

INDEVCO

Industrial Development & Consultancy Services

2016 GLOBAL SUSTAINABILITY

A GRI-Referenced Report





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A Message from our President

“Our duty is to be a lighthouse for the business community around us...”

On behalf of our companies and employees, I present our first steps at publishing a GRI-referenced report about our sustainability initiatives worldwide. We've set the foundation to gather baseline data on environmental sustainability, responsible products, and social responsibility. INDEVCO has a major role to play, especially in the Middle East, where environmental and social awareness is far from where it should be. Our duty is to be a lighthouse for the business community around us and communities in general.

Our business divisions manufacture a diverse range of products, from consumer disposables to packaging to machinery. Our environmental initiatives center on renewable energy, waste management and reuse. In addition, we are developing environmentally friendly products for tissue, paper, corrugated and plastics converting industries.

As much as we're worried about Mother Nature, we're equally concerned about the citizens in the countries where we operate. The human element is at the heart of community. Every societal need around us is a call for organizations with the power to change.



Health and education are basic rights of every human being, and it is our duty to help promote and deliver these rights as part of INDEVCO's good citizenship. Our social programs focus on Arab women's health awareness and education, early childhood development in the Middle East, and industry-university relations in Lebanon.

We want to continue to grow with our philosophy. In order to report clear key performance indicators to stakeholders, our leaders will work to fully quantify the impacts of their initiatives.

Neemat G. Frem
INDEVCO President & CEO

General Disclosures

Organizational Profile

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Name of the Organization

Industrial Development Company (INDEVCO) SAL

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Activity, Brands, Products & Services

A diversified international manufacturing group, INDEVCO companies produce a wide range of consumer and away-from-home disposables (B2C), as well as machinery, raw materials, packaging products, and renewable energy products (B2B).

B2C Consumer Products

ADULT & BABY CARE
Adult & baby diapers
Cotton buds & pads
Feminine napkins
Maternity pads
Toiletries
Underpads
Wet wipes

FEMININE CARE
Feminine napkins
Makeup remover
Panty liners

HOME CARE
Antiseptic
Bleach
Cleaning accessories
Dishwashing detergent
Disposable gloves
Floor detergent
Glass & surface cleaner
Liquid soap

FAMILY CARE
Hand sanitizer
Refuse bags
Table covers
Tissue: facial, toilet, towels, napkins

FOOD PREPARATION & STORAGE
Aluminum foil
Baking paper
Cling film
Food storage bags

LAUNDRY CARE
Fabric softener
Laundry detergent

RENEWABLE ENERGY PRODUCTS
Biomass boilers
Eco wooden houses
LED lighting
PV solar panels
Solar lighting
Solar water heaters

B2C Consumer Brands



















































For more information, see www.indevcogroup.com/brands

B2B Machinery, Raw Materials & Packaging Products

FLEXIBLE PACKAGING	Paper, plastic & composite packaging, preforms
FORESTRY	Timberlands, timber, lumber
CONVERTING MACHINERY & PARTS	Hygiene converting machinery, CNC parts, automation and control
PAPER CONTAINERS	Corrugated sheets, boxes, displays, packaging
PAPER MAKING	Jumbo tissue rolls, kraft linerboard, recycled corrugating medium
PRINTING INKS	

B2B Brands

AGROW by Masterpak sal	Agricultural film
Aqua-peel	Aluminum peel lid for liquid containers
GLASS CLEAR	Thermoforming barrier film
GREENCOAT THE STRONG, SUSTAINABLE BOX	Wax-free, coated 100% recyclable corrugated boxes
Green Shield	Agricultural film
micro MB	Additives, fillers, masterbatches, recycled resins & compounded polymers
PULP	Sustainable corrugated furniture & product designs
SWEco	Eco-friendly shrink wrap plastic film

For more information see www.indevcogroup.com/products and www.indevcogroup.com/brands

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Location of Organization's Headquarters

INDEVCO headquarters is based in Ajaltoun, Lebanon with regional headquarters at Interstate Resources, Inc. in Arlington, Virginia in the United States of America (USA) and National Paper Products Company (NAPCO) in Dammam, Saudi Arabia.

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Location of Operations

INDEVCO operates in 14 countries with manufacturing plants in 7 countries: Egypt, Ghana, Iraq, Lebanon, Saudi Arabia, United Arab Emirates (UAE) and the USA.

102-5

Ownership & Legal Form

INDEVCO's legal form is Société Anonyme Libanaise (SAL), a joint stock company operating in Lebanon.

Markets Served

102-6

Our customers include businesses, consumers, distributors, governments (ministries and municipalities), manufacturers, retailers and wholesalers.

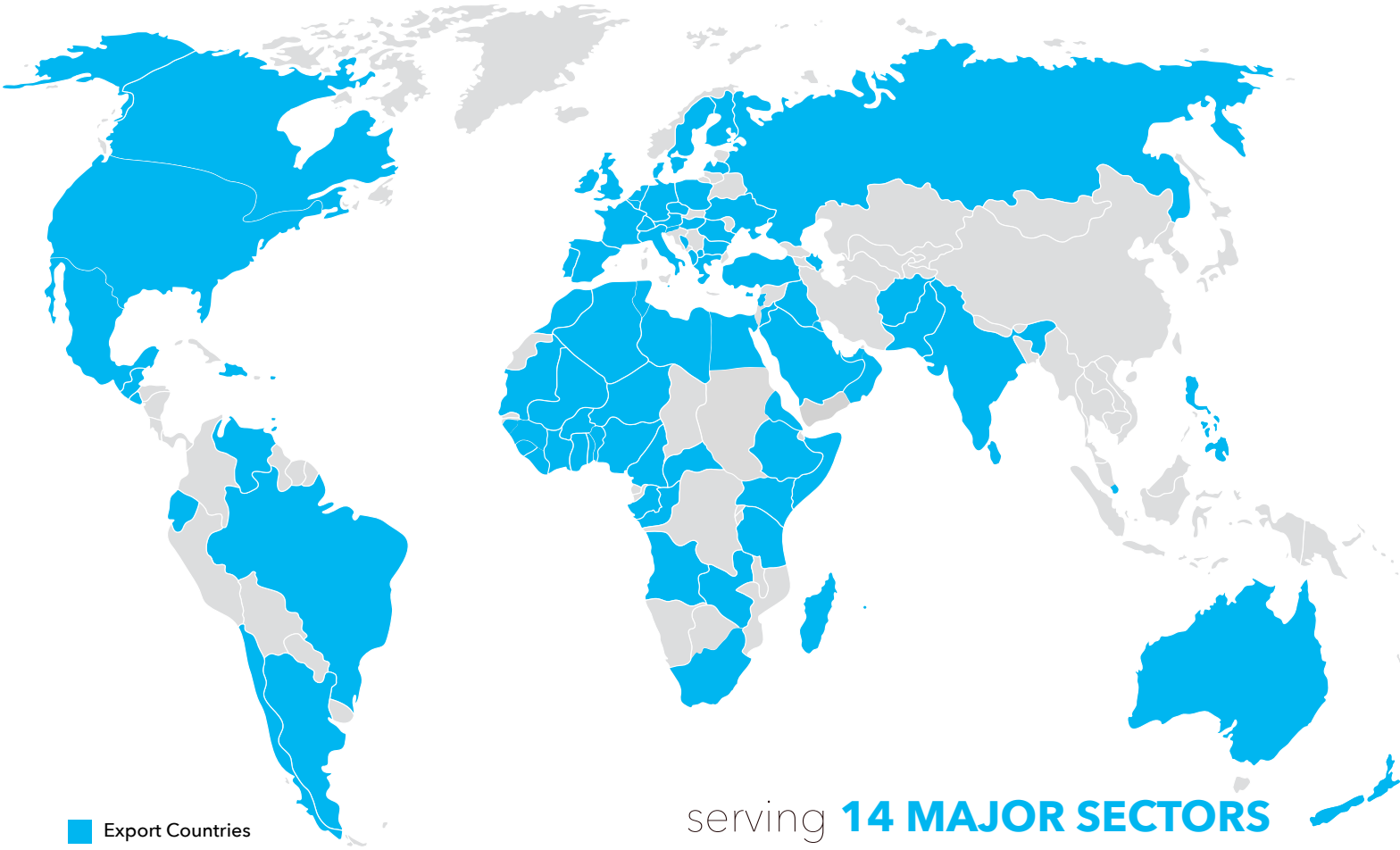
Sectors

Agriculture
Away-from-Home (AFH) Disposables
Beverage
Building & Construction
Chemical
Electronics
Food
Foodservice
Household Disposables
Industrial Manufacturing
Medical
Packaging
Personal Care Disposables
Shipping

Distribution & Warehousing Hubs

INDEVCO PLASTICS — Longview, Texas USA
North American markets

Sanita UK
Member of INDEVCO Group — Telford, England
European markets



Export Countries

See full list of countries in Appendix A

serving **14 MAJOR SECTORS**
exporting to over **100 COUNTRIES**

102-7

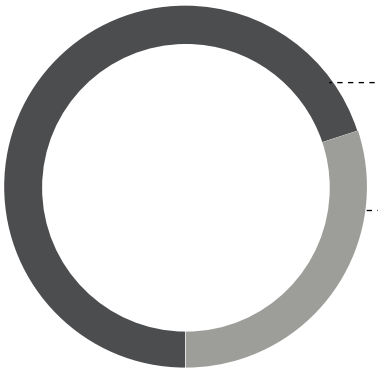
Scale of the Organization

All data reported is as of 31 December 2016.

11,782
EMPLOYEES

Cyprus, Egypt, Ghana, Iraq, Jordan, Lebanon, Saudi Arabia, UAE and the USA

80
OPERATIONS



56
MANUFACTURING FACILITIES

Egypt, Ghana, Iraq, Lebanon, Saudi Arabia, UAE, and the USA producing consumer and away from home disposables, paper, plastic and corrugated packaging, machinery, inks and printing plates

24
SALES, HOLDING & OFFSHORE COMPANIES

Africa, Europe, and the Middle East



Included in this Report

	Plants	Sales Offices Holding & Offshore Companies
AFRICA 8 Operations Total	4	4

Egypt

Interstate Paper Industries SAE
UNIPAKNILE Ltd.

AMERICAS 22 Operations Total	21	1

USA

Carolina Graphics Services LLC
INDEVCO Plastics, Inc.
Interstate Container Columbia LLC
Interstate Container Lowell LLC
Interstate Container New Castle LLC
Interstate Container Reading LLC
Interstate Container Westminster LLC
Interstate Container Cambridge
Interstate Paper LLC
Interstate Resources, Inc.
PSI Packaging Services
Southcorr Packaging LLC

EUROPE 4 Operations Total		4

MIDDLE EAST 46 Operations Total	31	15

Lebanon

INDEVCO SAL
Interstate Inks SAL
Micro Epsilon
New Lebanese Company for Converting Industries (Masterpak) SAL
NewPack
Phoenix Energy
Sanita Persona SAL
Sanita SAL
UNIPAK SAL
UNIPAK Tissue Mill

Saudi Arabia

Corrpak
EASTERNPAK Ltd.
Multipak Ltd.
Napco Composite Film Packaging Technology (COMPACT)
Napco Consumer Products Company Ltd.
Napco Modern Plastic Products Company (NMPPC) Sack Division
Napco Modern Plastic Products Company (NMPPC) Tech Division
Napco Packaging Systems Company. Ltd. (Uniplast)
Napco Riyadh Paper Products Ltd.
National Paper Company Ltd (NPCL)
National Paper Products Company (Napco)
United Plastic Products Company (UPPC)

UAE

Roto Packing Materials Industry Company LLC



Information on Employees & Other Workers

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INDEVCO's workforce totals 11,782 employees on 4 continents. Women comprise approximately 6.7% of our total workforce worldwide, primarily in administrative, HR, marketing and communications roles. We do not experience significant seasonal variations in employment but do have an inflow of trainees usually during the summer season.

	Employment Contract		Employment Type	
	Permanent	Temporary	Full-Time	Part-Time
Gender				
Female	795	2	794	3
Male	10,542	563	10,985	0
Region				
Cyprus	37	1	37	1
Egypt	1,650	0	1,650	0
Ghana	67	0	67	0
Iraq	126	0	126	0
Jordan	15	0	15	0
Lebanon	2,251	0	2,251	0
Saudi Arabia	5,516	439	5,516	0
UAE	205	120	205	0
USA	1,470	5	1,473	2

11,782
EMPLOYEES

10,985
Males

797
Females

11,132
Permanent

565
Temporary

11,779
Full-Time

3
Part-Time

102-9

Supply Chain



We purchase machinery and spare parts, raw materials, packaging, logistics and transport, warehousing, and travel services.

Not included in this data are Interstate Resources, Inc., Napco Consumer Products Division, and some logistics, transport and travel services. In 2017, INDEVCO will work to automate supplier data.

See full list of countries in Appendix B

over
$235.2 MILLION

2,519
SUPPLIERS

51
COUNTRIES

102-10

Significant Changes to the Organization & its Supply Chain

Lebanon

INDEVCO acquired PrePak SAL, a plastic preform manufacturing company to serve the beverage industry; the company falls within the Flexible Packaging Division.

In addition, INDEVCO began to centralize Procurement and Logistics operations at headquarters in 2016. Plans to systematize the supply chain include developing a Supplier Code of Conduct and an online platform to audit suppliers for their sustainability performance.

Saudi Arabia

Napco Group of Companies re-structured and merged its 11 manufacturing plants into branches of National Paper Products Company (NAPCO) as a closed joint-stock company with the intent to go public. Assets and resources were relocated during the restructuring.

UAE

LG-Sanita Limited joint venture in the UAE is being liquidated.

USA

Interstate Resources, Inc. acquired 2 corrugated manufacturing plants and closed another for its Container Division in New Jersey.

Precautionary Approach

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INDEVCO takes economic, environmental, and social concerns into consideration when making decisions about product development, investments, and community relations, to reduce negative internal and external impacts. With our divisional R&D units, we perform stringent tests on new products to avoid possible negative environmental impacts in the long-run.

External Initiatives

102-12

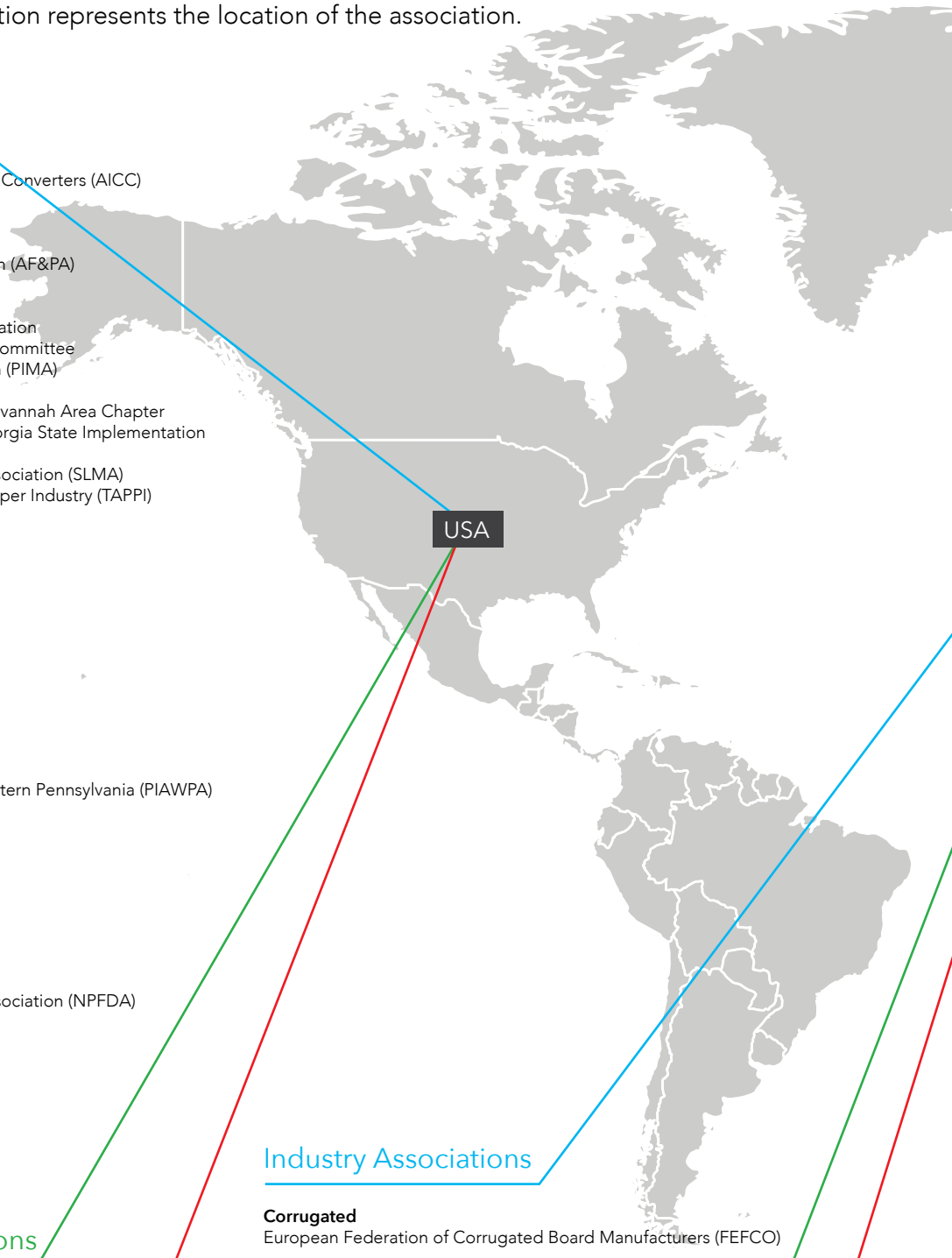
Our business units comply with a wide range of external charters, principles, standards, and initiatives.

Environment	ISO 14001:2004 Environmental Management System Lebanese National Energy Efficiency Action Plan (NEEAP)
Food Safety & Contact	European Federation of Corrugated Board Manufacturers (FEFCO) Good Manufacturing Practice (GMP) Hazard Analysis & Critical Control Points (HACCP) ISO 22000 Food Safety Management System
Forestry	EU EcoLabel EU Timber Regulations Forest Stewardship Council (FSC) Certification – Chain of Custody Programme for the Endorsement of Forest Certification (PEFC) - Chain of Custody Sustainable Forestry Initiative (SFI) - Chain of Custody
National Standards	Lebanese Standards Institution (LIBNOR) Syndicate of Paper & Packaging Industries in Lebanon (SOPIL)
Occupational Health & Safety	OSHAS 18001:2007 SEDEX Members Ethical Trade Audit (SMETA)
Quality Management	BRC Global Standards ISO 9001:2008 Quality Management System
Workplace Organization	5S Methodology

102-13

Memberships in Associations

The geographical location represents the location of the association.



Industry Associations

Corrugated
Association of Independent Corrugated Converters (AICC)
Fibre Box Association (FBA)

Forestry / Pulp & Paper
American Forestry and Paper Association (AF&PA)
Forest Resources Association (FRA)
Georgia Forestry Association (GFA)
Georgia Paper & Forest Products Association
Georgia Water Council Basin Advisory Committee
Paper Industry Management Association (PIMA)
Pulp & Paper Industry Intelligence (RISI)
Society of American Foresters (SAF) – Savannah Area Chapter
Sustainable Forestry Initiative (SFI) – Georgia State Implementation Committee
Southeastern Lumber Manufacturers Association (SLMA)
Technical Association of the Pulp and Paper Industry (TAPPI)

Food
Food Marketing Institute (FMI)

Fresh Produce
Produce Marketing Association (PMA)
Southeast Produce Council

Industrial Manufacturing
Composite Can & Tube Institute
Flexible Packaging Association (FPA)

Print
The Printing Industry Association of Western Pennsylvania (PIAWPA)

Protein (Meat & Poultry)
Alabama Poultry & Egg Association
Delmarva Poultry Industry, Inc.
Georgia Poultry Federation
Kentucky Poultry Federation
Louisiana Poultry Federation
Mississippi Poultry Association
National Chicken Council
National Poultry & Food Distributors Association (NPFDA)
North American Meat Institute
North Carolina Poultry Federation
Ohio Poultry Association
Tennessee Poultry Association
The Poultry Federation
US Poultry & Egg Association

Seafood
Southeastern Fisheries Association

Environmental Associations

Black Liquor Recovery Boiler Advisory Committee (BLRBAC)
Global Green's Coalition for Resource Recovery (CoRR)

Business & Ethics Associations

Business/Professional Service
American Institute of Management (AIM)
Caux Round Table
Rotary International

Human Ressources
Society for Human Resource Management (SHRM)

Safety
National Safety Council

Industry Associations

Corrugated
European Federation of Corrugated Board Manufacturers (FEFCO)

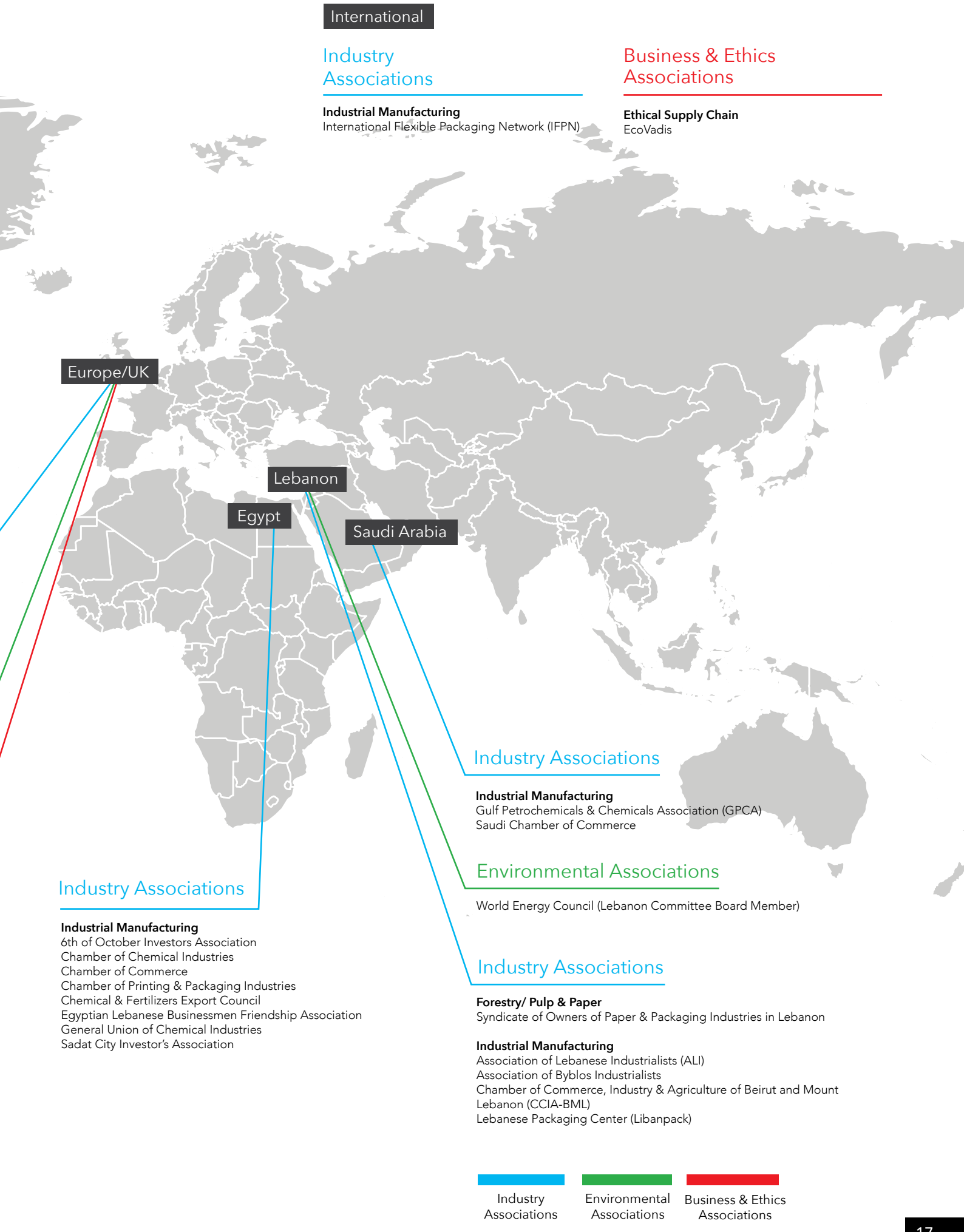
Industrial Manufacturing
European Core and Tube Association (ECTA)
European Federation of Paper Sack Manufacturers (EUROSAC)

Environmental Associations

World Energy Council – (Lebanon Committee Board Member)

Business & Ethics Associations

Ethical Supply Chain
The Supplier Ethical Data Exchange (SEDEX)


International
Industry Associations
Industrial Manufacturing
International Flexible Packaging Network (IFPN)
Business & Ethics Associations
Ethical Supply Chain
EcoVadis
Europe/UK
Lebanon
Egypt
Saudi Arabia
Industry Associations
Industrial Manufacturing
Gulf Petrochemicals & Chemicals Association (GPCA)
Saudi Chamber of Commerce
Environmental Associations
World Energy Council (Lebanon Committee Board Member)
Industry Associations
Industrial Manufacturing
6th of October Investors Association
Chamber of Chemical Industries
Chamber of Commerce
Chamber of Printing & Packaging Industries
Chemical & Fertilizers Export Council
Egyptian Lebanese Businessmen Friendship Association
General Union of Chemical Industries
Sadat City Investor's Association
Industry Associations
Forestry/ Pulp & Paper
Syndicate of Owners of Paper & Packaging Industries in Lebanon
Industrial Manufacturing
Association of Lebanese Industrialists (ALI)
Association of Byblos Industrialists
Chamber of Commerce, Industry & Agriculture of Beirut and Mount Lebanon (CCIA-BML)
Lebanese Packaging Center (Libanpack)
Industry Associations
Environmental Associations
Business & Ethics Associations

Strategy & Analysis

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Key Impacts, Risks & Opportunities

As a group of companies operating across the world, we continuously assess major trends that significantly affect our operations globally, in order to effectively evaluate and proactively tackle risks, ensure maximum stakeholder wellbeing, and identify and act on opportunities.

Key Risks & Opportunities	Impact
Terrorism / War *Attacks in key operating areas in the Middle East, as well as target markets in Europe*	• Closed access to critical key markets • Increased travel uncertainty • Turned spotlight on safety concerns • Increased fear of Middle Easterners • Impacted border controls
Disruption in Arab World *Regional political, economic & financial turmoil; currency devaluation in Egypt*	• Coordinated procurement • Centralized logistics • Focused on product development using local materials for export; export to new markets • Introduced Customer Experience Management function
Low Oil Prices	• Decreased value of warehoused raw materials • Affected production costs • Increased local competition • Impacted global competitiveness • Negatively impacted use of biomass boilers
Environmental Conscientiousness *Growing consumer demand for sustainable products*	• Stimulated sustainable product development • Changed customer requirements • Increased stakeholder interest in corporate CSR initiatives • Resulted in more governmental policies & initiatives • Propelled an anti-plastic movement



Ethics & Integrity

102-16

Values, Principles, Standards & Norms of Behavior

The late Georges N. Frem, Founder & Former Chairman of INDEVCO, set forth the basis for our group's corporate culture with a strong people-centered philosophy and 6 core values. His successor, Neemat G. Frem, President & CEO, added the 7th value.

"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."

GEORGES N. FREM
Founder of INDEVCO

Core Values



- Family Spirit
- Entrepreneurial Drive
- Servant Leadership
- Hard Work
- Modesty
- Honesty
- Precision

INDEVCO philosophy and values are cascaded across the group worldwide through employee onboarding by HR departments, as well as through internal and external communications: office and plant décor and posters, internal emails, employee surveys, and more.

INDEVCO's Code of Conduct, as well as policies, are available in English and Arabic for employees, governance bodies, and other stakeholders in key areas of operation.

See *www.indevcogroup.com/about-us* for more information about our values

Mechanisms for Advice & Concerns about Ethics

102-17

INDEVCO does not tolerate breach of laws, policies, regulations or international standards. The company requires all employees to adhere to INDEVCO Code of Conduct and policies and to follow local laws and international human rights. As per INDEVCO Code of Conduct, employees are urged to report breaches and misconduct to management responsible for the functional or organizational unit in which they work, with the possibility of going higher in the organization through INDEVCO Human Resources & Organizational Development (HROD) Department. INDEVCO protects the wellbeing of employees who report breaches.

See INDEVCO Code of Conduct in Appendix C with 'Breaches & Misconduct Reporting Process' on page 7.

Governance

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Governance Structure

As a private owned enterprise, the governance structure is not publicly available.

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20

Delegating Authority, Executive Level Responsibility for Economic, Environmental & Social Topics

INDEVCO President & CEO delegated responsibility for Sustainability Reporting to INDEVCO Global Communications Department and responsibility for community sponsorships in Lebanon to Mediapak media agency. INDEVCO has not yet appointed an executive level position with responsibility for economic, environmental, and social topics.

102-26

Role of Highest Governance Body in Setting Purpose, Values & Strategy

INDEVCO Board of Directors has final approval on the philosophy, mission and values, which are cascaded across all divisions and business units.

Stakeholder Engagement

List of Stakeholder Groups, Identifying & Selecting, Approach to Stakeholder Engagement

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42
43
44

For the first GRI-referenced sustainability report, INDEVCO engaged only with internal stakeholders to identify material aspects. With the goal to report in accordance with the core GRI Standards, INDEVCO aims to formally conduct materiality assessment with both internal and external stakeholders next year.

We supply products and services to business-to-consumer (B2C) and business-to-business (B2B) customers in a wide range of sectors. We employ and train locals and extensively support social and environmental initiatives along with schools, universities, hospitals, governments, and non-governmental organizations (NGOs).

Internal Stakeholders

Division and business unit executives offering strategic perspective and decades of experience are responsible for the profitable running of our operations. Representatives from our 11,780+ employees also assisted in identifying key issues that INDEVCO should consider for reporting.

Internal Engagement

- Meetings
- Telephone calls
- Video conferences
- Internal emails
- Surveys
- Intranet
- Internal news
- Social media workshops

Issues Identified

Improve operations & cost reductions; attend to employee's social needs

- Downgauging
- Waste reduction & recycling
- Energy consumption reduction
- Health & safety
- Training & career development
- Diversity & inclusion

Response Key Issues

Identified business unit environmental & social objectives

Gathered 2016 baseline data

Collective Bargaining Agreements

102-41

INDEVCO companies adhere to Ministry of Labor and Department of Labor regulations related to worker rights in every country in which we operate.

In the USA in 2016, 549 of Interstate Resources, Inc.'s 1421 employees were union members; therefore, 38.6% of their employees were covered by collective bargaining agreements.

Reporting Practice

102-45

Entities Included in the Consolidated Financial Statements

AFRICA

Egypt

Interstate Paper Industries SAE
Masterpak Nile for Plastic Products SAE
Sanita Nile for Trading Ltd.
Sanita Consumer Products SAE
Sanita Nile for Import & Trading Services Ltd.
UNIPAKNILE Ltd.

Ghana

Sanita Consumer Products Limited (Ghana)

Tunisia

Masterpak North Africa Ltd.

EUROPE & UK

Cyprus

UNIPAK CYPRUS Ltd.

Greece

UNIPAK HELLAS Industrial & Commercial SA

France

Gespa France SARL

MIDDLE EAST

Iraq

Sanita Consumer Products Limited
Sanita al Rafidain for Consumer Products Limited

Lebanon

Altatrade SAL
General Supplying Agencies - Gespa SAL
Gespa International SAL
Greentex SAL
INDEVCO SAL
Indevco Industrial Parks SAL
Interstate Inks SAL
Masterpak SAL
Phoenix Machinery SAL
PrePak SAL
Sanita sal
Sanita Persona SAL
Snaidero Middle East SAL

Jordan

Sanita Marketing & Distribution Ltd.

Saudi Arabia

National Paper Product Co Ltd.

UAE

Beaufort Overseas (FZ) LLC
Beaufort RAK Ltd. LG-Sanita Limited
Roto Packing Materials Industry Co LLC
Rotopack Overseas Limited

Defining Report Content & Topic Boundaries

102-46

INDEVCO conducted an internal materiality assessment, although the GRI framework requires that we also define and engage external stakeholders to identify material topics. This report will be used as a stepping stone and baseline for future reports prepared in accordance with the GRI Core reporting option.

INDEVCO Global Communications Department coordinated with business divisions and manufacturing plants to identify economic, environmental, and social initiatives in approved 2017 business plans, set measurable sustainability objectives, and identify significant impacts affecting stakeholders.

1

Met with divisions, business units, and departments to identify **MATERIAL TOPICS** for stakeholders

2

Developed **2017 SUSTAINABILITY GOALS** for every business unit and set major overarching sustainability objectives for INDEVCO

3

Identified additional **CORE GRI DISCLOSURES FOR DATA COLLECTION** across all business units:

- Raw Material
- Energy
- GHG Emissions
- Effluents & Waste
- Employment
- Occupational Health & Safety
- Training & Education
- Local Communities

4

Gathered **2016 DATA** from divisions, business units, and departments to develop GRI-referenced report

5

Coordinated with Information Systems and Business Intelligence (ISBI) teams to begin to plan for **AUTOMATED SUSTAINABILITY DATA COLLECTION**. Such a system ensures data accuracy, comparability, clarity, reliability, timeliness and completeness.

In Q3 2017, we will identify and prioritize key internal and external stakeholders and engage them to ensure stakeholder inclusiveness and materiality for our 2017 report. In parallel, we developed sustainability stories describing our performance in major initiatives worldwide that are not immediately obvious when reporting GRI disclosures.

Read our sustainability stories at http://sustainability.indevcogroup.com

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List of Material Topics

GRI Disclosure	Material Topics	Topic Boundary
RESPONSIBLE PRODUCTS		
GRI 301 Raw Materials	**Regeneration of Recycled Resins**	INDEVCO / Napco Flexible Packaging Division Plastics Converters
	Mineral Fillers for Plastics Converting	INDEVCO / Napco Flexible Packaging Division Plastics Converters
	Greencoat® Wax-Alternative Coated Packaging	Interstate Container Poultry Processors Fresh Product Growers & Packers Seafood Processors
ENVIRONMENT		
GRI 302 Energy	**Renewable Energy (Solar)**	INDEVCO HQ & Divisions Egyptian Municipalities Lebanese Ministries Universities Private Sector Customers
GRI 306 Waste	**Plastic Film Waste Collection & Recycling**	INDEVCO / Napco Flexible Packaging Division Customers in the agricultural, beverage & petrochemical industries
SOCIAL		
GRI 413-1 Positive Local Community Engagement	**Arab Women's Wellbeing**	INDEVCO / Napco Consumer Products Division NGOs Schools
	Childhood Development in the Middle East	INDEVCO / Napco Consumer Products Division Healthcare Institutions NGOs Schools Lebanese Children's Theatre Lebanese Children's TV Station
	Industry-University Relations in Lebanon	INDEVCO Universities in Lebanon

Restatements of Information

102-48

Not applicable

Changes in Reporting

102-49

Not applicable

Reporting Period

102-50

January – December 2016

Date of Most Recent Report

102-51

Not applicable

Reporting Period

102-52

Annual from January – December

Contact Points for Questions Regarding the Report

102-53

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Email: gacia.apikian@indevcogroup.com

Claims of Reporting in Accordance with the GRI Standards

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This document is a GRI-referenced report.

GRI Content Index

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See p. 48

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External Assurance

INDEVCO Internal Audit Department will audit business units for presence of sustainability objectives and reporting of required data in 2017. We will seek third party assurance once we are reporting according to GRI's Core standards.

INDEVCO Global Communications team attended GRI Standards Certified Training in London, facilitated by FBRH Consultants, a GRI-certified third party based in Cyprus. This training focused on adherence to core reporting principles.

Specific Disclosures


Santa



Environmental Impact

Management Approach

With manufacturing as our core business, our operations impact the environment by utilizing natural resources and energy during production and by generating waste and emissions in the process. In considering areas for greatest positive impact and in line with related UN Sustainable Development Goals (SDGs), we defined three focal objectives:

- *Renewable (Solar) Energy*
- *Circular Economy of Plastics*
- *Responsible Raw Material Product Development*

The boundaries of these material topics include direct impact on the raw materials and the power our manufacturing plants in the Middle East use, as well as indirect impact on our packaging customers, government ministries and municipalities, and end consumers.

In 2015, we began to measure business unit and/or division performance according to GRI's environmental impact categories. Automating data collection across our plants between 2017 and 2018 will provide the necessary visibility to set clear objectives related to raw materials, energy consumption, emissions, water consumption and discharge, and waste.

See http://sustainability.indevcogroup.com/environmental-sustainability





ENERGY

Within the world's Sun Belt, the majority of INDEVCO's manufacturing operations operate with 300 to 345 days of sunshine per year. Phoenix Energy in Lebanon works with sister companies within the group – as well as with government ministries, municipalities, energy authorities, universities and private-sector companies – to replace a portion of fossil fuel-based power with photovoltaic (PV) solar panels.

Learn more at http://sustainability.indevcogroup.com/environmental-sustainability/solar-energy





Replacing Fossil Fuels with Solar Power

Phoenix Energy quadrupled the capacity of PV solar projects installed in Lebanon in 2016. While a number of our business units have implemented solar projects, others have set 2017 objectives related to energy reduction through transition to renewable energies. Progress towards these objectives will appear in next year's sustainability report in accordance with the core GRI Standards.

OVERALL IMPACT
5,811 PV panels
2.65 MWp capacity
2,390 MWh / year

IMPACT INSIDE INDEVCO
147 PV panels
1.07 MWp capacity
1,445 MWh / year

COUNTRY
Lebanon

WASTE

In *The New Plastics Economy: Catalysing Action*, the Ellen MacArthur Foundation proposes that, with efforts intensified on packaging design and after-use systems, recycling is an economically viable option for up to 50% of plastic packaging. Business-to-business plastic films, in particular, comprise one of the most attractive segments for recycling cost-benefit balance.

INDEVCO plants in Saudi Arabia and Lebanon have partnered with petrochemical, beverage and agricultural film customers and resin suppliers to keep plastic film waste out of landfills and the seas and to best reuse resin waste. Reuse not only offers cost savings but also value beyond packaging, when industries and companies create common systems for recycling.

Learn more at http://sustainability.indevcogroup.com/environmental-sustainability/waste-recycling-and-reuse

Plastic Waste Collection, Sorting & Washing

Recom in Saudi Arabia and Masterpak in Lebanon have established key relationships with customers and suppliers to collect, sort, wash and recycle plastic film and resin waste. Recycled resins are then converted by sister companies and other customers to produce a range of premium applications.

IMPACT

Collected 25,014 MT of recyclable plastic waste

Saved ~ 89,425 m2 in landfill area

COUNTRIES

Lebanon
Saudi Arabia



RESPONSIBLE PRODUCTS

By developing raw materials, INDEVCO divisions are supporting internal and external customers in specific industries, from poultry and fresh produce to plastics converting, to reach their sustainable raw material goals.

In Saudi Arabia and Lebanon, INDEVCO Flexible Packaging plants are regenerating recycled resins from plastic film waste, while plants in Egypt and Saudi Arabia are manufacturing mineral fillers. Both products replace virgin masterbatches used in plastics production.

Interstate Container, a U.S.-based member of INDEVCO Paper Containers division, has become a formidable challenger to wax box producers with its Greencoat® wax replacement corrugated packaging.



Learn more at http://sustainability.indevcogroup.com/responsible-products

Recycled Resins

Public concern over plastic waste and its effect on the environment is at an all-time high. Recom in Saudi Arabia and Masterpak in Lebanon have partnered with customers to reduce virgin resin consumption, plastic waste landfilling and marine debris. They are creating value streams by regenerating resins for applications requiring similar quality raw materials, rather than producing resins from low-quality combined waste that cannot be recycled again.

IMPACT
Produced 18,521 MT recycled resins

Reduced GHG emissions by ~46,303 metric tons of carbon dioxide equivalent (MTCO2E)

COUNTRIES
Lebanon
Saudi Arabia





Mineral Fillers

Plastics manufacturers are using alternative fillers from naturally abundant minerals to replace fossil fuel-based virgin masterbatches. Masterpak Nile in Egypt and Recom in Saudi Arabia have increased production of calcium carbonate filler. In addition, Masterpak Nile has begun producing talc filler.

IMPACT

Increased production of calcium carbonate filler by nearly 57%

Utilized 46% of total calcium carbonate production internally by sister companies

COUNTRIES

Egypt
Saudi Arabia

Greencoat Wax-Replacement Corrugated Packaging

Interstate Container in the USA has increased production of its innovative Greencoat boxes, as poultry processors and fresh produce growers and packers transition from unrecyclable wax boxes that end up in landfills.

Retail and restaurant end users – who have had to pay to dispose of wax boxes – are mandating that processors and growers deliver products in recyclable boxes. As a result, they create a revenue stream, earning $80/ton when they recycle the wax-replacement boxes.

IMPACT

Supplied 16 of the USA's 34 integrated poultry companies in 2016, including 4 of the top 10 processors

Increased production of Greencoat by 35.5% in 2016 and reduced production of wax corrugated boxes by 33%

Reduced GHG emissions by 148,770 metric tons of carbon dioxide equivalent (MTCO2E)

COUNTRY

USA









Social Impact

Management Approach

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Local community engagement is rooted in INDEVCO's corporate philosophy 'What is good for the community, is good for the company'. Recognized for both our corporate brands and leading consumer disposable brands in the Middle East and North Africa (MENA) region, we evaluated our brand reach, key societal factors, and related UN Sustainable Development Goals (SDGs) to identify the areas in which we could have the greatest positive impact on our local communities. We arrived at three focal engagement objectives:

- *Supporting Arab Women's Wellbeing*
- *Nurturing Childhood Development in the Middle East*
- *Building Industry-University Relations in Lebanon*

The boundaries of these material topics go beyond our direct impact to include impacts of local NGOs, educational institutions (primary schools and universities), and healthcare institutions which we support in local and regional initiatives.

Operations with Local Community Engagement, Impact Assessments & Development Programs

413-1

Local initiatives that engage our communities are championed by INDEVCO corporate headquarters, consumer disposables company, Sanita, and Phoenix Energy in Lebanon, as well as by Napco corporate headquarters and consumer disposables company, Napco Consumer Products, in Saudi Arabia.



SUPPORTING ARAB WOMEN'S WELLBEING

Cultural norms in the Arab region greatly affect access to women's health and wellbeing information and education. INDEVCO's consumer disposable companies, Napco Consumer Products in Saudi Arabia and Sanita in Lebanon, have chosen the intersection among health and wellbeing, education, and female empowerment as a significant area for contribution. This focus corresponds with UN Sustainable Development Goal SDG3 Good Health & Wellbeing (Target 3.7) to ensure access to health-care information and education.

In 2016, our Fam® and Sanita Private Miss Teen® feminine hygiene brand teams continued to deliver programs on puberty and menstrual hygiene, positive self-image, breast cancer awareness, and health and wellbeing in Arabian Gulf and Levant countries.

Brands used by Napco are licensed from INDEVCO.

Learn more at http://sustainability.indevcogroup.com/social-responsibility/arab-women-wellbeing

Puberty & Menstrual Hygiene Education Program for School Girls

Acknowledging the need for culturally appropriate information about personal development for young Arab women, Sanita Private Miss Teen and Fam brand teams partner annually with schools to deliver their Puberty & Menstrual Hygiene Education program.

REACH
45,888 girls in 344 schools

COUNTRIES
Lebanon
Qatar
Saudi Arabia
UAE

Passionate by Nature Believe & Achieve

Since 2010, Sanita Private brand team has run a multi-sequel Passionate by Nature positive psychology program aimed at empowering women as change agents in their own lives. In 2016, Sanita Private paired its new *In Passion* Career Orientation program in Lebanon with a social media campaign reaching women in 6 Arab countries.

REACH
14,916 girls
In 215 Lebanese schools
~404,000 women on social media

COUNTRIES
Lebanon
Qatar
Saudi Arabia
UAE

Fam® Cares for Early Breast Cancer Detection & Screening

Breast cancer, on the rise, is the leading form of cancer for women in Saudi Arabia. Since 2010, Fam brand team has partnered with Zahra Breast Cancer Awareness Association in Saudi Arabia to help increase awareness of the importance of early detection and screening. In 2016, Fam's public awareness campaign combined personal contact and digital boards in Saudi malls, unipole ads across the kingdom, and Pan-Arab satellite TV ads and social media to intensify reach to other Arabian Gulf countries.

REACH
20,000+ women in Saudi malls
1,870,233 women on social media

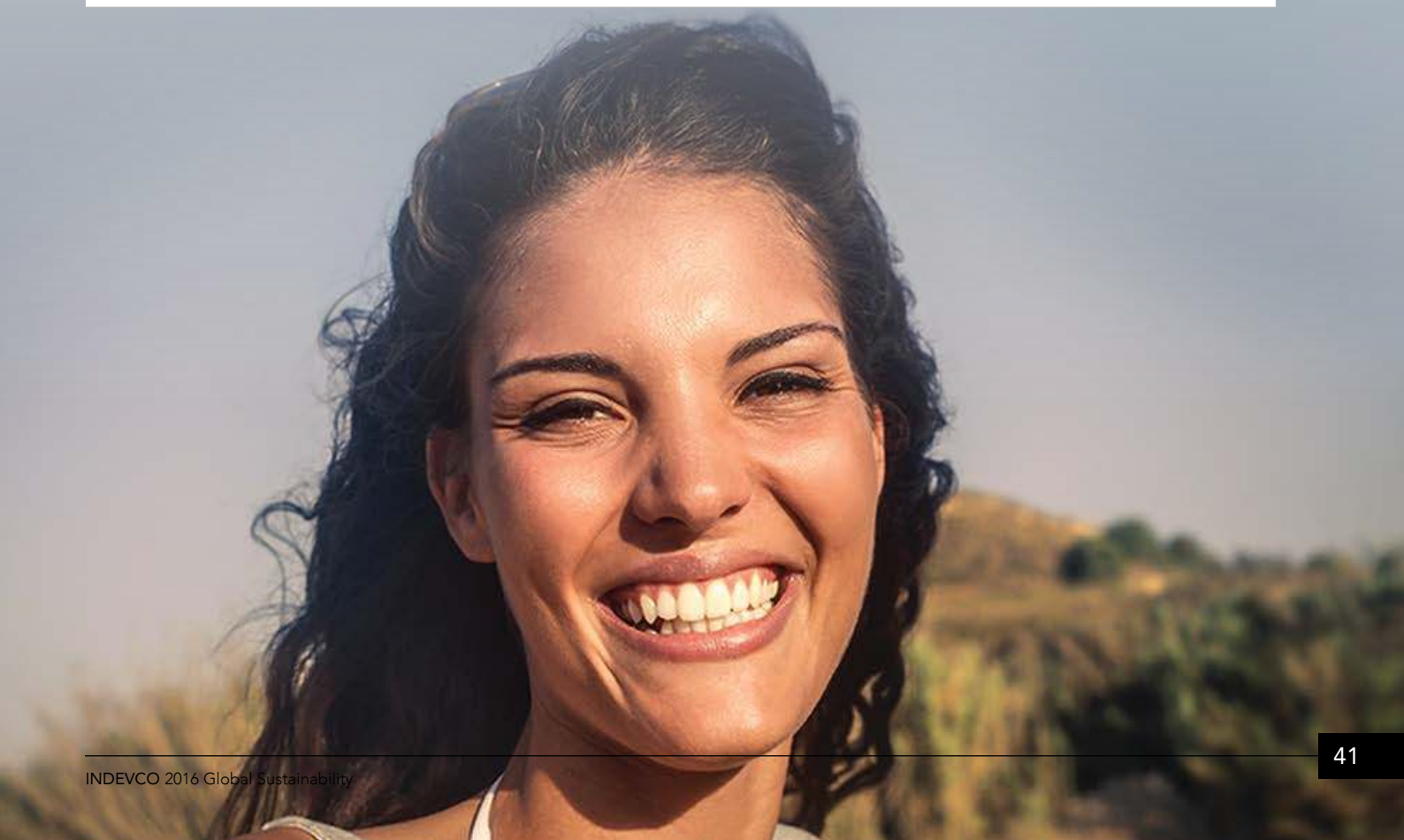
COUNTRIES
Kuwait
Saudi Arabia
UAE

Fam® Cares for Arab Women's Wellness

In 2016, Fam evolved its focus on Arab women's health to emphasize overall wellness, using Pan-Arab satellite TV to broadcast awareness ads with wellness choices and running social media campaigns to share wellness tips and information with women in 3 Arab countries.

REACH
Ad GRP 6498
Ad Reach 54.6%
320,211 women on social media

COUNTRIES
Kuwait
Saudi Arabia
UAE



NURTURING CHILDHOOD DEVELOPMENT IN THE MIDDLE EAST

Investment in Early Childhood Development (ECD) in the Middle East and North Africa is among the lowest in the world, according to the World Bank. With limited national budgets devoted to this area, the private sector has a major role to play. Napco Consumer Products in Saudi Arabia delivers product brand-led programs to nurture childhood development and creativity, while INDEVCO supports NGOs devoted to childhood education in Lebanon.





Educate a Child, Build a Nation Program *3allem Walad Btibni Balad*

Early childhood education is the most unequal aspect of childhood development in the Arab region. In 2015-2016 in Saudi Arabia, Napco Consumer's Sanita Bambi brand teamed up with Nancy Ajram, Lebanese singer and UNICEF Regional Goodwill Ambassador, on the *Educate a Child, Build a Nation* campaign to encourage positive early interaction between mother and child. The program combined a Pan-Arab satellite TV ad and social media to reach families in 7 Arab countries, as well as print materials for new mothers and game packs distributed at a popular children's trade show in Saudi Arabia.

REACH
Ad GRP 10,328
Ad Reach 66.8%
550,000+ women on social media

COUNTRIES
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
UAE
Yemen

Raising Creativity Initiative

In 2016, Sanita Bambi® brand team launched a social media campaign with a series of videos focused on how to help mothers understand characteristics of creativity and stimulate their children's self-expression. The initiative reached over 1 million women in 7 Arab countries.

REACH
1,065,340 women on social media

COUNTRIES
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
UAE
Yemen

Learn more at http://sustainability.indevcogroup.com/social-responsibility/childhood-development

Paradis d'Enfants Non-Profit Primary Schools

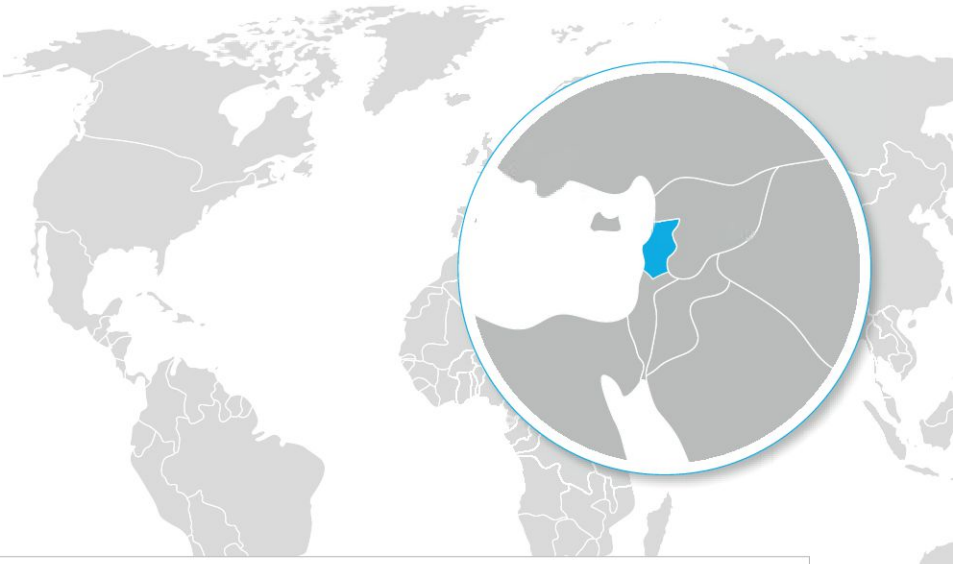
INDEVCO supports Paradis d'Enfants association, which runs 3 non-profit primary schools that help children in need gain equal access to quality education. In the 2016/2017, the association partnered with other NGOs on the *Educating for Peace: Conflict Resolution and Civic Education in Lebanese Schools* project funded by US-Middle East Partnership Initiative (MEPI).

REACH
In 3 schools in Kesrwan, Lebanon:
2,000 students, 175 teachers,
1,100+ alumni

Educating for Peace Program from
5 schools in Lebanon
500 students
40 teachers
50 parents

COUNTRY
Lebanon





Théâtre Athénée

INDEVCO supports Théâtre Athénée as a platform for children's creativity and self-expression. The theatre emphasizes values of civic education, family principles, national belonging, and appreciation of the arts through its workshops and productions. To further disseminate outreach, plays are also broadcast on NourKids TV.

REACH
60,907 children through plays
130 children through workshops

COUNTRY
Lebanon



Learn more at http://sustainability.indevcogroup.com/social-responsibility/childhood-development

BUILDING INDUSTRY-UNIVERSITY RELATIONS IN LEBANON







In 2016, the Middle East North Africa (MENA) region had the highest youth unemployment in the world, according to the International Labour Organization (ILO).

With major manufacturing operations in this region, INDEVCO engages heavily with universities in Lebanon in leadership positions on boards of trustees and advisory boards, through internship programs that equip students with skills needed for employment, and by offering quality jobs to students.

Further, INDEVCO supports Georges N. Frem Foundation's Rural Transport Program to allay youth migration to Beirut; the program busses students from villages to Lebanese University locations and Dekwaneh Technical Institute.

REACH
Board participation at 6 universities in Lebanon
127 interns from 16 universities and technical schools
171 recruits from 30 universities and technical schools

600+ students bussed from rural villages to higher education locations throughout the academic year

COUNTRY
Lebanon

Learn more at http://sustainability.indevcogroup.com/social-responsibility/university-relations

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Appendix A: Export Countries
Appendix B: Origin of Suppliers

	A	B
AFRICA		
Algeria	•	
Angola	•	
Benin	•	
Burkina Faso	•	
Cameroon	•	
Central African Republic	•	
Congo	•	
Egypt	•	•
Eritrea	•	
Ethiopia	•	
Gabon	•	
Ghana	•	
Guinea	•	
Ivory Coast	•	
Kenya	•	
Liberia	•	
Libya	•	
Madagascar	•	
Mali	•	
Mauritania	•	
Mauritius	•	
Morocco	•	
Niger	•	
Nigeria	•	
Senegal	•	
Sierra Leone	•	
Somalia	•	
South Africa	•	•
Swaziland		•
Tanzania	•	
Togo	•	
Tunisia	•	
Uganda	•	
Zambia	•	
Zimbabwe	•	
AMERICAS		
Argentina		•
Brazil		•
Canada	•	•
Chile	•	
Ecuador	•	
El Salvador	•	
Guatemala	•	
Mexico	•	•
USA	•	•
Venezuela	•	
ASIA		
Afghanistan	•	
Azerbaijan	•	
China		•
India	•	•
Indonesia		•
Japan		•
Korea		•
Pakistan	•	
Philippines	•	
Russia	•	•
Singapore	•	•
Sri Lanka	•	
Taiwan		•
Thailand		•
Vietnam		•
CARIBBEAN		
British Virgin Islands	•	
Dominican Republic	•	
Grenada	•	
Haiti	•	
Trinidad and Tobago	•	
EUROPE		
Albania	•	
Andorra		•
Austria	•	•
Belgium	•	•
Bosnia & Herzegovina	•	
Bulgaria		•
Cyprus	•	•
Czech Republic	•	•
Denmark	•	•
England	•	
Estonia		•
Finland	•	•
France	•	•
Georgia		•
Germany	•	•
Greece	•	•
Ireland	•	
Italy	•	•
Hungary	•	
Latvia	•	
Macedonia	•	
Malta	•	
Netherlands	•	•
Poland	•	•
Portugal	•	•
Romania	•	•
Slovenia	•	
Spain	•	•
Sweden	•	•
Switzerland	•	•
Turkey	•	•
Ukraine	•	•
United Kingdom		•
MIDDLE EAST & ARABIAN GULF		
Bahrain	•	•
Jordan	•	•
Kuwait	•	•
Lebanon	•	•
Oman	•	
Qatar	•	•
Saudi Arabia	•	•
UAE		•
OCEANA		
Australia	•	•
New Zealand	•	

Appendix C: 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 repute" 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.*



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