees Celsius, as set out in the Paris Accord of 2015, CO₂ emissions must be reduced significantly by transforming the current fossil-fuel dependent energy system to renewable energy. ^[1] Fulfilling the Agreement means deploying renewables six times faster, increasing the total share of renewable energy from around one-sixth of total world's energy consumption in 2018/2019 to around two-thirds by 2050. ^[2]

In 2018, the sector added nearly 175 GW of renewable energy capacity globally and 98 GW of solar energy. ^[3] The Middle East and North Africa (MENA) has faced rising electricity demand due to population and economic growth paired with increased industrial activity. Between 2018 and 2022, Arab Petroleum Investment Corporation (APICORP) estimates that MENA power capacity is expected to expand by an average of 6.4% per year. ^[4]

As countries across the region have started setting clean energy targets and the cost of solar energy technologies has fallen, investment in renewable energy projects within the region has grown. ^[5] Although lagging, Egypt is accelerating renewable and solar energy consumption at a rate faster than the global average, while Lebanon is falling behind with quantity and acceleration much slower than the global average. ^[6]



Environment

INTERNAL SOLAR SAVINGS AT INDEVCO COMPANIES

Lebanon

Phoenix Energy has partnered with sister companies in Lebanon to transition plants to renewable solar energy through photovoltaic (PV) power systems. Phoenix Energy, renewable energy solutions provider, has installed PV systems at INDEVCO HQ in Ajaltoun, Masterpak and Sanita plants in Zouk Mosbeh, Unipak and Unipak Tissue Mill in Halat, and Interstate Inks in Hosrayel.

Sanita Hosrayel Plant Solar PV Power System

In 2018, Phoenix Energy partnered with sister company Sanita to install a PV power system covering 4,000 m² at its Hosrayel plant. The PV system will decrease greenhouse gas (GHG) emissions resulting from the consumption of non-renewable energy by 702.6 MTCO₂E, 55.9 Kg NO_x, and 2.839 Kg SO₂.

IMPACT



2,000

Polycrystalline PV panels



688 kWp

Capacity



1,000 MWh

of energy / year



IMPACT

7,700

Polycrystalline PV panels

2.5 MWp

Combined Capacity

3,750 MWh

of energy / year



Environment

SOLAR INSTALLATIONS

Lebanon

Project name	Location	Year	Status	Capacity	Energy	# of PV panels	Area	GHG Reduction
Qabrikha Solar PV Power Project Land mounted, on-grid system	Qabrikha	2018	Complete	250 kWp	380 MWh / year	960	1,900 m ²	267.1 MTCO ₂ E 21.2 Kg NO _x 1.076 Kg SO ₂
Hashem Super Store Roof Mounted, on-grid system and working in synchronization with diesel generators	Rayfoun	2018	Complete	313 kWp	447.6 MWh / year	1,152	2,900 m ²	314.7 MTCO ₂ E 24.9 Kg NO _x 1.268 Kg SO ₂
Caritas Project for Lebanese General Security Roof Mounted, on-grid system	Achrafieh	2018	Complete	37 kWp	53 MWh / year	115	600 m ²	37.3 MTCO ₂ E 3 Kg NO _x 0.15 Kg SO ₂
Centre Hospitalier Universitaire Notre Dame Des Secours PV Project	Jbeil	2017 - 2018	Complete	600 kWp	780 MWh / year	2,270	5,000 m ²	1,000 MTCO ₂ E/year

IMPACT

4,497

Polycrystalline PV panels



1.2 MWp

Combined Capacity



1,661 MWh

of energy / year



ASSOCIATION LEADERSHIP



Rabih Osta, Area General Manager, Phoenix Group of Companies

Lebanese Foundation for Renewable Energy - Founding Member
 Lebanese Order of Engineers & Architects - Beirut Member
 Lebanese Solar Energy Society - Vice President
 World Energy Council Advisory - Board Member

ASSOCIATION MEMBERSHIPS

Association of Lebanese Industrialists
 Lebanese Solar Energy Society
 World Energy Council

Environment

SOLAR INSTALLATIONS

Egypt

Benban Solar Park: The World's Largest Solar Power Farm

In Q1 2018, Phoenix Energy began construction of the Benban Solar Park's Phoenix Power One project alongside project partners Infinity Solar and BPE Partners of Egypt and IB Vogt of Germany. The target commercial operation date (COD) was January 2019. The 64 MWp PV power plant will power 50,000 homes once installed and operational. By the end of 2018, Phoenix Power One project construction was completed and testing commenced.

The project is part of the larger Benban Solar Park which will operate a total capacity of 1,600 MW, remain operational for 25 years and sell electricity to the Egypt Electricity Transmission Company (EETC). This is part of Egypt's Feed in Tariff (FiT) program, first introduced in 2014.

Area	1.1 million m²
GHG Emission Reduced Annually	74,000 MTCO₂E

Memorandum of Understanding with ENOVA

Phoenix Energy signed a Memorandum of Understanding in 2018 with ENOVA, regional leader in integrated energy and multi-technical services, to launch on-grid PV power systems at three major Majid El Futtaim malls in Egypt: Mall of Egypt in Giza, Maadi City Center in Cairo, and Alexandria City Center in Alexandria.

See Appendix F for references.

Capacity	1.75 MWp	Area	10,144 m²
Energy	2,842.9 MWh / yr	GHG Emission Reduced Annually	1,988.5 MTCO₂
# of PV Panels	5,170		158.5 Kg NO_x 8.1 Kg SO₂

IMPACT

193,600

Polycrystalline PV panels

**64 MWp**

Capacity

**156,000 MWh**

of energy / year



Environment

301-1

Sourcing Paper *Responsibly*



OUR COMMITMENT

is to increase use of certified chain-of-custody fiber from global sources

Management Approach

As manufacturers of corrugated and paper packaging, and jumbo tissue rolls, we consume paper raw materials from forests. With deforestation a key global issue, INDEVCO identified responsible paper sourcing as a material topic with boundaries including the direct impact of our tissue mills, and the impacts of our paper suppliers worldwide.

Our performance is monitored through such external standards as Sedex Members Ethical Trade Audit (SMETA) and EcoVadis CSR Scorecard audits.

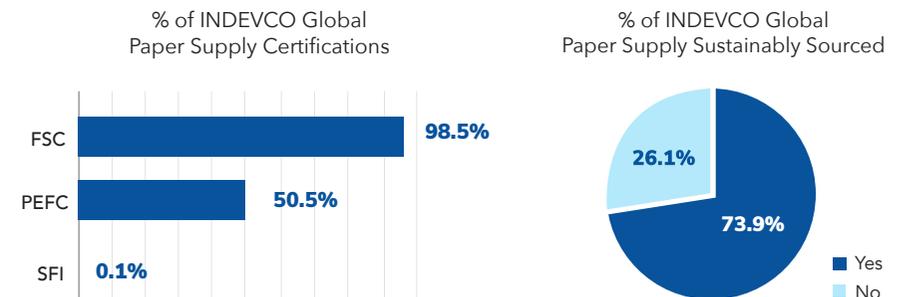
[See Appendix G for references.](#)

Context

Population growth, industrialism, and huge consumption of raw materials worldwide for mass production has greatly stressed natural resources and habitats. UN SDG12 Responsible Consumption and Production pushes for a shift to environmentally-friendly raw materials and finished goods¹, while SDG15 Life on Land calls for greater visibility in the supply chain to track sustainable management of forests².

OUTCOMES

In 2017, nearly 74% of INDEVCO’s paper suppliers were reported to be certified by one or more sustainable forestry bodies: Forest Stewardship Council (FSC, 98.5%), the Programme for the Endorsement of Forest Certification (PEFC, 50.5%), and/or the Sustainable Forestry Initiative® (0.10%). In 2018, INDEVCO began the process of evaluating paper raw material suppliers. This report presents the same numbers as the prior report. We will communicate results of supplier evaluation in the 2019 report.



Environment

301-1
2
306-2

Partnering for a *Circular Economy of Plastics*

OUR COMMITMENT

is to foster premium re-use of plastic waste to reduce carbon emissions and to divert plastics destined for landfills or incineration into recycled applications supporting a circular economy of plastics

Management Approach

As manufacturers of plastic packaging and the backlash against plastic waste, INDEVCO Flexible Packaging and Napco National CJSC Flexible Packaging divisions have taken an active role in pushing towards a circular economy of plastics, meanwhile create green revenue streams from recycling plastic waste. Equipped with recycling facilities and waste collection, sorting and cleaning equipment, INDEVCO offers waste-to-energy technologies, and post-industrial plastic collection, recycling, and regeneration. The topic boundaries extend from our manufacturing operations to our partners, from suppliers to customers to consumers and government entities, municipalities, petrochemical producers, NGOs, and other public parties.

Learn More

<http://sustainability.indevcogroup.com/waste-circular-economy>

Context

The world is moving away from the linear model of consumption (Take–Make–Use–Dispose) to a circular economy of plastics which focuses on innovating, redesigning, and extending product lifecycles to facilitate re-use and recycling. In this system, waste no longer represents product end-of-life but rather a new form of raw material that goes back into the production process as many times as possible. This model creates new value streams from waste, diverts plastics from landfill and marine, and reduces consumption of virgin raw materials and energy. Thus, the emission of greenhouse gases and use of non-renewable resources is decreased.

In the Middle East and Arabian Gulf, rapid economic development and population growth have accelerated depletion of resources and increased waste generation, greenhouse gas emissions, and other negative environmental impacts. To maintain the growth rate and reduce vulnerability, Gulf Cooperation Council (GCC) countries are moving toward a path of sustainability and circular economy. ^[1] The Gulf Petrochemicals & Chemicals Association (GPCA) has highlighted the importance of plastic raw material producers in the Gulf to transform into a circular economy to attain sustainable growth and development. ^[2]

The Ellen MacArthur Foundation, in collaboration with the UN Environment Programme, launched the Global Commitment to the New Plastics Economy in October 2018 to eliminate unnecessary plastic items to innovate plastics, so that they are reusable, recyclable or compostable, and to circulate plastics to keep them out of the environment. ^[3]

Environment

OUTCOMES

Lebanon, Saudi Arabia

Napco National's Recom in Saudi Arabia and Masterpak in Lebanon collect, sort, wash and recycle post-industrial plastic scrap. In 2018, over 40% of plastic scrap collected came from sister companies.

Masterpak plant in Zouk Mosbeh recycled and converted its own post-industrial scrap, while its plant in Bazyoun separated and washed agricultural films from local farmers and post-consumer plastic scrap collected from local third party collectors for conversion by sister companies.

Recom collects post-industrial plastic scrap across Saudi Arabia for recycling at plants in Jeddah and Dammam. Partnering with petrochemical producers, Recom offers 24/7 on-premises collection and recycling of polymer scraps. Recom also works with sister consumer products plants to collect diaper pack trim, local farms for agri and strawberry films, and shipping agencies, warehouses and commercial centers to collect post-commercial films.

In 2018, Napco National launched its sustainability program focused on partnering with schools to spread awareness on segregation and plastic recycling, as well as provide plastic scrap recycling services. Recom presented at schools and welcomed students to visit its recycling facility.

IMPACT

25%

Increase of plastic scrap collection

74,023 m²
of post-industrial plastic
scrap diverted from landfill ^[4]

Eliminated GHG emissions
associated to landfilling by

752 MTCO₂E
of carbon dioxide equivalent ^[5]

Maintained production of
Recycled Resins

Eliminated associated GHG emissions by

66,196 MTCO₂E
of carbon dioxide equivalent ^[6]



Environment

Each type of plastic scrap collected is recycled differently:

- Resin waste is washed and sent for converting into quality recycled plastics
- Films, clogs, lumps, and non-woven diaper trims are segregated by polymer family and color, then ground, washed and sent for conversion into premium applications
- PVC core waste is sold for reuse

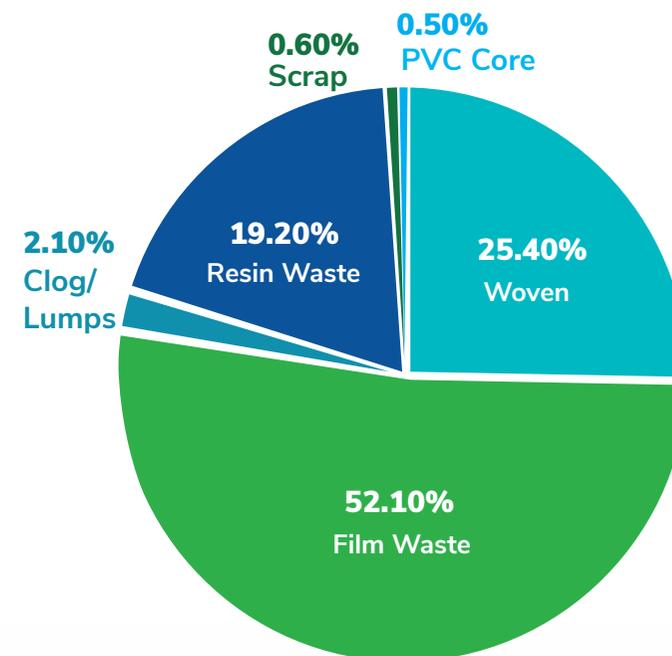
Plants maintained steady production of recycled resins, while resin prices dropped in 2018, adversely effecting local demand for recycled resins. Sister companies utilized nearly 65% of regenerated resins, converting into such plastic films as mulch film, silage covers, garbage bags, bin liners, thermoforming sheets, bitumens, drip irrigation pipes, injection molding grates, and pallets.

INDEVCO and Napco plastics converting plants use closed loop mechanical recycling to enhance plastic properties and regenerate collected scrap into same quality resins higher value converting that can be recycled again.

In addition, our plants work in consultation with INDEVCO Polymer Application Center for Technology (PACT) to leverage extensive polymer expertise and testing capabilities to recycle and compound difficult polymers, such as multi-layer barrier films, as well as develop new ranges of compounded and recycled products.

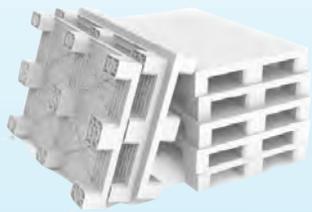
[See Appendix H for references.](#)

Plastic Scrap Collected by Type



Environment

REGENERATED PRODUCTS



FEEDSTOCK / RENEWABLE RAW MATERIALS
Mineral Fillers

DESIGN & INNOVATION
INDEVCO Polymer Application Center for Technology (PACT)

Work with plastic converters to design products for:
Reusability
Recyclability
Compostability



BENEFITS

- Reduce** fossil-fuel based raw material consumption
- Decrease** greenhouse gas emissions
- Reduce** waste generation & landfilling
- Divert** plastics from marine and desert environments
- Create** new green value streams
- Provide** green jobs
- Improve** surrounding community quality of life

Product Development

301-1

Compounding Fillers *from Minerals*



OUR COMMITMENT

is to develop and expand production from naturally abundant minerals, in order to offer sustainable raw material options to plastics converters

Management Approach

INDEVCO Flexible Packaging division in Egypt and Napco National Flexible Packaging division in Saudi Arabia have identified renewable raw materials for plastic packaging as a material topic. The plants manufacture mineral fillers to replace fossil-fuel based raw materials and, thus, reduce direct impacts, and the impacts of sister plastic packaging manufacturers and external plastic converters. By using mineral fillers, plastic converters convert fewer fossil fuel-based virgin materials, thereby reducing depletion of finite nonrenewable resources, carbon footprint, and greenhouse gas (GHG) emissions.

Context

With increasing scrutiny, finding alternatives to finite fossil fuel-based raw materials in plastic packaging has gained momentum. Minerals such as Calcium Carbonate and Talc are naturally abundant and commonly used in plastic film converting, due to improved properties and high-performance. Using mineral fillers in plastics converting has steadily increased over the years with the calcium carbonate fillers projected to grow by 5.3% CAGR by 2025^[1] and the talc filler market to grow by 4.91% CAGR through 2023^[2].

Calcium carbonate is one of the most common raw materials on earth, found in such natural sources such as limestone, chalk or marble and composing 4% of the earth's crust. This mineral is naturally replenished by rivers, lakes and oceans or formed as minerals in the form of shells, skeletons, stalactites and stalagmites. Calcium carbonate is renewed at minimum twice the rate of consumption, thus meeting the ISO 14021 definition of renewable.^[3] It is the most commonly used inorganic filler in plastics with a market share of 34%.^[4]



Product Development

OUTCOMES

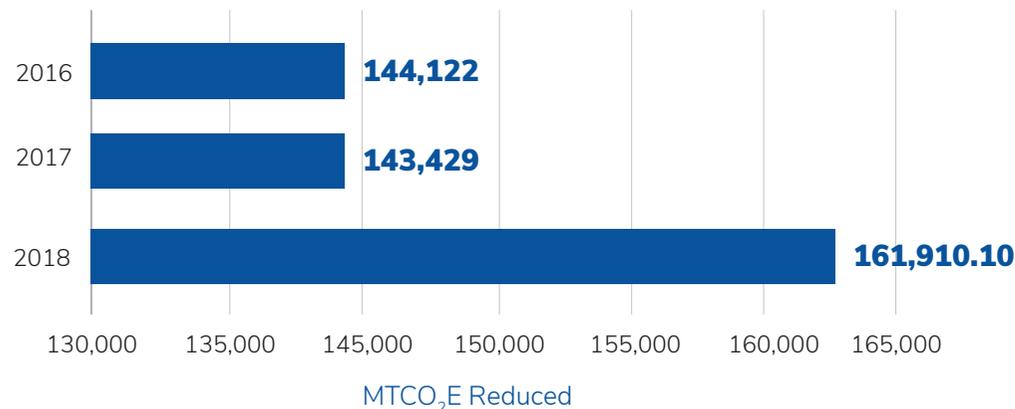
Egypt, Saudi Arabia

In 2018, INDEVCO expanded compounding of MicroMB calcium carbonate fillers by nearly 13% at Masterpak Nile in Egypt and Napco National’s Recom in Saudi Arabia.

These naturally abundant and renewable raw materials play a fundamental role in regenerating plastics by enhancing the mechanical and physical properties of plastic scrap that would have otherwise been lost in the recycling process. Calcium carbonate fillers enhance plastic film converting by speeding up heating, cooling, and converting. They also assist in downgauging, increasing output, and reducing blend structure cost. When used in recycling plastics, the fillers help maintain stiffness, impact strength, and barrier property, as well as increase material viscosity.^[5] End applications for calcium carbonate filler include blown and cast films, blow molding, injection molding, and rotational molding.^[6]

Masterpak Nile tripled talc filler production, 100% of which was sold externally. Silica-based talc fillers assist production of softer surface plastic films with better tensile strength, heat resistance, impact absorption, stability, and electrical insulation. Talc filler is used for blown films, while specialty micronized grades are used for automotive and engineering plastics products, as well as household appliances.^[7]

GHG Emission Reduction from Use of CaCO₃



IMPACT

Increase

CaCO₃ Production by 12.9%

Eliminated GHG emissions by

161,910 MTCO₂E
of carbon dioxide equivalent

Increased

Talc Production 3-fold

Learn More <http://sustainability.indevcogroup.com/pdf/INDEVCO-2017-Mineral-Filler-Initiative.pdf>
See Appendix I for references.

Product Development

301-1
2

Innovating Consumer & Foodservice Disposables

OUR COMMITMENT

is to innovate and expand production of a sustainable Sanita Natura disposable product portfolio to offer consumer and away-from-home industry.

Management Approach

In 2018, recognizing the significant impact unrecyclable paper cups have on the environment, INDEVCO established its Foodservice Packaging Innovation Team to develop the Sanita Natura eco-friendly foodservice packaging line. The team brought together member company experts in paperboard coating at Specialty Coating & Laminating in Doswell, Virginia; paper sourcing and paper cup production Napco National in Dammam, Saudi Arabia; and global sustainability at headquarters in Zouk Mosbeh, Lebanon. Sanita Natura® sustainably sources raw materials and uses a specialty coating formula to replace unrecyclable PE and wax liner dual structures. The specialty-coated repulpable and compostable product helps foodservice companies and consumers reduce their negative environmental impacts and encourages recycling.

Context

Global paper cup consumption in 2018 reached nearly 260 billion units with hot paper cups accounting for over 65% of the market (tea and coffee 45%). Consumption is projected to reach 290

billion units by 2024. ^[1] Although disposable paper cups are convenient and more hygienic for hot and cold beverages, they usually end up in landfills and are unrecyclable. ^[2]

As consumer and public concern about the environment grow, brands are looking for ways to sustainably source renewable and recyclable raw materials, as well as enhance product recoverability. Quick service and casual dining restaurant chains, as well as foodservice and catering companies have been searching for years for a sustainable packaging solution that maintains needed properties and meets industry standards ^[3].

Starbucks and McDonald's partnered to launch the NextGen Cup Challenge in 2018 to search for new recoverable solutions for the single-use paper cup system. They were joined by The Coca-Cola Company USA, Yum! Brands, and Nestlé and World Wildlife Fund. Closed Loop Partner's Center for the Circular Economy managed the challenge.



Product Development

OUTCOMES

Lebanon, Saudi Arabia

Sanita Natura® hot and cold cup was shortlisted in Starbuck's / McDonald's NextGen Cup Challenge's top 29 of 480 entries from 53 countries.

In 2018, INDEVCO Foodservice Packaging Innovation Team developed Sanita Natura® brand of eco-friendly coated foodservice paper products to address the growing need for recyclable foodservice packaging. In addition to hot and cold cups, the product line includes specialty-coated paper bags, sheets, rolls, and sachets, as well as paper straws and molded fiber bowls, plates, and boxes.

Sustainable Raw Materials

Sanita Natura® foodservice product line integrates a recyclable specialty coating formula that preserves moisture and provides grease barrier and sealing properties, while replacing unrecyclable PE or wax liner structures. The cupstock coating offers a proprietary water-based functional and barrier emulsion. In addition, INDEVCO leveraged existing supply chains to source certified cupstock paper raw materials.

Recoverability

Sanita Natura water-based coating and ink render it capable of entering any existing or future recovery system. The recyclable coating and ink dissolve in water during repulping, disperse, and become part of recycled pulp fibers without adversely impacting the recycled pulp.

The logo for Sanita Natura, featuring the word "Natura" in a smaller font above "Sanita" in a larger, bold font, with a stylized leaf graphic to the left of "Natura".

Product Development

Recycled Applications

Waste from coated cupstock and cups can be reconverted into a range of products for foodservice, agricultural, electronic, and other industries. Some applications include:



Sack Paper



Testliner & Fluting



Coreboard



Molded Pulp Packaging

STANDARDS

Paper cupstock complies with:

US Federal Drug Administration (FDA) EC Regulation No 1935
BfR Recommendation XXXVI

Cupstock coating complies with:

- FDA
- EU REACH

CERTIFICATIONS

Paper Cupstock Chain of Custody:

- Sustainable Forestry Initiative® (SFI®)
- Program for the Endorsement of Forestry Certification® (PEFC®)

Repulpability certified by Western Michigan University

Food-grade certified by IBE-BVI Belgian testing authorities

www.SanitaNatura.com

<http://news.indevcogroup.com/sustainability/indevcos-sanita-natura-recyclable-cup-shortlisted-in-nextgen-cup-challenge/>

See Appendix J for references.



Social Responsibility



103 MANAGEMENT APPROACH

INDEVCO's integral social pillars, Community and Employees, are derived from our corporate philosophy, "What is good for the community is good for the company. What is good for the company, we will strive to do excellently and in a way that enriches the lives of our people."

INDEVCO's raison d'être is the compass that guides the group in identifying and addressing community needs, while unleashing business opportunity and maximizing value. The group supports the work of NGOs and partners with a range of organizations, all the while addressing key UN Sustainable Development Goals (SDGs).

Aligning with our membership in the UN Global Compact, our operations are mandated to ensure an inclusive, quality, and safe work environment for all employees and workers with zero tolerance for discrimination. Our employee initiatives focus on:

- **Enhancing Occupational Health & Safety**
- **Fostering Employee Diversity & Inclusion**

Evaluating regional gaps, community needs, and the UN SDGs, we identified where we can make the greatest positive impact through corporate and brand outreach programs and partnerships. Our community initiatives include:

- **Empowering Arab Women**
- **Nurturing Childhood Development in the Middle East**
- **Developing & Strengthening Youth in Lebanon**

The boundaries of these Social material topics extend from indirect impacts of educational and healthcare institutions, local NGOs, industry associations, and other organizations supported in local and regional initiatives, as well as to employees in our global operations.

Learn More

<http://sustainability.indevcogroup.com#social-responsibility>

Employees

403-1
4
5
404-2

Enhancing Occupational Health & Safety



OUR COMMITMENT

is to put in place and train staff on safety procedures and policies that meet international standards for decent and safe working conditions to preserve employee health and wellbeing

Management Approach

With over 10,100 people worldwide, employee wellbeing and safety are top priorities at INDEVCO. We have identified occupational health and safety as a clear material topic, supported by stakeholder responses in our 2017 materiality assessment. We have implemented universal health and safety systems and processes across all operations with our Internal Audit and Insurance Departments regularly conducting scheduled and surprise audits. These audits assess housekeeping, policies, hazard prevention, adherence to international labor law and certification requirements.

Context

McKinsey's Global Survey on Sustainability highlights a clear shift of focus from renewable energy and waste management to safety and security. ^[1] The UN set decent work for all as one of its 17 2030 Sustainable Development Goals (SDGs). UN SDG8, Target 8.8 focuses on promoting safe and secure working environment for all workers, including migrant workers. ^[2]



Employees

OUTCOMES

Within the manufacturing environment, employees are exposed to loud noises, operate heavy machinery, and encounter other risks associated with specific industrial processes. INDEVCO plants require employees to wear personal protective equipment (PPE) protective gear and offer regular health checkups and treatments for workers. In addition, the group provides health and safety training, e-learning, and internal awareness campaigns.

Health & Safety Training

In 2018, INDEVCO Human Resources and Operational Development's (HROD) Learning & Development (L&D) Unit expanded its health and safety training in Lebanon and Saudi Arabia, managing 638 basic and advanced credit hours of training courses for 1,320 employees (98% male, 2% female) a 72% increase in internal reach from 370 employees in 2017.

Furthermore, in Q4 2018, INDEVCO L&D rolled out its First Aid Video Series, accessible as a digital class by all employees in Egypt, Lebanon and Saudi Arabia via the learning management system.

In line with requirements of the Egyptian Ministry of Civil Defense, all INDEVCO employees in Egypt undergo civil defense training provided by the local civil defense staff.

IMPACT

33%

of manufacturing operations in Egypt, Lebanon, Saudi Arabia, the UAE and USA hold international certifications



OHS Training Courses

Emergency Response	Fire Fighting Basics
Intro to Forklift Safety	First Aid Techniques
Machine Operational Safety	Heavy Equipment And Personal Safety
Chemical Handling and Spills Response	Safety Awareness

First-Aid Video Series

Introduction to First Aid	Bleeding
Blood Donation	Poisoning
Skin Burns & Wounds	Fractures
Correct Behavior	CPR
Upper Airway Obstructions	State of Shock

Employees

Internal Health & Safety Awareness

In 2018, Napco National in Saudi Arabia launched an internal ‘Devoted to Safety’ campaign to increase employees awareness on the importance of occupational health and safety. The integrated campaign used a series of shocking internal emails and fliers distributed across plants.

Communications focused on enforcing the use of such protective equipment and gear as safety gloves, glasses, and earplugs. The campaign also emphasized best practices for fire prevention, chemical and forklift safety. Employees received clear directions regarding safety policies and procedures. Over 70% of employees responded to an end-of-the campaign quiz.

REACH

12



Manufacturing Plants

1,271



Employees via Email

5,293



Employees via Fliers

‘Devoted to Safety’ Campaign

5S Pillars	Fire Prevention Measures
Personal Protective Equipment	Chemical Safety
Gloves to Avoid Hand Injuries	Forklift Safety Instructions
Safety Glasses to Avoid Eye Injuries	Control Room Monitoring Instructions
Earplugs to Avoid Hearing Damage	

For information about work-life balance for working mothers, see [Fostering Employee Diversity & Inclusion](#) on page 48.

See [Appendix K](#) for references.



Employees

404-2
405-1B

Fostering Employee Diversity & Inclusion

OUR COMMITMENT

is to provide quality employment and decent working conditions for people of all backgrounds

Management Approach

Providing decent and inclusive work has been embedded in INDEVCO for over six decades. The industrial manufacturing industry is male-dominated; however, INDEVCO identifies economic inclusion, employment and engagement of people with disabilities and women as an important material topic, with boundaries extending from our HR and operations to universities, educational institutions, and partner NGOs. INDEVCO and member companies leverage on the education and value that both groups can offer. In 2018, INDEVCO reevaluated and improved its approach to hiring people with disabilities, as well as enhanced efforts to support work-life balance for working mothers.

Context

In recent years, the Lebanese and Saudi Arabian governments have introduced legislation and focused on economic inclusion and rights of persons with disabilities to work in the private sector. In 2018, Lebanese Ministry of Labor communicated the enforcement of Law 220 / 2000 on the Rights of Disabled Persons, following the national Shura Council final



decision in 2017. ^[1] Saudi Vision 2030, meanwhile, set a major objective for equal opportunities, calling for lifelong talent development and job opportunities for people with disabilities and women. ^[2]

Lebanon and Saudi Arabia both ranked among the lowest countries in the Global Gender Gap, 140 and 141 respectively out of 149 surveyed countries. Based on the pace of improvement in closing this gap over the years, the World Economic Forum estimates that it would take an additional 153 years in the Middle East and North Africa to close the gender parity. Strong and aggressive support from policy-makers and private companies can accelerate closing the gap. In 2018, Lebanon's performance remained unchanged, while Saudi Arabia witnessed some improvements in wage equality and women's labor force participation. ^[3]



Employees

OUTCOMES

Supporting Persons with Disabilities

Egypt, Lebanon, Saudi Arabia

In 2018, INDEVCO Chairman & CEO endorsed the implementation of Law 220/2000, which takes effect in October 2019, governing the rights of disabled persons. INDEVCO evaluated existing operations and set targets across Egypt, Lebanon, and Saudi Arabia to reach national quotas for employment of people with disabilities. The group is also assisting existing employees attain or renew expired social affairs cards.

Recruiting People with Special Needs

INDEVCO Human Resources & Organizational Development (HROD) Department partnered with Lebanese NGO, ProAble, to use its online recruitment platform to screen qualified candidates with disabilities for our workforce in Lebanon. Our Recruitment Unit selects candidates based on required job competencies, including physical and mental requirements related to safety and operations in a manufacturing environment.

IMPACT

Employed ~ 170 Persons

with disabilities in Egypt, Lebanon, and Saudi Arabia
(95% male, 5% female)



Trained 30% of INDEVCO Employees with Disabilities

in Egypt, Lebanon, and Saudi Arabia



TRAINING COURSES TAKEN BY PEOPLE WITH DISABILITIES

Personal Development Courses

Communication Skills
English Beginners - Part One
Industrial English
Team Building

Quality & Operations Courses

British Retail Consortium (BRC) Standards for Food Safety & Quality
Quality & ISO Standards
Quality Assurance

Occupational Health & Safety Courses

5S Methodology for Workplace Housekeeping
Emergency Response
Fire Fighting Basics
Heavy Equipment & Personal Safety
Machine Operational Safety
Sanitation and Housekeeping

Employees

Implementing Disability-Friendly Work Space

Our companies offer reserved parking, disabled access into buildings and restrooms with safe passageways, floor designations, and appropriate signage. In Lebanon, our consumer and institutional disposables manufacturing plant, Sanita, maintains a safe and secure packing section for persons with special needs at its plant in Zouk Mosbeh, while Phoenix Group facilities in Safra meet international standards for inclusive working conditions for disabled persons.

Raising Public Awareness

Sanita’s Zouk Mosbeh plant is featured in ProAble’s 2018 national campaign, the largest online campaign to raise awareness about the importance of fair employment of persons with disabilities in Lebanon. Sanita actively recruits persons with special needs, currently over 4% of the employee population.

In addition, INDEVCO and Sanita shared their commitment to inclusive and quality work for all during events organized by the Global Compact Network Lebanon (GCNL).

TYPES OF DISABILITIES

Amputations



Down Syndrome



Mobility & Dexterity Impairments



Speech Difficulties



Paralysis



CONFERENCES

Enhancing Diversity Within Organizations
 ‘Diversity Through Recruitment & Development’
 Sanita
 August 2018

Lebanon Collaboration for SDGs Event
 ‘SDG Challenge: Are You Ready to Take It?’
 Panel Discussion
 Sanita
 January 2018

FOCUS GROUP

SDG8 Decent Work & Economic Growth Round Table
 INDEVCO HROD & Sanita
 September 2018



PARTNERS



Employees

Strengthening the Role of Women in the MENA Workforce

Bahrain, Egypt, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, UAE

INDEVCO employs over 600 women in the Middle East and North Africa region, including over 100 women in Saudi Arabia. In 2018, over 130 women in Lebanon and Saudi Arabia attained training for personal and skill development, health and safety, and quality and operations.

Supporting Working Mothers in Lebanon

With a heavy emphasis on work-life balance, INDEVCO extended its Maternity Policy, so that all mothers of children up to the age of 8 are eligible to benefit from reduced working hours to balance responsibilities at home. Women still predominantly hold responsibility for the household, carrying out at least two and a half times more unpaid household and care work than men.^[4]

During International Breastfeeding Week, the first week of August 2018, INDEVCO launched a breastfeeding awareness session for employees across operations in Lebanon. The Breastfeeding Fundamentals Workshop brought together 28 INDEVCO mothers and mothers-to-be on 7 August at the Reston Hotel in Jounieh. For the workshop, INDEVCO partnered with LACTICA, an NGO dedicated to normalizing and promoting breastfeeding in Lebanon. Doctors specialized in infant nutrition and lactation consultants from LACTICA highlighted scientific studies presenting

IMPACT

600+ Women

employed across MENA operations



26%

of all female employees in Lebanon & Saudi Arabia received training



100%

of working mothers in Lebanon with a child 8 years or younger are eligible to benefit from INDEVCO's maternity policy



real benefits of breastfeeding for babies and mothers, tips on positioning, latching, preparations, and working and breastfeeding. The initiative, organized by INDEVCO HROD and Sustainability Departments, coincides with Lebanon's 2018 national breastfeeding campaign, which emphasizes the role businesses play in supporting successful and continued breastfeeding for working mothers.



Employees

Empowering Female Employees in Saudi Arabia

Major reforms in Saudi Arabia transformed the rights of women in the Kingdom overnight. After new legislation lifted the ban on women driving in June 2018, Napco National launched an employee benefit program to support female employees interested in obtaining a driver's license.

The initiative, which will run through until July 2019, provides women who want to attain their driver's license, regardless of nationality or position, a one-time compensation of 500 Saudi Riyals, as well as one day leave not deducted from annual leave or salary. The benefit program aims to partially compensate fees paid to attain the license and working days off needed to take driving lessons. The initiative was organized by Napco Communications Department in alignment with INDEVCO HROD Department, and INDEVCO Sustainability Department.

See Appendix L for references.



TRAINING COURSES TAKEN BY FEMALE EMPLOYEES

Personal Development Courses

Accountability & Change
 Accounting Principles (Advanced)
 Achieving High Performance
 Acting & Achieving
 Analytical & Critical Thinking
 Archiving Tools (Advanced)
 Brand Awareness through-Social Media
 Business Writing (Intro)
 Code of Ethics
 Communication Skills
 Digital Marketing Skills (Advanced)
 Emotional Intelligence
 Employee Contracting
 English (Beginner, Elementary, Intermediate, Industrial Levels)
 Enterprise Resources Planning (ERP)-Production Module
 Finance for Non-Finance Professionals
 Financial Analysis Skills (Advanced)
 High Performance Coach Academy
 High Performance Teams
 Internal Auditor
 International Trade Finance
 Lead Auditor
 Leading With Emotional Intelligence
 Microsoft Excel (Beginner & Advanced)
 Microsoft Outlook (Advanced)
 Microsoft PowerPoint (Advanced)
 Microsoft Word (Beginner)

Negotiation Skills (Advanced)
 Procurement Management Principles
 Public Relations
 Selling Skills Basics
 Social Security Regulations
 Strategic Brand Leadership-& Brand Transformation
 Team Building
 Technical Exhibition / Informative-Sessions
 Time & Stress Management
 Train the Trainer
 Wellness Awareness

Occupational Health & Safety Courses

5S Methodology for Workplace
 Housekeeping
 Emergency Response
 Fire Fighting Basics
 Safety Awareness

Quality & Operations Courses

Project Management Concept & Executive-Project Management
 Standards Awareness & Interpretation

Community

413-1

Empowering Arab Women



OUR COMMITMENT

is to partner with NGOs, healthcare and educational institutions to empower women with the information and tools needed to lead healthy, happy, and purposeful lives

Management Approach

Napco National Consumer Division uses its leading feminine hygiene brands to deliver impactful outreach programs and campaigns that target Arab women's empowerment, health, and wellness. Impact boundaries extend to partner NGOs, as well as educational and healthcare institutions.

Context

Saudi Vision 2030 has identified women as critical for societal and economic development. ^[1] The vision's equal opportunity target fueled major reforms in women's rights in the Kingdom, including the June 2018 new legislation allowing women to drive in Saudi Arabia.

The Saudi Ministry of Health highlights that breast cancer imposes socio-economic burdens, citing it as the highest form of cancer in women in Saudi Arabia, affecting younger women and with delayed detection. ^[2] As such, the Ministry focuses annually on raising public awareness on early detection and prevention during Breast Cancer Awareness month in October.



Community

REACH

OUTCOMES

Encouraging Responsible Driving & Road Safety for Saudi Women

Under the Fam® Cares slogan, Napco's feminine hygiene brand launched a road safety campaign in support of the June 2018 royal decree granting women in Saudi Arabia the right to drive after completing mandated driving lesson hours.

The #Fam-Tahtam-Bi-Salamatiki-Ala-Etarik (#Fam-Cares-for-Your-Safety-on-the-Road) campaign spread awareness about road safety and responsible driving. Running from March through May 2018, the campaign targeted Saudi female drivers, sharing educational posts and instructional videos about traffic signs and driving regulations. In an effort to emphasize recall, Fam offered social media fans a chance to win a Mitsubishi car by passing a short online quiz on traffic regulations.

Learn More

<http://news.indevcogroup.com/consumer-brands/fam-celebrates-saudi-women-driving-offers-fans-chance-win-mitsubishi/>

488,032 People

Reached through Social Media



75,000 Women

Reached at Point Sales



17,000 Women

Participants in Saudi Arabia



Community

Partnering with Zahra for Breast Cancer Awareness

Napco National's Fam® brand supported Zahra Breast Cancer Awareness Association's 2018 annual awareness campaign in October. The #La_Tuhmili_Ay_Ichara (#Don't_ignore_the_slightest_sign) campaign emphasized that no early sign of breast cancer should go unnoticed to ensure early detection and successful treatment. Over 90% of women diagnosed with breast cancer at the early stages have a 5-year survival rate compared to only 15% diagnosed at the latest stage.

In its ninth year supporting the annual breast cancer awareness campaign, Fam launched hair donation stations at booths across 5 malls in Dammam, Jeddah, and Riyadh, under the slogan 'Khosla Min Ajli Basma' (#One_strand_one_smile) to support women living with breast cancer. Persons donating hair received a certificate of acknowledgment from the Crown Princess of Saudi Arabia.

In addition, Fam launched an integrated social media campaign and pan-Arab TV commercial on MBC 1 throughout the Pink Month.

Fam® brand is owned by INDEVCO and manufactured under license by Napco National.

REACH

247,404 People 
Reached through Social Media

16,405 Women 
Reached in the Gulf

65 Hair Donations 
in Riyadh, Jeddah & Dammam



Learn More

http://news.indevcogroup.com/consumer-brands/fam-teams-zahra-strengthen-breast-cancer-awareness-la_tuhmili_ay_ichara/

See Appendix M for references.

Community

413-1

Nurturing Childhood Development in the Middle East



OUR COMMITMENT

is to partner with local and international organizations, NGOs, and the media to promote and support childhood education as a precursor to success in life

enrollment, attendance and completion, access to quality education remains unequal. ^[2] The role of the private sector remains critical in supporting and launching programs, as MENA has the lowest investment in early childhood development in the world ^[3].

Management Approach

With leading baby care brands in Lebanon and Saudi Arabia, INDEVCO recognizes the importance of leveraging brand reach to launch and support childhood development programs. Napco National's social media campaigns help families and primary caregivers nurture cognitive and emotional development and secure wellbeing of children. INDEVCO partners with local NGOs to provide children equal access to quality education and a platform for creative expression. Topic boundaries extend to educational institution and NGOs.

Context

Children without access to early childhood development (ECD) tools and education are at higher risk for stunted development, as access has been correlated to the long-term success of children and their ability to contribute meaningfully to the society and economy. ^[1] The Middle East and North Africa (MENA) region has nearly 22 million children who are either out of school or at risk of dropping out. Although many countries in the region have made significant progress in increasing school



Community

OUTCOMES

Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Yemen

Early Learning

Bambi® 'It Takes a Family to Raise a Child' Campaign

This year Bambi® baby care brand's Early Learning campaign expanded beyond previous initiatives that focused on the role of a child's primary caregiver in nurturing development.

In 2018, Bambi brand launched the 'It Takes a Family to Raise a Child' campaign, focusing on the critical role each member of a family plays in the cognitive, social, and emotional development of a young child.

The campaign on Bambi social media channels, from end January to mid-March 2018, shared posts that encouraged care, friendship, and positive bond-building between father-and child, siblings, and members of the extended family, including aunts, uncles, and grandparents.

Coinciding with the campaign, Bambi also provided new online Early Learning resources for mothers on its website, such as educational bedtime stories and music in Arabic and English.

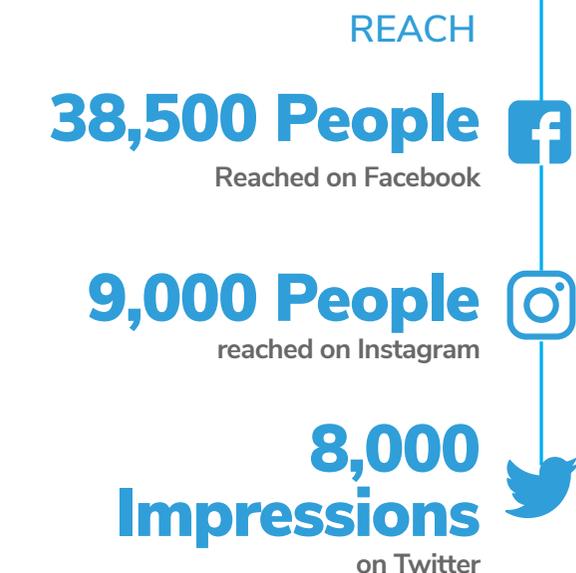
Napco National Bambi brand team engaged with parents and children at *Kids in Motion*, Saudi Arabia's popular family trade show.

Bambi® brand is owned by INDEVCO and manufactured under license by Napco National.

Learn More

<http://www.napco-in-focus.com/csr-6-articles.aspx>

<http://news.indevcogroup.com/consumer-brands/sanita-bambi-website-interactive-improve-mothers-parenting-skills/>



Community

Children's Hygiene

Sanita® 'Back-to-School' Hygiene Campaign

In an effort to protect children from spread of viruses and bacteria, Sanita® brand launched a 'Back-to-School' hygiene program in September 2018.

The campaign focused on highlighting all the places at school that harbor the most germs, as well as how to properly wash hands and maintain other hygiene practices.

The campaign also featured additional helpful tips, such as how to keep packed lunches fresh and reduce food waste, to make the transition back to school smooth for children and their parents.

Sanita® brand is owned by INDEVCO and manufactured under license by Napco National.



IMPACT

Over **395,000 People**

reached on Facebook



Over **54,000 People**

reached on Instagram



Over **54,000 Impressions**

on Twitter



2 Videos,
Nearly **40,000 views**

on Youtube and Facebook



Community

OUTCOMES

Lebanon

Quality Education

Paradis d'Enfants Non-Profit Primary Schools

INDEVCO supports Paradis d'Enfants Association in its mission to provide quality education to children from underprivileged families.

In addition to running three non-profit primary schools in Jounieh and Ghosta, Paradis d'Enfants' Social Welfare Office works directly with families to improve family life and support family needs where possible.

The association also orients primary school alumni to pursue higher education, university opportunities, and job placement in Lebanon.

INDEVCO founder, Georges N. Frem, established Paradis d'Enfants Association in 1997.

Educated

1,963 Studentsunder privileged primary school
from across Lebanon

Employed over

144 Teachers

Oriented

1,287 Familiesto improve
aspects of family life**1,480 Alumni**to higher education
opportunities

Community

Creativity & Play

Théâtre Athénée

In line with INDEVCO's commitment to nurturing childhood development, the group supports Théâtre Athénée in Jounieh, Lebanon, which inspires, entertains, and fosters creativity among Lebanese of all ages.

Théâtre Athénée produces plays and organizes workshops for children to encourage creativity and to build confidence and social skills.

In 2018, Théâtre Athénée performed 6 English and French plays executed by locally renowned producers and performed by Théâtre Athénée workshop students: 'Vers une Autre Planète', 'Super Lio', 'Bablou', 'La Fête des Fees', 'Louna Bom Bom Dino', and 'Oliver Twist'. Performances were broadcast by Télé Lumière's Nour Kids TV from Lebanon to a wider audience.

Georges N. Frem Foundation founded Théâtre Athénée in 2003 as a platform for self-expression and participation.

See Appendix N for references.

IMPACT

Hosted **6 Plays**

attended by 56,078 children
(1,018 children free of charge)

Conducted **15 Drama**

dance, singing, and chess
workshops to nearly 113 children
aged 11-16 years old

Hosted **16 Events**
for associations, nurseries and schools



Community

413-1

Developing & Strengthening Youth in Lebanon



OUR COMMITMENT

is to provide industry leadership and support to Lebanon's public and private universities, faculties and students to reduce skill gaps and unemployment and to enhance industrial research achievements

Management Approach

As an industrial manufacturing company looking for ways to innovate, INDEVCO turns to the youth and partners with universities to discuss theory, conduct research, exchange expertise, and share tools and technologies for mutual advancement. The group supports educational infrastructure and sponsors youth innovation competitions, while executives across the company play active roles in university boards. As such, developing and strengthening youth in Lebanon is an important objective for INDEVCO. Boundaries of the topic extend to universities, NGOs, and other associations supporting youth skill building.

Context

Currently nearly half of the population of the Middle East and North Africa (MENA) is under 24 years of age. As per the 2018 Arab Youth Survey, two-thirds of youth in the Levant feel that they are not acquiring the skills needed for their future from the education system. Meanwhile, employers report a shortage of crucial life skills, specifically lack of creativity, critical thinking, problem-solving and communication ^[1]. With a growing number of youth entering the labor market and a major gap between market needs and available skills, youth skill building should be a major priority for decision makers and private sector companies looking to leverage on the underused resource. ^[2] Youth unemployment rates in the MENA region, on the other hand, are among the highest in the world. The World Bank cites the 2018 youth unemployment rate in Egypt, Lebanon and Saudi Arabia to be 32.6%, 17.4% and 25.8% respectively. ^[3]



Community

OUTCOMES

Student Skill Building

INDEVCO offers summer and semester internships to university students in Lebanon and abroad to develop in-demand job skills for relevant work, as they prepare to enter the workforce.

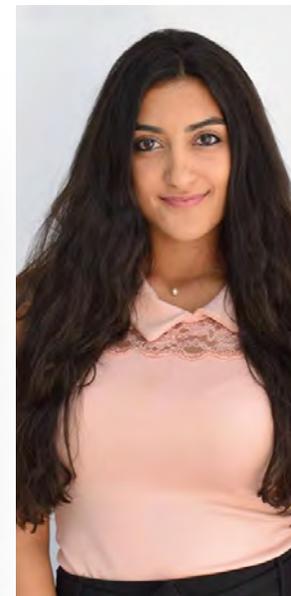
'The HUNT' Career Program

INDEVCO Recruitment Unit organized its first edition of 'The HUNT' Career Program in 2018 to attract promising fresh graduates seeking employment within a manufacturing environment. After an intensive multi-stage process, the group selected five winners from 25 shortlisted candidates to join the group following graduation in 2019.

The first stage of the stringent two-stage program involved full-day outdoor activities and challenges to test individual and group skills in team building, planning, analysis, interactivity, creativity, and time management. Those that progressed to the second stage were given specific projects related to respective fields, including Mechanical, Electrical, and Industrial Engineering and Marketing.

Learn More

<http://news.indevcogroup.com/corporate/indevco-awards-one-year-internships-hunt-career-program/>



“ The HUNT journey was a unique and impressive experience. We spent a very exciting day at Deir El Qamar. It was full of competitive games, where we used our skills and creativity to challenge ourselves and other teams. In the second stage of The HUNT, I did my best in preparing and presenting the marketing project in front of INDEVCO jury. And I was very grateful and satisfied when I received the congratulations letter from INDEVCO Recruitment Unit. I would like to thank INDEVCO Recruitment team for being very supportive through all the phases of The HUNT. ”

Raphaella Saliba - Marketing Student Winner

IMPACT

175 Interns

(68% male, 32% female) from
19 universities and technical institutes

5 One-Year Internships

for Graduating Students

Community

Lebanese Industrial Research Achievements (LIRA) Program

INDEVCO and member companies annually sponsor the LIRA program Forum of Technology & Industrial Innovations and sponsor participating graduate student projects. The LIRA Forum encourages collaboration between industrial manufacturers, universities, research centers, and youth to develop technological innovations in manufacturing.

In 2018, INDEVCO's Phoenix Machinery supported 4 LIRA projects. Phoenix Group Area General Manager, Rabih Osta, served once again as a LIRA panel judge.



IMPACT

Phoenix Sponsored 4 Graduate Projects

Passive System to Support the Locomotion of Paralyzed Persons on Snow

Michel Maalouly & Rami Karkafi
Lebanese American University

IoTTree

Christina Chaccour
Notre Dame University of Louaize

A Novel Out-of-the- Box Solar Wind Turbine Design & Implementation

Ramy Nemr & Joe Khalil
Notre Dame University of Louaize

SCADA System for Distributed PV Plants

Antoine El Hachem & Wissam Zogheib
Saint Joseph University

Community

Arab Student StarPack 2018 Competition

INDEVCO member company, UNIPAK annually sponsors the Student Starpak Competition to support and promote innovative packaging designs by students. Dani Khoury, INDEVCO Paper Containers Innovation & C.I. Senior Director, sits on the panel of judges.

As a Gold sponsor of the second edition of the Arab Student StarPack competition, UNIPAK General Manager, Habib Jaber, awarded Dana Yehia from Lebanon for her Outstanding Packaging Solution under Structural Design category. Yehia presented an innovative corrugated packaging design for the well-known Lebanese breakfast, 'Mankoushe' (Pastry with Thyme), observing consumer behavior and preferences to inspire design.

Organized by the Lebanese Packaging Center, LibanPack in collaboration with UNIDO, the Arab StarPack Competition invites university students in Arab countries to create packaging solutions for their national products. The competition engages youth in the industrial process and involves them in developing inclusive and sustainable packaging designs.

Learn More

<https://www.indevcopapercontainers.com/news/unipak-recognizes-a-new-arab-talent-at-the-second-edition-of-arab-student-starpack-competition-for-2018>



IMPACT

Selected student

Dana Yehia

for her Outstanding Packaging Solution
under Structural Design category



Community

Youth Employment

IMPACT

194 New Recruits

(88% male, 12% female)

19 Universities

and Technical Institutes

5 Job Fairs

Supporting Georges N. Frem Foundation Rural Transport Program

Contributed to Georges N. Frem Foundation's Rural Transport Program to reduce urban migration

- Provided transportation to 738 students from 57 villages. Transportation was secured to Lebanese University Campuses and Dekwaneh Technical Institute
- Increased pick-up locations from 40 to 45 and stop off location from 14 to 17. Moreover, 8 new pick-up locations were added with the inclusion of Ftouh Lines.

Community

Youth Empowerment

Supporting Youth Wellbeing & Community Development with Cénacle de la Lumiere (CDLL)

In line with INDEVCO's focus on youth, the group supports CDLL non-profit organization focused on community and youth development, as well as drug and alcohol addiction prevention and rehabilitation. CDLL works on three programs: Prevention, Recovery, and Community Development. In 2018, as part of its Community Development program, CDLL helped 65 young vulnerable adults reintegrate into society and the job market by providing training to equip them with needed vocational and technical skills. Under the Recovery program, CDLL provided addiction recovery services to 370 patients, while its drug prevention and awareness initiatives reached over 17,600 persons in Lebanon. CDLL spreads awareness through conferences, school visits, on-going online 'Bala Drugs' campaign, and other initiatives.

The Ministry of Social Affairs launched the 'National Volunteer Service Program' in 2018, funded by the World Bank. Under the program, CDLL launched the 'Together for a Better Community' project which addressed drug awareness and concerns leading to health risky behaviors among youth in the city of Amchit, Lebanon. In addition, CDLL implemented the 'Together towards a Healthier Community' prevention project in the region of Blat, Jbeil in partnership with AVSI and CESVI, supported by UNICEF, and funded by the governments of the United Kingdom, Germany, and Netherlands. CDLL also advocates law amendments to offer better rights for addiction treatment.

Both projects provided in-depth trainings on substance abuse sensitization. Beneficiaries then organized outreach initiatives to cascade the information received to the community, targeting different age groups (parents, youth and children) and diversifying the approaches to reach all community members.

Learn More
www.cdll.org.lb



IMPACT

17,652 Persons

reached through drug prevention
awareness initiatives

370 Persons

treated for substance abuse

65 Persons

received vocational & technical training

Participated in Lebanese Ministry of Public Health mapping of treatment surveys on Prevention & Treatment Centers in Lebanon
 Part of UNDP BML livelihood & Social Stability Working Groups
 Certified by the Lebanese Ministry of Justice committee on drugs to treat addicts

'Bala Drugs' Campaign – Lebanese Partners

Ministry of Social Affairs
 Ministry of Public Health
 Ministry of Education & Higher Education
 Ministry of Youth & Sports
 Ministry of Culture
 Ministry of Information
 Parliamentary Committee of Health Labor & Social Affairs
 Internal Security Forces

Community

Stimulating Entrepreneurship with Olive Grove Co-Working Space

With entrepreneurship one of INDEVCO's core values, the group continues to support the Olive Grove co-working space young entrepreneurs in Hamra, Lebanon. The Olive Grove provides start-ups and small to medium sized enterprises professional and technically equipped businesses offices and meeting rooms. In 2017, INDEVCO funded the establishment of The Olive Grove within close proximity to the American University of Beirut and Lebanese American University Beirut Campuses.

Promoting Lebanese Cultural Heritage with Maronite Foundation

The Maronite Foundation of Lebanon annually launched an academy focused on introducing young Lebanese immigrants around the world to their country of origin, Lebanon, through e-learning sessions and round-trip all expenses covered two-week trip to Lebanon. In 2018, the Maronite Academy hosted over 48 young adults, aged 20 to 30, in Lebanon to learn about their heritage through daily lectures by prominent panellists at Holy Spirit University of Kaslik (USEK) and tours of historical sites and landmarks. Maronite Academy 2018 participants came from 12 countries: Argentina, Australia, Bolivia, Brazil, Canada, Ecuador, France, Mexico, Russia, South Africa, USA, and Venezuela.

INDEVCO CEO, Neemat Frem, co-founded the Maronite Foundation of the World in 2008 to connect youth diaspora to their Lebanese heritage.

[Learn More](#)

<https://maronitefoundation.org/MaroniteAcademy/AcademyClasses/2018>



Community

Infrastructure Support

Frem Civic Center Lebanese American University (LAU) - Byblos



The 4,716 m² Frem Civic Center at LAU in Byblos houses the university's School of Business and the Outreach and Civic Engagement Office. The five-story building, inaugurated in 2011, houses a lecture hall, 12 classrooms, and conference rooms to host courses and events on civic responsibility, leadership, transparency, ethical and governance practices.¹⁰

Georges N. Frem Manufacturing Technologies Hub American University of Beirut (AUB)



The 1500 m² Georges N. Frem Manufacturing Technologies Hub,¹¹⁻¹² launched in 2014, is housed at the AUB Faculty of Engineering and Architecture's Irani-Oxy Building. The hub's engineering labs encourage multi-disciplinary faculty research and student projects in Electrical, Computer, Mechanical, and Chemical and Petroleum Engineering.

See Appendix O for references.

IMPACT

Engaged with

6 Top-Ranked
universities in Lebanon

Sat on

2 Boards of Trustees
& **10 Advisory Boards**

Maintained MOUs and
cooperation agreements with

3 Universities

University Engagement



Community

Board Memberships



Antoine Frem
Vice-Chairman, INDEVCO Group

American Mideast Educational & Training Services (AMIDEAST), Board of Directors Member
Friends of the Lebanese Academy for Sciences (FLAS), Board of Directors Member
Lebanese American University, Board of Trustees Member
Lebanese American University, Institute of Family and Entrepreneurial Business Advisory Board Member
Young Men's Christian Association Lebanon (YMCA), Board Member



Rabih Frem
Vice-Chairman, INDEVCO Group

American University of Beirut, Faculty of Engineering & Architecture External Advisory Board Member
Lebanese American University, Adnan Kassar School of Business Advisory Board Member
St. Famille University (Batroun, Lebanon), Board of Trustees Member



Neemat Frem
Chairman & CEO, INDEVCO Group

American University of Beirut, Olayan School of Business Middle East Advisory Board Member
Lebanese American University, Board of International Advisors Member



Rabih Osta
Area General Manager, Phoenix Companies

École Supérieure D'ingénieurs de Beyrouth, School of Engineering Board Member
Université Saint-Esprit de Kaslik, Faculty of Engineering External Advisory Board Member



Chadi Mattar
Machinery Senior Manager, Phoenix Machinery
Université Saint-Esprit de Kaslik, Industrial Advisory Board Member



George Honein
Power & Control Manager, Phoenix Machinery
Notre Dame University, Faculty of Engineering Advisory Committee Member



Dr. Sylvain Seif
Senior Technical & R&D Expert, INDEVCO Polymer Application Center for Technology
Université Saint-Esprit de Kaslik, Industrial Advisory Board Member
University of Balamand (UoB), Chemical Engineering Industrial Board Member

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APPENDIX A: EXPORT COUNTRIES | APPENDIX B: ORIGIN OF SUPPLIERS

	A	B
AFRICA		
Algeria	•	
Angola	•	
Benin	•	
Bonaire	•	
Botswana	•	
Burkina Faso	•	
Cameroon	•	
Congo	•	
Djibouti	•	
Egypt	•	•
Ethiopia	•	
Gabon	•	
Gambia	•	
Ghana	•	
Guinea	•	
Ivory Coast	•	
Kenya	•	•
Liberia	•	
Libya	•	
Madagascar	•	
Mali	•	
Mauritania	•	
Mauritius	•	
Morocco	•	
Mozambique	•	
Namibia		•
Niger	•	
Nigeria	•	
Senegal	•	
Sierra Leone	•	
South Africa	•	•
Swaziland	•	•
Tanzania	•	•
Togo	•	
Tunisia	•	•
Uganda	•	
Zambia	•	

	A	B
AMERICAS		
Argentina		•
Brazil	•	•
Canada	•	•
Costa Rica	•	
Guatemala	•	
Mexico	•	•
United States	•	•
Uruguay		•
ASIA		
China	•	•
Hong Kong		•
India	•	•
Indonesia	•	•
Japan	•	•
Malaysia		•
Pakistan	•	•
Russia	•	
Singapore		•
South Korea	•	•
Taiwan	•	•
Thailand	•	•
Vietnam		•
CARRIBEAN		
Dominican Republic	•	
Grenada	•	
Haiti	•	
Trinidad & Tobago	•	•

	A	B
EUROPE		
Albania	•	
Austria	•	•
Belgium	•	•
Bosnia Herzegovina	•	•
Bulgaria	•	•
Cyprus	•	•
Czech Republic	•	•
Denmark	•	•
Finland	•	•
France	•	•
Germany	•	•
Greece	•	•
Ireland	•	•
Italy	•	•
Netherlands	•	•
Poland	•	•
Portugal		•
Romania	•	•
Serbia		•
Slovakia	•	•
Slovenia		•
Spain	•	•
Sweden	•	•
Switzerland	•	•
Turkey	•	•
Ukraine	•	•
United Kingdom	•	•

	A	B
MIDDLE EAST		
Bahrain	•	•
Iraq	•	
Jordan	•	•
Kuwait	•	•
Lebanon	•	•
Oman	•	•
Saudi Arabia	•	•
United Arab Emirates	•	•
OCEANA		
Australia	•	•
New Zealand	•	
TOTAL	97	60

APPENDIX C: COMPANIES IN FINANCIAL STATEMENT

REGION	COUNTRY	PLANT / COMPANY NAME	TYPE OF OPERATIONS
Africa	Egypt	Interstate Paper Industries SAE	Manufacturer
		Masterpak Nile for Plastic Products SAE	Operating as a Division
		Sanita Consumer Products SAE (Masterpak Nile / MicroMB)	Manufacturer
		Sanita Nile for Import & Trading Services Ltd.	Trading Company
		UNIPAKNILE Ltd.	Manufacturer
	Ghana	Sanita Consumer Products Limited (Ghana)	Manufacturer
Europe	Cyprus	Gespa - General Supplying Agencies Gespa (Overseas) Ltd.	Trading Company
		UNIPAK CYPRUS Ltd.	Trading Company
	Greece	PAKO SA	Manufacturer
		UNIPAK HELLAS Industrial & Commercial SA	Manufacturer
Middle East	Iraq	Sanita Consumer Products Limited	Manufacturer
	Jordan	Sanita Marketing & Distribution Ltd.	Trading Company
	Lebanon	Altatrade SAL Offshore	Trading Company
		Frem Industrial Group SAL F.I.G.	Holding Company
		Gespa sal - General Supplying Agencies - Gespa SAL	Trading Company
		Gespa International SAL	Offshore - Trading Company
		Greentex SAL	Trading Company
		INDEVCO Group SAL "Holding"	Holding Company
		Indevco Industrial Parks SAL	Services - Real Estate
		Industrial Development Company "INDEVCO" SAL	Holding Company
		Interstate Inks SAL	Manufacturer
Mediapak SAL	Services - Advertising & Publicity		

APPENDIX C: COMPANIES IN FINANCIAL STATEMENT

REGION	COUNTRY	PLANT / COMPANY NAME	TYPE OF OPERATIONS
Middle East	Lebanon	New Lebanese Company for Converting Industries (Masterpak) SAL	Manufacturer
		Masterpak Trading	Trading Company
		Phoenix Machinery SAL	Manufacturer
		PrePak SAL	Manufacturer
		Sanita Persona SAL	Manufacturer
		Sanita SAL	Manufacturer
		UNIPAK SAL	Manufacturer
	Saudi Arabia	EASTERNAK Ltd.	Manufacturer
		Multipak Ltd.	Manufacturer
		Napco Composite Film Packaging Technology (COMPACT)	Manufacturer
		Napco Consumer Products Company Ltd.	Manufacturer
		Napco Modern Plastic Products Co (NMPPC)	Manufacturer
		Napco National CJSC	Holding Company
		Napco Packaging Systems Co. Ltd. (Uniplast)	Manufacturer
		National Paper Company Ltd.	Manufacturer
		National Paper Products Co (NPPC)	Manufacturer
		Napco Riyadh Paper Products Ltd.	Manufacturer
		Napco Trading	Trading Company
		United Plastic Products Co (UPPC)	
	United Arab Emirates	Beaufort Overseas (FZ) LLC	Services - Investment
Beaufort RAK Ltd.		Manufacturer	
Roto Packing Materials Industry Co. LLC		Manufacturer	
Rotopack Overseas Limited		Services - Investment	

APPENDIX D: INDEVCO CODE OF CONDUCT

1. Purpose

In line with INDEVCO Group's culture and core values, and in recognition of its determination to promote business ethics and personal integrity in different transactions and interactions, INDEVCO Group has adopted a new code of conduct that clarifies the standards of behavior that are expected of all employees in the performance of their duties.

2. Scope

This code of conduct is applicable to all INDEVCO Group's employees in all operating countries. All employees must abide by the Code, employment guidelines, and other applicable policies as a condition of their employment within INDEVCO Group.

3. Responsibilities

It is the responsibility of the top management and senior executives, as well as the Human Resources and Administration departments across INDEVCO Group to monitor the compliance with the Code and ensure its proper implementation among employees.

4. Code of Conduct

The Code of Conduct sets the standards for "how we work together" to develop and deliver our products and services, "how we protect the reputations" of INDEVCO Group and its affiliates, and "how we deal with" customers, suppliers, distributors, and other third parties.

4.1 CORE VALUES

INDEVCO Group is committed to maintaining and developing its corporate culture and respecting the 7 core values - addressed hereafter - which have guided its business since the foundation.

The Group's success is tightly woven into the core values which influence the way "we do" our job and the way "we think" about managing and leading our business. In a true sense, the core values are vital, essential, lasting and intended to be acted upon.

Therefore, all employees need to stand by these values which are capable to unite and inspire us to achieve a healthier, stronger and more productive work environment, as well as empower and energize INDEVCO Group to earn customers and stakeholders' confidence while growing consistently and mounting toward higher achievements.

INDEVCO Group expects all employees to embrace the 7 core values in business and personal relationships:

Entrepreneurial Drive: Displaying self-motivation in taking calculated risks and initiatives of a significant strategic contribution

Family Spirit: Creating a feeling of belonging, supporting and caring for each other, and being there in times of need

Hard Work: Going the extra mile to overcome challenges, get things done, and achieve business objectives

Honesty: Acting and interacting with integrity, transparency, and credibility with self and towards others

Modesty: Behaving and communicating with humility, sincerity, and respect towards others

Precision: Working to high standards of accuracy without losing sight of the big picture

Servant Leadership: Sacrificing self-interest for the good of the group and serving others equally

4.2 INCLUSION & DIVERSITY

INDEVCO Group believes in a fair, respectful, inclusive and safe work environment, where diversity is valued and where unlawful discrimination, violence, bullying, and harassment in any form are considered unacceptable.

At INDEVCO Group, employees shall be:

- Instrumental in creating a work environment where all members cooperate fully, find a sense of belonging, and have opportunities to engage with the comprehensive community;
- Ready to integrate the principles of equality of employment opportunity, natural justice and inclusion into their day-to-day practices and behaviors.

4.3 PERSONAL AND PROFESSIONAL BEHAVIOR

Employees are to perform their duties diligently, impartially and meticulously.

They are expected to:

Treat other team members, colleagues, visitors, suppliers, customers, stakeholders with the highest standards of professional integrity, courtesy, respect and sensitivity to their rights;

- Strive to keep up-to-date with advances and changes for professional and behavioral development relevant to their areas of expertise;
- Seek improvement in the proficiency and effectiveness of the services and products they deliver;
- Build professional reputation on the merit of their services and shall not compete unfairly with others;
- Stick to company policies and regulations and cascade them;
- Conform with INDEVCO Group's commitment to sustainability.

4.4 ACCOUNTABILITY

Employees shall act with honesty and integrity and in accordance with any professional standards and/or laws and legislations that have application to the responsibilities they perform for or on behalf of INDEVCO Group in line with the core values;

- Employees shall adhere to the policies and procedures of INDEVCO Group and support the decisions and directions of the top management and its delegated authority (refer to FCA);
- Employees shall take responsibility for their actions and decisions and ensure not to exceed the authority of their position.

4.5 HEALTH, SAFETY AND WELFARE

Employees collectively share responsibility and commitment for maintaining a healthy and safe workplace in which the welfare and dignity of staff and visitors are held uppermost by:

- Ensuring strict adherence to all legislative requirements and all policies relating to occupational health and safety including, among others, INDEVCO No Smoking Policy;
- Taking reasonable care for the health and safety of themselves and of other persons at their place of work;
- Immediately notifying their direct manager of any work-related injury or accident;
- Never compromising the health, safety or welfare of others through unnecessary physical risk, the consumption of alcohol or the use of drugs.

4.6 CHILD LABOR

There shall be no use of child labor which shall be exploitative or shall jeopardize the health, safety, educational development or morals of any child. No person below the age of 16 is employed by our affiliates. If the local legal minimum age for work is higher than 16, we employ no one younger than the legal minimum age.

4.7 CONFLICT OF INTEREST

The conflict of interest is assessed in terms of situations where employees' private arrangements, benefits, interests, personal circumstances or personal or family relationships could, or could be perceived to, impact on the performance of their duties.

- Employees shall not compete or enter into any activity that may be in real or apparent conflict of interest with INDEVCO Group;

- Employees shall not improperly cooperate or coordinate INDEVCO Group's activities with competitors; they shall not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for INDEVCO Group or the sales of its products or services;

- Employees, who have a financial interest in a company that is in a position to influence a contract for business between that company and one of INDEVCO Group, should immediately declare this interest to their direct manager;
- Employees, who work with family members or with persons with whom they develop close personal relationships inside INDEVCO Group must be aware that this has the potential to create a conflict of interest* and must bring the matter to the attention of their direct manager and take immediate steps to resolve the conflict;

* Involved in a decision relating to the selection, appointment or promotion of another; or in a supervisory relationship to another and is responsible for employment-related decisions; or in a personal or family relationship to another and have direct assessing responsibility

- Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review and approval from:

- Presidents/EVPs for the divisional staff

- Executive Directors for the business unit staff

- CEO for Head Office departments

- Employees must fill the Acknowledgment and Pledge Form for Conflict of Interest and submit it to the Administration/Personnel Department

4.8 PERSONAL BUSINESS

- Employees must not be engaged in any personal business as it will have an adverse effect on their job duties at INDEVCO Group
- Before engaging in any family/personal business, employees must seek review and approval from:
 - Presidents/EVPs for the divisional and business unit staff
 - CEO for Head Office departments
- Employees must fill the Acknowledgment and Pledge Form for Conflict of Interest and submit it to the Administration/Personnel Department

4.9 GIFTS AND BENEFITS

- Employees have a responsibility to behave with integrity and impartiality including responding appropriately to offers of gifts, benefits and hospitality, including when travelling overseas on business trips;
- Employees or members of their immediate families shall not solicit or accept directly or indirectly, gifts, entertainment, benefits, favors or other economic consideration from any person, group, private business, or public agency that may compromise or affect the impartial performance of the employee's duties;
- Employees shall not seek or accept commissions or allowances, directly or indirectly, from contractors or other parties dealing with clients or internal/external parties in connection with work. Employees shall not request, propose, or accept a commission on a contingent basis under circumstances in which their judgment may be compromised;

- Employees shall not benefit from customers or/and suppliers by getting loans, services, benefits or/and any personal courtesies;
- Employees may give or receive a gift which is offered as part of a social, cultural or ceremonial practice only. In that case, the gift must be reported to management and shall remain the property of the company;
- If employees are offered a bribe, the incident must be reported to the relevant manager immediately; if employees are unsure how to respond to a gift of money, they should seek advice from their direct manager.
- Employees shall protect company resources from any willful damage or destruction;
- Employees shall secure prior approval of the management before using the company assets for community projects.

4.12 NON-COMPETITION

- Employees shall agree that for two years following their termination of employment:
 - They will not directly or indirectly engage in any employment or private business that is in competition with INDEVCO Group's affiliates;
 - They will not directly or indirectly, either individually or as an agent, employee, director or owner, or otherwise on behalf of or in conjunction with any person, firm, corporation, or other entity, cause or attempt to cause any supplier or customer of the company and/or its subsidiaries and affiliates not to do business with the company or otherwise interfere or attempt to interfere with

any business relationship between the company and/or its subsidiaries and affiliates and any of its suppliers or customers.

5. Breaches & Misconduct Reporting Process

This Code is designed to promote and enhance the ethical behavior of INDEVCO Group's employees in the workplace; thus, breaches of the Code's aforementioned points are dealt with seriously and fairly.

- Employees must report misconducts* and breaches of this Code to the management that is responsible for the functional or organizational unit in which they work;
- INDEVCO Group will use their utmost endeavors to protect employees who in good faith and with good grounds report breaches to the Code of Conduct;
- If, upon inquiry, the purported disclosure pursuant to the breach of the Code of Conduct was assessed as untrue and was made with malicious or mischievous intent, the action disclosure will in itself constitute misconduct and a breach of this Code;
- Employees found to be in breach of this Code may face disciplinary action, up to and including immediate dismissal.

* *Unacceptable, dishonest and deceptive behavior such as dereliction of duty, failure to comply with instructions, prejudicial action to the health or safety of others, bullying, harassing, intimidating, overbearing or physically or emotionally threatening.*

APPENDIX E: MEMBERSHIP OF ASSOCIATIONS

The geographical location represents the location of the associations to which INDEVCO business units belong. Individual employees are actively involved and hold leadership positions and certifications in a wide range of professional associations.

	BUSINESS ASSOCIATIONS	INDUSTRY ASSOCIATIONS	SUSTAINABILITY ASSOCIATIONS
EGYPT	6th of October Investors Association Egyptian Chamber of Commerce Egyptian-Cypriot Business Council Egyptian Lebanese Businessmen Friendship Association Sadat City Investor's Association 6th of October Investors Association Private Free Zone Association	Chamber of Chemical Industries (CCI) Chamber of Printing & Packaging Industries Chemical & Fertilizers Export Council GS1 System International Numbering Chambre Of Commerce Export Council Printing	Supplier Ethical Data Exchange (SEDEX)
LEBANON	Lebanese Chamber of Commerce Society for Human Resource Management (SHRM)	Association of Byblos Industrialists Association of Lebanese Industrialists (ALI) International Flexible Packaging Network (IFPN) Pulp & Paper Industry Intelligence (RISI) Syndicate of Paper & Packaging Industries in Lebanon (SOPIL) Technical Association of the Pulp and Paper Industry (TAPPI)	Caux Round Table Global Compact Network Lebanon Lebanese Solar Energy Society (LSES) National Safety Council UN Global Compact World Energy Council - Lebanon Committee Board Member
SAUDI ARABIA	Saudi Chamber of Commerce & Industry Young Presidents' Organization (YPO)	Composite Can & Tube Institute (CCTA) European Core and Tube Association (ECTA) EUROSAC Gulf Petrochemicals and Chemicals Association (GPCA) International Flexible Packaging Association (IFPN)	Supplier Ethical Data Exchange (SEDEX)

APPENDIX E: MEMBERSHIP OF ASSOCIATIONS

	BUSINESS ASSOCIATIONS	SUSTAINABILITY ASSOCIATIONS
UAE	Dubai Chamber of Commerce	Supplier Ethical Data Exchange (SEDEX)
UK	Shropshire Chamber of Commerce	Shropshire Chamber of Commerce Veolia Packaging Waste Compliance Scheme (in line with UK Environment Agency requirement)
USA	Flexible Packaging Association (FPA)	

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 - a) When disposing, plastic waste would be compressed in bales
 - b) Each waste bale holds 400 kg (0.4 MT) with a width of 110 cm, height of 80 cm, and length of 130 cm
 - c) Volume of bale = $L \times W \times H = 1.144 \text{ m}^3$
 - d) Landfill area per bale = $L \times W = 1.43 \text{ m}^2$
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<https://www3.epa.gov/epawaste/conservation/tools/warm/pdfs/Plastics.pdf>
Net landfilling emissions = 0.04MTCO₂E/Short Tonne = 0.0363 MTCO₂E/tonne
6. Pusch, Thema Umwelt, 1/2009, p. 3
<https://timeforchange.org/plastic-bags-and-plastic-bottles-CO2-emissions>
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<https://timeforchange.org/plastic-bags-and-plastic-bottles-CO2-emissions> Derivation: 0.2 MT of CaCO₃ reduces 1.1 MTCO₂ E; 1 MT CaCO₃ reduces 5.5 MTCO₂ E

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