

Personal Information:

CEO Statement:

April 17th, 2014

Dear Sirs,

We are pleased to confirm that ALBINA SAL reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this communication on Progress Report, we summarized ALBINA's main operations and policies which are aligned with the Global Compact strategy and reflects its Ten Principles, and the other main policies which ALBINA is in process of developing. We also commit to share this information with our stakeholders using our primary channels of communication; particularly through the Human Resources Manager, Quality Manager, Communication Manager and Administrative Officers.

Yours sincerely,

Maher Tabbara

Chair-General Manager

Human Rights:

1- The Human Resources department launches the employee handbook that treats most topics briefly and provides link to the department of HR Management's policies such as:

- General Employee Conduct: ALBINA expects its Employee to conduct themselves in a rigorous manner.
- Business Ethics and Conduct: ALBINA expects Employees to follow rules of conduct that will protect the interests and safety of all Employees and the organization. Nothing in this policy is intended to change the company's at-will employment policy.
- Employee Relation and Communication
- Violence in the Workplace: The Company strongly believes that all Employees should be treated with dignity and respect. Violation of this policy will result in disciplinary action, up to and including immediate discharge.
- Accidents and Emergencies
- Internal Complaint Procedures: ALBINA provides Employees with an established procedure for expressing employment related concerns. If an Employee believes that he/she has a legitimate work-related complaint, the Employee is encouraged to first attempt to resolve the issue(s) through discussions with his/her immediate Supervisor/ Manager.
- Grievance Procedure: it helps employees deal with disciplinary and grievance situations in the workplace.
- Problem Resolution ALBINA is committed to providing the best possible working conditions for its Employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from the Supervisors and Management.
- Suggestion: ALBINA employees have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.
- Drug & Alcohol Free Workplace: Manufacture, distribution, dispensation, possession, or use of any illegal drug, alcohol, or controlled substance while on Company premises is strictly prohibited.
- Smoking Policy:
ALBINA has prohibited smoking throughout its workplace.

Therefore, all the above mentioned policies are being applied by ALBINA; Top Management is always conscious to make sure that human rights are appropriate within the organization.

- 2-** Upon Employment, the new employee reads carefully the Employee handbook that includes all HR policies and signs the acknowledgement of receipt. Regular meetings and awareness seminars are conducted to stress on the "Code of Ethics", teamwork values, workplace security, etc. as well as to spread the corporate culture and consistently share the company's strategy, quality policy, mission and vision across all organization levels.

A Grievance Committee is composed to handle concerns, problems or complaints that employees raise with their colleagues and/or employers.

Management representatives are present on the ground anytime at all of ALBINA branches for efficient control.

Any breach of ALBINA rules will result in immediate warning and/or legal action to all concerned parties leading to termination of the employment.

3-Regular performance appraisals are conducted by Managers (initiated by the HR Manager) in order to evaluate the yearly performance, assess the staff maturity level and set clear objectives with plans and required trainings for the coming year.

Probationary performance appraisals are covered as well for the new employees after three months of their first working day.

Performance Appraisals results are communicated to top Management for decision and action.

When placing a Grievance, the Committee carries out any necessary investigations, to establish the facts of the case. Necessary investigations of potential disciplinary matters are carried out without unreasonable delay to establish the facts of the case. Fairness and transparency are promoted by developing and using rules and procedures for handling disciplinary and grievance situations.

Labour:

1- ALBINA has committed to implement the Balanced Scorecard principles where each member contributes by himself to achieve the company's strategy, mission and vision. Cascading, prioritization and budgeting of initiatives were successfully established this year in an attempt to diffuse them to the right personnel and implement them step by step. The execution of the Balanced Scorecard perspectives is based on employee empowerment, leadership, loyalty, integrity and responsibility values.

We believe in the Open Door Policy where all ALBINA personnel have the right to raise and discuss with Top Management any problem or concern they might necessary need to clarify.

Within the framework of Lebanese Law, ALBINA is an equal opportunity where employment is based on personal capabilities and qualifications without discrimination because of race, color, religion, sex, age, national origin, disability, or any other protected characteristics as established by law.

2- Each member of ALBINA has a detailed job description where all responsibilities, requirements and duties are specified and acknowledged by personnel.

Compensation and Benefits are clearly defined by Management and acknowledged by personnel.

Maintaining a safe work environment requires the continuous cooperation of all Employees. The Company strongly encourages Employees to communicate with fellow Employees and their supervisor regarding safety issues.

All Employees will be provided care, first-aid and emergency service, as required, for injuries or illnesses while on ALBINA premises. Employees should contact their supervisor, the nearest supervisor, and/or 140 (Lebanese Cross) in the event of an accident or emergency. If an Employee is injured on the job, ALBINA provides coverage and protection in accordance with the Workers Compensation Law.

When an injury is sustained while at work, it must be reported immediately to the Employee's supervisor/Manager, who in turn will notify Human Resources of the incident. Failure to report accidents is a serious matter as it may preclude an Employee's coverage under Worker's Compensation Insurance.

3- ALBINA is certified ISO 9001:2008, thus external auditors are assessing on yearly basis the implementation and efficiency of company's documents based on ISO standards and requirements. The Internal Audit and Quality Department aims to continuously control the company's operations, assess figures, solve discrepancies and suggest opportunities for improvement. Results are actions taken are reviewed periodically by senior management.

The Sales Back Office is a newly created department in order to follow up on clients requirements and ensure the best quality of services.

Disciplinary actions may take one of the following forms according to the seriousness of the offense: verbal warning, written warning or dismissal. In case an employee has 3 written warnings in a year, he / she will be dismissed.

Environment:

- 1- Building on its continuously evolving Corporate Social Responsibility Program and to address its environmental and social responsibilities, ALBINA SAL has undertaken numerous projects and engaged itself in different initiatives in order to protect and preserve the environment. Since “ALBINA we care” is our slogan, we have a very strict paper policy. There are special recycling baskets for papers distributed in all the offices. The paper is then collected and sent to recycling facilities. Moreover, ALBINA policy instructs that the paper supplier should abide by certain environmental standards. Therefore, IQ is ALBINA’s paper supplier and has won the 2010 Pulp and Paper International Awards for best environmental strategy.
- 2- This year, the Lebanese Center for Energy Conversation (LCEC) has selected ALBINA to be an ESCO (Energy Service Company and/or supplier) as part of the NEEREA (National Energy Efficiency and Renewable Energy Action). The NEEREA is “dedicated to support the financing of environmental projects [...] through offering soft loans”. ALBINA’s role is to act as a consultant for the loan seekers in order to conduct the required energy audit and propose recommendations. Moreover, ALBINA has been included in the Green Business Handbook published in 2012 as a major supplier of photovoltaic panels, solar water heaters and wind turbine power generators.
- 3- In 2013, ALBINA also became a gold member of the World Energy Council (WEC). The World Energy Council (WEC) is the principal impartial network of leaders and practitioners promoting an affordable, stable and environmentally sensitive energy system for the greatest benefit of all. Formed in 1923, WEC is the UN-accredited global energy body, representing the entire energy spectrum, with more than 3000 member organizations located in over 90 countries and drawn from governments, private and state corporations, academia, NGOs and energy-related stakeholders. WEC informs global, regional and national energy strategies by hosting high-level events, publishing authoritative studies, and working through its extensive member network to facilitate the world’s energy policy dialogue.

As additional projects to be added to ALBINA portfolio, in 2013 ALBINA has finished the supply and installation of photovoltaic street lighting centralized system and has inaugurated the system with the presence of the Lebanese ministry of water and energy. Recently ALBINA was awarded the supply and installation of 60 standalone photovoltaic systems for the region of Marjeyoun. This project is expected to be completed in June 2014.

On another section of the environment, ALBINA was also awarded by the Lebanese Center for Water Management and Conservation (LCWMC) a project that consisted on supplying and installing water conservation equipments for 1,440 household in Shaileh – Lebanon. These equipments are composed by one tank bank, 3 water aerator (max flow 1l/min), a water flow restrictor for kitchen taps (8l/min) and a shower head of 9l/min).

Furthermore, ALBINA was also subcontracted by Sustainable Environmental Solutions (sister company) to execute three water conservation projects on the Lebanese territory. Funded by CocaCola and managed by the Lebanese NGO arcenciel, SES/ALBINA installed three rainwater harvesting systems for two public schools and Tenail arcenciel center. Each system is able to supply the concerned building with around 40m³ fixed volume (can reach around 300 m³ as moving volume).

The second projects, funded by HSBC and in partnership with SOS and arcenciel, water recycling systems were installed in the village of SOS in Kfarhay and Achkout public school. These system contained rainwater harvesting systems along with wastewater treatment facilities. This project is an ongoing project till 2016, where another SOS village will benefit along with three other public schools.

Finally, ALBINA SAL's board of directors is involved in ALBINA's two sister companies whose vocation lies in the environmental setting.

1. Sustainable Akkar (SA) is an energy development company specializing in initiation, development, financing, and implementation of renewable energy projects, including the 1st large scale wind energy project in Lebanon located in Akkar, North Lebanon. SA's mission is to drive a new era of renewable energy in Lebanon; applying superior innovation and technology to generate and deliver clean and efficient energy. Sustainable Akkar will pioneer profitable projects that deliver locally, socially, environmentally and economically.
2. Sustainable Environmental Solutions (SES) is a regional environmental and energy development company based in Beirut, committed to provide sustainable solutions and technologies that are up to par with the challenges facing our region. SES has extended its presence in the Middle East and was present in Syria, Jordan, Qatar, Saudi Arabia (KSA), Bahrain, and Sudan. SES provides

both strategic and project-based advisory and consultancy services to its clients. We acquired expertise in Solid Waste Management (SWM), Integrated Water Resource Management (IWRM), wastewater treatment design and assessment, air pollution abatement, noise pollution and odor control, traffic management and routing optimization.

- 4- Apart from its paper policy, ALBINA does not have many environmental management policies. However, the human resources department along with the quality department is working on drafting a new company policy which will increasingly involve environmental risk, environmental footprint and supplier environmental standards

Anti-Corruption:

Corruption, kickbacks and secret commissions' issue is tackled in the Employee Handbook. This policy is officially publicized among all ALBINA Member of Staff.

- "Employees shall not receive payment or compensation of any kind, other than those mentioned in the agreement.

In particular, ALBINA strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others.

Any violation of this rule will result in immediate legal action to all concerned parties leading to termination of the employment".

2- Meetings and awareness are conducted by the Human Resources Manager about the company's policy regarding anti corruption.

A new position is borne: "Customer Service Officer" in order to perform happy calls / after action calls for all departments.

3- Any violation of Anti-Corruption rule is being legally treated, and in accordance with the disciplinary procedure.

Internal Audits have been conducted in this regard by the Internal Auditor. Findings are submitted to top management.