



NUQUL GROUP

SINCE 1952

Sustainability Report 2013



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

Executive Summary

Nuqul Group has embarked on the journey of sustainable development since 2007 when the Group became signatory to the UN Global Compact. Since then, commitment to and compliance with the diverse sustainability criteria of the Global Compact within the group has been diligently demonstrated and upgraded through the various efforts, programs, and systems that Nuqul Group adopted in order to fulfill its promise on continued sustainable growth for all its stakeholders.

For the sixth year since signing the compact, Nuqul Group is disclosing its sustainability performance as presented in this document. The report has been developed in accordance with the GRI G3.1 Reporting Guidelines, and to Nuqul Group Stakeholder Council, which was established last year, and has convened again this year to review, provide feedback on, conduct the final measurement of the compliance criteria, and to sign off on the content and quality of the report based on the GRI reporting parameters.

The key sustainability issues that are reported in this document have been identified based on a materiality analysis, which takes into consideration the impact of sustainability on the business and the points of concern for the Group's various stakeholders. Accordingly, this report provides an account of the Group's performance against the identified key sustainability issues as provided in the materiality analysis.

In 2013, the following performance trends were observed:

- The group experienced a significant growth in revenues as compared to 2012, due to improved market segment access and coverage using a balanced portfolio of products and services. Higher level of product innovation, especially for A-list products, alongside increasingly effective marketing and communication initiatives enhanced brand equity and increased sales capability.
- The group's social performance and investment, as demonstrated by the Corporate Social Responsibility initiative in Al-Koura, has started producing wider impacts on the livelihoods and quality of life of the targeted groups in Al-Koura when compared to 2012; since the CSR initiative deployed a flagship program that works on supporting the economic security of economically underprivileged groups, supporting the quality of education in the public sector schools, promoting the legal rights of vulnerable society segments, and promoting local culture and arts within the Al-Koura community.
- Total water consumption for the group has increased, due to an increase in the product specific water consumption in one of the mills for Nuqul Tissue Jumbo Rolls; however, the average specific water consumption per ton tissue in all the mills is still 50% lower than that of the industrial average.
- Total Electricity Consumption for the group has increased due to the increase in production in Fine Converting facilities; however, the product-line specific electricity consumption for our facial, kitchen and toilet tissue products as well as our absorbent products has decreased as compared to 2012.
- The Group's total direct energy consumption (operational fuel and distribution fuel) has decreased overall, mainly due to a decrease in operational fuel consumption by Nuqul Tissue, while the distribution fuel consumption has increased as compared to 2012, due to an increase in sales in 2013.
- Overall GHG emissions at the Group level has increased due to the increase in the consumption of electricity and distribution fuel as compared to 2012, but the GHG emissions generated by producing most of our product line has decreased or remained the same as compared to 2012.
- The total industrial waste generated has decreased substantially as compared to 2012 due to diligent quality monitoring measures.
- The Group's employee turnover rate has slightly decreased as compared to 2012, while the percentage of female employees in the workforce and in management positions has increased, and the average training hours per employee has also increased.
- The Accident Severity Ratio has increased as compared to 2012 due to the increased number of lost days.
- The Organizational Health Survey score improved in 2013 as compared to the results of the same survey conducted in 2010

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Message from the CEO

This is the sixth year for Nuqul Group in which we fulfill our commitment to the ten principles of the UN Global Compact and publish our annual sustainability report. This report is developed based on the GRI G3.1 Reporting Guidelines and covers all core indicators to achieve an “A+” transparency level. Our stakeholder council continues to provide support in verifying our sustainability report and providing input for our sustainability strategy. We are pleased that new suppliers’ representatives and new customers’ representatives have joined the sustainability council in 2013.

Driven by our core values “Our world, our pride and our soul”, we continue to take the leap of faith in sustainability as we strive to deploy our five-point sustainability strategy across all our businesses. Our sustainability strategy is structured in a manner that aims to embrace the challenges and opportunities posed by the key sustainability issues and trends facing our industry. As our business is heavily dependent on the availability of natural resources from wood pulp to water to energy, we strive to take diligent measures to manage and consume such resources sustainably, so as to ensure the continuity of our business and the trust our consumers have in our products while not compromising the availability of these resources for present and future generations.

We have achieved several improvements in terms of input efficiency of our products. Our jumbo roll tissues still maintain an average of 50% less water consumed per ton than the industrial average, electricity consumption for our diaper products decreased by 9% (MWh/Million Diapers) as compared to 2012, and the electricity consumption for our tissue jumbo rolls decreased by 4% for the same period. In the same year we have adopted the use of biodegradable plastic for all the Nylon components of our product packaging in another effort to improve the environmental impact of our products across their life cycle.

Our CSR initiative in Al-Koura the District witnessed the accomplishment of yet another milestone in 2013. Kheir Al-Koura, the CSR flagship production project, was launched in the district in cooperation with the Ministry of Municipal Affairs and Deir Abi Said Municipality through a first-of-a-kind Public Private Partnership signed between Nuqul Group and the Municipality. Through this project, Kheir Al-Koura is expected to provide sustainable livelihoods for the Al-Koura community as they get involved in productive activities that are based on dedicating sufficient resources on the long term and on transferring critical livelihood knowledge within the community. We have also partnered with leading national organizations in the areas of education, legal rights and culture and arts to deliver a comprehensive livelihood enhancement program to the district at large. During the year we commenced advocating our approach in other districts

In 2013, we have demonstrated our continuous commitment to the professional development of our employees, as the average number of training hours per employee has increased 79% as compared to 2012. In an industry traditionally dominated by males, we strive to enhance gender equity where the percentage of female employees in FHH increased from 13.0% to 14.2%, while the percentage of female employees in management positions across the group increased from 11.7% to 12.3%.

We are regularly seeking the input of our customers regarding the quality and performance of our products, and we strive to meet the demands of our customers constantly. The average lead time to resolve customer complaints decreased by 46.3% as compared to 2012.

Our commitment to the pillars of sustainability is demonstrated within our core values and we are looking forward to achieving exemplary sustainability impacts for our business and our stakeholders.



Salim Karadsheh

Chief Executive Officer - FHH

List of Acronyms

ADL	Acquisition distribution layer
AFR	Accident Frequency Ratio
API	Arabian Peninsula and Iran
ASR	Accident Severity Ratio
CCI	Customer Complaints Index
CEO	Chief Executive Officer
CNTO	Chief Nuqul Tissue Officer
CSR	Corporate Social Responsibility
EDANA	European Disposables and Nonwovens Association
ENF	Elia Nuqul Foundation
FHH	Fine Hygienic Holding
FMCG	Fast Moving Consumer Goods
FSC	Forest Stewardship Council
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSM	Group Standards Manual
HSE	Health, Safety & Environment
ILO	International Labor Organization
ISO	International Organization for Standards
JABA	Jordanian American Business Association
JEBA	Jordanian European Business Association
JOCABA	Jordanian Canadian Business Association
LCA	Life Cycle Assessment
LLC	Limited Liability Company
NA	North Africa
OHS	Organizational Health Survey
PDR	Performance Development Review
PEFC	Program for the Endorsement of Forest Certification
PPP	Perfect Printing Press
PR	Public Relations
SPIC	Specific Industrial Company
UNGC	UN Global Compact
YEA	Young Entrepreneurs Association
YPA	Young Presidents Organization

Glossary of Terms

Aspect	Element of an organization's activities, products or services that can interact with a specific management dimension.
C-Suit	The highest-level executives are usually called "C-level" or part of the "C-suite", referring to the 3-letter initials starting with "C" and ending with "O" (for "Chief ... Officer"); the traditional three such officers are Chief Executive Officer (CEO), Chief Operations Officer (COO), and Chief Financial Officer (CFO).
Carbon footprint	The total sets of greenhouse gas (GHG) emissions caused by an organization, event, product or person.
Climate Change	A significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years.
Code of conduct	A set of rules outlining the responsibilities of or proper practices for an individual, party or organization. Related concepts include ethical codes and honor codes.
Fast Moving Consumer Goods	Products that are sold quickly and at relatively low cost.
Greenhouse Gas	A gas in the atmosphere that absorbs and emits radiation within the thermal infrared range.
Impact	A change that could have a negative effect on the on an organization
ISO 14001	A family of standards related to environmental management.
ISO 18001	A Standard for occupational health and safety management systems
Materiality	One of the GRI's central reporting principles. It is the threshold at which an issue or indicator becomes sufficiently important that it should be reported.
Precautionary Principle	The precautionary principle or precautionary approach states if an action or policy has a suspected risk of causing harm to the public or to the environment, in the absence of scientific consensus that the action or policy is harmful, the burden of proof that it is not harmful falls on those taking an act.
Pulp	A lignocellulosic fibrous material prepared by chemically or mechanically separating cellulose fibers from wood, fiber crops or waste paper.
Shareholder	A shareholder or stockholder is an individual or institution (including a corporation) that legally owns a share of stock in a public or private corporation.
Stakeholder	A Stakeholder (corporate), a person, group, organization, member or system that affects or can be affected by an organization's actions.
Sustainability	A business approach that creates long-term consumer and employee value by not only creating a "green" strategy aimed towards the natural environment, but taking into consideration every dimension of how a business operates in the social, cultural, and economic environment.
Sustainable development	A mode of human development in which resource use aims to meet human needs while ensuring the sustainability of natural systems and the environment, so that these needs can be met not only in the present, but also for generations to come.
UN Global Compact	A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

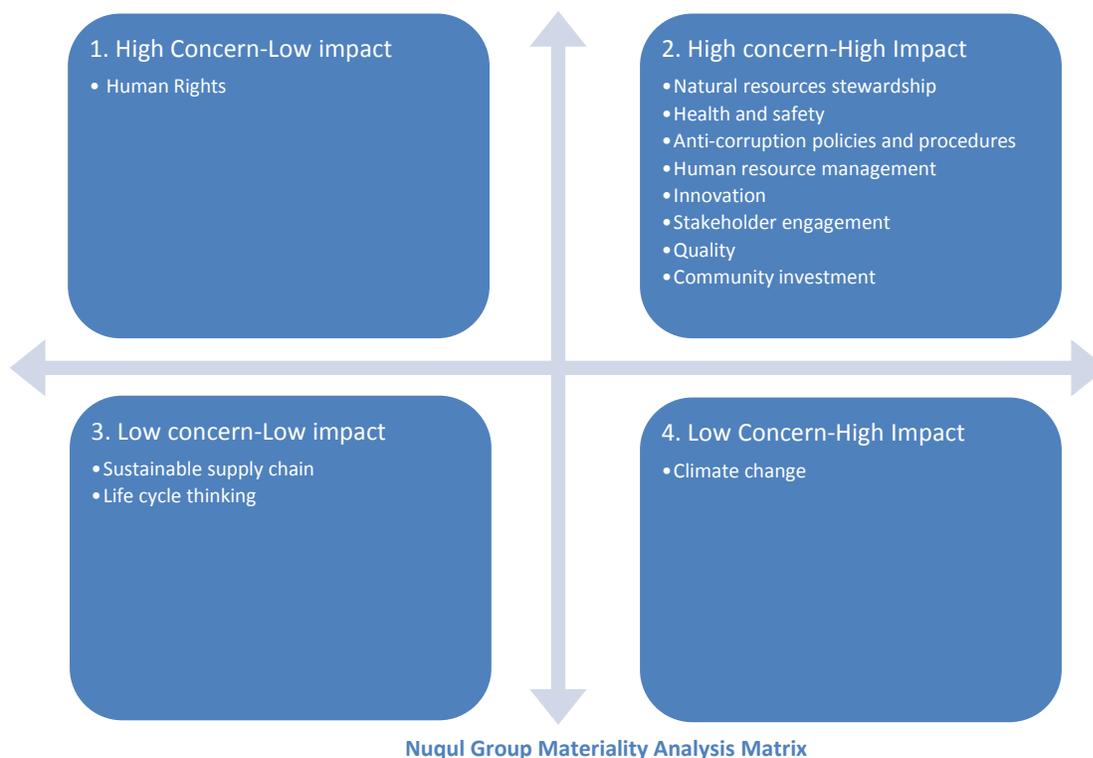
Sustainability in Nuqul Group

Sustainability has been part of Nuqul Group's top priorities since it was established started in 1952, and as the group continues to grow, our commitment to align and grow our sustainability approach with those of our stakeholders' remains strong and constantly evolving.

Our sustainability management framework has been based on the Precautionary Principle and built around our five point strategy, in order to ensure that our commitment is translated into actions that create sustainable value across all our businesses. This framework addresses all material sustainability issues that have been identified through a diligent review of our internal systems and procedures, benchmarking with key issues reported by our peers and competitors, identification of key industry issues on the global level reported by industry associations such as EDANA¹ (European Disposables and Nonwovens Association), as well as sustainability issues stemming from national regulatory requirements and international agreements (UN Global Compact²).

Our materiality assessment is based on identifying key sustainability trends that affect the continuity of our business and influence our relationships with our stakeholders, after which our priorities are set based on the assessment of the impact on our business and the level of concern as expressed by stakeholders of each issue.

The matrix below shows our classification of the sustainability trends pertaining to our business.



The performance of our companies across these trends is monitored and reported to senior management by our sustainability section, whereby the latter is also responsible for providing clear direction to all companies on required measures to improve their performance. Sustainability performance targets are set annually by the sustainability section and communicated to related departments at all levels in the business units to ensure optimum compliance with these targets.

¹ <http://www.edana.org/industry-initiatives/sustainability>

² <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

In 2012, we have integrated sustainability requirements in the internal systems and procedures for the operations, marketing and administration functions, and in 2013, we have conducted training sessions for all business units regarding the implementation of the new sustainability requirements. In addition, the systems and procedures department in the Head Office conducted thorough internal audits to ensure that the new requirements were fully implemented in all our companies.

Key Sustainability Issues

Trend and description	Description and implications	Related opportunities
Natural resources stewardship	<ul style="list-style-type: none"> • Reflects increased recognition of natural resource constraints as a key sustainability issue, including water scarcity and its risks, energy costs and a need for an understanding of resource depletion in relation to the manufacture of products. • Implications include: <ul style="list-style-type: none"> ○ Impact on cost efficiency ○ Impact on environmental footprint of products ○ Impact on resource availability for all stakeholders 	<ul style="list-style-type: none"> • Resource efficiency measures • Product life cycle impact management
Process and products Health and Safety	<ul style="list-style-type: none"> • Reflects ability to reduce health and safety risks for employees during production process, as well as health and safety risks associated with the use of our products. • Implications include: <ul style="list-style-type: none"> ○ Impact on manufacturing processes ○ Impact on employee morale ○ Impact on public image of brands and products 	<ul style="list-style-type: none"> • Health and safety process certification • Third party assurance for health and safety of products • Health and safety audits for suppliers • Raw material supplied with improved health and safety performance through supplier audits and third party certification
Anti-corruption policy and procedures	<ul style="list-style-type: none"> • Reflects the ability of the organization to reduce risk of financial corruption and to maintain financial integrity • Implications include: <ul style="list-style-type: none"> ○ Impact on financial competitiveness ○ Impact on public image of corporation 	<ul style="list-style-type: none"> • Anti-corruption training for high risk operations
Human resource management	<ul style="list-style-type: none"> • Reflects the ability of the organization to recruit and retain top talent, maintain high levels of employee morale, encouraging gender diversity in the workplace, and empowering women to take leadership roles within the organization. • Implications include: <ul style="list-style-type: none"> ○ Impact on employee morale ○ Impact on employee retention rates ○ Impact on productivity ○ Impact on public image as an employer of choice 	<ul style="list-style-type: none"> • Competitive compensation and benefit system • Fast track career programs for women • Employee engagement activities
Innovation	<ul style="list-style-type: none"> • Reflects the ability of the organization to meet stakeholders' demands as it pertains to products, and the ability to withstand the constantly changing market requests, taking into consideration environmental, social and economic dimensions • Implications include: <ul style="list-style-type: none"> ○ Impact on market share and market penetration ○ Impact on public image of products and brands ○ Impact of financial health 	<ul style="list-style-type: none"> • Sustainable innovation integration into product development • consumer co-creation platforms
Stakeholder engagement	<ul style="list-style-type: none"> • reflects willingness of the organization to engage all stakeholders in defining the path forward for the organization in a manner that ensures optimum added value for all stakeholders • implications include: <ul style="list-style-type: none"> ○ Impact on stakeholder relations ○ Impact on public image of organization 	<ul style="list-style-type: none"> • Wide and intensive Stakeholder engagement programs • Implementation of GRI G4 guidelines
Quality	<ul style="list-style-type: none"> • Reflects the ability of the organization to meet customer demands and expectations in terms of product quality • Implications include: <ul style="list-style-type: none"> ○ Impact on customer satisfaction 	<ul style="list-style-type: none"> • Customer engagement programs

Trend and description	Description and implications	Related opportunities
Community investment	<ul style="list-style-type: none"> ○ Impact on market share and market penetration ● Reflects the organization's social responsibility to support effective and efficient local community development ● Implications include: <ul style="list-style-type: none"> ○ Impact on the wellbeing of local communicates ○ Impact on stakeholder relationships ○ Impact on public image of corporation 	<ul style="list-style-type: none"> ● Employee engagement in social responsibility activities
Climate change	<ul style="list-style-type: none"> ● Reflects the commitment of the organization to reduce its contribution to global warming ● Implications include: <ul style="list-style-type: none"> ○ Impact on global climatic trends ○ Impact on natural resources availability ○ Impact on public image of corporation 	<ul style="list-style-type: none"> ● Renewable energy technology investment ● Clean technology investment ● Carbon emissions reduction trading
Human rights	<ul style="list-style-type: none"> ● Reflects the organization's commitments to upholding international human rights practices ● Implications include: <ul style="list-style-type: none"> ○ Impact on employee morale ○ Impact on public image of the corporation 	<ul style="list-style-type: none"> ● Inclusion of human rights considerations in contractual dealings ● Suppliers audits for human rights
Sustainable supply chain	<ul style="list-style-type: none"> ● Reflects the ability of the organization to influence its supply chain to become more sustainable, and in turn reduce the negative sustainability impact of offered products ● Implications include: <ul style="list-style-type: none"> ○ Impact on supplier relationship ○ Impact on cost efficiency ○ Impact on product life cycle performance 	<ul style="list-style-type: none"> ● Supplier sustainability audits
Life cycle thinking	<ul style="list-style-type: none"> ● Reflects the ability of the organization to manage the life cycle impact of its products in a sustainable manner ● Implications include: <ul style="list-style-type: none"> ○ Impact on environmental footprint of product ○ Impact on cost efficiency ○ Impact on public image of products and brands 	<ul style="list-style-type: none"> ● Product life cycle labeling for products

Nuqul Group Sustainability Performance Trends

Key Performance Indicator	2013			Justification	2014 Objective (based on 2013 levels)
	Target	Achievement	% Achievement of target		
Percentage of business units audited for fiscal responsibility (new)	100%	100%	100%	According to Board of Directors' requirements, all Nuqul Group companies are required to undergo annual internal audits to ensure that adequate internal controls are in place to achieve fiscal responsibility.	100%
Percentage of internal audit employees trained on anti-corruption policy and procedures	12.5%	11.1%	88.8%	The percentage has decreased in 2013 due to the increase in the number of employees in the Audit Department	12.5%
Percentage of business units for which sustainability performance is tracked on monthly basis	78.5%	64%	82%	In 2013, we tracked the sustainability performance for 9 out of our 14 business units, the remaining 5 business units represent smaller operations that are still working on fully adopting the group's standards and procedures	100%
Water consumption	-3%	+3%	0%	Our water consumption rate increased In 2013 due to an increase in water consumption per ton tissue in one of our paper mills (((further justification)))	-3% on per ton tissue consumption in Nuqul Tissue
Indirect energy consumption - Electricity Consumption	-3%	+4%	0%	While the total electricity consumption has increased due to increase in production, our product specific electricity consumption has generally decreased as per the below	As per product target below
Electricity Power Consumption Per Ton Tissue in Mills	-3%	-4%	133%	Diligent electricity saving (energy efficiency) measures were implemented in our paper mills, including process optimization, material sourcing for less energy intensive options, and constant monitoring and control for consumption levels	-3%
Electricity Consumption per Ton non-woven	-3%	+2%	0%	The consumption has increased due to a force majeure shut down of our non-woven production operations for Q4 in 2013	-3%
Electricity Consumption per Ton packaging	-3%	+1%	0%	Electricity consumption has slightly increased due to an expansion of the administration offices in the factories.	-3%
Electricity Consumption per Diaper	-3%	-9%	300%	Diligent measures to improve production efficiency have been implemented to reduce electricity consumption per unit product	-3%
Electricity Consumption per ton facial	-3%	-3%	100%	Diligent measures to improve production efficiency have been implemented to reduce electricity	-3%

Key Performance Indicator	2013			Justification	2014 Objective (based on 2013 levels)
	Target	Achievement	% Achievement of target		
				consumption per unit product	
Electricity Consumption per ton toilet	-3%	-1%	33%	Diligent measures to improve production efficiency have been implemented to reduce electricity consumption per unit product	-3%
Electricity Consumption per ton Kitchen	-3%	-2%	67%	Diligent measures to improve production efficiency have been implemented to reduce electricity consumption per unit product	-3%
Direct energy consumption - Operational Fuel Consumption	-3%	-7%	233%	Operational fuel consumption decreased overall due to a decrease in production in our paper mills, which lead to an increase in the thermal power consumption per ton tissue produced in the mills	As per product target below
Thermal Energy Consumption per Ton Tissue (Nuqul Tissue)	-3%	+9%	0%		-3%
Direct energy consumption - Vehicle Fuel Consumption	-3%	+36%	0%	An increase in sales activity in 2013 has led to an increase in the overall consumption of distribution fuel	-3% on distribution fuel consumption per 100 Km travelled
Direct GHG emissions (Operational and distribution fuel)	-5%	-4%	80%	Our Total GHG emissions decreased due to a switch in the type of fuel used in our paper mills to a cleaner type,	As per product target below
Indirect GHG emissions (Electricity)	-5%	+5.4%	0%		As per product target below
GHG Emissions from Electricity Per Ton Tissue in Mills	-5%	-3%	60%		-3%
GHG Emissions from Thermal Power per Ton Tissue in Mills	-5%	-12%	240%		-3%
GHG Emissions per Ton non-woven	-5%	+2%	0%		-3%
GHG Emissions per Ton packaging	-5%	0%	0%	Changes in GHG emissions per unit product are reflected due to changes in energy consumption per unit product (see above)	-3%
GHG Emissions per Diaper	-5%	-10%	200%		-3%
GHG Emissions per ton facial	-5%	-3%	60%		-3%
GHG Emissions per ton toilet	-5%	0%	0%		-3%
GHG Emissions per ton Kitchen	-5%	0%	0%		Targets are set per company not per group
Waste Generation	-3%	-12.8%	426%	Waste generated was reduced due to the implementation of high quality standards	-4%

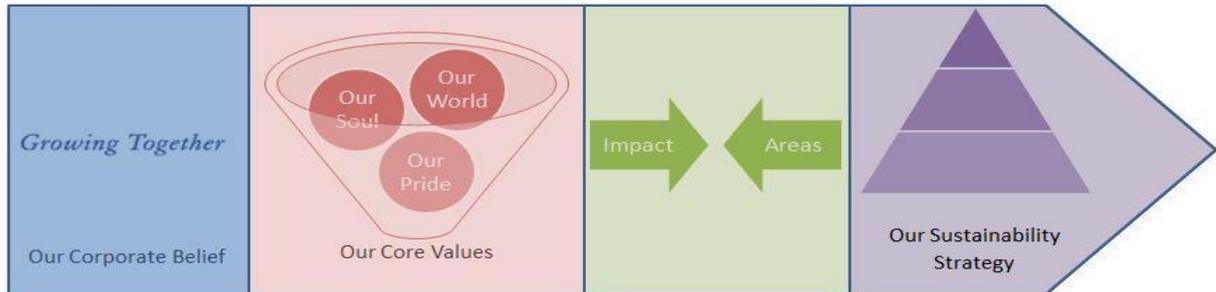
Key Performance Indicator	2013			Justification	2014 Objective (based on 2013 levels)
	Target	Achievement	% Achievement of target		
Turnover rate	-3.38% on average turnover	-0.3%	9%	Stable compensation and benefits packages within an unstable economy has helped us maintain our turnover rate within healthy levels, moreover our salary structure is based upon extensive market research that ensures that we maintain a competitive market advantage for hiring and recruitment	Maintain at 2013 level
Female participation in workforce	NA	7.1%	NA	In 2013, we worked with our facilities in Levant and the Arabian Peninsula and Iran to increase the number of female employees in the workforce by establishing working conditions that are favorable for women in these regions.	Maintain at 2013 level
Percentage of females in management positions	NA	12.3%	NA	In 2013, the number of female employees in management positions increased in our facilities in the Levant and North Africa, and this comes as part of our effort to increase the percentage of female employees in our operations.	Maintain at 2013 level
Accident Frequency Ration (AFR) and Accident Severity Ratio (ASR)	-25%	<-1% for AFR and +14% for ASR	0%		
Number of justified customer complaints	-10% of root cause repeated customer complaints	+35%	0%	The increase in the number of complaints is due to a change in our complaints systems whereby all customer complaints are treated as justified.	No target is set for the number of justified complaints as we have changed our direction to accept all customer complaints as justified.
Average lead time to resolve customer complaints	10 days	5.37 days	186%	The decrease in lead time to resolve customer complaints was due to the implementation of our real time customer complaints index in addition to the implementation of the Quality Monetization Model.	5 days

Nuqul Group Mission Statement

Nuqul Group is a leading enterprise devoted to providing customers with the highest quality products and services. We strive to achieve success in our investment, always adhering to the strictest ethical and world class standards. We place high priority on investing in our human resources and in servicing our communities.

Nuqul Group Sustainability Mission

“As a leading corporate citizen, Nuqul Group seeks to make Sustainability synonymous with its business activities and corporate culture, to ensure sustainable growth, added value for its stakeholders, and the prosperity of future generations.”



NG Sustainability Management Framework

Nuqul Group Sustainability Management Framework

Our corporate belief “Growing Together” stems from our conviction that the growth of our business cannot be achieved or maintained unless such growth is accompanied by achieving sustainable benefit for all our stakeholders.

At Nuqul Group we believe that our purpose is to work towards improving life and we seek to shine in all we do towards this goal. We employ our mind and body in a way which satisfies our conscience, and we have entrenched this belief into our core values “Our World, Our Soul and Our Pride”

Nuqul Group Core Values

Our World ... Playing our part

Nuqul Group believes that success and sustainability are interconnected and can only be achieved by recognizing that we are a small part of a large world. We commit to listen carefully to the needs of our customers, employees, suppliers and stakeholders and to balance those needs, acting with responsible behaviour towards the environment, our communities and governments. This belief is embodied in our motto ‘Growing Together’ – employing collaboration and clear communications in our quest to make our world better.

Our Soul ... The strength within

At Nuqul Group we believe that the human conscience is the ultimate judge of our performance. We expect our employees to act in the most brilliant and ethical ways towards our stakeholders. To support this endeavor, we will commit to equal opportunity employment, fair work practices, skills development, trust, reward and accountability, a family/work balance and a healthy, happy working atmosphere. The conduct of our business is always legal and ethical, and we share our success with our community through our CSR activities. By satisfying our soul we are sure we have all delivered our best to ourselves and our world.

Our Pride ... Feeling great about what we do

Nuqul Group employees acknowledge that in an ever faster changing world only outstanding performance can create the growth needed to reward all stakeholders. We constantly strive for exceptional results, delivered with unwavering commitment and at a terrific speed to produce marvelous products, services and agreements to create a dazzling image. To enable this, we run value system, leverage technology, promote synergy and teamwork and encourage creativity and innovation. We believe our customers are the source of all value creation and always seek to exceed their expectations. By gaining customer approval we create pride and satisfaction.

Based on our core values, and the materiality analysis of our key sustainability trends, we have identified a list of key priority areas that affect our operations and our sustainable growth including environmental, social and economic issues. This list formulated the ground for defining our way forward to achieve sustainability. Accordingly, we have developed our Group wide sustainability strategy which aims to improve our performance across all key priority areas. This strategy is divided into 5 main strategic directions:

Nuqul Group Key Priority Areas
○ Environmental stewardship
○ Stakeholder engagement
○ Human resource management
○ Community investment and development
○ Product life cycle thinking
○ Product and process innovation
○ Anti-Corruption policies and procedures
○ Customer satisfaction

- Inspire Customers and Communities (Consumer Focus)
- Product and Service innovation (Product Focus)
- Strive for Maximum Sustainability (Performance Focus)
- Adopt life Cycle Management (Process Focus)
- Inspire with Sustainability (Workforce focus)

The graph below shows our 5 point sustainability strategy, which is built upon the entrenchment of a sustainability culture among all of our employees, as we believe that such direction will trickle up to influence the key elements of our business.



NG Sustainability Strategy

Strategy Point	Purpose	2013 completed action
Inspire with Sustainability	We aim to use sustainability elements to foster an unprecedented wave of inspiration and focus within our workforce, to be translated into benefits for our stakeholders.	<ul style="list-style-type: none"> • Continued communication programs regarding key sustainability aspects to all employees through our internal sustainability portal
Adopt life Cycle Management	We aim to influence actors at all life cycle phases to adopt this management approach so as to achieve maximum sustainability for our products.	<ul style="list-style-type: none"> • Provided in-house training on Product Life Cycle Assessment for relevant employees across our business units
Strive for Maximum Sustainability	We strive to reduce our net environmental impact towards zero over the long-term and better understand our economic and social impacts and presence, and systematically improve them accordingly.	<ul style="list-style-type: none"> • Developed and implemented the Nuqul Group sustainability General Standard Manual across all our business units
Product and Service innovation	We aim to generate a new range of products driven by sustainability insights and build a brand reputation where the use of our products serves as a respected signal that the user is a conscientious champion of sustainability.	<ul style="list-style-type: none"> • Initiated the Quality Day 2013 competition under the theme Sustainable Product Design
Inspire Customers and Communities	We aim to improve customer satisfaction, while increasing overall appreciation for sustainability and inspiring actions by others.	<ul style="list-style-type: none"> • Provided training for regional marketing staff on sustainable branding and triple value proposition

Organizational profile

Nuqul Group, being a privately owned business, was established in 1952 by the founder and Chairman of the Board, Mr. Elia Nuqul, as Nuqul Brothers Company. With a modest business start, the company specialized in importing and distributing foodstuffs. In later years, the group’s management ventured on to invest in a business model focused on integrated industries, which resulted in the group’s expansion and diversification to become a recognized name across the entire Arab region. The company’s core business is hygienic products, and all our core companies are incorporated under one commercial entity (Fine Hygienic Holding – FHH LLC.). Our product portfolio incorporates a multitude of tissue and diaper products, and we are present in 40 markets across the globe. Our facilities employ over 5,000 staff member mainly within the Middle East and North Africa region.

Our Brands
Fine Tissue Products
Smile Tissue Products
Lido Tissue Products
Nawras Tissue Products
Fine Baby Diaper
Baby Fine Diaper
Baby Lido Diaper
Fine Life Adult Briefs

Our customers include retails shops businesses, while the end users of our products are individuals.

Our Head Office is located in Amman – Jordan and employs over 120 professionals who are responsible for setting the strategic direction and following up on the performance of all Nuqul Group companies.

Our operations are located in nine areas across the region including countries in Levant, Arabian Peninsula and Iran (API), and North Africa.

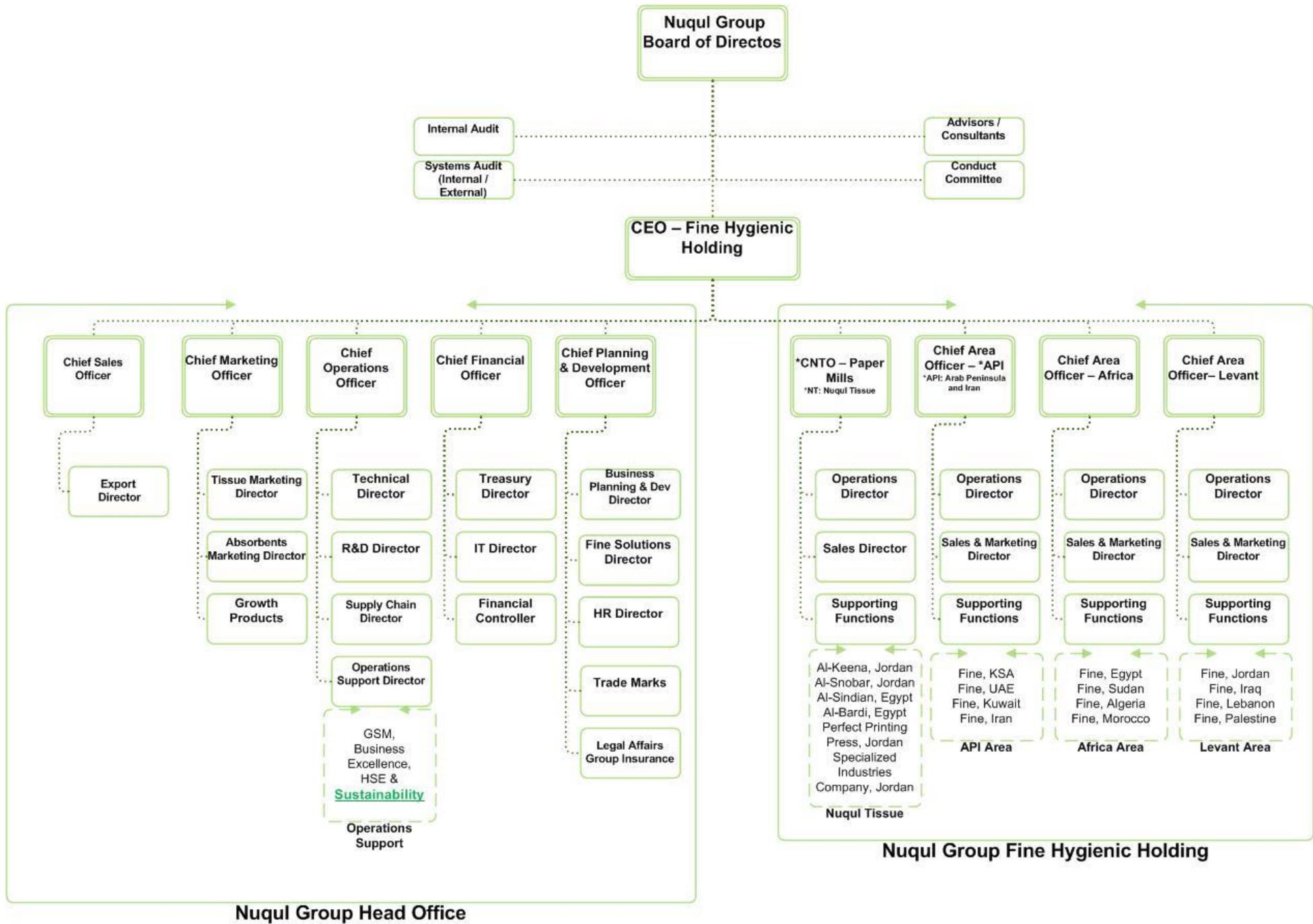


FHH is a large scale industry with horizontal expansion; it includes Nuqul Tissue operations, Fine Hygienic Companies (converting facilities) in addition to non-woven manufacturing (Specialized Industries Company SPIC) and a packaging and printing press (Perfect Printing Press PPP).

Our organizational structure, a decentralized hierarchy where our board of directors defines the strategic direction of the group, and the C-Suite ensures compliance to the chosen strategic direction. Our hierarchy ensures open communication channels across different levels. Our sustainability section reports to the corporate chief operations officer of the group, who in turn reports to the chief executive officer (See organizational structure on the next page).

During this reporting period no significant changes occurred regarding, size, structure, or ownership.

FHH Purpose
Fine adds joy and prosperity to the world through a thoughtful growth recipe designed to reward our shareholders so they may invest in our development, which in turn enables us to expand our activities to touch more lives.
We expand our business and that of customers and suppliers by inspiring our employees to delight consumers through innovative new solutions to their hygiene necessities. Happy consumers appreciate our work and reward us with healthy growth.



Report Profile

This report is the 6th annual sustainability report we have published since becoming a signatory to the UN Global Compact and it stands as our communication on progress against the ten principles of the compact. The report provides information in qualitative and quantitative terms regarding Nuqul Group-FHH performance in the fiscal year 2013.

Performance data provided in this report is monitored and reported internally to the CEO on monthly basis, and is based on our 2012 sustainability report issued on July 7, 2012.

The sustainability context for our operations has been taken into consideration for defining the content of this report and significant sustainability aspects and impacts are identified through our sustainability strategy and consultation with our key stakeholders, while also addressing relevance to the Global Reporting Initiative (GRI) Guidelines. The data in the report pertains to the key sustainability aspects of our FHH subsidiaries (where we exert full control while excluding joint venture and outsourced manufacturing) in the following locations (except where stated otherwise):

- Jordan
- Egypt
- KSA
- UAE
- Iran
- Kuwait
- Sudan

Our 2013 sustainability report complies with the GRI's reporting principles for defining contents as indicated in the Nuqul Group Stakeholder Council Independent Assurance Statement

This report achieved an A+ GRI application level in accordance with the GRI G3.1 Guidelines and as declared by Nuqul Group. This application level indicates the highest level of disclosure and transparency as set by the GRI Reporting Guidelines

		C	C+	B	B+	A	A+
Mandatory	Self-Declared						
	Third Party Checked		Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked						

The report is consolidated by the Sustainability Section/Corporate Operations Support Department at Nuqul Group, for any information you may contact us at sustainability@nuqulgroup.com

Governance at Nuqul Group

We realize the importance of good governance practices as a driver for stability and excellence in our business and accordingly we chose to separate ownership from management by creating Nuqul Group Board of Directors as the entity responsible for:

- Defining the risk appetite of the group,
- Overseeing the overall group strategy,
- Evaluating and compensating the Group's executives and
- Protecting stakeholders' interests.

Our Board of Directors sets the strategic direction of the group and reviews the business, and reputation risks identified by our business planning and development department, to ensure that appropriate risk mitigation plans and methods are in place. The risks identified may include environmental, social and economic risks that affect the viability and continuity of our business

The roles, responsibilities and modus operandi of the Board are outlined in the Board of Directors Charter as well as the charters for the Board's audit committee and management development and compensation committee. The Charter also defines the Board's relationship with the executive management, with clear separation of ownership and management. In addition to the above, the charter sets the grounds for selecting independent members and serves as the terms of reference for the board on issues regarding meetings, board term and term limits, attendance policy, voting, compensation of board members, avoiding conflict of interest, board committees, performance evaluation and communication with shareholders.

The members of the Board of Directors are selected based on criteria determining the required qualifications and expertise as outlined in Nuqul Group Board Charter. While there are currently no female members of the board of directors, the charter encourages diversity in gender and nationality within the board.

The board of directors' charter includes a provision regarding the annual review of the board's performance and the performance of its committees with regards to their commitment to the Board's Function. Sustainability performance is not included in this review unless linked to financial performance, and the group C-Suite executives are all compensated based on the financial performance of the group

The Board of Directors work as well as the business approach of all subsidiary companies is directed by our mission statement and core values (See Nuqul Group Sustainability Management Framework section) , and all our businesses are required to comply with all the stipulations in both the mission statement and the core values.

We seek to reinforce the values found in our Code of Conduct as well as our Mission Statement through various actions from awareness sessions, to our web portal, to email correspondence and official circulars and regular department meetings. Our commitment to and compliance with national and international laws and standards such as the UN Global Compact (UNGC). is ensured through financial and business audits that are conducted periodically

We have been a signatory to the UN Global compact since 2007, and since then we have issued our communication on progress report against the ten principles of the compact on an annual basis. This report represents our 6th submission pertaining to our sustainability performance in 2013 and against the UN global compact principles

The communication between employees and the board of directors is governed by the following two mechanisms:

- The chain of command: employees can communicate concerns and/or suggestions through the chain of command
- The corporate integrity hotline: the integrity hotline, is a specialized communication network that is comprised of several communication channels (e.g. a toll free phone service, email...etc). This Network is designated to communicate any conduct of employees that violates our code of conduct. The cases reported and the associated actions are communicated directly to the audit committee of the board of directors on a case-by-case basis.

Mr. Ghassan Nuqul the vice chairman of Nuqul Group Board of Directors, is currently holding the following positions:

- Member of the National Council for Competitiveness and Innovation.
- Member of the Ministerial Advisory Board on partnership between Private and Public Sector.
- Member of Private Equity Advisory Board, National Bank of Kuwait
- Ex-Chairman and Member of the Jordan Chapter of the Young Presidents Organization (YPO).
- Member of the Board of Trustees of Amman Baccalaureate School.
- Member of the Board of the National Center for Culture & Performing Arts/ King Hussein Foundation.
- Member of the Board of Trustees of the Royal Health Awareness Society.
- Member of the Board of Trustees of the Jordan Medical Aid for Palestinians.
- Member of the Board of Trustees of the Jordanian Hashemite Fund for Human Development.
- Member of the Jordanian Businessmen Association.
- Member of the Young Entrepreneurs Association (YEA).
- Founding Member of the Jordan Exporters Association.
- Member of the French – Jordanian Business Club
- Member of the Jordanian European Businessmen Association (JEBA).
- Member of the Jordanian American Businessmen Association (JABA).
- Founding Member of the Jordanian Canadian Business Association (JOCABA).
- Member of the Jordanian Engineering Association.
- Chairman of the Board of Fine SCA-JV (Svenska Cellulosa Aktiebolaget Join Venture)

Mr. Salim Karadsheh, the CEO of Fine Hygienic Holding – Nuqul Group, also holds the following positions:

- Board member – Injaz – Jordan.
- Board member – National Corporate Governance Commission – Jordan.

Nuqul Group Memberships:

- Member of EDAMA, a local Jordanian NGO working for promoting sustainable business within the Jordanian context.
- Member of the Network for Jordanian Industrial Sustainability

Awards Received during Reporting Period:

- | | |
|--|--|
| ● Aon Hewitt Best 15 Employers in the Middle East Award – Fine Dubai | ● King Abdullah II Award for Excellence – Fine Jordan and PPP |
| ● 30 th place among Forbes Middle East's list of 100 companies making an impact in the Arab world – Nuqul Group | ● 6 th Place in the Most Recognized Arab Brands as per the Arab society for intellectual property survey – Fine Brand |

Nuqul Group Stakeholders

Our stakeholders are identified through an extensive mapping process that defines the parties that are impacted by our decisions, operations and products in addition to the parties that influence the sustainable growth of our business.

Stakeholder	Examples	How we engage	Key issues	Our response
Owners	<ul style="list-style-type: none"> • Owners of Nuqul Group 	<ul style="list-style-type: none"> • Board of Directors meetings • Regular reporting from senior management 	<ul style="list-style-type: none"> • Fiscal continuity of the business • Good public image • Customer Satisfaction and high quality products 	<ul style="list-style-type: none"> • Regular and diligent internal audits to ensure appropriate controls are implemented across all functions. • Continuously updated systems and procedures to ensure compliance of all business units with regulatory requirements and stakeholder demands • Regular engagement for public relations issues.
Government	<ul style="list-style-type: none"> • Chamber of commerce • Chamber of Industry 	<ul style="list-style-type: none"> • Regulatory inspections and audits • Official letters/websites • Regular inspections by civil defense • Memberships in Government associations 	<ul style="list-style-type: none"> • Compliance with government regulations • Provision of products and services in accordance with safety and hygiene standards 	<ul style="list-style-type: none"> • Continuous compliance with government regulations • Participation in several regulatory committees • Participation in Governmental workshops and seminars • Participation in national awards competitions
Employees	<ul style="list-style-type: none"> • Trade unions • All employees 	<ul style="list-style-type: none"> • Strategy & business planning process • Management review meetings and retreats • Collective labor agreements • Team and company meetings • Organization Health Survey (OHS) • Self-Managed Team Work (SMTW) • Newsletters, bulletins and Intranet/Portal • Policies/Systems & Procedures • Employee Performance Development Review (PDR) • Social activities and events 	<ul style="list-style-type: none"> • Compensation and benefits • Feedback and performance reviews • Training, talent management and development • Optimum work conditions and fair benefits • Employee engagement, motivation and empowerment • Constant exposure to relevant knowledge and experience 	<ul style="list-style-type: none"> • Complying with the local labor law • Continuous market surveys regarding compensation and benefits • Development opportunities • Motivation programs and awards • Clear authorities and responsibilities • Collective bargaining agreements • HR strategies for improvement
Suppliers	<ul style="list-style-type: none"> • Pulp suppliers • SAP suppliers 	<ul style="list-style-type: none"> • Prequalification meetings • Day to day liaison • Regular performance review 	<ul style="list-style-type: none"> • Timely payment • Proactive engagement and fair contracts • Favorable working conditions • Opportunities for growing partnerships 	<ul style="list-style-type: none"> • Establishment of partnerships with the suppliers for baby diapers raw material on the baby diaper re-engineering project • Ongoing project with Henkel aimed at reducing the consumption of glue for our diaper production
Customers	<ul style="list-style-type: none"> • Consumer associations • Retail customers • Business to business customers 	<ul style="list-style-type: none"> • Events & tradeshows • Promotional material • Customer service center • Website and social media • EFQM Surveys 	<ul style="list-style-type: none"> • Value for Money • Quality of products and services • Effective and efficient customer service • Customer engagement 	<ul style="list-style-type: none"> • Procedure for customer services and orders handling • Customer visits from technical and sales teams • Customer survey, feedback and complaints handling system • Effective quality control and monitoring systems • Offers of promotions and rebates
Communities	<ul style="list-style-type: none"> • Local communities where we operate • Al-Koura district community • NGO such as Injaz, EDAMA, etc • Academic 	<ul style="list-style-type: none"> • Community engagement for social needs assessment • Media involvement through news, exposure and interview opportunities • Direct campaigns organized by our employees interacting with the community 	<ul style="list-style-type: none"> • Investing in addressing contentious community issues such as youth education, poverty alleviation, skills development among others 	<ul style="list-style-type: none"> • Development projects tailored to address community needs and in line with our direction at the same time • Working with the youth in the area to create a network of graduates who are ready to enter the market • Equipping the community with the required skills that will generate a positive impact and represent a direct response to their needs.

Stakeholder	Examples	How we engage	Key issues	Our response
	institutions	<ul style="list-style-type: none"> •Workshops and events in the area: micro venture approach, launch of library among other projects 		<ul style="list-style-type: none"> •Collaborating with local partners to ensure sustainable support of community specific projects
Environment	<ul style="list-style-type: none"> •Ministry of Environment 	<ul style="list-style-type: none"> •Monitoring •Protection •Measurements •Programs 	<ul style="list-style-type: none"> •Reducing our significant environmental impacts •Investing in addressing contentious environmental issues such as water shortage •Improving the environmental impact of our products and services 	<ul style="list-style-type: none"> •Environmental management plans •Compliance with existing regulations to protect environment and future generations •Improving the environment by implementing environmental programs regarding noise, illumination, and energy savings •Reduction of our solid waste •Re-engineering of products to improve the used raw material and its consumption, accordingly to improve the environmental parameters

Economic Performance of Nuqul Group

Our corporate slogan “Growing Together” prescribes our direction towards the creation of sustainable growth and value for all our stakeholders. We have operations in nine different locations within the Middle East and North Africa region which support the economic growth of the countries where these operations are located, create jobs for local talented and qualified employees, and support partnerships with local suppliers.

We also support community development and investment where we operate through our Strategic Corporate Social Responsibility program which aims to achieve effective community development. This program is based on a thorough investigation of socio-economic needs of the community, and is built to address those needs in an effective and efficient manner.

We realize that our operations are impacted by climate change, and we are always seeking opportunities to mitigate such risks through programs and projects that aim to reduce our own contribution to climate change, such as energy efficiency measures for our manufacturing processes.

We abide by the regulations of the countries we operate in concerning pension plans, where we fully deliver on our commitments to pension through an end of service remuneration or payments to government managed pension funds. Our financial dealing with governments is determined through local laws and regulations.

Economic Performance

Direct economic value

Our revenues in 2013 increased by 6.7% compared to 2012 performance due to improved market segment coverage through a balanced portfolio, higher level of product innovation especially in A list products, better marketing and communication initiatives, enhanced brand equity, and increased sales capability.

The fluctuations in payments to government on a year-to-year basis are mainly due to changes in local tax laws and regulations in the countries where we operate.

Indicator	Unit	2013	2012	2011
Total Revenues	Million USD	701	657	652
Income Tax paid to government	Million USD	3.2	4.8 ³	5.0
Employee wages and benefits (including bonus, incentives, pension, medical insurance and education program)	Million USD	76.9	72.4	67.0

Our economic performance is also reflected on the economic value we provide for our employees, in 2013 the employee wages and benefits (including bonus, incentives, pension, medical insurance and the educational allowance) increased by 6.2% compared to 2012. This was due to an increase in the number of employees accompanied by the annual salary raises which increased the total for the salaries paid for our employees.

Our pension structure is dependent upon the local regulations concerning pension in the markets where we operate, All our pension obligations have been fully met; the financial obligations are included within employee wages and benefits expenditure.

³ Income tax paid to government as reported in 2012 report amounted to 10.5 Million USD, however after further revision of the data, an error in the reported number was identified, and the figure reported in this report, of 4.8 Million USD, is the correct figure for taxes paid to government as incurred in the 2012 fiscal year.

Country	Employer Contribution	Employee Contribution
Jordan	12.25% of wages	6.5% of wages
Egypt	26% of fixed wages 24% of variable wages	14% of fixed wages 11% of variable wages

Employees' compensation and benefits

- Competitive basic salary based on market research and benchmarks.
- Performance related annual bonus, production incentives and sales commission.
- Medical insurance package
- Pension/retirement fund (depending on local regulations, either paid to government controlled pension funds, or met directly by the group)
- Educational allowance covering 50% of the tuition fees within a specific cap for employees children
- Commuting allowance, transportation facilities for employees
- Reduced number of working hours per day for working mothers who served 5 years or more in the group.
- Flexible working hours for our head office employees

Financial implications of climate change

We understand and recognize the financial implications imposed by climate change on our operations such as its effect on water resources availability, availability of forest areas, temperature variations and their climatic consequences, and While we don't quantify the risks in financial terms, we have incorporated those risks in our business approach through our business risks register so as to identify the most effective means of reducing their financial impacts, When and if such risks are identified as high level risks (with a significant impact on the group and/or imposes significant financial ramifications) the board of directors of the group will insure that mitigation plans are set in place in an effort to avoid all the negative impacts associated with these risks.

Risks and opportunities associated with climate change	
Risks	Opportunities
Fluctuations in rainfall leading to fluctuations in water availability	Renewable energy, energy efficiency and clean technology investments
Receding vegetative cover due to climatic variances, which could compromise raw material availability	Carbon emissions mitigation and trading
Temperature variances which could impact our manufacturing processes, product quality and durability	Sustainable supply chain and Sustainable product design

Financial Assistance from Government

We receive tax deductions and relief as provided by local laws and regulations in the countries where we operate. As a privately owned company, financial information concerning the value of this assistance cannot be disclosed.

Market presence

Standard Entry Level wage

As an organization aspiring to be an employer of choice, our salary scale is designed to pay more than the minimum wage for our entry level workers as set by local laws and regulation, and it is set in a manner that ensures no variation among genders. This standard is set for all of our operations.

Relationship with Local Suppliers

The local markets where we operate are lacking of suppliers for the raw material that is used in our products, thus we do not have set policies and procedures that give preference to local suppliers, however, where possible for some of the material required for the packaging, adhesives and spare parts, we always seek to contract local suppliers taking into consideration quality, cost and delivery time as well as specific aspects of operations management (environmental and health and safety management certification).

Local Hiring

We are equal opportunity employers, yet we rarely hire employees from outside the localities where we operate, since these localities are capable of providing us with the caliber of talent that we seek to hire, however, in certain countries of the gulf (Kingdom of Saudi Arabia), we abide by local regulations concerning local hiring where we are requested to meet targets for the percentage of locals in the workforce (i.e. Saudization)

Indicator	Target	2013	2012	2011
Job Saudization	25% or above	25.4%	21%	20.11%
Locals in C-suite positions	NA	90%	90%	90%

Indirect Economic Impacts

As a group that operates and sells across the Middle East and North Africa (MENA) region, we acknowledge our responsibility in creating a positive economic impact for all our stakeholders, and strive to ensure that such impact is realized through our operations and products with the aim of contributing to sustainable economic growth for each and every stakeholder group. Our commitment to this endeavor is exemplified by the following:

- Our increased demand on specific supplies has prompted some of our main suppliers to increase their productivity
- Our products target different market segments, including low-income consumers
- Our partnership with Injaz has helped develop the skills of youth in schools and universities to become more employable within the current job market context.

Fine Baby Brand Strategy

In 2013 we have ventured on a new single brand strategy for our diaper products, where all of our diaper brands were unified under the umbrella of our Fine Brand, we took the first steps in 2013 to achieve this strategy with the aim of consolidating resources into the production, marketing and sales of a single diaper brand which ultimately would result in achieving maximum resource efficiency and sustainability of this product.

Community Investment – Al-Koura Corporate Responsibility (CSR) Program

The District of Al-Koura in the North of Jordan has recently witnessed the implementation of several initiatives under the umbrella of Nuqul Group’s Corporate Social Responsibility (CSR) program that incorporates sustainable socio-economic development methodologies. These initiatives were organized as a result of the strong partnership between the private sector (represented by Nuqul Group), the public sector represented by the Ministry of Municipal Affairs and the Municipalities sector as represented by Dair Abi Saeed Municipality.

Projects and activities under the Nuqul Corporate Social Responsibility Program in Al-Koura District “Khair Al-Koura” were devised and implemented by Nuqul Group in collaboration with Jordan’s Ministry of Municipal Affairs and the Municipality of Dair Abi Saeed, as well as civic organizations in the local

community of Al-Koura. The initiatives were launched in order to cater to the basic needs of residents in regards to their socio-economic development, education, culture, food security and legal issues. Khair Al-Koura has partnered with local community entities such as the Education Directorate, the Learning Resources Center and Dair Abi Saeed Youth Centers; focused activities and projects were implemented through partnerships with professionally qualified national bodies including the Jubilee Center for Excellence in Education, The Justice Center for Legal Aid and the National Center for Culture and Arts.

Our community development action in Al –Koura district aim to address all the specific social needs of its community. The table below demonstrates the financial investments made in this program for the past 4 years.

	2013	2012	2011
Community investments (Thousand USD)	414	387 ⁴	144

In 2013, Nuqul Group partnered with the National Robotics Center to establish a Lego Robotics Educational lab in the urban district, NG also partnered with the National Center for Culture and Arts to provide specialized training on theater, Dabkeh and music to a group of sixty male and female youth that are members of the local youth center in Al-Koura, and they will form the nucleus of a local performing group that Nuqul Group is committed to support over the coming years.



The group launched their first performances on the open door theater in the urban district. Moreover, NG partnered with the Justice Center for Legal Aid and established a legal aid clinic that provides legal consultation and court representation for free for underprivileged community members in Koura that are facing legal challenges.



Also in 2013, Nuqul Group established a country kitchen that is providing income opportunities for five women from the local community who are professionally trained on operating a food outlet and a catering business within the premises of the urban district in Deir Abi Said. Nuqul Group furnished the location with all required equipment and relevant material as well as incubating and subsidizing the work of the country kitchen over the coming years until it reaches sustainability.



Nuqul Group also started a local farming project and is committed to transforming the farm into a sustainable module that could be affordably replicated in other areas of the district and in Jordan as a whole.

A volunteers program is also being designed to incorporate interested staff in Nuqul Group in extending their knowledge and expertise to the local community.

Nuqul Group believes that sustainability of its CSR efforts are closely aligned with global standards of sustainable human development and CSR; through linking all its efforts in Al-Koura to its core

⁴ The 2012 total community investment has increased as compared to what was reported in 2012, since the actual expenditure budget for 2012 has been extended to Q1 of 2013.

businesses, committing specialized resources and expertise to cover a sufficient period of time, transferring critical knowledge for operational excellence, success and growth, and sharing all accumulated knowledge with the local community as well as with relevant stakeholders, the Nuqul Group aspires to transform Al-Koura District's CSR program into a national model that could be duplicated and replicated in other areas of Jordan.

Other CSR Initiatives

- Our Fine operations in Jordan alongside the Head Offices, systemized blood donation campaigns in cooperation with the local blood bank. The campaigns take place twice a year at the Fine converting facilities in Jordan as well as at the Head Office.
- We have established a partnership with Injaz, an independent non-profit Jordanian organization with the mission to inspire and prepare young Jordanians to become productive members in their society and succeed in the global economy. Through this partnership we encourage our employees to volunteer with Injaz as educators for school and university students and showcase their experience in the job market to these students.

Elia Nuqul Foundation

The Elia Nuqul Foundation was established in 2008 by the Nuqul family as a philanthropic entity focusing on social development initiatives benefitting individuals and local communities within Jordan through its three areas of intervention which include the Elia Nuqul Scholarship Fund, the Community Service and Social Entrepreneurship Programs and Enhancement Program.

These programs aim to encourage development of Jordanian youth through access to higher education at universities, community colleges and vocational training facilities; providing life and professional skills training to produce well-rounded individuals, enhancing better employment opportunities, encouraging youth to think socially; and advocating in promoting the growth of a sound social entrepreneur sector in Jordan.

ENF activities in 2013

- ENF held a dynamic orientation session under the theme "I Promise" for all its new scholars that enrolled in 2012.
- ENF organized the first "Hiwaruna" meeting for all its scholars to stir discussion and interest among them where the scholars' topic of interest was community service.
- ENF held a social media discussion panel titled #لنتواصل (#Lenatawasal meaning let's connect). The main objective of the panel was to spread awareness among the scholars on how to use and benefit from social media tools in their personal and professional lives.
- A batch of 33 ENF scholars received the IT Cambridge Certification. This IT training was organized by ENF in collaboration with Talal Abu Ghazaleh.

Environmental Performance at Nuqul Group

We fully understand and act upon our responsibility to the planet that supports our very existence, and we acknowledge our responsibility for mitigating any negative environmental impact that might result from our operations, and as producers of fast moving consumer goods we realize that the continuity of our business is dependent upon the availability of resources including raw material, water and energy, and we make every effort to operate within the limits of these resources; implementing environmental management programs and systems that are in compliance with the ISO 14001 certification standard, and also abiding by local, regional and international laws governing environmental performance.

Moreover, our core values encourage employees' commitment to sustaining earth's natural resources (as demonstrated in the first of our core values – Our World), reducing our negative environmental impact and working with all our stakeholders towards achieving sustainable development.

In 2013, we have continued to assess the impact of our products across their life cycle, and we have built capacity in Product Life Cycle Assessment within our business units through training and awareness. This has helped us set the baseline to improve our impact on the product level for three main products and we will continue to implement programs and initiatives that aim to improve the sustainability impact of our products.

Working within the constraints of water shortage, we constantly optimize our processes to conserve the existing water resources while supporting a growth in our production, and we are committed to achieving energy efficiency across all of our operations, not only to reduce the financial burden of the energy bill, but also to reduce the environmental impact imposed by the use of conventional fuel resources. Accordingly, we are constantly working to reduce the Greenhouse Gas emissions of our operations and distribution fleet via energy efficiency measures and the use of cleaner fuels.

In terms of clean technology, we are seeking to invest in renewable energy applications where possible and feasible, and we are establishing partnerships with governmental, private and non-governmental organizations (e.g. Membership in EDAMA) to support this endeavor.

We strive to reduce solid waste resulting from our manufacturing and non-manufacturing activities, and we promote the practice of waste separation among all our employees.

As for our raw materials, we only work with pulp suppliers who implement renewable forest management practices, ensuring that for any tree cut, other trees are planted, and we have initiated a pilot for a supplier sustainability index for all our raw materials to help our suppliers identify means to improve their sustainability performance.

Materials

As a producer of hygienic products (tissue and absorbent) we require a wide range of materials (see table below), and the supply of this material is correlated with the demand for our products in the market; however, we strive to reduce our raw material consumption through diligent waste control procedures, and constantly attempt to explore means to recycle waste into the process.

Our pulp sourcing policy ensures that all of our pulp comes from forests that are managed in a renewable manner; we have adopted this policy in order to conserve forests and reduce the indirect impact of our operations on biodiversity.

Our Nuqul Tissue operations in Egypt provide a supply of FSC certified tissue in response to demand from customers, thus the percentage of FSC certified pulp purchased for our NT operations is dependent upon the demand of our customers. In 2013, the percentage of certified pulp purchased increased from 5.3% in 2012 to 41.3% in 2013. However, we are committed to raising awareness among all our customers concerning the sustainable advantages of certified pulp, and will develop a communication program with our customers in order to increase the demand for certified pulp.

Pulp Consumption at Nuqul Tissue	Unit	2013	2012	2011
Total pulp consumption	Ton	145,538	157,302	151,633
Total FSC/PEFC pulp consumption	Ton	60,032	8,377	11,703
Percentage of FSC/PEFC pulp from total pulp consumed	%	41.3	5.3	7.7

In our non-woven manufacturing facility, we recycle product waste into Polypropylene Granules, part of which is reused into our process and the rest is sold as raw material for other contractors. In 2013, the percentage of recycled Polypropylene has increased by 3.4% as compared to 2012.

Indicator	2013	2012	2011
Percentage of propylene granules recycled into the process for Non-woven manufacturing	13.6%	10.16%	10.52%

In our Nuqul Tissue operation, we set annual targets to improve the pulp yield in our process; pulp yield is the ratio of original pulp weight to the dry pulp retrieved, the lower the percentage the more efficient the use of pulp. In 2013, our pulp yield increased by 0.3 percent from 2012 levels, and our pulp yield ratio is considered to be the best performance on a global level since perfect conversion of pulp to tissue with no waste, in principle would be, 950 kilograms of tissue from 1000 kilograms of as received pulp, which equates to a yield of 1.052 which is the yield we have achieved in 2012.

Pulp Yield	Unit	2013	2012	2011
Pulp Yield	Ratio	1.055	1.052	1.056

Nuqul Group 2013 Quality Day Awards “Sustainable Product Design”

For the tenth year in a row, Nuqul Group has highlighted the creativity of its employees in its annual Quality Day Awards Ceremony, which was held at the Sheraton Hotel on Sunday, November 24th. This year’s theme is titled ‘Sustainable Product Design’ and companies were given the chance to exhibit samples of the products that they submitted for the awards. The products had an individual concept which reflected each company’s core values and had the goal of promoting new methods of sustainability. The products included a wide variety of sustainable design concepts targeting packaging design, consumer communication and product sustainable modifications. Additionally, products from the Groups CSR flagship program in Al-Koura District were showcased under the brand “Kheir Al-Koura”. Three winners were awarded prizes. The audience were given the chance to nominate one of the exhibited products, while a panel of external expert jury evaluated the two finalist products to decide on the recipients of the first and the second place prizes.

Employees of Nuqul Group as well as the guest judges had the opportunity to interact with the exhibitors prior to the awards ceremony, and during the ceremony the Group’s History of the Quality Day Awards for the past 10 years as well as the Group’s sustainability achievements in 2012 were highlighted. The Employee choice award was given to Fine Jordan’s project “Disposable Bed Sheets”. The second place prize was awarded to SPIC for their “Sustainable Cardboard Pallets” project and Nuqul

Tissue Egypt was awarded the first place prize for their “Tissue Structure Design Improvement” Project. The first place Award was handmade by a local Jordanian artist where ornamental patterns were made from Toilet Paper core board.

Energy

Our Nuqul Tissue operations are the largest consumers of energy (electrical and thermal) among all our facilities, while our converting facilities use energy for manufacturing in the form of electricity from the grid, as well as fossil fuels for their distribution fleets.

In 2013 our consumption of operational fuel has decreased by 7% as compared to 2012 due to the implementation of several operational fuel saving measures in our paper mills, which included process optimization and energy management measures.

Total Energy Consumption			
	2013	2012	2011
Total Operational Fuel Consumption GJ (Direct Energy)			
Kerosene	178,470	273,054	105,074
Heavy Fuel Oil	328,246	293,919	294,809
Natural Gas	1,106,908	1,338,133	1,052,436
LPG	166,572	621	205,828
Diesel	3,544	4,601	4,002
Sub Total	1,783,740	1,910,328	1,662,149
Total Distribution Fuel Consumption GJ (Direct Energy)			
Diesel	70,639	69,097	48,304
Gasoline	90,412	48,620	29,501
Sub Total	161,051	117,717	77,805
Total	1,944,791	2,028,045	1,739,954
Total Electricity Consumption MWh (Indirect Energy)			
Electricity consumption	252,352	242,710	235,338

Our distribution fuel consumption in 2013 significantly increased by 36% as compared to 2012; due to an increase in the number of vehicles in the distribution fleets, as well as an increase in sales volume (35% in diapers and 13 % in tissue).

Our total electricity consumption in 2013 increased by 4% as compared to 2012, which is due to an increase in production, and while the total consumption value has increased, the consumption per unit product for the majority of our products in the different facilities has decreased as per the table in the next page.

Product Energy Content				
Product Indicator	Unit	2013	2012	Achievement
Electricity Power Consumption Per Ton Tissue in Mills	KWh/Ton	1143	1189	4% decrease
Thermal Power Consumption per Ton Tissue in Mills	KWh/Ton	1863	1704	9% increase
Electricity Consumption per Ton non-woven	KWh/Ton	1463	1436	2% increase
Electricity Consumption per Ton packaging	KWh/Ton	193	191	1% increase
Electricity Consumption per Diaper	MWh/Million Diaper	18.97	20.85	9% decrease
Electricity Consumption per ton facial	MWh/Ton	0.53	0.55	3% decrease
Electricity Consumption per ton toilet	MWh/Ton	0.37	0.38	1% decrease
Electricity Consumption per ton Kitchen	MWh/Ton	0.47	0.48	2% decrease

Water

We realize our responsibility towards preserving water as a natural source for our continuity and to ensure its availability for future generations. Accordingly, we constantly implement and seek to find new ways to reduce the water footprint of our products, especially in our paper mills, being heavily dependent on water.

In 2013, our total water consumption increased by almost 3% due to an increase in water consumption per ton tissue in one of our paper mills in Egypt; however, on average, the water consumption per ton ratio of our tissue jumbo rolls is 50% lower than that of the industry average without compromising the quality of the tissue.

Water consumption (Cubic Meter)	2013	2012	2011
Water from national grid	689,312	665,209	705,409
Water from ground water resources (Artesian wells)	540,377	530,172	531,948
Total water consumption	1,229,689	1,195,381	1,237,357

We are constantly seeking ways to further reduce our impact on water availability, and we are encouraging water savings in administrative activities through communication with our employees.

Waste water from our Nuqul Tissue operations in Jordan is treated and the resulting grey water is used to irrigate an olive farm close to the facility, while the sludge is sold to a contractor to dispose of as per local regulations. In 2013, the resulting estimated sludge amounts increased by 22.8% from 2012 levels due to an increase in production and consumption of water in our paper mills in Jordan.

Indicator	2013	2012	2011
Total estimated sludge generated in Nuqul Tissue Jordan (Tons)	925	753	822

Greenhouse Gas (GHG) Emissions

We realize that our operations contribute to climate change, and we aim to reduce this contribution through diligent energy efficiency measures. In 2013, our GHG emissions increased by 0.9% when compared to 2012 levels. This increase is due to an increase in production and increase in sales, which increased our consumption of electricity and distribution fuels. However, since the energy content of our products has decreased (see product energy content table), this decrease has led to the same in the carbon footprint of these products.

Total GHG Emissions (Ton CO2 Equivalent)			
	2013	2012	2011
GHG Emissions From Operational Fuel Consumption			
Kerosene	12,876	19,701	7,581
Heavy Fuel Oil	24,142	21,617	21,683
Natural Gas	71,339	86,161	67,765
LPG	10,519	39	12,998
Diesel	263	342	298
Sub Total	119,141	127,860	110,325
GHG Emissions From Distribution Fuel Consumption			
Diesel	6,418	5,209	3,642
Gasoline	5,326	3,451	2,094
Sub Total	11,743	8,661	5,736
GHG Emissions From Electricity Consumption			
Electricity consumption	161,888	153,541	151,355
Total GHG emissions	292,772	290,062	267,416

Product Carbon Footprint (Ton CO2 Equivalent)				
Product Indicator	Unit	2013	2012	Achievement
GHG Emissions from Electricity Per Ton Tissue in Mills	Per Ton Tissue	1.31	1.35	3% decrease
GHG Emissions from Thermal Power per Ton Tissue in Mills	Per Ton Tissue	0.052	0.058	12% decrease
GHG Emissions per Ton non-woven	Per Ton Non-woven	1.14	1.12	2% increase
GHG Emissions per Ton packaging	Per Ton Packaging	0.15	0.15	Stable
GHG Emissions per Diaper	Per Million Diaper	13.6	14.9	10% decrease
GHG Emissions per ton facial	Per Ton Facial	0.38	0.39	3% decrease
GHG Emissions per ton toilet	Per Ton Toilet	0.27	0.27	Stable
GHG Emissions per ton Kitchen	Per Ton Kitchen	0.34	0.34	Stable

Waste

All of the waste generated in our facilities is sold to third party contractors to be reused for other manufacturing facilities. In 2013, the waste generated decreased by 12.8%, but we have achieved zero waste sent to landfill by all our Fine Converting facilities in Jordan, Egypt, KSA and UAE.

Indicator	2013	2012	2011
Total solid waste generated (Ton)	4,589	5,260	5,391

Product Life Cycle Assessment

In 2013, we provided in-house training for key personnel in all our business units regarding the concepts and application of Life Cycle Assessment Methodology, we engaged all business units to assess the environmental impact of their products, and we facilitated knowledge transfer and information sharing across business units so as to help all business get the full life cycle perspective on seven of FHH products. Based on this exercise, we helped all business units identify key priority areas to address, which included electricity consumption and distribution fuel consumption so as to improve the environmental impacts of all our products, where possible.

Supplier Sustainability Index – Pilot

In 2013 we piloted the implementation of our supplier sustainability index as part of our procurement system; in an effort to improve the sustainability performance of our products across the supply chain. The index measures the performance of suppliers in terms of sustainability policy, management and communication, where we would provide recommendations for improvement for the sustainability impact of the process and products of each supplier. During the pilot in 2013 we introduced the index to a number of our Raw Material Suppliers so as to monitor the impact of implanting such measures, and in 2014 we aim to fully integrate the index into the our procurement processes to cover all our centralized raw material suppliers

Compliance

In 2013, we did not incur any monetary fines or nonmonetary sanctions for incompliance with environmental laws and regulations.

Human Resource Management in Nuqul Group

We believe that our employees are our family, and we always strive to achieve what is in their best interest. The human resources department at the Head office, in collaboration with human resources departments at our facilities, is responsible for managing all labor related issues at the facility level as well as the group level. The human resources departments are responsible for organizational design, recruitment, training and career development, performance management, compensation and benefits and succession planning among other activities.

We are always on the look for the best talent and we partner with local academic institutions to provide internship opportunities to future graduates, through which we identify talented young minds that can fit our caliber and work within our organization.

We are an equal opportunity employer and we ensure that all prospective employees are selected based on merit.

Our internal communication systems ensure open channels of communication between labor and management. Our grievance system sets procedures for employees to express their concerns regarding their relationship with the management; our suggestion system provides opportunity for all our employees to make suggestions concerning all aspects of our business.

We implement a group-wide employee training and development system that aims to identify skill needs for our employees and find training opportunities that meet those needs. Additionally, we implement on-the job training that facilitates knowledge transfer among employees at all levels and across all functions.

Our compensation and benefits system is based on a unified salary scale, market research and benchmarks, that ensure equal remuneration among genders, and we have set in place benefit systems for working mothers and women to ensure stable retention rates among our female employees.

Our Environment, Health and Safety Department is responsible for ensuring compliance with internal and external health and safety regulations and improving the health and safety working conditions of our employees.

We fully abide by the laws and regulations governing employment procedures and labor-management relations in the related country of operations.

Total Workforce

Our headcount in 2013 has increased by 3% from 2012, the rate of new hires for the group in 2013 decreased 1.34% as compared to 2012- this is due to the high retention rate among the new hires.

Indicator	Unit	2013	2012	2011
Total number of employees FHH-Levant	Employees	1,581	1,610	1,645
Total number of employees FHH-API	Employees	1,568	1,441	1,407
Total number of employees FHH-North Africa	Employees	1,415	1,380	1,324
Total Number of Employees – FHH	Employees	4,564	4,431	4,376

Indicator	Unit	2013	2012	2011
Total number of new hires FHH – Levant	Employees	146	291	422
Total number of new hires FHH – API	Employees	289	385	324
Total number of new hires FHH – North Africa	Employees	132	186	181
Total Number of new hires – FHH	Employees	567	862	927
Rate of new hires – Levant	%	10.08%	19.62%	27.78%
Rate of new hires – API	%	18.43%	26.72%	23.03%
Rate of new hires - North Africa	%	9.33%	13.48%	13.67%
Rate of new hires – FHH	%	2.98%	4.32%	4.26%

Our turnover rate decreased by 0.3% from 2012, and it is still maintained within healthy levels. As for maternity leave, our policies are in full compliance with local laws and regulations; we encourage and practice return to work after maternity.

Indicator	Unit	2013	2012	2011
Turnover rate FHH – Levant	%	18.4%	20.3%	25.4%
Turnover rate FHH – API	%	KSA: 30.68% UAE: 6.22% Iran: 30.7% Kuwait: 55.00%	KSA: 27.2% UAE: 7.5% Iran: 45.9% Kuwait: 38.4%	KSA: 19.6% UAE: 7.6% Iran: 39.2% Kuwait: 66.3%
Turnover rate FHH – North Africa	%	Egypt: 5.2% Morocco: 28.24% Algeria: 0% Sudan: 21.54%	Egypt: 10.1% Morocco: 4.9% Algeria: 0% Sudan: 25.4%	Egypt: 5.5% Morocco: 1.4% Algeria: 0% Sudan: 26.9%
Turnover rate FHH- Total	%	18.5%	18.8%	18.4%

Fine Dubai Received the “15 Best Employers in the Middle East” Award

Another achievement for Fine Dubai in 2013; Fine Dubai was named one of the best employers in the Middle East and North Africa and has received the prestigious award for the third time in a row.

The Award is given every odd year and Fine Dubai has won it since 2009. In addition, Fine Dubai ranked 13th among the best companies in the area.

Aon Hewitt uses a professional, data-driven approach to define best employers using three data sources’ (employees, HR and leadership) perspectives. Further to the data analysis by Aon Hewitt, the judging was conducted by an independent, external Jury which included 3 members.



Health and Safety

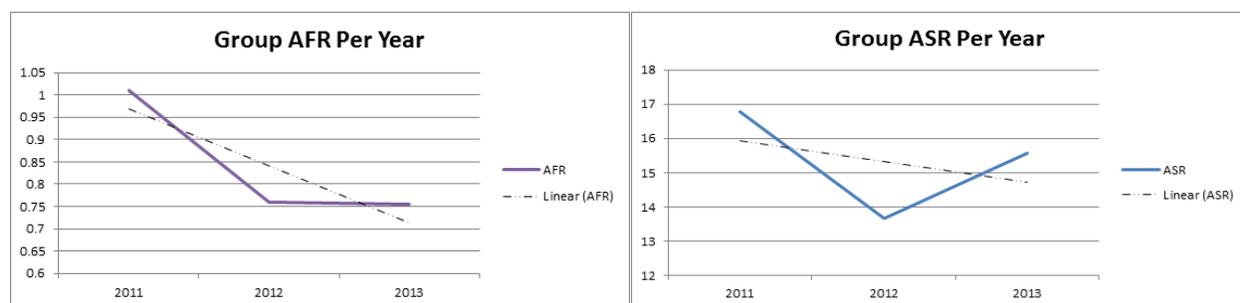
During 2013, we continued demonstrating commitment to safety improvement by going beyond compliance. Our focus was directed to instill and improve the culture of safety among all our employees.

To ensure that our objectives are actualized, we have established a Group Safety Department in our Head Office, which is mandated to create a safety-driven culture in day-to-day operations.

Our performance in safety, as illustrated in the table below, shows that the Accident Frequency Ratio (AFR) of the group has improved by 0.5%, while the Accident Severity Ratio (ASR) has increased by 13.8%. The increase in the ASR is attributed to the increase in total days lost, which are determined by medical parties that are accredited by local governments through a non-standardized approach, and the number of days lost assigned for the same injury may increase or decrease as per the assessment of those medical entities. Thus in 2014, we will engage with legal entities to accredit medical entities in order to ensure proper control and standardization of lost days for each injury case.

The graphs below show that our performance trend in terms of AFR and ASR is showing an improvement across the past three years.

indicator ⁵	Unit	2013	2012	2011
Total number of accidents	Accident	41	40	46
Total number of lost days	Day	844	719	840
Total number of working hours	Hour	13,020,217	12,630,912	12,211,755
Total number of fatalities	Fatality	0	0	1
Accident Frequency Ratio	Ratio	0.756	0.760	0.904
Accident Severity Ratio	Ratio	15.56	13.66	16.51



Employee Training and Development

The development of the capabilities of our employees comes as a priority for our Human Resources Management team, as we believe that such would promote the growth and success of the group. Our Performance Development Review (PDR) system evaluates the performance and development of our employees and defines their skill development needs, based on which we identify matching development programs.

Our sustainability strategy is focused on the workforce, where a workforce that is strongly committed to sustainable development will support the promotion and the uptake of sustainability within our operations and products and amongst customers and communities. As such, we constantly strive to

⁵ The data has changed in this table as compared to the same table provided in the 2012 sustainability report due to an error in the scope of data. In the previous report the 2011 figures included all FHH BUs (NT, Fine converting PPP and SPIC), however the 2012 data only included NT and Fine Converting), the number of accidents and number of lost days for 2011 has changed since the data for Fine Jordan included accidents and lost days outside the premises, in this table 6 accidents and 23 lost days in 2011 were omitted as they occurred outside the premises of our factory. The 2013 data in this table includes data for NT Fine Converting, PPP and SPIC.

integrate sustainability principles through training, performance reviews and communication so as to influence the course of development for all our stakeholders towards more sustainable levels.

We target employees at all levels to improve their professional and interpersonal skills; however, for 2013 we continue to put focus on the development of employees in middle management positions.

Indicator	unit	2013	2012	2011
Average number of training hours per employee – FHH	Hours	30	16.81	16.72
Number of employees at chief executive and director level taking training	Employees	20	16	9
Number of employees at upper management level taking training	Employees	29	131	57
Number of employees at officer to middle management level taking training	Employees	316	1174	478
Number of employees at front line level taking training	Employees	224	861	587

Our performance development and review system ensures that 100% of all our employees receive annual performance appraisals.

Diversity and Equality

We take pride in the fact that our environment promotes equality and diversity and rejects all forms of discrimination within our employment practices. Our Code of Conduct sets the ground for all employees to respect each other, regardless of age, gender, and ethnicities and we encourage our employees to embrace all differences amongst them. As of 2013, we have employees from 33 nationalities working in our facilities in the MENA region, and the average age for our employees is 35.7 Years.

As our compensation and benefit system is based upon a salary scale that reflects the job value, there is no discrimination in wages between men and women. In 2013, the percentage of female employees of the workforce increased by 1% from 2012 levels, while the percentage of female employees in management positions increased by 0.6% compared to 2012.

	Unit	2013	2012	2011
Total number of female employees FHH-Levant	Employees	114	113	117
Total number of female employees FHH-API	Employees	120	71	50
Total number of female employees FHH-North Africa	Employees	88	87	74
Total Number of Female Employees – FHH	Employees	322	271	241
Percentage of female employees in the workforce –Levant	%	7.2%	7.0%	7.1%
Percentage of female employees in the workforce -API	%	7.7%	4.9%	3.6%
Percentage of female employees in the workforce -North Africa	%	6.2%	6.3%	5.6%
Percentage of female employees in the workforce -Total FHH Group	%	7.1%	6.1%	5.5%
Percentage of female employees in management positions FHH-Levant	%	14.2%	13.0%	12.9%
Percentage of female employees in management positions FHH-API	%	4.2%	4.3%	6.0%
Percentage of female employees in management positions FHH-North Africa	%	18.8%	18.4%	13.7%
Percentage of female employees in management positions – Total FHH	%	12.3%	11.7%	11.2%

Employee Satisfaction

In 2013, we have conducted our bi-annual Organizational Health Survey. The Organizational Health Survey is a tool we use to measure several HR related indicators including employee satisfaction. In 2013, the overall score of the survey measured 72.34% which improved from 2010 result by 3.33%.

Human Rights in Nuqul Group

As an active participant and signatory to the UN Global Compact, we are committed to maintaining a work environment which upholds human rights and condemns any human rights violations, including child labor and all forms of forced or compulsory labor.

We operate in countries supporting the International Labor Organization (ILO), and we are committed to achieving the goals of the ILO's article CO29, addressing the concerns regarding all forms of forced or compulsory labor. Furthermore, we comply with all local laws and regulations concerning forced or compulsory labor and collective bargaining.

All of our facilities are required to abide by our internal code of conduct which ensures their commitment to upholding human rights in all aspects of operations.

Our integrity hotline and our grievance system ensures that all incidents related to human rights violations and discrimination are communicated promptly to our internal conduct committee, and our integrity hotline targets our internal as well as external stakeholders, and provides for a clear and safe channel to report any incident of violation of our code of conduct.

As for our suppliers, we work with suppliers from the European Union, North America, Japan and Taiwan where they follow stringent local human rights regulations that ensure elimination of human rights violations.

Investment and Procurement Activities

Our contracts with our business partners stipulate that all parties should comply with ethical business practices; however, in these contracts; we do not include clauses that explicitly mention compliance with human rights laws and regulations; these contracts include investment agreements, suppliers' contracts and any other business contracts. Accordingly, we do not conduct human rights audits for these contracts.

As for our operations, our code of conduct includes clauses regarding the respect of human rights and all of our facilities and employees are required to comply with this code.

Labor Rights in the Work Place

As part of our commitment to the UN Global Compact Principles, and as an equal opportunity employer, we constantly attempt to maintain a work environment with zero tolerance for any form of discrimination. We support the right of collective bargaining wherever permissible by local laws and regulation, and all our operations are prohibited from encouraging any form of child labor and /or forced or compulsory labor. Moreover, to ensure that all our operations are audited on annual basis to ensure their compliance with our labor practices requirements.

Accordingly, we report that zero cases of grievance related to human rights violations were communicated and none of our operations recorded any incidents of discrimination, violation of the right of association and collective bargaining, child labor and force or compulsory labor, and based on this, none of our operations were subject to human rights reviews.

Society and Nuqul Group

We have adopted a Corporate Social Responsibility (CSR) model that ensures the implementation of effective and efficient community development projects; this CSR model runs under one umbrella of Nuqul Group (comprising FHH and the Promise). The model is based on a social need and impact assessment, through which we adopted one poverty pocket in the northern district of Jordan, and developed a series of activities that addressed the identified gaps and needs of this community in order to support its strategic development and eliminate poverty.

Our code of ethics explicitly commits to preventing corruption and all forms of anti-competitive behaviors in all aspects of business, and our internal audit department ensures compliance with this code.

We constantly participate in stakeholders' engagement activities concerning aspects of public policy that influence our operations; however, we do not hold any public policy positions and we do not engage in lobbying.

We comply with all local laws and regulations regarding all aspects of our work.

Community Engagement and Development

Our community development activities are focused within one CSR program targeting Al-Koura community in the northern parts of Jordan; through this program we identified community needs and designed development programs that aim to address those needs through capacity building activities, infrastructure construction and the creation of effective partnerships with governmental and non-governmental agencies.

Building on our corporate social responsibility program for empowering disadvantaged children, Fine Hygienic Holding in 2013 partnered with the SOS Children's Village Association in Jordan to launch a fund-raising art competition for orphans. Over the course of two months, orphans in Amman, Irbid and Aqaba sent in their drawings for the chance to win cash prizes for the two best pieces, and to have their creations featured on FINE's special edition tissue packs. Along with granting grand prizes to two winners, FINE donated part of its' proceeds from the pack sales to the SOS Children's Village Association, and contributed an additional sum to support the Association's activities in Jordan.

The initiative's resounding success was echoed in Lebanon, Palestine and Saudi Arabia where it was also carried out as part of FINE's regional commitment to providing orphans with better education opportunities and a brighter future.

Social Impact of Nuqul Group

We understand the social impact associated with our operations, mainly in terms of affecting resource availability for the communities where we operate.

Our Nuqul Tissue operations are both water and energy dependent, and we strive to sustain our operations while maintaining those resources in a manner that does not jeopardize their availability for the surrounding communities.

In Nuqul Tissue Jordan, water supply is not provided through the local water grid, but through an artesian well close to the facility, more over annual targets are set to reduce the resource consumption per ton product to avoid resource depletion.

Corruption

Our Code of Conduct sets the ground for all our businesses and employees to combat all forms of corruption, and our Corporate Integrity Hotline ensures the enforcement of our anti-corruption policies and requirements by providing the opportunity for all our employees to report any unethical behavior.

Our internal audit department is responsible for conducting audits concerning the implementation of proper internal controls across all departments and in all of our facilities, and we have provided specialized training for 11.1% of the employees in this department regarding anti-corruption policies and procedures. Once a corruption claim is identified, an investigation is conducted by our internal audit department and if the claim is proven, the party responsible for this claim would be held accountable and appropriate measures are taken against them.

Participation in Public Policy

We constantly engage in stakeholder consultations for different public policy aspects as part of our presence as an industrial leader. Such engagements take different forms from government surveys to focus groups and round tables, to engagement in advocacy efforts through non-governmental bodies. However our organization does not hold any official position in public policy formation and we do not participate in any lobbying activity.

We abide by all local and regional laws and regulations and we report that we incurred no monetary fines or non-monetary sanction due to non-compliance with any laws and regulations.

Product Responsibility in Nuqul Group

Customer health and safety is at the top of our priorities, and we thrive to ensure that the products delivered to the consumer are safe to handle and use; our internal health and safety system ensures that health and safety risks within our production process are assessed and prevented, our Steripro™ sterilization process ensures the elimination of germs in our products prior to packaging.

Our brand guidebook entails that we clearly communicate the specific attributes of our products to all our consumers, and all cultural aspects are taken into consideration when developing all marketing material. We abide by all local laws and regulations concerning marketing communications.

Customer Health and Safety

We incurred no accidents of incompliance with regulations and voluntary codes concerning health and safety impacts of our products

Life cycle stages in which health and safety impacts of products and services are assessed for improvement				
Life cycle	Yes	No	Percentage of products assessed	Scope and methodology
Development of Product Concept	♣		100%	All new products
Research and Development		♣	NA	NA
Certification	♣		100%	Our Steripro™ label is used for all our products, and indicates that an effective sterilization methodology has been used during the production process.
Manufacturing and Production	♣		100%	All our manufacturing facilities are OSHA certified, and are annually audited internally and by a third party, to ensure compliance with acceptable occupational health and safety standards.
Marketing and Promotion	♣		100%	The Steripro™ label is clearly communicated through our marketing channels, highlighting the safety of our products.
Storage Distribution and Supply		♣	NA	The storage, distribution and supply of our products do not impose any significant health and safety risks. The storage of RM is based on our health and safety system and ensures that any hazardous material is stored within optimum health and safety conditions.
Use and Service	♣		100%	Our products do not impose any significant health and safety impacts during use.
Disposal, Reuse or Recycling		♣		This will be tackled as part of our direction to raise the awareness of our consumers, regarding safe and environmentally friendly disposal of our products.

Customer Satisfaction

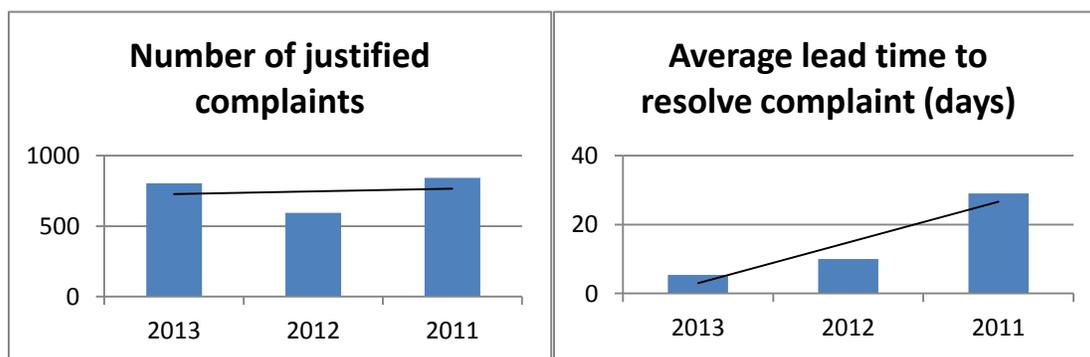
Our Fine operations in addition to Nuqul Tissue have over 17,000 customers in their customer base, to which we are committed to delivering high quality products that rise above our customers' expectations. Fine, our class A tissue brand, has been successful in achieving its place among consumers as the brand of choice, and we are constantly seeking to maintain this reputation in every product we develop.

Our "Customer Complaint Index System" acts as the channel through which we communicate with our customers. The Operations Support Department is responsible for addressing customer complaints by

analyzing and benchmarking the Group’s performance on a monthly basis, identifying root causes and implementing corrective and preventive measures to improve customer satisfaction levels.

Indicator	2013	2012	2011
Number of justified complaints (complaints)	804	595	843
Average lead time to resolve complaint (days)	5.37	10	29

In 2013, the number of customer complaints for our Fine converting operations (in Jordan, Egypt and KSA) increased by 35%. This increase was mainly due to changing our definition of “justified” customer complaints; where in 2013 all customer complaints were counted as justified. The average lead time to resolve customer complaints decreased by 46.3% which is due to the implementation of a diligent follow-up mechanism and the launch of our quality monetization model (see below) to ensure that all complaints are resolved in 10 days or less. The Quality Rate for our baby diaper products has dropped slightly (by 0.23%) as compared to 2012; given that we have changed our strategic direction for our baby diapers (one brand strategy), this slight drop represents a significant positive achievement since the production of a new product implies a larger decrease in the Quality Rate at the beginning of production.



Customer Complaint Index

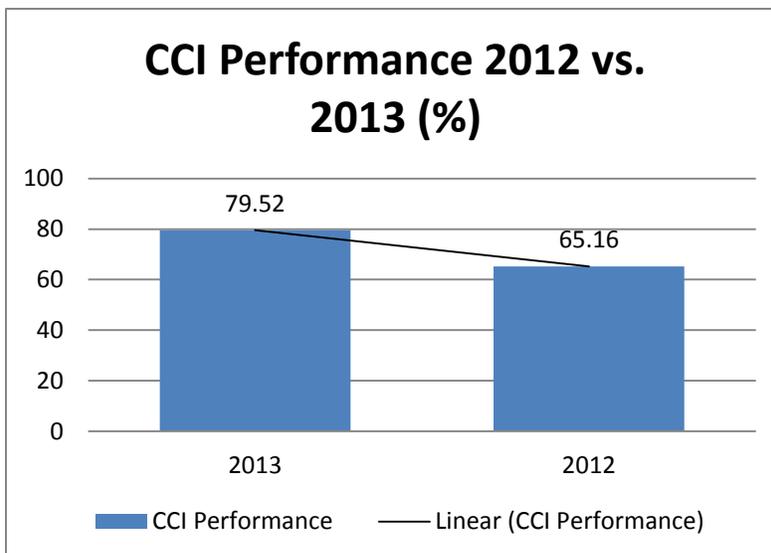
In 2012, we launched a unique, internally developed index under the name of Customer Complaint Index (CCI), which aimed to elevate the level of customer centricity, and instill the culture of fast response to customer complaints. This index acts as a tool for quantifying our performance in terms of response to customer complaints, including complaints’ recurrence, time taken to investigate complaints, and the time taken to close the complaint with the complainant.

After the successful deployment of the CCI in 2012, companies of the group started relying on this index by utilizing it in their process performance evaluation, incentive schemes, and employees’ appraisals, which further emphasized our group’s direction to not compromise quality and customer satisfaction, and created a focus-driven culture that pursued improving the index constantly.

The CCI is reported on monthly basis, and analyzed to identify promptly any visible issues that may arise within our Facial, Toilet and Kitchen (FTK) product category, as well as Absorbents product category. Based on the analysis, necessary corrective and preventive measures, reaching to the limit of product recall if necessary, are implemented to ensure that quality issues are addressed and solved before products are sent to the market.

The group’s performance in the CCI is demonstrated in the graph below, where the group’s overall score in 2013 improved by 22.04% as compared to 2012’s performance, and in 2014, we aim to sustain this

performance, supported by effective action plans and models of excellence that will be deployed to serve that purpose.



Quality Monetization Model

In 2013, we launched the Quality Monetization model, a model which is based on the McKinsey 7S Framework Model. This model aims to upgrade and promote the Quality culture among our Fine business units to be able to accommodate quality challenges imposed by the group’s product strategy.

The framework objectives include:

- Improve the quality culture and process performance of FINE.
- Guide the operations into the single brand strategy change.
- Provide a remedy for ineffective/inefficient technical failures of processes or tasks.
- Ensure consistent FINE operations execution driven by the Xi culture drivers.
- Align operations with other department to ensure customer centricity flow management.

Communications with Customers

We do not use voluntary standards concerning marketing communication; however, our brand guidebook provides for the basis on which we design our marketing material. We constantly attempt to design and disseminate advertising material that is credible, culturally sensitive and accurate, and we have received no complaints in regards

to our communication and advertising material. Moreover, we did not incur any monetary fines or non-monetary sanctions for incompliance with laws and regulations concerning the provision and use of

لبيئة اجمل وانقى هذه العبوة
 قابلة للتحلل في الطبيعة
 For a cleaner environment
 this pack is biodegradable



Use of Biodegradable Plastic

In 2013, we have made the decision to fully move to the use of Oxo-biodegradable plastic for the Nylon components of our Fine Tissue product packaging for both Jordan and KSA markets. The biodegradable plastic that we use is based on the use of a chemical additive (D2W) that activates the process of biodegradability after three years shelf life. For the purposes of communicating this attribute to our customers we have developed and printed our own environmental label for the products that use biodegradable plastic packaging.

2014 Initiatives

Aspect	Planned Initiatives/Programs
Communication	<ul style="list-style-type: none"> • Social media tools to be used to improve communication for sustainability among employees and accelerate the integrations of sustainable practices into professional and personal behaviors of employees
Environmental	<ul style="list-style-type: none"> • Introduction and implementation of Nuqul Group Corporate Impact Index, to foster a culture responsible competitiveness and knowledge sharing for sustainability among the group's company and leverage the sustainability performance across all businesses. • Creating effective partnerships for sustainability research and development between Nuqul Group companies and regional research institutions. • Full integration of the Supplier Sustainability Index into the Group's existing procurement system.
Human Resources	<ul style="list-style-type: none"> • Based on the results of the Organizational Health Survey, which was conducted in 2013, all the HR departments in our business units have been requested to conduct initiatives that aim to close gaps identified through the survey.
Health and Safety	<ul style="list-style-type: none"> • The Health and Safety Department at the Head office will kick off a cultural development project based on Mckinsey's 7S Model that will be implemented in all the companies of the group.
Community Contribution	<ul style="list-style-type: none"> • Improving productivity of existing production projects under Kheir Al-Koura flagship program (Kitchen, Farm and Labeling and Packaging Unit) • Introduction of new products within the Kheir Al-Koura Brand • Execution of marketing plan for Kheir Al-Koura Brand and Products • Expansion of implementation for non-production projects including education, legal presence and cultural activities

Data Scope, Sources and Calculation Basis

Indicator	Scope	Source(s)	Calculation assumptions
Total revenues and employee wages and benefits	FHH collective	Form Finance Department at Head Office	NA
Payments to governments	FHH collective	Form Finance Department at Head Office	Based on total sum of taxes paid to governments
Percentage variation of average entry level wage in FHH from local minimum wage	As indicated in the table	Average entry level wage from HR department at HO, local minimum wage as provided by local regulations published on the world wide web	$\frac{\text{Average entry level wage in business unit}}{\text{local minimum wage in the country of the business unit}} * 100$
Percentage Saudization	Fine KSA	From HR department in Fine KSA	$\frac{\text{Number of Saudi employees}}{\text{Total number of employees in workforce}} * 100$
Pulp consumption	Nuqul Tissue Jordan, Nuqul Tissue Egypt	Directly from operations departments at business units	Actual consumption data
Percentage of recycled poly propylene granules recycled into manufacturing in Non-woven production	SPIC	Directly from production department in SPIC	$\frac{\text{Amount of recycled granules used in production}}{\text{total amount of granules used in production}} * 100$
Pulp Yield	Nuqul Tissue Jordan, Nuqul Tissue Egypt	Directly from operations department	Ratio of consumed pulp to amount of pulp used in production
Electricity consumption, Water consumption, fossil fuel consumption and waste generated	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine KSA, Fine UAE, PPP and SPIC	Sustainability Dashboard and business excellence departments at business units	Actual consumption data
Electricity consumption per unit product	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine KSA, Fine UAE, PPP and SPIC	Electricity consumption data provided by the sustainability dashboard, production data provided by technical dashboard and production departments at business units	$\frac{\text{Total electricity consumption} * \text{sales share of product category}}{\text{total production of product category}}$
GHG emissions	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine KSA, Fine UAE, PPP and SPIC	Calculated from energy consumption data based on the GHG protocol formula and the IPCC guidelines and emission factors. Electricity GHG emission factors are taken from the International Energy Agency.	
Total sludge generated	Nuqul Tissue Jordan	From operations department in Nuqul Tissue Jordan	Estimate based on material balance
Employee headcount	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine Algeria, Fine Morocco, Fine	Human Resources (HR) Department at the Head Office	Number of employees at end of year

Indicator	Scope	Source(s)	Calculation assumptions
Number and rate of new hires	Sudan, Fine KSA, Fine UAE, Fine Kuwait, Fine Iran and the Head Office for Nuqul Group Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine Algeria, Fine Morocco, Fine Sudan, Fine KSA, Fine UAE, Fine Kuwait, Fine Iran and the Head Office for Nuqul Group	Human Resources (HR) Department at the Head Office	Number of employees hired until year end
Employee turnover rate	As indicated in the table on page 29	Human Resources Department at the Head Office	$\frac{\text{Terminated or resigned employees during the year}}{\text{the number of employees at year end}} * 100$
Accident frequency ratio (AFR)	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine KSA, Fine UAE, PPP and SPIC	Directly from health and safety department at Business Units	$\frac{\text{number of accidents at year end} * 240000}{\text{total number of working hours at year end}}$
Accident severity ratio (ASR)	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine KSA, Fine UAE, PPP and SPIC	Directly for health and safety department at Business Units	$\frac{\text{number of lost days at year end} * 240000}{\text{total number of working hours at year end}}$
Average number of training hours per employee	FHH collective	Human Resources Department at the Head Office	$\frac{\text{total number of training hours at end of year}}{\text{total number of trained employees}}$
Percentage of female employees of total workforce	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine Algeria, Fine Morocco, Fine Sudan, Fine KSA, Fine UAE, Fine Kuwait, Fine Iran and the Head Office for Nuqul Group	Human Resources (HR) Department at the Head Office	$\frac{\text{number of female employees at year end}}{\text{total number of employees at year end}} * 100$
Percentage of female employees in management positions	Nuqul Tissue Jordan, Nuqul Tissue Egypt, Fine Jordan, Fine Egypt, Fine Algeria, Fine Morocco, Fine Sudan, Fine KSA, Fine UAE, Fine Kuwait, Fine Iran and the Head Office for Nuqul Group	Human Resources (HR) Department at the Head Office	$\frac{\text{number of female managers at year end}}{\text{total number of managers at year end}} * 100$
Organizational Health Survey Score	FHH collective	Human Resources (HR) Department at the Head Office	% score based on responses from employees to the organizational health survey
Number of Human Rights related grievances	FHH collective	From HR department at the HO	
Community contributions	Nuqul Group Collective	From PR Agency	Total community contributions at year end
Percentage of employees trained in anti-corruption policies and procedures	FHH collective	Audit department at the head office	$\frac{\text{\# of employees trained in anti-corruption policies and procedures}}{\text{total number of employees in the audit department}} * 100$
Number of	Fine Jordan, Fine Egypt,	Operations support	Number of customer complaints at year end

Indicator	Scope	Source(s)	Calculation assumptions
customer complaints	Fine KSA	department and Business excellence departments in Business Units	
Average lead time to resolve customer complaints	Fine Jordan, Fine Egypt, Fine KSA	Operations support department and Business excellence departments in Business Units	$\frac{\sum(\text{closing date} - \text{start date})}{\text{number of complaints in month end}} / \text{number of months}$
Quality rate for baby diapers	Fine Jordan, Fine Egypt, Fine KSA, Fine UAE and Fine Iran	Technical R&D department at the Head Office and Production Department at Business Units	$\frac{\text{Total first grade diapers produced}}{\text{Total diapers produced}}$
Leakage complaints for diapers	Fine Jordan, Fine Egypt and Fine KSA	Operations support department and Business excellence departments in Business Units	Number of leakage complaints for diapers at year end

GRI Index

Application Level		A+	Assured by	Nuqul Group Stakeholder Council
Profile Disclosure	Description	Reporting status	Page	Reason for omission
1.1	Statement from the most senior decision-maker of the organization.		3	
1.2	Description of key impacts, risks, and opportunities.		6-9	
2.1	Name of the organization.		15	
2.2	Primary brands, products, and/or services.		15	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		16	
2.4	Location of organization's headquarters.		15	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		15	
2.6	Nature of ownership and legal form.		15	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		15	
2.8	Scale of the reporting organization.		15	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Not reported		None to report
2.10	Awards received in the reporting period.		19	
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		17	
3.2	Date of most recent previous report (if any).		17	
3.3	Reporting cycle (annual, biennial, etc.)		17	
3.4	Contact point for questions regarding the report or its contents.		17	
3.5	Process for defining report content.		6	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		43-45	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		43-45	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		17	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		43-45	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. Mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Reported in footnotes		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not reported		None to report
3.12	Table identifying the location of the Standard Disclosures in the report.		46-53	
3.13	Policy and current practice with regard to seeking external assurance for the report.		17	

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.		18-19	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		18	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Not reported		The board is being elected
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		18-19	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).		18-19	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		18-19	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.		18-19	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		13	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		18-19	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		18-19	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		6	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.		6	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.		19	
4.14	List of stakeholder groups engaged by the organization.		20-21	
4.15	Basis for identification and selection of stakeholders with whom to engage.		20-21	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.		20-21	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		20-21	

G3.1 Disclosure on management Approach	Description	Reporting Status	Page	Reason for omission
Aspects Economic	Economic performance		22	
	Market presence		22	
	Indirect economic impacts		22	
Aspects Environment	Materials		27	
	Energy		27	
	Water		27	
	Biodiversity	Not reported		Not applicable
	Emissions, effluents and waste		27	
	Products and services		27	
	Compliance		27	
	Transport		27	
	Overall		27	
Aspects Labor practices	Employment		32	
	Labor/management relations		32	
	Occupational health and safety		32	
	Training and education		32	
	Diversity and equal opportunity		32	
	Equal remuneration for women and men		32	
Aspects Human Rights	Investment and procurement practices		36	
	Non-discrimination		36	
	Freedom of association and collective bargaining		36	
	Child labor		36	
	Prevention of forced and compulsory labor		36	
	Security practices	Not reported		Not applicable
	Indigenous rights	Not reported		Not applicable
	Assessment		36	
Remediation		36		
Aspects Society	Local communities		37	
	Corruption		37	
	Public policy		37	
	Anti-competitive behavior		37	
	Compliance		37	
Aspects Product Responsibility	Customer health and safety		39	
	Product and service labeling	Not reported		Not applicable
	Marketing communications		39	
	Customer privacy	Not reported		Not applicable
	Compliance		39	

Performance Indicator	Description	Reporting status	page	Reason for Omission
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	partially	22	Some information may not be disclosed
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.		23	
EC3	Coverage of the organization's defined benefit plan obligations.		23	
EC4	Significant financial assistance received from government.	Not reported		Information cannot be disclosed
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	partially	24	Ratios are not reported
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		24	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		24	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		24	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		24-26	
EN1	Materials used by weight or volume.	Partially reported	27-28	Reported for Nuqu Tissue (Pulp)
EN2	Percentage of materials used that are recycled input materials.		28	
EN3	Direct energy consumption by primary energy source.		29	
EN4	Indirect energy consumption by primary source.	Not reported		Not applicable
EN5	Energy saved due to conservation and efficiency improvements.		29	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		31	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not reported		Not applicable
EN8	Total water withdrawal by source.		30	
EN9	Water sources significantly affected by withdrawal of water.		30	
EN10	Percentage and total volume of water recycled and reused.	Not reported		Not applicable
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not reported		Not applicable
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not reported		Not applicable
EN13	Habitats protected or restored.	Not reported		Not applicable
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not reported		Not applicable

Performance Indicator	Description	Reporting status	page	Reason for Omission
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not reported		Not applicable
EN16	Total direct and indirect greenhouse gas emissions by weight.		30-31	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not reported		Not applicable
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Not reported		Not applicable
EN19	Emissions of ozone-depleting substances by weight.	Not reported		Not applicable
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not reported		Not applicable
EN21	Total water discharge by quality and destination.		31	
EN22	Total weight of waste by type and disposal method.	Not reported		Not applicable
EN23	Total number and volume of significant spills.	Not reported		Not applicable
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not reported		Not applicable
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not reported		Not applicable
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially		Description of life cycle assessment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not reported		0%
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		31	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		29-30	
EN30	Total environmental protection expenditures and investments by type.	Not reported		0 investments
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	partially	32-33	All our employees are employed on permanent contract basis, data reported by gender
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	partially	33	Info pertains to rate and number of total new hires broken down by region not broken down by age or gender
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not reported		Not applicable
LA15	Return to work and retention rates after parental leave, by gender.		33	
LA4	Percentage of employees covered by collective bargaining agreements.	Not Reported		Where permitted by local laws and regulations, all our employees that are part of trade unions, are covered by collective bargaining agreements
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not reported		Not applicable

Performance Indicator	Description	Reporting status	page	Reason for Omission
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not reported		Information not readily available
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.		34	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Not reported		No structured training for such, but regular safety talks are communicated regarding different health and safety issues
LA9	Health and safety topics covered in formal agreements with trade unions.	Not reported		Not applicable
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	34	Average for all of our employees is provided not broken down by gender, but number of trained employees per employee category is provided
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Not reported		Not applicable
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.		35	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	35	Broken down by gender only
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.		35	
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.		36	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.		36	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not reported		Not applicable
HR4	Total number of incidents of discrimination and corrective actions taken.		36	
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Partially	36	Only for our operations
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Partially	36	Only for our operations
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Partially	36	Only for our operations

Performance Indicator	Description	Reporting status	page	Reason for Omission
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not reported		Not applicable
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not reported		Not applicable
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		36	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.		36	
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		37	
SO9	Operations with significant potential or actual negative impacts on local communities.		37	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.		37	
SO2	Percentage and total number of business units analyzed for risks related to corruption.		37-38	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.		38	
SO4	Actions taken in response to incidents of corruption.		38	
SO5	Public policy positions and participation in public policy development and lobbying.		38	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not reported		No contribution to report
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not reported		Not applicable
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		38	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		39	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		39	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not reported		Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not reported		Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		39-40	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		40	

Performance Indicator	Description	Reporting status	page	Reason for Omission
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not reported		Not applicable
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not reported		Not applicable
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		39	

UN Global Compact Index

Principle	Page(s)			
	Commitment	System	Action	Performance
Principle 1: businesses should support and respect the protection of internationally proclaimed human rights	36	36	36	36
Principle 2: businesses should make sure that they are not complicit in human rights abuses	36	36	36	36
Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	36	36	36	36
Principle 4: businesses should support the elimination of all forms of forced and compulsory labor	36	36	36	36
Principle 5: businesses should support the effective abolition of child labor	36	36	36	36
Principle 6: businesses should support the elimination of discrimination in respect of employment and occupation	36	36	36	36
Principle 7: businesses should support a precautionary approach to environmental challenges	27	27	27-31	27-31
Principle 8: businesses should undertake initiatives to promote greater environmental responsibility	27	27	27-31	27-31
Principle 9: businesses should encourage the development and diffusion of environmentally friendly technologies	27	27	27-31	27-31
Principle 10: businesses should work against corruption in all forms, including extortion and bribery	27	27	27-31	27-31

June 24th, 2014,

The Board of Directors

Nuqul Group

P.O. Box 154

Amman 11118, Jordan

Nuqul Group Stakeholder Council: Independent Assurance Statement

Establishment

Nuqul Group established the Nuqul Group Stakeholder Council to comply with international best practices for sustainability management, and in order to provide Nuqul Group with advice, views, guidance and recommendations from a variety of informed perspectives about the sustainability management and reporting of Nuqul Group operations in pursuit of its mission. The Council's members comprise representatives of major stakeholders from different sectors that are directly related to the sustainability vision and commitments of the Nuqul Group.

Functions and Duties of the Stakeholder Council:

- Provide advice on key sustainability issues for Nuqul Group, including but not limited to; sustainable labor practices, community development, natural resource efficient utilization and preservation, pollution control and prevention, climate change, human rights and anti-corruption.
- Provide views, advice, recommendations and informed opinions on the Group's Sustainability Strategy and its implementation within Nuqul Group companies and also when dealing with key stakeholders.
- Review and provide recommendations on Nuqul Group's sustainability commitments and policies prior to signoff by the CEO.
- Review the performance of the group against targets set in the sustainability report on annual basis, and advice on areas of development.
- Address and give views on specific matters related to sustainability where Nuqul Group may require informed opinions and advice.
- Assist Nuqul Group to enhance and strengthen collaboration with the constituencies represented on the Council.
- Provide a signed third party verification statement for Nuqul Group Annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) Guidelines.

Stakeholder Council Members

Stakeholder Group	Member/Organization
Owners	Rula Salah – Director of Corporate Affairs – Nuqul Group
Employees	Nicola Billeh – HR Director – Nuqul Group
Customers	Not Available ⁶
Suppliers	Laura Ramon – Weyerhaeuser
Community/NGOs	Yazan Majaj – Q Perspective
Public Relations	Nadine Tadros – Tactix Consulting

⁶ The representative of the customers stakeholder group was not available to take part in this process, however the stakeholder council mandate allows the issuance of the verification statement based on the presence of 50%+1 of its members and this quorum has been met in order to issue this statement.

Review Approach

The sustainability assurance process was planned and organized by the sustainability section in Nuqul Group, where by all members of the stakeholder council were invited to convene to review mandate, scope and expected outcomes of the assurance review. Members were provided with the draft 2013 sustainability report for Nuqul Group alongside a checklist formulated in accordance with the Global Reporting Initiative (GRI) report content and quality parameters and tests.

Each member of the stakeholder council was asked to review the report separately and undertake the following actions:

- Provide input for materiality analysis provided in the report.
- Provide input on possible improvement in report content and quality.
- Provide recommendation in terms of sustainability strategy.
- Evaluate the report content and quality based on the GRI report evaluation checklist, and provide an independent measurement of all relevant Sustainability Key Performance Indicators.

Once the individual evaluations were completed by the members, the council convened again to discuss the individual evaluations, provide inquiries regarding content and quality to the sustainability section representative. The council reached consensus on all areas of clarification and improvement within the draft report, and the responding efforts of the sustainability section to address all areas of clarification and improvement are at the core of this assurance statement.

Level of Assurance

This assurance statement is designed to obtain third party endorsement by all stakeholder representatives regarding all report content and quality parameters as prescribed by the GRI G3.1 reporting guidelines.

Scope of Assurance

The scope of assurance covers information and indicators reported in Nuqul Group 2013 Sustainability Report and the procedures and processes related to data collection and presentation.

Observations and Conclusions:

The observations on the report are as follows:

Report Content

- **Materiality:** this report takes into consideration all topics (and included associated indicators) that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders (as addressed in materiality analysis matrix). This includes main issues raised by stakeholders, issues reported by peers, competitors and industry association, national and regional laws and regulations, international agreements and standards and guidelines including the GRI G3.1 Reporting Guidelines, moreover as exemplified in the materiality analysis matrix, the key sustainability issues are prioritized according to impact on the organization as well as stakeholder concern.
- **Stakeholder inclusiveness:** the report identifies all key stakeholders and outlines how they are engaged by Nuqul Group on regular basis, Nuqul Group's understanding of their interests and expectations, and how the group has responded to these interests and concerns. Nuqul Group has established a stakeholder council in order to proactively engage all key stakeholders for the purposes of developing the content of this report.

- **Sustainability context:** the report takes into consideration the sustainability context of Nuqul Group operations, taking into account global sustainable development agendas and trends such as the UN Global Compact. The report presents performance in a manner that attempts to communicate the magnitude of the impact and contribution within appropriate geographical context. The report also describes how sustainability topics relate to long term organizational strategy, risks, and opportunities including supply-chain topics.
- **Completeness:** the scope of the report pertains to all entities directly owned by the group and covers and prioritizes information that should reasonably be considered material on the basis of the principle of materiality, sustainability context and stakeholder inclusiveness. It sufficiently reflects significant economic, environmental and social impacts related to the reporting period, and enables stakeholders to objectively assess the reporting organization's performance in the reporting period.

Report Quality:

- **Balance:** the report presents both the favorable and unfavorable performance results for Nuqul Group, as it presents information in a format that allows users to see positive and negative trends in performance on a year-to-year basis. Moreover the report emphasizes issues as demonstrated in the materiality analysis matrix.
- **Comparability:** Wherever possible the report provides year on year data, and have attempted whenever possible to follow the GRI G 3.1 Indicator Protocols in order to facilitate comparison of Nuqul Group performance against industry peers and other companies using the same reporting protocol, for this year several new performance indicators were added as indicated in the Nuqul Group Sustainability Performance table on pages 10-12.
- **Accuracy:** the report indicates where estimations or other limitations to the data are involved; it also adequately describes the data measurement techniques and basis for calculations. As most of the information presented is based on actual performance data, the margin of error for quantitative data is not considered sufficient to substantially influence the ability of stakeholders to reach appropriate and informed conclusions on performance. The qualitative assessments in the report are considered valid on the basis of other reported information and other available evidence. There are no GRI Fast Moving Consumer Goods (FMCG) sector supplements that can be used for this report.
- **Timeliness:** Nuqul Group sustainability report is published annually in July of each year in accordance with their commitment to the UN Global Compact, data collection for the sustainability report is conducted on monthly basis through their sustainability dashboard.
- **Clarity:** Sustainability is a relatively new concept in the region and as such the report provides introductory information where useful to facilitate reader understanding of the report content. The report is only provided in English language and is accessible to all stakeholders via the World Wide Web.
- **Reliability:** the information and processes used in the preparation of this report are gathered, recorded, compiled, analyzed and disclosed in a way that is subject to examination and that establish quality and materiality of the information.

On Behalf of Nuqul Group Stakeholder Council

Yazan Majaj

Chairperson