

2017 GLOBAL SUSTAINABILITY

A GRI-Referenced Report

INDEVCO

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A Message from Our Chairman

We're observing the global awareness that we're all together, embarked on one big ship, and we must care for this ship for all of us to survive and thrive. Our corporate philosophy, "What is good for the community is good for the company" is more relevant than ever. Our personal and public involvement will continue to take a People First approach.

In 2017, reporting our sustainability initiatives became a clear focus for us at INDEVCO. I'm very proud of the tangible progress we made in setting the system to define, measure, and report our priorities. Throughout this process, we became aware of the importance of officially communicating progress to our stakeholders.

Reporting our sustainability initiatives has become a ***clear focus*** *for us.*

At our first INDEVCO Sustainability Summit, our leadership formally defined important topics and engaged key stakeholders to rank our sustainability priorities.

We released our first GRI-referenced report for 2016 and communicated publicly about our global activities. Sharing information at this early stage of reporting reflects our willingness to stand accountable to our employees, customers, shareholders and other stakeholders.

We solidified our public commitment to universal sustainability principles by joining UN Global Compact (UNGC) as a Signatory member. As CEO, I've pledged to incorporate the UNGC's 10 Principles in the areas of human rights, labor, environment and anti-corruption into our decision making and strategic planning. We'll submit our first Communication on Progress in 2018 and are engaging with our local Global Compact Network Lebanon. In addition, we have aligned initiatives, for which we can show quantifiable impact, with UN Sustainable Development Goals (SDGs).

In fact, to more fully quantify our impacts, we've set the target to automate data before 2020. This is the only path to true visibility that will allow us to set goals, targets, and timelines toward 2025.

The greatest changes from last year happened with our regional headquarters in the USA and Saudi Arabia. We sold an 80% equity stake of Interstate



Resources, Inc., our vertically integrated paper and corrugated manufacturing group in the USA, to DS Smith PLC and DS Smith Holdings, Inc., who took control in August 2017. The sale was a strategic move whereby we became one of the largest shareholders of DS Smith. In Saudi Arabia, we merged all companies under Napco National CJSC.

I'd like to thank our INDEVCO family members worldwide, who steer us to the sustainable future our children deserve. We have much work to do, and I look forward to progressing on this path together.

Neemat G. Frem
INDEVCO Chairman & CEO

GENERAL *Disclosures*

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 2017.

INDEVCO *Overview*

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In 1956, our founder Georges N. Frem launched a business that would grow from a community-oriented philosophy to over 70 manufacturing plants and commercial operations around the world.

INDEVCO sal is a joint stock company (Société Anonyme Libanaise) headquartered in Ajaltoun, Lebanon with regional headquarters at Napco National CJSC in Dammam, Saudi Arabia and at INDEVCO Plastics, Inc. in Doswell, Virginia, USA.

Global manufacturer of consumer and away-from-home disposables, jumbo tissue rolls, paper corrugated, and plastic raw materials and packaging

Over the decades, we expanded both vertically and horizontally, moving from paper and corrugated manufacturing to plastics and jumbo tissue manufacturing, raw materials for our highly competitive consumer and away-from-home brands that rival top multinational brands in the Middle East region. We have further established leading scrap collection and recycling services, as we grow a circular economy in our core locations of operations. Other sister companies supply these divisions with renewable energy solutions, converting machinery and parts, ink, furniture, and advertising and media services.

Today, our 35+ plants in 8 countries export to customers in around 90 countries, including manufacturers, distributors, retailers, wholesalers, institutions, government ministries and municipalities, and non-profit organizations.

Over 60 years of commitment to the communities in which we operate

9,900+ employees in over 70 operations in 19 countries

Exporting to **~ 90 countries**

Serving **17 sectors**

Target Sectors

B2C



Away-From-Home



Consumer Retail

B2B



Agriculture



Beverage



Building & Construction



Chemical & Petrochemical



Dairy & Ice Cream



Food



Healthcare



Household Care



Hygiene Converting



Other Manufacturing



Personal Care



Plastics Converting



Renewable Energy



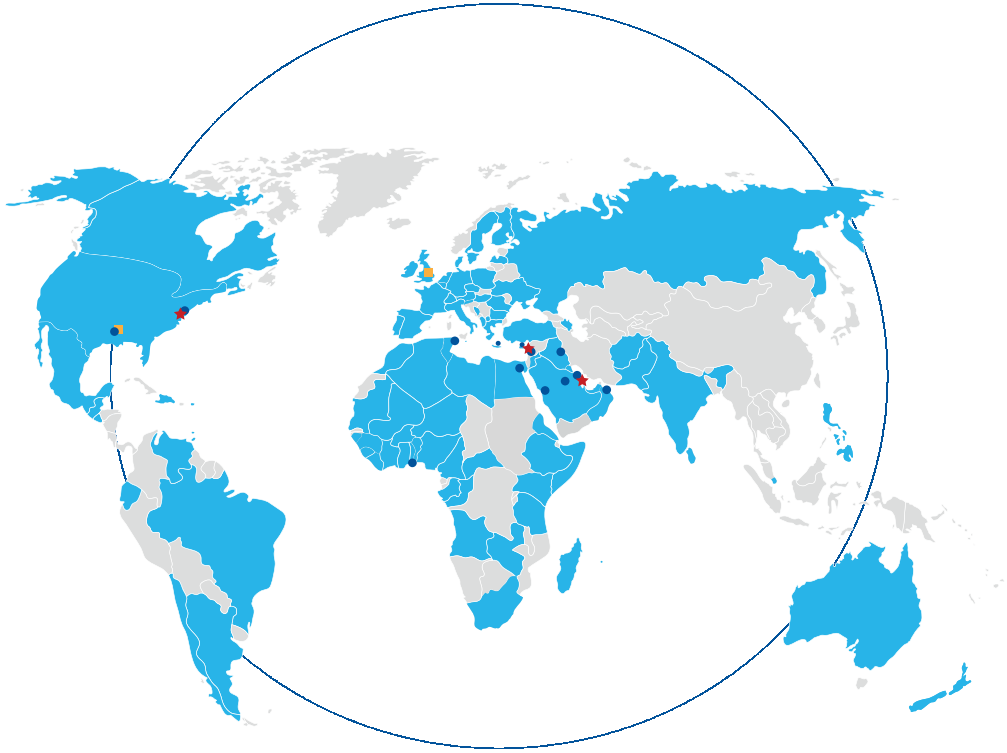
Retail & Wholesale



Tissue Converting



Transportation & Warehousing



★ **International HQ**
Ajaltoun, Lebanon

■ **Export Countries**
See full list in Appendix A

★ **Regional HQ**
Dammam, Saudi Arabia
Doswell, Virginia, USA

■ **Distribution Hubs**
England
USA

● **Manufacturing Locations**

Egypt	Lebanon
Ghana	Saudi Arabia
Greece	UAE
Iraq	USA

Learn More
www.indevcogroup.com/raw-materials-packaging-products
www.indevcogroup.com/consumer-afh-disposables-products

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Products & Brands

B2C

Away-from-Home Disposables

Paramedical

Examination Disposables

Hygiene Wear

Patient Supplies

Sanitizers

Professional

Foodservice Disposables

Janitorial Supplies

Consumer Packaged Goods

Adult Care

Baby Care

Family Care

Feminine Care

Household Care



B2B

Corrugated & Folded Cartons

Folding Cartons
Corrugated Sheets
Corrugated Containers
POP Displays & Shelf-Ready Packaging

Flexible Packaging

Plastic Raw Materials
Plastic Films & Packaging
Paper Sheets & Packaging

Paper Making

Virgin & Recycled Jumbo Tissue Rolls
Virgin & Recycled Linerboard
Recycled Corrugated Medium

Supporting Products & Services

Advertising & Media

Integrated Marketing & Communications
Customer Events
Exhibition Management
Content Strategy & Development
Social & Digital Media

Furniture Manufacturing & Prefab Installations

Furniture Manufacturing
Office, Kitchen & Wardrobe Manufacturing
Prefabricated Home Installations

Machinery, Parts & Service

Hygiene & Tissue Converting Machinery
High-Precision CNC Parts
Automation, Power Management & MEP Services

Printing

Flexographic & Rotogravure Inks
Printing Plates

Recycling

Scrap Collection, Segregation & Washing
Scrap Recycling



Renewable Energy Solutions

Lighting: LED & Solar
Power: Biomass & PV Solar
Waste: Management Sorting Lines, Plants, Composting & WTE Solutions
Water: Hydropanels, Solar Heaters, PV Pumping Systems

9,987 Employees*

**US-based Interstate Resources, Inc. employees involved in the majority acquisition by DS Smith PLC and DS Smith Holdings, Inc. are not included in this count. Variation from last year also exists, because INDEVCO HR teams are refining data automation for our Middle East operations.*

Male **9,348** **93.6%**

Female **639** **6.4%**

Full-Time **9,866**

Part-Time **121**

Permanent **9,440**

Temporary **547**

Operations & Employees

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

	Employees	Countries
Consumer & AFH Disposables	3,980	11
Corrugated & Folded Cartons	1,760	6
Flexible Packaging	2,548	5
Paper Making	715	2
Recycling	117	2
Supporting Products & Services	867	6

76 Operations in 19 Countries

38 Manufacturing Facilities

38 Commercial Companies & Sales Offices





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Supply Chain

Centralized Supply Chain

INDEVCO centralized Procurement and Logistics at headquarters to streamline processes and begin to systematize data within the supply chain. Our business units purchase machinery and spare parts, raw materials, packaging, logistics and transport, warehousing, and travel services from global suppliers.

See full list of supplier countries in Appendix B

Supplier Code of Conduct

To improve supplier screening and audit, INDEVCO formalized a basic Supplier Code of Conduct in 2017. Our purchasing units are putting into place follow-up mechanisms to ensure compliance with our code.

See Supplier Code of Conduct at http://sustainability.indevcogroup.com/pdf/INDEVCO-2017-Supplier-Code-of-Conduct.pdf

Paper Supply Chain of Custody

For the first time, INDEVCO business units worldwide reported on the status of their paper supply chain of custody.

See Specific Disclosures, Raw Materials 301-1 on p. 28

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Precautionary Approach

INDEVCO Board of Directors monitors global risks as a critical part of our corporate strategy, overseeing risk management policies and procedures, as well as effects on our economic, environment, and social stewardship. Division senior executives, in consultation with INDEVCO service departments, fully engage to understand and manage the magnitude of traditional and geopolitical risks that affect our operations. They support a culture of awareness, including risks associated with product materials, development and innovation, as well as the privacy and rights of our stakeholder groups.

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Significant Changes

Acquisition of Interstate Resources, Inc. & Relocation of INDEVCO North America Headquarters

DS Smith PLC and DS Smith Holdings, Inc. completed the acquisition of Interstate Resources, Inc., Phoenix Technology USA, and St. George Timberlands on 25 August 2017, after it purchased 80% of the shares of common stock in the capital of INDEVCO Management Resources, Inc. from Merpas Co. sarl (Merpas).

Through this strategic move, INDEVCO became one of the largest shareholders in DS Smith. In addition, INDEVCO retained full ownership of Specialty Coating and Laminating in Doswell, VA and ownership of Greencoat® wax replacement corrugated box brand with license to DS Smith to produce in North America.

Subsequently, INDEVCO shifted its North America headquarters from Arlington, Virginia to Doswell, Virginia and is known as INDEVCO Plastics, Inc.

Joint Partnership in the USA

INDEVCO Plastics entered into a joint partnership with ePac Flexible Packaging in November 2017 to acquire equity in its growing network of flexible packaging plants around the USA. ePac is the first American company to rely solely on digital printing technology to manufacture lay-flat pouches, stand up pouches, and laminated roll stock.

Restructuring of Napco into a Closed Joint Stock Company (CJSC)

In August 2017, our Saudi-based Napco group of companies, established in 1956, merged and changed their status as limited liability companies into one closed joint stock company registered as Napco National CJSC. The company was structured into B2B and B2C divisions. In addition to the head office in Dammam, Napco National manages the following nine branches with a total of 15 manufacturing facilities in Dammam, Riyadh, and Jeddah:

- Easternpak Ltd.
- Napco Composite Film Packaging (Compact)
- Napco Consumer Products Co.
- Napco Modern Plastic Products Co.
- Napco Multipak
- Napco Packaging Systems Co. Ltd (Uniplast)
- Napco Riyadh Paper Products Co.
- National Paper Co. Ltd.
- United Plastic Products Co.

Facility Openings

INDEVCO opened a new plastic scrap recycling plant in Bazyoun, Lebanon as a division of Masterpak sal.

Facility / Company Closings

INDEVCO liquidated three inactive companies in Lebanon (Cedex Plastics sal, Constrapak sal, N.K.Z. sal) and initiated the process to close two inactive companies in the United Arab Emirates (UAE) (LG-Sanita Limited Joint Venture, Phoenix Technology FZ).

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External Initiatives

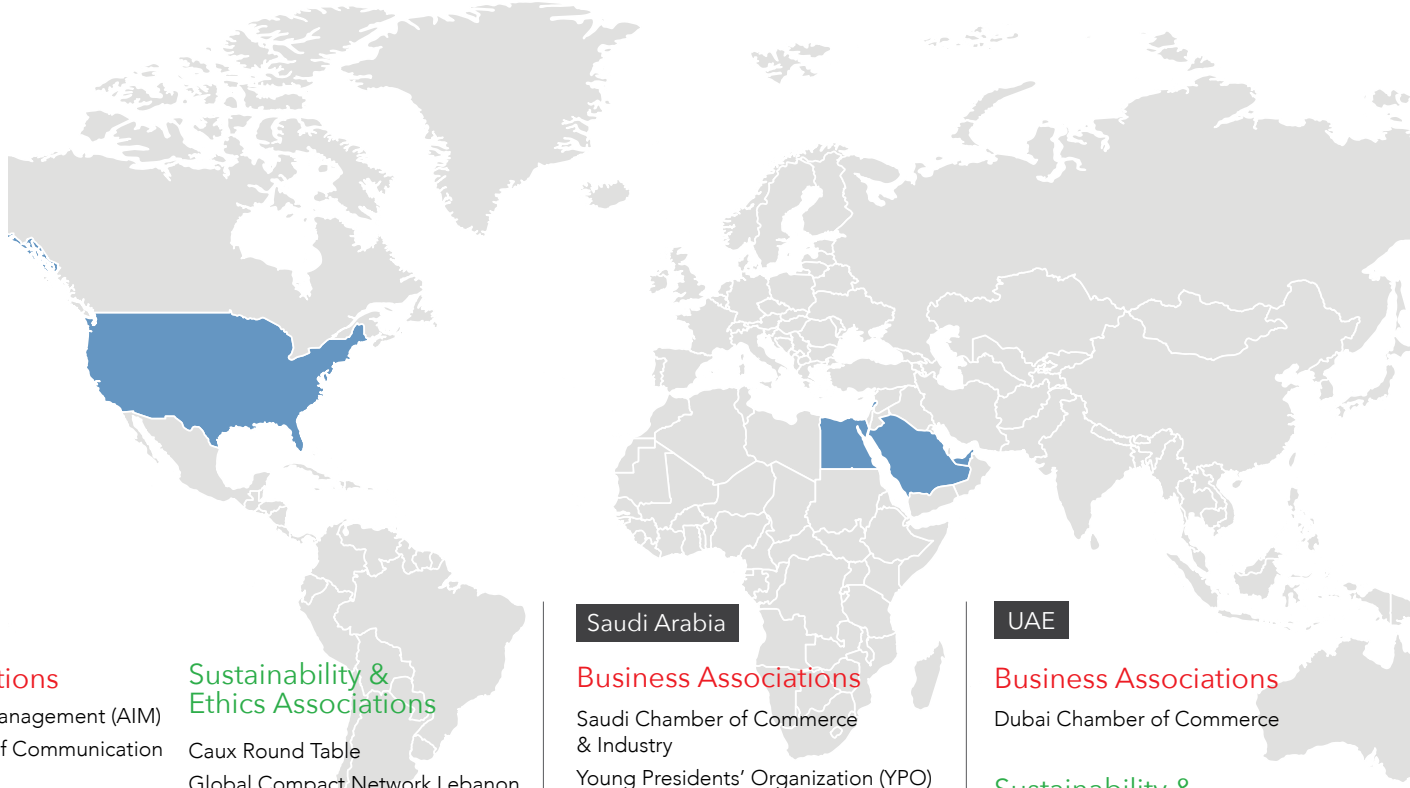
INDEVCO business units across the Middle East and North Africa comply with a wide range of external charters, principles, standards, and initiatives.

Environment	Forest Stewardship Council (FSC) Chain of Custody ISO 14001: 2004 Environmental Management System Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody
Food Safety & Contact	British Retail Consortium (BRC) Global Standards for Packaging Hazard Analysis and Critical Control Points (HACCP) ISO 22000 Food Safety Management System
Health & Safety	Occupational Health and Safety Management System (OHSAS) 18001: 2007
Quality Management	ISO 9001: 2008 QMS ISO 9001: 2015 QMS Institute of Supply Chain Management (IoSCM) Standards of Operational Excellence
Manufacturing	Good Manufacturing Practices (GMP)
Workplace Organization	5S Methodology

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Association Memberships

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



USA

Industry Associations

Flexible Packaging Association (FPA)

Egypt

Business Associations

6th of October Investors Association
Egyptian Chamber of Commerce
Egyptian Lebanese Businessmen
Egyptian-Cypriot Business Council
Friendship Association
Sadat City Investor's Association

Industry Associations

Chamber of Chemical Industries (CCI)

Lebanon

Business Associations

American Institute of Management (AIM)
European Association of Communication Directors (EACD)
Lebanese Chamber of Commerce
Rotary International
Society for Human Resource Management (SHRM)

Industry Associations

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)

Sustainability & Ethics Associations

Caux Round Table
Global Compact Network Lebanon
Lebanese Solar Energy Society (LSES)
National Safety Council
UN Global Compact
World Energy Council

Saudi Arabia

Business Associations

Saudi Chamber of Commerce & Industry
Young Presidents' Organization (YPO)

Industry Associations

Composite Can & Tube Institute (CCTI)
European Core & Tube Association (ECTA)
EUROSAC
Gulf Petrochemicals and Chemicals Association (GPCA)
International Flexible Packaging Association (IFPN)

Sustainability & Ethics Associations

Supplier Ethical Data Exchange (SEDEX)

UAE

Business Associations

Dubai Chamber of Commerce

Sustainability & Ethics Associations

Supplier Ethical Data Exchange (SEDEX)

STRATEGY *& Analysis*

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Key Impacts, Risks & Opportunities

Monitoring global trends proves critical to INDEVCO's success and growth. As a multinational group operating over 4 continents, INDEVCO assesses developments worldwide to manage key risks, identify profitable opportunities, and ensure effective stakeholder relations.

Key Risks & Opportunities	Impact
Terrorism / War *Turmoil in key operating areas in the Middle East & Europe*	• Closed access to borders & key markets • Increased travel uncertainty • Turned spotlight on safety concerns • Increased fear of Middle Easterners
Disruption & Transformation in Arab World *Regional political, economic & social upheaval*	• Solidified Saudi Arabia and Iran as competing heavy-weight influencers in the region • Reflected transformation in Saudi Arabia through Saudi Vision 2030 diversification plan to create a sustainable economy beyond oil and to create jobs opportunities for Saudi nationals, including women • Continued currency devaluation in Egypt
Ecommerce & Changing Purchasing Patterns	• Opened an online route-to-market for manufacturers for direct channel to B2B and B2C customers
Regulations & Backlash against Plastics *Growing global pressure to transition away from single-use plastic disposables and to recycle and regenerate other plastics in a valuable circular economy*	• Stimulated governmental regulations, multinational sustainability objectives, and consumer demand for renewable and recycled raw materials, as well as recyclable packaging • Introduced zero waste, no packaging store concepts • Propelled consumer-based anti-plastic movement on social media and in purchase patterns • Encouraged R&D and innovations in bioplastics • Increased focus on Circular Economy, especially for plastics, including waste collection, segregation and regeneration infrastructure • Increased stakeholder interest in corporate sustainability initiatives
Data Security & Privacy	• Enforced corporate accountability to ensure better security and privacy of citizen data, in compliance with upcoming 2018 implementation of EU General Data Protection Regulation (GDPR)

ETHICS *& Integrity*

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Ethics & Integrity

People and community are at the heart of our corporate culture. Our philosophy and values were set forth by the late Georges N. Frem, INDEVCO Founder and Former Chairman. His successor, Neemat G. Frem, Chairman & CEO, added the 7th value, Precision, to advance our manufacturing expertise.

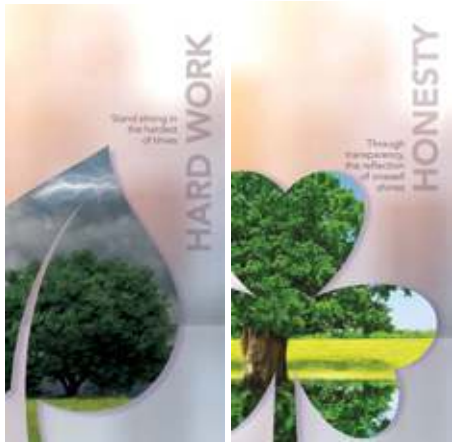
"What is good for the community is good for the company. What is good for the company, we will strive to do excellently and in a way that enriches the lives of our people."

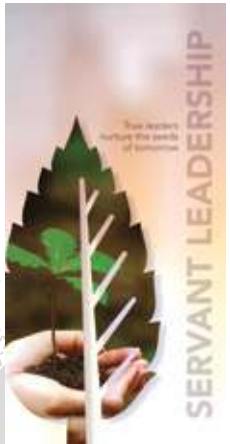
INDEVCO Board of Directors has final approval on the company philosophy and values and charges the INDEVCO Human Resources & Organizational Development (HROD) Department with responsibility for cascading them.

Employees actively learn our philosophy and values during onboarding and training and in internal and marketing communications campaigns. Plants and offices display values décor as a daily reinforcement of the foundation for which the company stands.

Learn More
www.indevcogroup.com/about-us











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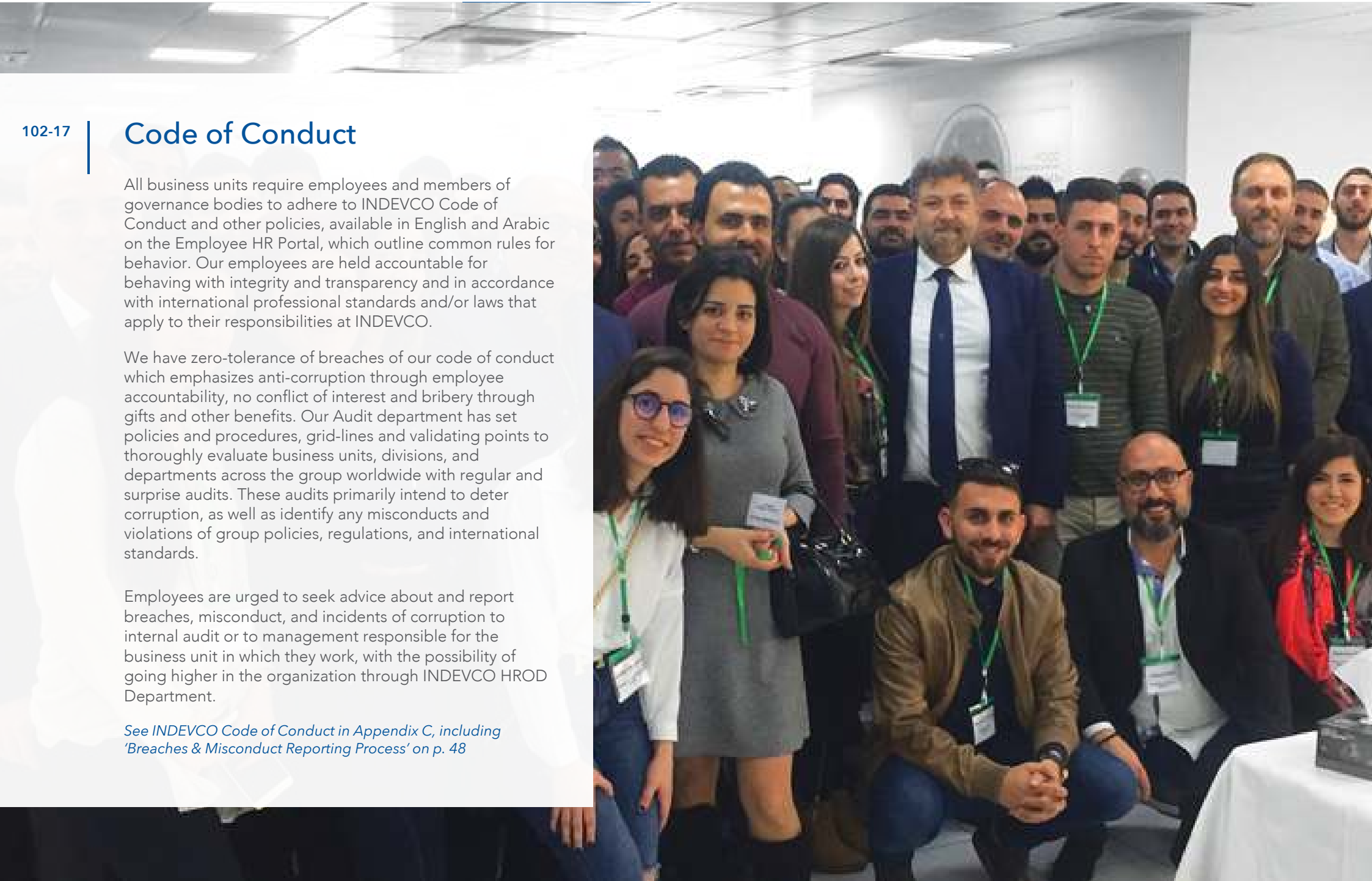
Code of Conduct

All business units require employees and members of governance bodies to adhere to INDEVCO Code of Conduct and other policies, available in English and Arabic on the Employee HR Portal, which outline common rules for behavior. Our employees are held accountable for behaving with integrity and transparency and in accordance with international professional standards and/or laws that apply to their responsibilities at INDEVCO.

We have zero-tolerance of breaches of our code of conduct which emphasizes anti-corruption through employee accountability, no conflict of interest and bribery through gifts and other benefits. Our Audit department has set policies and procedures, grid-lines and validating points to thoroughly evaluate business units, divisions, and departments across the group worldwide with regular and surprise audits. These audits primarily intend to deter corruption, as well as identify any misconducts and violations of group policies, regulations, and international standards.

Employees are urged to seek advice about and report breaches, misconduct, and incidents of corruption to internal audit or to management responsible for the business unit in which they work, with the possibility of going higher in the organization through INDEVCO HROD Department.

See INDEVCO Code of Conduct in Appendix C, including 'Breaches & Misconduct Reporting Process' on p. 48



GOVERNANCE

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Governance Structure

INDEVCO's Board of Directors, led by Chairman & CEO Neemat Frem, is comprised of six internal directors with management responsibility within the group. The board is responsible for monitoring risk management processes and regularly reviewing the group's performance.

INDEVCO Chairman & CEO retains responsibility for INDEVCO's overall sustainability strategy and compliance with international laws and regulations and internal policies. He reviews and approves the Sustainability Report to ensure all material topics are covered.

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Sustainability Organization

Sustainability Governance

INDEVCO Chairman & CEO has delegated responsibility for group-level sustainability engagement, data collection, automation, and reporting to INDEVCO Global Communications. Local community sponsorships in Lebanon are managed by the Chairman's Office.

At present, an executive level position responsible for economic, environmental, and social programs has not yet been appointed to report to the Board of Directors. Nor has a Group Sustainability Committee been identified to oversee the process of monitoring sustainability risks, opportunities, and strategies.

R&D Centers

INDEVCO Flexible Packaging's Polymer Application Technology Center (PACT) and INDEVCO Paper Containers Innovation Center work at the forefront of science and technology to pioneer sustainable products for their divisions. Business units adapt their sustainability strategies to R&D advancements for renewable, recycled and recyclable raw materials, as well as efficient packaging performance and lightweighting. Likewise, INDEVCO Consumer Products division align brands and product portfolios according to corporate and consumer sustainability expectations.

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International Standards & Guidelines

Uniform codes and standards guide INDEVCO in ensuring good corporate governance and alignment with best practices, while allowing comparability for stakeholders to evaluate our performance.

INDEVCO's 2017 Global Sustainability Report is a non-financial report for our business units worldwide based on select **GLOBAL REPORTING INITIATIVE (GRI) 2016 STANDARDS.** Disclosure numbers are identified in the side margins throughout the document. In the future, we aim to publish our report in accordance with the GRI Standards: Core option.

As a Signatory Member of the **UNITED NATIONS GLOBAL COMPACT (UNGC)**, as of September 2017, we will begin submitting a Communication of Progress (COP) in 2018 based on this report.

Lebanon's **CAUX ROUND TABLE FOR MORAL CAPITALISM**, originally launched by INDEVCO Founder, Georges N. Frem, is presently under reorganization and development into a formal chapter, with INDEVCO's leadership support.

UN Sustainable Development Goals

The United Nations has set the 2030 Agenda for Sustainable Development action plan to meet 17 Sustainable Development Goals (SDGs) to improve conditions for people, planet, and prosperity. At INDEVCO, our initiatives align with nine SDGs for which we can show measurable impacts.

ENVIRONMENT

- Reducing energy consumption and Greenhouse Gas (GHG) emissions through solar installations and absorption chillers throughout INDEVCO industrial complexes
- Contributing to the transition to solar power in the Middle East through partnerships with governments, funding agencies, and energy associations

- Procuring renewable and sustainably-sourced raw materials
- Innovating and manufacturing plastics converting raw materials that are renewable recycled and recyclable to reduce GHG emissions and to increase landfill diversion
- Working in coalition and partnership to establish industrial and post-consumer waste recycling infrastructure

- Monitoring and increasing the percentage of INDEVCO's global paper supply from sustainable sources

- Working in partnership with government ministries and municipalities, international organizations, industry associations, and NGOs

SOCIAL

- Supporting initiatives to improve women's physical and emotional wellbeing and children's development in the Middle East North Africa region
- Implementing objectives to improve employee health, safety, and job satisfaction

- Educating young women across Arab countries about menstrual hygiene and mothers about children's creativity
- Supporting non-profit primary schools in Lebanon and educational initiatives for at-risk students

- Addressing needs of female customers and employees.
- Increasing recruitment of women in Saudi Arabia

- Providing internships and enhancing job skills of university students
- Recruiting nationals for meaningful work
- Investing in infrastructure to create additional jobs

- Supporting events and activities to celebrate the diversity of our workforce in different countries
- Increasing emplyoment opportunities for women in Saudi Arabia

- Working in partnership with government ministries and municipalities, international organizations, industry associations, and NGOs

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Audits & External Assurance

INDEVCO does not tolerate breach of local laws, regulations, international standards, and international human rights, as well as internal policies.

INDEVCO Internal Audit conducts an annual audit of business units for presence of business and sustainability objectives and reporting of required data.

A number of INDEVCO business units comply with Sedex Members Ethical Trade Audit (SMETA) and EcoVadis CSR Scorecard audit.

STAKEHOLDER *Engagement*

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Internal Stakeholders

Board of Directors
Employees*

External Stakeholders

Consumers
Customers
Government Ministries & Municipalities
Industry Associations
Local communities
NGOs
Schools
Shareholders
Suppliers
Universities in Lebanon

Key issues raised are managed at the relevant level of the division in strategic, business, and customer experience action plans. Our companies regularly engage with stakeholders through such means as:

- Employee Intranets, internal emails, surveys and the annual INDEVCO Global Leadership Conference
- Annual Customer Satisfaction (CSAT) surveys, Net Promoter Score (NPS) surveys, customer visits and events, and campaigns
- Customer and consumer focus groups and panels
- Ongoing support of schools and universities, including industrial research programs
- Alignment with government ministries and municipalities
- Strategic partnerships with industry associations, environmental and humanitarian organizations

** INDEVCO companies adhere to national labor rights and regulations related to employees and workers in every country in which we operate.*

REPORTING *Practice*

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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 Ltd. (Ghana)

Tunisia

Masterpak North Africa Ltd.

EUROPE & UK

Cyprus

UNIPAK CYPRUS Ltd.

England

Sanita UK

France

Gespa France SARL

Greece

UNIPAK HELLAS Industrial & Commercial SA



MIDDLE EAST

Iraq

Sanita Consumer Products Ltd.
Sanita al Rafidain for Consumer Products Ltd.

Jordan

Sanita Marketing & Distribution Ltd.

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

Saudi Arabia

National Paper Product Co Ltd.

UAE

Beaufort Overseas (FZ) LLC
Beaufort RAK Ltd.
Roto Packing Materials Industry Co LLC
Rotopack Overseas Ltd.

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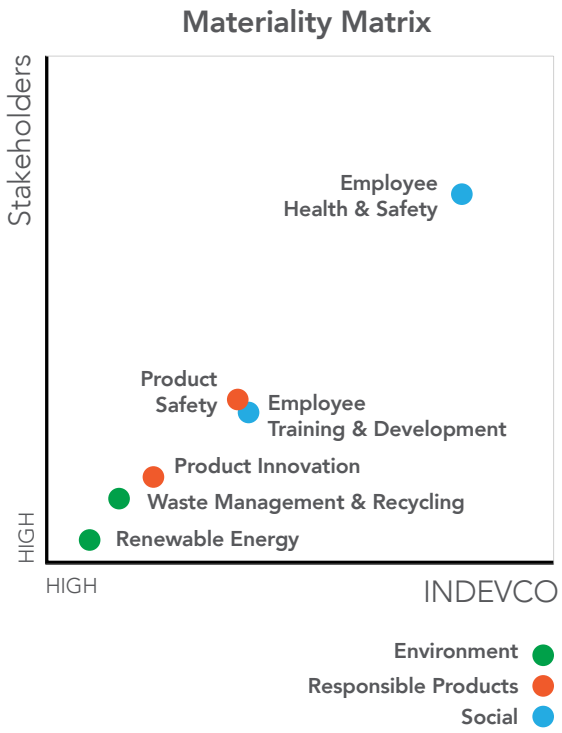
Materiality Assessment

In 2017, INDEVCO Chairman & CEO launched our first annual Sustainability Summit in Beirut, Lebanon with the purpose of conducting a group-wide Materiality Assessment and identifying key Stakeholder groups. During the materiality workshop, division teams and headquarter departments identified significant economic, environmental, and social impacts affecting internal and external stakeholders.

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Stakeholder survey results, with internal stakeholder responses heavily outweighing external responses, helped map a starting materiality matrix to identify the key material topics. Consistent with McKinsey 2017 Global Survey on Sustainability, INDEVCO stakeholder groups rated Renewable Energy and Waste Management lower than Employee Health & Safety, Consumer Product Safety, and Employee Health & Training. However, investments in solar power and waste management continue to increase. Therefore, we retain these as material topics.

See www.mckinsey.com/business-functions/sustainability-and-resource-productivity/our-insights/sustainabilitys-deepening-imprint



In parallel, we developed sustainability stories describing the impacts of major initiatives not immediately obvious from GRI data. Each of these sustainability stories includes a thorough explanation of the Sustainability Context. Stories focus on initiatives which engage multiple business units within a division in one or more countries and initiatives across divisions in one or countries.



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It's important to note that we have not yet set group-level goals and targets, as we are in the midst of a 3-year plan to automate collection of sustainability data, especially environmental. By engaging headquarter and division MIS and BI teams, we will gain visibility into our raw material, energy, water, emissions, and waste performance, necessary to be able to set objectives for the future. Data automation will ultimately allow us to better ensure data accuracy, comparability, clarity, reliability, timeliness and completeness in our reporting. Divisions manage social initiatives locally in line with business strategies and community needs.

We will conduct our next Materiality Assessment in 2019 to set our 2025 Sustainability Objectives and Plan.

Learn More
http://sustainability.indevcogroup.com

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Material Topics

GRI Disclosure	Material Topics	Topic Boundary
RESPONSIBLE PRODUCTS		
GRI 301 Raw Materials	Regeneration of Recycled Resins	INDEVCO / Napco Flexible Packaging Plastics Converters
	Mineral Fillers for Plastics Converting	INDEVCO / Napco Flexible Packaging Plastics Converters
	Oxo-Degradable Plastics	INDEVCO / Napco Flexible Packaging Saudi Standards, Metrology and Quality Organization (SASO) Consumers
ENVIRONMENT		
GRI 301 Raw Materials	Responsible Paper Sourcing	GESPA sal INDEVCO / Napco Division Purchasing Units Paper Brokers Paper Manufacturers
GRI 302 Energy	Solar 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 306 Waste	Scrap Collection & Recycling	INDEVCO / Napco Flexible Packaging Agricultural Growers Beverage Manufacturers Gulf Chemical & Petrochemical Association (GPCA) Petrochemical Manufacturers
	Solid Waste Management	INDEVCO Ghosta Municipality Waste-to-Energy Facilities
SOCIAL		
GRI 403 Occupational Health & Safety	Employee Health & Safety	INDEVCO / Napco Employees INDEVCO / Napco HROD Department INDEVCO Insurance Department INDEVCO / Napco Division Strategy & Transformation Departments
GRI 404 Training & Education	Employee Training & Development	INDEVCO / Napco Employees INDEVCO / Napco HROD Learning & Development Unit
GRI 405 Diversity & Equal Opportunity	Diversity & Inclusion in the Middle East	INDEVCO / Napco Employees INDEVCO / Napco HROD Department
GRI 413-1 Local Communities	Arab Women's Wellbeing	INDEVCO / Napco Consumer Products Divisions NGOs Schools Universities
	Childhood Development in the Middle East	INDEVCO / Napco Consumer Products Divisions Healthcare Institutions NGOs Schools Universities
	Youth Empowerment in Lebanon	INDEVCO HROD Department INDEVCO Polymer Application Technology Center (PACT) Phoenix Group Universities in Lebanon University Placement Offices Faculty Members, Interns & Recruits Maronite Foundation Entrepreneurs in Lebanon

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Restatements & Changes in Reporting

We have restated information regarding our restructuring in the USA and Saudi Arabia, as well as liquidations not yet completed by end 2017.

Material topics have been expanded on the basis of our first Materiality Assessment and formal Stakeholder Engagement survey. Within our Responsible Products topics, we have removed Greencoat® Wax Replacement Corrugated Packaging, as DS Smith North America, Paper & Packaging Division is producing this product under license from INDEVCO in the USA.

102-50
51
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54

Reporting Period, Cycle & Claim

INDEVCO reports annually from January – December. Our most recent report was for the calendar year 2016. This GRI-referenced report covers the calendar year 2017.

See our previous 2016 Global Sustainability Report at http://sustainability.indevcogroup.com/pdf/INDEVCO-2016-Sustainability-Report.pdf

Contact Points for Questions Regarding the Report

102-53

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GRI Content Index

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See p. 45

SPECIFIC *Disclosures*



ENVIRONMENTAL *Impact*

103 Management Approach

As a group of manufacturers, we 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 are actively engaged in the following initiatives:

- Solar Energy
- Responsible Paper Sourcing
- Responsible Raw Material Product Development
- Circular Economy & Waste

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

Our management approach performance is monitored through such external standards as ISO 14001 Environmental Management System and EU Ecolabel, as well as Sedex Members Ethical Trade Audit (SMETA) and EcoVadis CSR Scorecard audits.

Automating data collection across our plants by 2019 will provide the necessary visibility to set clear goals and targets related to our current initiatives, as well as emissions and water consumption and discharge

Learn More
http://sustainability.indevcogroup.com/#environmental-sustainability

Solar Energy

302-1B
4

Within the world's Sun Belt, the majority of INDEVCO's manufacturing operations operate with 300 to 345 days of sunshine per year. In 2017, member company Phoenix Energy in Lebanon tripled the number of photovoltaic (PV) solar panels installed from the year before and increased power capacity with installations for sister companies within INDEVCO, as well as external projects, in Lebanon.

INDEVCO consumer disposables company, Sanita, invested in the largest privately-owned on-grid rooftop PV project at its facility in Zouk Mosbeh. Sister company Unipak then launched its transition to solar, in order to power its corrugated converting plant and offices in Halat.

On external projects, Phoenix Energy partners with government ministries, energy authorities, UN organizations, financing organizations, and local and national associations to replace fossil fuel-based power with abundant solar energy.

In 2017, Phoenix Energy signed an agreement to partner with Egyptian and German companies to build a 64 MWp solar plant in Benban Solar Park near Aswan, Egypt, part of the International Finance Corporation's Nubian Suns Feed-In Tariff Financing Program. Project launch is expected in Q1 2018 with completion in 2019.

Working to increase adoption of renewable energy in the region, as well as expand infrastructure and technology for sustainable energy services, Phoenix Energy contributes to UN SDG7 Affordable and Clean Energy. Phoenix Energy's partnerships with governmental entities, ministries, and local and international NGOs also align with SDG17 Partnerships.

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

OVERALL IMPACT

Egypt

Committed to launch construction in 2018 of solar PV plant in Benban Solar Park:
193,600 PV panels
64 MWp capacity
156,000 MWh / year

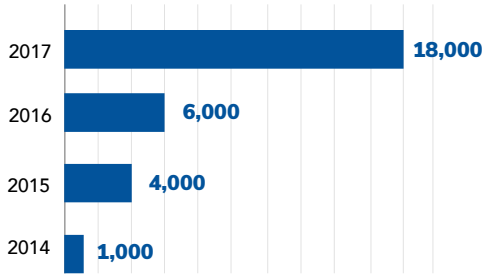
Lebanon

(not including INDEVCO)
9,505 PV panels
2.52 MWp capacity
3,638 MWh / year

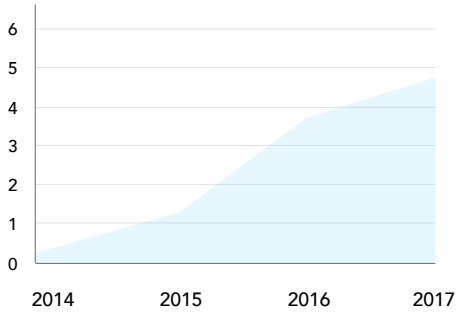
Impact Inside INDEVCO

8,490 PV panels in Ajaltoun, Halat, Hosrayel, and Zouk Mosbeh, Lebanon
2.25 MWp capacity
3,249 MWh / year

PV Panels Installed in Lebanon



PV MWp Capacity Increase in Lebanon





Raw Materials

By sourcing and developing input raw materials that are renewable or recycled, INDEVCO business units support our customers in reaching their sustainable material goals and divert plastic scrap that would otherwise be landfilled or lost to the environment.

In Saudi Arabia and Lebanon, INDEVCO's raw materials replace virgin masterbatches for plastics production: MicroMB® mineral fillers produced in Egypt and recycled resins produced in Saudi Arabia and Lebanon.

INDEVCO Plastics, Inc. has granted DS Smith North America the license to produce Greencoat® wax replacement corrugated packaging in the USA. Greencoat boxes are preferred for their sustainable impact of eliminating unrecyclable wax boxes throughout the supply chain of the poultry, fresh produce, seafood, and stone industries.

Facilitating a shift to environmentally-friendly raw materials and finished goods aligns with UN SDG12 Responsible Consumption and Production, while greater visibility in our supply chain to track sustainable management of forests aligns with SDG15 Life on Land. We are also establishing partnerships with government entities and industry associations, which coincides with SDG17 Partnerships.

Learn More
www.greencoat.net

Responsible Paper Sourcing

301 - 1
2

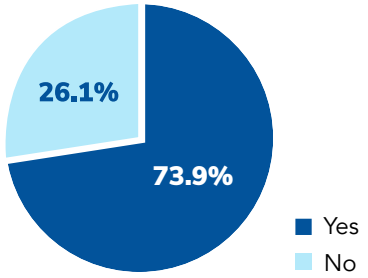
In 2017, INDEVCO business units reported chain of custody certifications for their global virgin and recycled paper suppliers for the first time.

Nearly 74% of INDEVCO's paper suppliers are 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%).

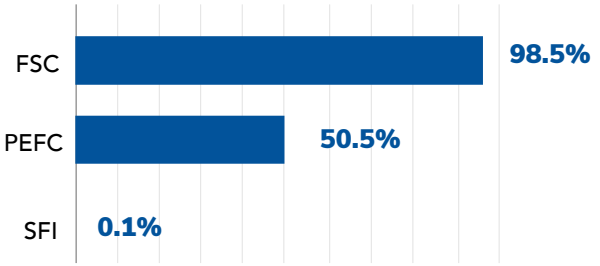
IMPACT

COUNTRIES
Egypt
Lebanon
Saudi Arabia
UAE
USA

% of INDEVCO Global Paper Supply Sustainably Sourced



% of INDEVCO Global Paper Supply Certifications



Learn More
http://sustainability.indevcogroup.com/responsible-paper-sourcing

301-1
2

Transition to Oxo-Degradable Plastic Films in Saudi Arabia

In October 2016, the Saudi Standards, Metrology and Quality Organization (SASO) mandated a phased transition of plastic films under 250 microns, whether produced in or imported to Saudi Arabia, to be composed of approved oxo-degradable materials.

The first phase began in April 2017, affecting products produced by Napco National in Saudi Arabia: garbage bags and table covers.

While Napco National business units in Saudi Arabia secured the license from SASO and are producing the required oxo-degradable products, we have formally communicated our position that the extent of oxo-degradability is seriously debated and that it compromises the recyclability of plastics.

France banned oxo products in 2015, and Spain followed in 2017 by placing limits on labeling plastic bags as oxo-degradable. The United Nations Environment Programme (UNEP) confirmed its position that oxo-degradable products would not significantly decrease the quantity of plastics or their negative impacts on the marine environment.

INDEVCO and Napco National believe in the possibilities unleashed by formalizing a circular economy of plastics, in line with the Ellen MacArthur Foundation's New Plastics Economy initiative.



301-1B
4

Mineral Fillers

Manufacturers are increasingly turning to alternative fillers produced from naturally abundant minerals to replace fossil fuel-based virgin masterbatches in their packaging blends. In 2017, Masterpak Nile in Egypt (76%) and Napco National in Saudi (24%) maintained steady production of calcium carbonate filler and septupled production of talc filler, compared to the previous year.

Sister companies utilized over 40% of the group's total calcium carbonate production.

Learn More
http://sustainability.indevcogroup.com/mineral-fillers

IMPACT

Maintained steady production of $CaC0_3$

Eliminated GHG emissions by nearly 143,500 metric tons of carbon dioxide equivalent ($MTCO_2E$)

COUNTRIES

Egypt

Saudi Arabia

Waste

306-2

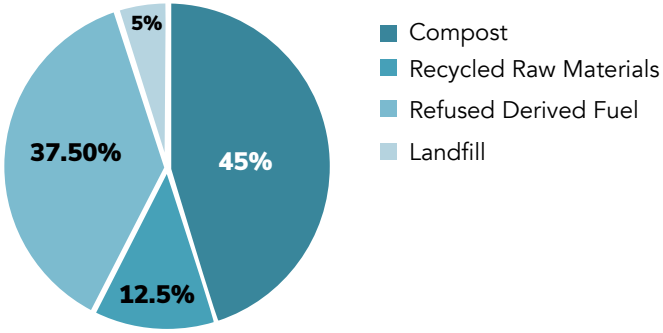
Solid Waste

INDEVCO's Phoenix Machinery financed and built the Ghosta Recycling Plant in Ghosta, Lebanon to process municipal solid waste from the Kesrwan region. The facility, owned by Ghosta Municipality and operated by Solutions, Inc., sits on a 30,000 m^2 plot of land rented from St. Chalita Monastery.

Sister company, Phoenix Energy, equipped the plant with waste sorting lines, composting solutions, and Refuse Derived Fuel (RDF) production equipment.

302-1

The plant transforms organic waste to compost (45%), recycled raw materials (10-15%), the remaining 35-40% to RDF, which is transformed into waste-to-energy in Lebanon. The final 5% of waste goes to landfill.





CIRCULAR ECONOMY

The world is shifting from a 'use-and-dispose' mindset to a regenerative Circular Economy. This economy emphasizes innovation to redesign products to be re-used as raw material sources for new products until end of their lifecycle. The system designs out waste and pollution, reduces depletion of finite resources, and decreases energy consumption in production.

Our business units have been recycling scrap for decades, INDEVCO offers solid waste management services, waste-to-energy technologies, and plastic collection and recycling, as well as regenerated and recyclable raw materials. With plastics operations in four countries, the group has aligned with the 'New Plastics Economy' mindset to unleash greater economic value and create more jobs from plastics recycling and regeneration.

Our focus on circular economy, reducing virgin raw material consumption, and increasing reuse and recycling, aligns with UN SDG12 Responsible Consumption and Production. Working closely with government entities, municipalities, petrochemical producers, and industry associations to further waste management and recycling infrastructure coincides with SDG17 Partnerships.

306-2

Plastic Scrap Collection, Sorting & Washing

At present, 95% of the value of plastics packaging is lost after first use, and only 14% is collected for recycling globally, according to the Ellen MacArthur Foundation. Recycling is an economically viable option for up to 50% of plastic packaging.

INDEVCO business units, Napco National in Saudi Arabia and Masterpak in Lebanon, maintained their volume of post-industrial waste recycled in 2017 at 96% and 4% of total respectively, while investing in new equipment in Saudi Arabia and establishing a new plant in Lebanon.

IMPACT

Diverted 58,855 m^2 of plastic scrap from landfill

Eliminated associated GHG emissions by 598 metric tons of carbon dioxide equivalent ($MTCO_2E$)

COUNTRIES

Lebanon

Saudi Arabia



Nearly 50% of scrap came from sister companies in 2017; they then convert recycled resins from their scrap into a range of premium recycled plastic applications. Our plants work in consultation with INDEVCO Polymer Application Center for Technology (PACT) to capture greater material value and reprocessing yields by sister companies.

301-1
2

Recycled Resins

Napco National in Saudi Arabia and Masterpak in Lebanon increased volume of regenerated resins in 2017. In Lebanon, INDEVCO invested in a new recycling plant to regenerate resins from agricultural film and post-consumer waste.

Sister companies utilized 39% of the group's total recycled resin production.

IMPACT

Increased production of recycled resins by 62.5%

Eliminated associated GHG emissions by approximately 75,235 metric tons of carbon dioxide equivalent ($MTCO_2E$)

COUNTRIES

Lebanon

Saudi Arabia



Learn More
http://sustainability.indevcogroup.com/circular-economy

OUR CIRCULAR ECONOMY *of Plastics*

















SOCIAL *Impact*

Management Approach

103

Our local community engagement is deeply rooted in INDEVCO's corporate philosophy 'What is good for the community, is good for the company'. As our corporate and brand outreach programs address unique social and cultural factors in the communities in which we operate, we evaluated our areas of greatest impact in line with the UN Sustainable Development Goals (UN SDGs) and arrived at the following social responsibility objectives:

- Supporting Arab Women's Wellbeing
- Nurturing Childhood Development in the Middle East
- Empowering Youth in Lebanon

Internally, we work to ensure a healthy and safe work environment, a top priority for all divisions during our stakeholder engagement on material topics, as well as to improve our policy of diversity and inclusion.

- Occupational Health & Safety
- Employee Diversity & Inclusion

The boundaries of these material topics begin directly with our employees globally, then move beyond to include indirect impacts of insurance companies, healthcare institutions, local NGOs, educational institutions (primary schools and universities), and other associations we support in local and regional initiatives.

Within our social responsibility objectives, the INDEVCO Chairman's Office annually supports initiatives, reviews performance, and re-evaluates future directions.

Learn More
http://sustainability.indevcogroup.com/#social-responsibility

Operations with Local Community Engagement, Impact Assessments, and Development Programs

413-1

Our group's local initiatives are concentrated in Lebanon and Saudi Arabia, as INDEVCO and Napco National corporate headquarters and related consumer disposables companies champion social programs and campaigns in support of Arab women and children, as well as university students.

403-1
4
5

Occupational Health & Safety

All employees of INDEVCO operations are covered by internal Health & Safety systems and processes. INDEVCO Internal Audit Department and INDEVCO Insurance Department audit business units accordingly. As Health & Safety is a material topic, we will report accident and incident rates in the coming year.

In 2017, INDEVCO business units maintained OHSAS 18001 certifications, audited by third parties, while INDEVCO HROD Learning & Development unit managed Health & Safety courses and developed a series of online First Aid training for employee onboarding.

By providing access to health coverage and essential health care services for our employees, we align with UN SDG3 Good Health and Wellbeing. Our health and safety training increases the number of adults with relevant technical and vocational skills, consistent with SDG4 Quality Education.

Learn More
http://sustainability.indevcogroup.com/occupational-health-and-safety

OHSAS 18001 Certification

Twenty five per cent (25%) of INDEVCO's manufacturing facilities, including corrugated, paper, plastics plants in Egypt, Lebanon, Saudi Arabia, and the UAE, currently hold OHSAS 18001 Occupational Health & Safety Management Certifications, which are audited by Lloyd's Register Quality Assurance and TUV NORD.



Standardized Safety Reporting

Data fields and terminology for accident and incident reporting were standardized across divisions in 2017. Reporting automation will take place via INDEVCO HR System in 2018.

Health & Safety Training

In 2017, INDEVCO HROD Learning & Development (L&D) managed over 70 basic and advanced credit hours of training courses to nearly 370 employees (97% male; 3% female) across three divisions in Egypt, Lebanon, and Saudi Arabia.

INDEVCO L&D also developed a First Aid online video training series to be used during new employee onboarding beginning in 2018.

Training Courses

- Firefighting Basics
- Safety & Firefighting
- First Aid Techniques
- Occupational Health & Safety
- Sanitation & Housekeeping

First Aid Video Series

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

405-1B

Employee Diversity & Inclusion

INDEVCO operations in Egypt, Lebanon, and Saudi Arabia are working to reach national quotas for employment of people with disabilities. As part of this initiative, offices and plants are providing access areas, safe passageways and signs, customized restrooms, and reserved parking spaces.

In Lebanon, Sanita designed work spaces to accommodate employees with speech and hearing conditions, Down syndrome, and paralysis. In 2017, Sanita spoke at the UN ESCWA Workshop for International Day of Persons with Disabilities to discuss facilitating the inclusion of persons with disabilities in the workforce. Phoenix Group facilities, also in Lebanon, meet international standards for inclusive working conditions for disabled persons.

Facilitating the employment and economic inclusion of persons with disabilities aligns with UN SDG8 Decent Work and Economic Growth (Target 8.5) and SDG10 Reduced Inequalities (Target 10.2) to achieve full, productive and decent work, as well as promote the social and economic inclusion of all.

IMPACT

Employed over 150 persons with disabilities in Egypt, Lebanon, and Saudi Arabia (95% male, 5% female)





Learn More
http://sustainability.indevcogroup.com/diversity-and-inclusion

See INDEVCO Diversity & Inclusion Policy at http://sustainability.indevcogroup.com/diversity-inclusion-policy

413-1

Supporting Arab Women's Wellbeing

Cultural norms in the Arab region affect women's access to health-related information and education. At INDEVCO's consumer disposable companies, Napco National in Saudi Arabia and Sanita in Lebanon, brand teams delivered programs during 2017 on puberty and menstrual hygiene, career orientation, breast cancer awareness, and healthier and happier living in the Arabian Gulf and Levant countries. INDEVCO also works to strengthen the role of women in the workforce.

Our initiatives provide healthcare information and education needed to promote sustainable development, as well as use technology to empower women which coincide with UN SDG3 Good Health & Wellbeing, SDG4 Quality Education, and SDG5 Gender Equality. Providing inclusive and good working conditions for women supports their effective participation in economic life consistent with SDG5 Gender Equality, SDG8 Decent Work and Economic Growth, and SDG10 Reduced Inequalities. By establishing public-private and civil society collaborations, we also align with SDG17 Partnerships.

Learn More
http://sustainability.indevcogroup.com/arab-womens-wellbeing

Puberty & Menstrual Hygiene Education Program for School Girls

Teams from Napco National Fam and Sanita Private Miss Teen brands partnered with over 380 schools in 4 Arab countries to develop and deliver personal development culturally appropriate information to over 45,000 female students.

REACH

Nearly 45,000 school girls
380+ schools

COUNTRIES
Kuwait
Lebanon
Saudi Arabia
UAE

Fam® Cares for Arab Women's Wellbeing

In 2017, Fam® brand launched the *I Take Care of Myself; I Choose* campaign to promote Arab women's wellbeing via healthier and happier living. The integrated campaign shared a video series about wellness choices encouraging work-life balance, fitness, and personal comfort on Facebook, Twitter, and YouTube, as well as on pan-Arab satellite TV.

REACH

580,000+ women aged 18-45 on social media

COUNTRIES
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
UAE



Fam® Cares for Early Breast Cancer Detection

Since 2009, Napco National's Fam® brand has partnered with Zahra Breast Cancer Association to promote public awareness of early screening in Saudi Arabia during Breast Cancer Awareness Month in October. Breast cancer is the leading form of cancer for women in the Kingdom.

Each year, the program engages with women in Saudi malls in the Eastern, Central, and Western provinces.

In addition, Fam's 2017 integrated campaign encouraged social sharing of survivor stories in Saudi Arabia using the *Ou3aber_bel_Wardi)*, a social#) #اعبر_بالوردي_عن hashtag media campaign, *The Will to Live (Iradat Al Hayat)*, across 3 Arab countries, and a pan-Arab satellite TV ad, *Minutes are* to encourage regular ,#دقايق_تسوى_سنين) *Worth Years* screenings



REACH

21,000+ women in Saudi malls

Over 400,000 women aged 18-45
in 3 Arab countries via social media

COUNTRIES
Kuwait
Saudi Arabia
United Arab Emirates

Passionate by Nature Program

Sanita Private's *Passionate by Nature* program, running since 2010, expanded in 2017 with initiatives designed to help young women identify their passions and pursue careers that lead to success and happiness.

Do It with Passion and *Passionate Brain* social media campaigns on Instagram, YouTube, and Facebook, the *In Passion* career orientation program in Lebanese schools, and a viral video campaign inspired young women to follow their dreams.



REACH

570,000 women aged 18-45
in 5 Arab countries via social media

75 Lebanese schools

18,700 women in Lebanon via viral video

COUNTRIES
Iraq
Jordan
Kuwait
Lebanon
Saudi Arabia
UAE

Strengthening the Role of Women in the Workforce

The MENA region has the lowest female participation in the labor force at 22%, compared to the global average of 46%. Saudi Vision 2030 has set equal opportunity as a key target, identifying women as critical to development of the society and the economy.

INDEVCO employs nearly 600 women in the MENA region, including 100 women in Saudi Arabia, in its corporate offices and manufacturing plants. In 2017, INDEVCO provided training to over 150 women in Lebanon, Egypt and
Saudi Arabia.

For working mothers in the group in Lebanon, INDEVCO's maternity policy includes options for a flexible schedule and/or reduced work hours.

IMPACT

Diversity in Saudi Arabia & the Arabian Gulf
Over 110 female employees in the Gulf (2% of the workforce)

Training
26% of women across INDEVCO business units in MENA

Work-Life Balance
100% of working mothers in Lebanon with a child 6 years or younger are eligible to benefit from INDEVCO's maternity policy

413-1

Nurturing Childhood Development in the Middle East

The private sector plays a critical role in Early Childhood Development (ECD) in the Middle East North Africa (MENA) region, where investment is among the lowest in the world, according to the World Bank. Napco National brand teams in Saudi Arabia deliver ECD programs emphasizing creativity, parent-child bonding, giving positive feedback, and hand hygiene. In Lebanon, INDEVCO supports NGOs engaged in formal primary education and theater performance as a venue for self-expression.

Our childhood development initiatives for good hygiene against communicable diseases link to UN SDG3 Good Health and Wellbeing. Supporting programs that provide access to inclusive and quality education and lifelong opportunities for all aligns with UN SDG4 Quality Education.

Learn More
http://sustainability.indevcogroup.com/childhood-development



Early Learning Initiatives

During 2017, Napco National's Sanita Bambi® brand team reached women and caretakers across 7 Arab countries with three social media-based programs devoted to early learning, as well as engaged families at Kids in Motion, Saudi Arabia's popular kids' festival.

Campaigns shared Arabic-language educational videos and postings on Facebook, Instagram, Twitter, and YouTube.

REACH

2.5 million+ women

COUNTRIES
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
UAE



Raising Creativity

Educated mothers about stimulating children's imaginations and learning through play, experimentation and exploration.



Life is Short (El 3omer Ghafli)

Encouraged creating and recording memorable experiences for mother-child bonding.



Words

Emphasized reframing language to give positive direction for learning rather than to emphasize children's poor behavior.

Children's Hygiene

REACH

220,000 men and women

VIEWS
Over 85,000 times

COUNTRIES
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
UAE

Sanita® Back-to-School Hygiene Program

Napco National's popular Hand Sanitizer brand launched Sanita® Back-to-School Hygiene Program in 6 Arabian Gulf countries, in alignment with Global Handwashing Day on 15 October. The initiative, directed at parents and teachers, communicated the importance of handwashing at critical times to prevent disease and save lives. Three expert how-to videos featuring medical doctors were broadcast over Facebook, Instagram, Twitter, and YouTube.

Quality Education

REACH

59,800 children through plays (including 3,800 free)

270 children and teens through 12 workshops

COUNTRY
Lebanon

Théâtre Athénée

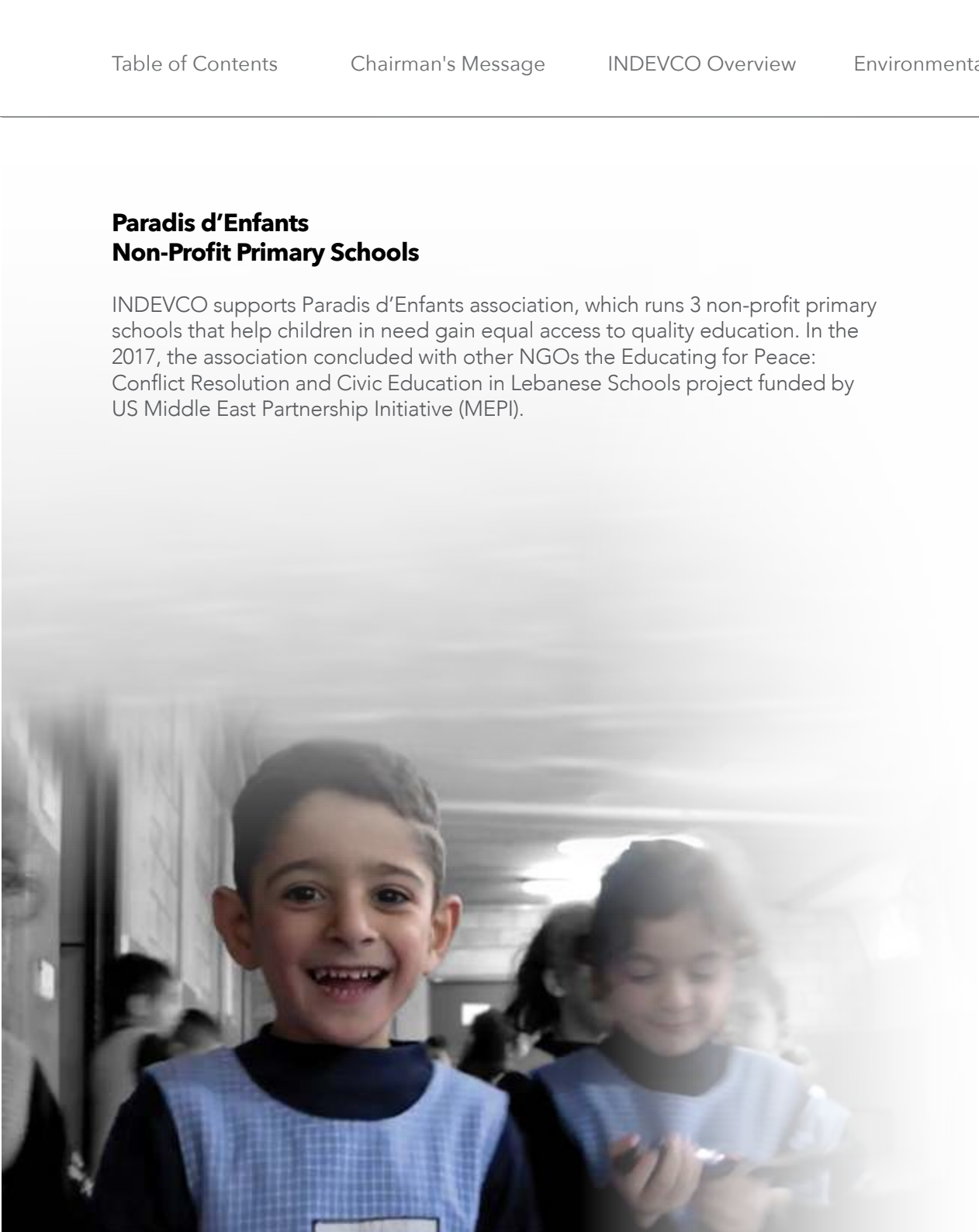
Through INDEVCO support, Théâtre Athénée serves as an important platform for creativity and self-expression for children and teens in Lebanon. The theater initiates and produces workshop and productions which emphasize values of civic education, family principles, national belonging, and appreciation of the arts.

Théâtre Athénée's plays are broadcast on Télé Lumière's NourKids TV channel in Lebanon.



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 2017, the association concluded with other NGOs 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:
2000+ students
200+ teachers
1300 alumni

MEPI Educating for Peace Program:
5 schools
500 students
40 teachers
50 parents

COUNTRY
Lebanon

413-1

Empowering Youth in Lebanon

In 2017, the Middle East North Africa (MENA) region retained the highest youth unemployment in the world, according to the International Labour Organization (ILO), with female participation the lowest due to early marriage and motherhood.

With our headquarters in Lebanon, INDEVCO engages heavily with local partners to elevate industry-university relations, to stimulate entrepreneurship among Lebanese youth, and to support cultural heritage programming for Lebanese descendants of emigrants.

These initiatives help improve relevant skills for employment, decent jobs, and entrepreneurship linking to UN SDG4 Quality Education, as well as stimulate the economy and reduce youth unemployment through job creation in line with SDG8 Decent Work and Economic Growth. Developing relationships and programs with educational institutions contributes to SDG17 Partnerships

Learn More
http://sustainability.indevcogroup.com/youth-empowerment-in-middle-east

Photo Credit
Lebanese American University graduates at the institution's 92nd commencement



Advancing Industry-University Relations

Institutional Support

MOUs & Technical Cooperation Agreements with Universities

In 2017, INDEVCO Polymer Application Center for Technology (PACT) maintained MOUs with American University of Beirut, Lebanese University, Notre Dame University - Louize, and Université Saint-Esprit de Kaslik to guide Engineering interns and students with final-year projects in Chemical Engineering, Mechanical Engineering, Petrochemical Engineering, and Materials and Applications.

A technical cooperation agreement between INDEVCO / Phoenix Group and Lebanese University supports the LU Faculty of Engineering with research and technical exchange, as well as support for advanced laboratory testing capabilities.

Student Initiatives & Support

Lebanese Industrial Research Achievements (LIRA) Program

INDEVCO annually sponsors the Lebanese Industrial Research Achievements (LIRA) Program Forum of Technology and Industrial Innovations, which supports PhD dissertation research and Bachelor final year projects on technological innovations in manufacturing. In 2017, INDEVCO Polymer Application Center for Technology (PACT) and member company Phoenix Machinery supported 5 LIRA projects.

Arab Student StarPack 2017 Competition

INDEVCO member company, UNIPAK, continued to support skill building in packaging design as a Gold sponsor of the Arab Student StarPack 2017, an evolution of Lebanon Student StarPack launched in 2010.

Organized by LibanPack and the United Nations Industrial Development Organization (UNIDO), Arab Student StarPack 2017 attracted over 1,000 designers in 15 Arab countries.

REACH

Institutional Initiatives

Board of Trustees and advisory board participation at 6 universities

Maintained MOUs and technical cooperation agreements with 3 universities

Student Initiatives

Tuition assistance to 390+ university students who are children of 285 INDEVCO employees

Nearly 150+ interns from 20+ universities and technical schools

150+ recruits from 20+ universities and technical schools

730+ students bussed from rural villages to higher education locations throughout the academic year through Georges N. Frem Foundation's Rural Transport Program

COUNTRY

Lebanon

Stimulating Entrepreneurship of Lebanese Youth

The Olive Grove Co-Working Space

In 2017, INDEVCO established The Olive Grove, a co-working space for Lebanese start-ups and small businesses. Located in Hamra within close proximity to the American University of Beirut and Lebanese American University Beirut Campus, the space fuels creativity, productivity, and sense of community among aspiring young Lebanese entrepreneurs.

The IMF 2017 country report on Lebanon cites brain drain – migration of top talent – as significant. The report found that, only 45% of AUB's entire alumni population could be traced to living in Lebanon. In parallel, an Endeavor survey of entrepreneurial firms in Lebanon pinpointed scarcity of experienced candidates, shortage of knowledgeable candidates, and talent retention as key recruitment challenges.

THE OLIVE GROVE



Supporting Cultural Heritage Programs for Lebanese Descendants

Maronite Academy

In 2017, the Maronite Foundation of the World, co-founded by INDEVCO Chairman Neemat Frem in 2008, sponsored the 5th Annual Maronite Academy at Holy Spirit University of Kaslik in Lebanon, hosting over 40 young adults between 20-30 years old.

During the two-week stay, the descendants from 13 countries learned about their Lebanese heritage. For many, this was their first visit to Lebanon. Participants came from Argentina, Australia, Bolivia, Brazil, Canada, Dominican Republic, Ecuador, Greece, Mexico, South Africa, Uruguay, USA, and Venezuela.





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Appendix A: Export Countries | Appendix B: Origin of Suppliers

	A	B
AFRICA		
Algeria	•	
Angola	•	
Benin	•	
Burkina Faso	•	
Cameroon	•	
Chad	•	
Congo	•	
Djibouti	•	
Egypt	•	•
Eritrea	•	
Ethiopia	•	
Gabon	•	
Gambia	•	
Ghana	•	•
Guinea	•	
Ivory Coast	•	
Kenya	•	
Liberia	•	
Libya	•	
Madagascar	•	
Mali	•	
Mauritius	•	
Morocco	•	•
Niger	•	
Nigeria	•	
Senegal	•	
Somalia	•	
South Africa	•	•
Swaziland		•
Tanzania	•	
Togo	•	
Tunisia	•	•
Uganda	•	
Zambia	•	
AMERICAS		
Brazil		•
Canada	•	•
Guatemala	•	
Mexico	•	•
Paraguay	•	
Peru	•	
Suriname	•	
United States	•	•
Uruguay		•
ASIA		
Afghanistan	•	•
Azerbaijan	•	
China		•
India	•	•
Indonesia		•
Japan		•
Korea South		•
Malaysia		•
Pakistan	•	•
Philippines		•
Russia	•	•
Singapore		•
Sri Lanka	•	
Taiwan		•
Thailand		•
Vietnam		•
CARRIBEAN		
Dominican Republic	•	
Grenada	•	
Haiti	•	
EUROPE		
Albania	•	
Andorra		•
Austria		•
Belgium	•	•
Bosnia Herzegovina	•	•
Bulgaria	•	•
Cyprus	•	•
Czech Republic	•	•
Denmark	•	•
Estonia		•
Finland	•	•
France	•	•
Germany	•	•
Greece	•	•
Hungary	•	
Ireland	•	•
Italy	•	•
Malta	•	•
Monaco	•	
Netherlands	•	•
Poland	•	•
Portugal		•
Romania	•	•
Serbia		•
Slovakia		•
Slovenia	•	•
Spain	•	•
Sweden		•
Switzerland		•
Turkey	•	•
Ukraine		•
United Kingdom	•	•
MIDDLE EAST & ARABIAN GULF		
Bahrain	•	•
Iraq	•	•
Jordan	•	•
Kuwait	•	•
Lebanon	•	•
Oman	•	•
Qatar	•	•
Saudi Arabia	•	•
United Arab Emirates	•	•
OCEANA		
Australia	•	•
New Zealand	•	
TOTAL	**83**	**65**

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 afore-mentioned 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.*



2017 Global Sustainability Report

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