Fattal

CHANGE FOR LIFE

CSR REPORT 2014-2015

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2014-2015

CSR REPORT

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

OUR VISION OF SUSTAINABILITY

We are determined to stay away from the outbreak of green-washing trends and remain true to what we are trying to achieve in a context where numerous other companies are humming the CSR tune.

Since our last report in 2013, we have taken a leap forward in our endeavor to become a more socially responsible company, promoting sustainable living and business in everything we do. In 2014, we joined the United Nations Global Compact by committing to respect the 10 principles of the UNGC and by taking actions in support of those principles. Some of the UNGC principles are already part of what we have been accomplishing since the inception of our Group in 1897; others have been addressed steadily since 2011 when we took onboard CSR as a corporate function. If CSR is today stronger, more embedded in our practices, we nevertheless still have a long way to go and we are ready for the journey.

Gladly, our corporate values of trust, respect, sharing and courage are at the heart of our CSR engagement to the extent that we know that whenever we are doing good, we are also doing well even in this difficult part of the world. Unfortunately, the challenges we are facing in carrying out sustainable practices locally and in the region did not lessen compared to those prevailing at the time we issued our previous report. On the contrary, the inflow of Syrian refugees to Lebanon and the national garbage crisis constitute a few of those new threats we have to deal with onwards and on a daily basis next to the persisting folly of the Lebanese socio-political scene. At times, it might seem impossible to foster initiatives such as environment protection for instance, when the horror of war is hitting our neighboring country. Yet, we persevere and remain committed to bring about positive change even if our efforts remain as a tiny as a drop of water in an ocean of distress. This said, we are determined to stay away from the outbreak of green-washing trends and remain true to what we are trying to achieve in a context where numerous other companies are humming the CSR tune.

During the last 2 years, we have put our focus on 4 areas. Our commitment in this respect goes as follows: (1) to our Employees wellbeing as we want to make sure we firmly align our interests to theirs, (2) to the Environment as we look at reducing the impact of our company by coming up with specific targeted initiatives, (3) to the Community at large as we empower this latter by ensuring we break the barriers between us as an enterprise and the geography in which we operate and (4) to Education. Since the creation of our foundation in 1987 (Our Lady of Hope Foundation for Education and Teaching), we have taken upon ourselves to help disadvantaged Lebanese students to go to school and/or continue their education because we believe that education is a fundamental human right but also because education is key for future generations to avoid poverty and alienation.

For us, the internal compass revolving around employee wellbeing, environment protection, community empowerment and education, is what will keep us going. We will therefore continue engaging our people around the 4 pillars, driving behavior, changing minds and impacting positively and confidently our society and the environment.

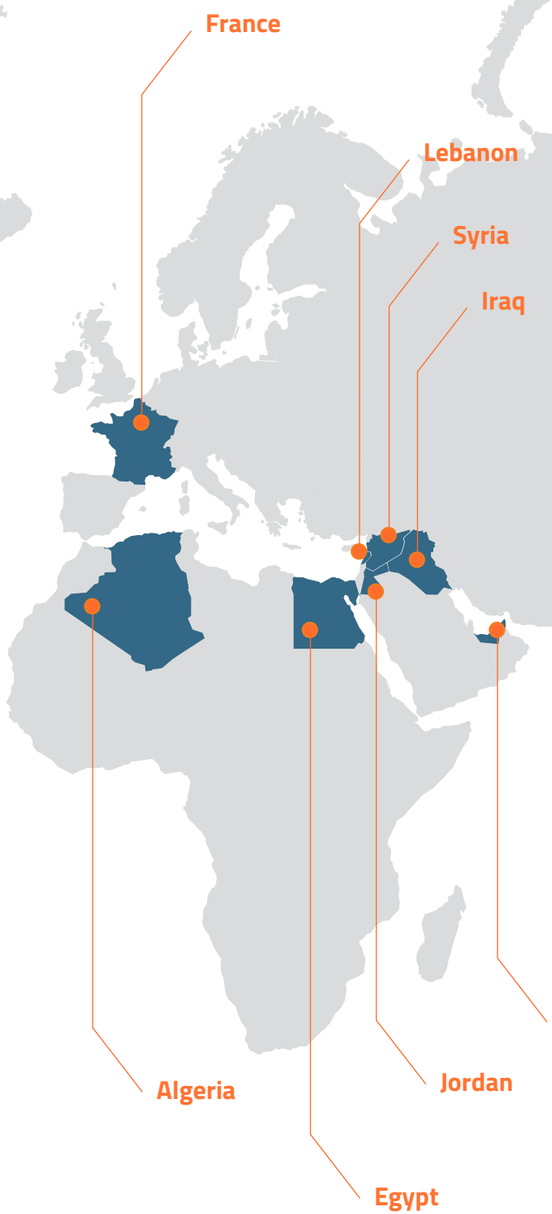
Bertrand Fattal
Senior Vice President

OUR COMPANY

Headquartered in Beirut, our company - Fattal Group - was founded in 1897. We are agents of renowned international, regional and local brands with 120 years of experience in distributing products to the market. Our Group's solid workforce infrastructure and diversified trade network are the recipe of our successful business record. We handle a wide portfolio of products and services encompassing several categories such as food and beverages, home and personal care, pharmaceuticals, medical and office equipment, perfumes and cosmetics, jewelry, electronics and home appliances, to name but a few.

Many of the brands we represent belong to Fortune 500 companies. We are as well, proud recipients of numerous awards from our suppliers and varied other stakeholders. Via our portfolio of quality brands, we thrive to improve the daily lives of 60 million families in the region and directly employ more than 2,500 people in the Arab world.

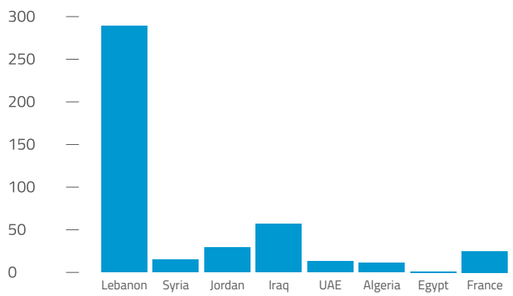
Beyond distribution, we strategically ventured in direct sales, retail and logistics with a blue chip reputation in Lebanon and the Middle East. Our company has a culture of humility, resilience and salesmanship and stands on its core values of courage, trust, respect and sharing.



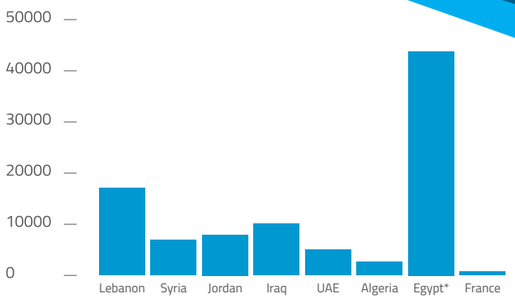
Where we operate

Operating in Lebanon, Syria, Jordan, Iraq, UAE, Algeria, Egypt and France, Fattal Group is a a powerful gateway to reaching millions of consumers in the MENA region. We handle more than 80,000 different SKUs (stock keeping units) across our operations with over 425 trade suppliers and 87,000 customers. More than 50% of our workforce is located in Lebanon. Our second biggest operation after Lebanon is Iraq, followed by Jordan and the UAE.

Number of Suppliers

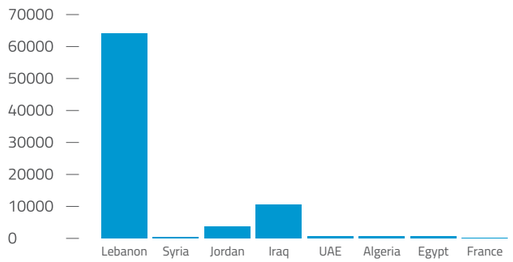


Number of Customers

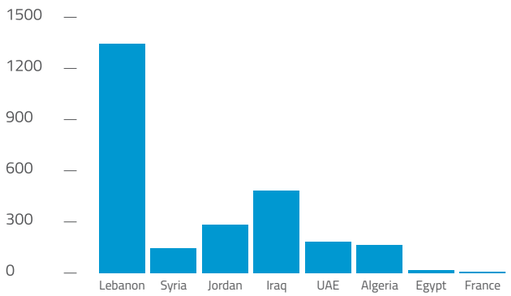


*Direct sales business involving a large number of direct customers as opposed to resellers and the trade.

Number of SKUs (Stock Keeping Units)



Number of Employees



OUR PRIORITIES

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OUR CSR VISION

Strive for a healthy, secure, pleasant and sustainable environment.

OUR CSR MISSION

Impact people's lives inside and outside the organization, to improve our workplace and the environment in our region.

For us, the internal compass revolving around employee wellbeing, environment protection, community empowerment and education, is what will keep us going.

OUR PEOPLE

Lena Abi Farah, Business Manager and Member of the Integration Committee

Nowadays, people spend more time at work than at home; work fills the biggest part of our life! Therefore, welcoming every new employee in the big Fattal family and making him or her feel comfortable, confident and integrated, is what we strive to accomplish in the integration sessions. Our role is not limited to explaining rules and regulations as we also make sure we communicate properly on the importance of living our corporate values of Trust, Courage, Sharing & Respect. Each attendee of the integration session then becomes aware that he or she is here to make a difference regardless of any title or position. Because newly onboard people should have faith in their abilities, we help them in less than 36 hours, discover how they can create and accomplish initiatives they were not aware of. We also convey to them that when there is passion, inspiration and devotion to what they do, they cannot go wrong. Later on, people who attended the integration session might forget the details of what they said or did but they will take with them what we made them feel deep: the pride to be part of Fattal Group.

The wellbeing of our people is at the forefront of our concerns. While we praise ourselves for being a people oriented organization, we strive each day to develop further our best practices in this respect. Our aim is to largely meet and exceed our workforce's welfare expectations besides creating a work environment where ethics, freedom of speech, gender equality and fair recognition are dealt with prioritarily.

We believe that a valued, satisfied and secure employee is more likely to succeed in seeking personal and business achievements. Therefore, we care for our people's proper integration in the company's culture so that they overcome miscellaneous day-to-day challenges. At all stages of their career path, we encourage our teams to celebrate successes in the most rewarding ways. Furthermore, we ensure they are all granted access to our state-of-the-art retirement plan designed to secure the future of our employees.

Our National Corporate Basketball team

SPORTS, HEALTH AND SAFETY

Sports activities are a great way to enjoy our dynamic and healthy rivalry spirit in a non-business context. It is also a unique opportunity for colleagues from different entities to interact as teams, opponents and supporters. Our outdoor basketball and volleyball court located in our headquarters site in Beirut is the venue where most of our yearly company sports tournaments take place.

In 2014-2015, sports tournaments involved up to 8 competing teams in activities such as football, basketball, volleyball but also ping pong, involving several business entities. The tournaments season regularly features as well, intellectual games typically such as chess and backgammon. Resulting from the same ambition to always go the extra mile in whatever we do, we created in 2015 a Fattal Group official basketball team and participated in corporate games against other local and regional organizations.

In this context, Al Mouyasser - our affiliate in Iraq, has been very active. In 2015, our Iraqi colleagues kicked off an inter-branch football tournament and a successful ping pong competition involving contenders from different Iraqi provinces.

Aside from sports, our employees' health condition and safety is yet another important priority. Consequently, we regularly invest in long term health centered programs such as the 'Proactive Spinal Care Awareness Program' intended to help our people better manage physical strain. Similarly, we offer occupational safety programs aimed at raising awareness and protecting our employees against injuries. In this context, we launched in 2015 the YASA 'Driving Improvement Program (DIP) and in 2014, the 'First Aid Program' which we carry out in cooperation with the Lebanese Red Cross.

OCCUPATIONAL CARE PROGRAMS

	2014	2015	TARGET GROUP	OBJECTIVE
FIRST AID	12 employees	13 employees	All Employees	Acquiring 1st aid principles and how to react in emergency situations
SPINAL CARE	0 employees	141 employees	All employees	Acquiring useful tips and healthy habits to prevent injury and back pain.
DRIVER IMPROVEMENT PROGRAM (DIP) BY YASA	0 employees	59 employees	Employees at risk, drivers of delivery vans mainly	Improving driving skills and helping educate participants on defensive driving, mechanical maintenance, mechanism of trauma and many more all to insure safe driving.

At our headquarters in Beirut, we bring fitness to the office. The Dolphin Fitness Club created in 2011 is at the heart of our employee wellbeing program. Encouraging our teams to stay fit while benefiting from preferential membership rates and proximity to the office is was the reason behind the Fitness Club project. The Fattal Group gym facility in Beirut offers cardio equipment, free weights, strengths machines, Zumba and yoga classes, ping pong, baby foot, boxing and an outdoor area. Members can benefit from the presence of a qualified coach as well as a personal trainer. In 2015, the Dolphin Fitness Club registered a total of 255 memberships.

One of our 2 canteens located at the F&B Building

FOOD AND BEVERAGE

Quality food and beverage products being what we always thrive to distribute to the market, we make sure our community of employees gets the same when it comes to lunch breaks at the company premises. Our 2 cafeterias located in our headquarters site in Beirut, propose company subsidized meals prepared by carefully selected caterers. At our canteens in Beirut, we use state of the art equipment and fittings to reflect the Group's intent to keep the daily 45-minute lunch break as pleasurable, as convivial and healthy as possible. On weekdays, our cafeterias in Beirut host an average of 200 visitors daily.

Formal Ceremony at Bernard Fattal Auditorium

SENIORITY AND RECOGNITION

We recognize our employees at various stages of their tenure within the Group. Seniority events are meant to acknowledge loyalty and are celebrated at the conclusion of 8, 15 and 25 years of service. In 2014-2015, 67 employees celebrated their 8 years of seniority within the Group, 33 employees celebrated their 15 years of seniority and 18 employees, their 25 years. For each tenure span, we acknowledge people's loyalty by offering a different set of both material and highly symbolic presents.

SENIORITY CELEBRATIONS

SENIORITY	2014	2015	BENEFITS & TOKENS
8 YEARS	33 employees	34 employees	Financial reward (1 monthly salary), Framed certificate of recognition, 8 months free membership at the corprorate gym
15 YEARS	21 employees	12 employees	Financial reward (2 monthly salaries), Framed certificate of recognition, Silver pin with Fattal Group emblem, 15 months free membership at the corporate gym, Lunch with direct and top management
25 YEARS	10 employees	8 employees	Financial reward (4 monthly salaries), Framed certificate of Recognition, Gold pin with Fattal Group emblem, Crystal Trophy, 25 months free membership, at the corporate gym, Lunch with Fattal Group Chairman, direct and top management

Performance Awards Celebration at Bernard Fattal Auditorium

As a core belief in the wellbeing of our employees' community, recognizing performance is a practice our company has been embracing all from the start. Our yearly Performance Awards Ceremonies represent a crucial moment of the year whereby colleagues from our Lebanon and MENA operations get publicly recognized for their individual work as well as for their team performance. Ceremonies take place in Beirut at the very emblematic Bernard Fattal Auditorium followed by the traditional get together reception. Every 2 years, we grant the prestigious 'Bernard Fattal Entrepreneurship & Pioneering Award' (E&P) meant to recognize exceptional entrepreneurial and pioneering endeavor.

Performance recognition takes place also at the level of commercial entities allowing them to reward furthermore, achievements which were not acknowledged companywide. Many of our entities hold their own ceremonies locally or abroad, using out-of-the-box formats and breathtaking venues.

We also share with our workforce their moments of happiness and grief throughout a well-designed community news communication scheme with appropriate gestures and tokens of solidarity.

WEDDING, BIRTH AND GRIEF:

OCCASION	2014	2015	BENEFITS
WEDDING	21 employees	25 employees	Financial reward (Purchase voucher) based on years of service and varying between 500$ to 1 monthly salary
BIRTH	49 children	65 children	250$ Purchase voucher
GRIEF	37 losses*	40 losses*	Donation of LBP 100.000 to Our Lady of Hope Foundation

**Direct member of an employee family*

RETIREMENT & OTHER BENEFTIS

In line with our priorities to boost the wellbeing of our workforce, and in addition to our health insurance schemes, we take pride in our proprietary saving plan which we designed and put in place in 1992, and revisited in 2013. The plan allows Fattal Group employees to enhance their retirement earnings through an enterprise saving scheme bearing advantageous interest rates. Funded partly by the company and partly by voluntary employee contribution, the plan grants a great deal of flexibility for colleagues who wish to withdraw financial benefits during their career and before retirement age in view of making alternative investments such as housing, land or other personal investments.

Our Group offers in addition, a unique pension plan whereby retired employees work on a part time basis performing less demanding tasks while still benefiting from health insurance coverage. Our Group counts currently 96 employees under the pension plan scheme.

Away from rigid processes, we have the capability of looking at specific cases one by one. In 2015, we helped 4 employees afford high cost treatments to fight congenital diseases that were not covered by health insurance. In 2015, we welcomed 3 additional recruits with special needs onboard the Fattal Group.

CODE OF ETHICS

In 2015, we issued the second edition of the Group 'Code of Ethics and Business Conduct' responding to an evolving business world characterized by our own expansion across the MENA region and the evolution of the digital technology. The document states the Group's obligation to abide by the law and by business ethics. It also states its firm commitment to preserve the environment, empower the community, and protect people's rights. The 2015 version of the Fattal Group 'Code of Ethics and Business Conduct' conveys clearly the Group's corporate values of trust, respect, courage and sharing, those being at the heart of our company's identity. By signing the code, employees engage in conducting honest and responsible business practices.

Colleagues from our Finance team at an outing and team building event in Byblos

INTEGRATION AND TEAM BUILDING

Upon joining our company, each and every new employee goes through both an onboarding and an integration program. Onboarding is a one-day platform aimed at welcoming new recruits allowing them to become familiar with the company values, culture and overall business activities. During an onboarding session, new comers get also to know typically, the main policies and procedures underlying the Group's operations, compensation benefits, insurance schemes, saving plan and many other topics of importance. Onboarding is later completed via a series of six 2-hour sessions spread over a period of 3 months whereby recruits get to appreciate the company's code of ethics, business etiquette, as well as a wide array of business capabilities related to the distribution business. Upon completion of the program, recruits feel much more comfortable in their new job and ready for an enhanced work experience.

6 months to 1 year following their onboarding, employees are invited to a 2-day retreat outside the office where they take part to the so called "Integration Workshop" along with colleagues from different departments.

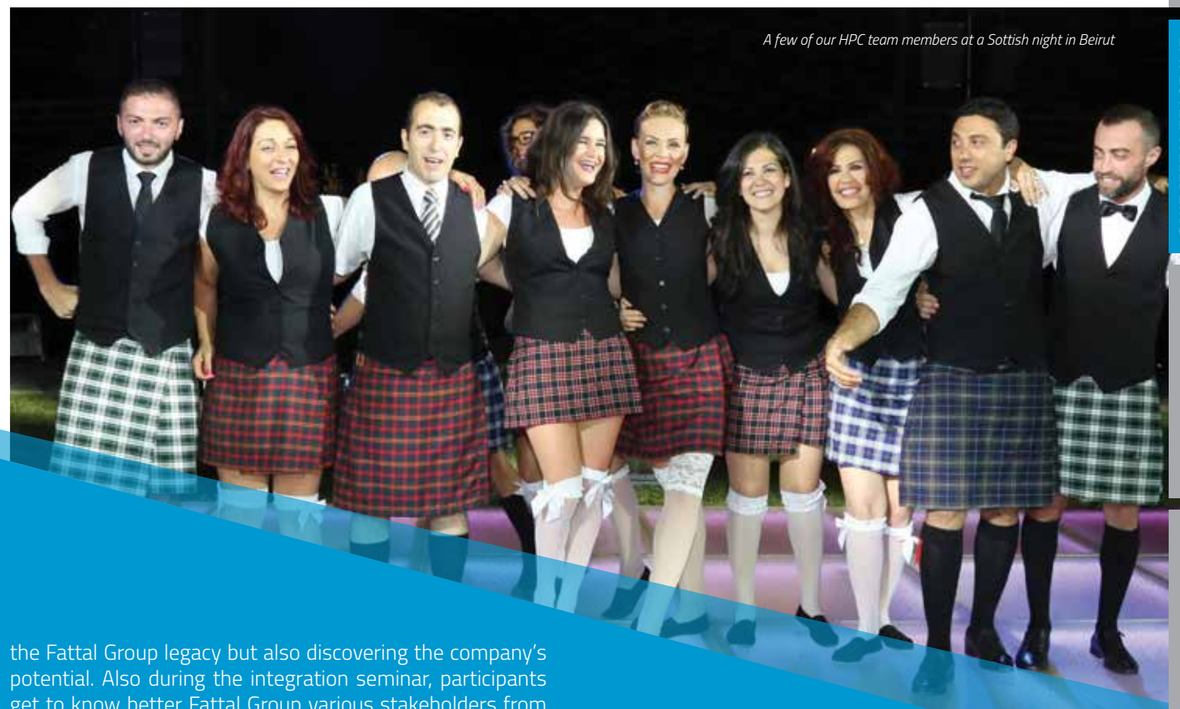
Selected among the Group's most inspirational figures, coaches throughout the 2-day program engage participants in highly interactive activities aimed at appreciating the Group's history, mission, vision and best practices. Group and individual assignments are prepared by participants with the purpose of delving in depth into the soul and spirit of the Fattal Group legacy but also discovering the company's potential. Also during the integration seminar, participants get to know better Fattal Group various stakeholders from customers to suppliers and from bankers to the wider public. Next to Onboarding and Integration, we regularly design team building events initiated either centrally with the help of HRD or directly via the management of the concerned entity. To make sure employees remain integrated and well informed, Fattal Group through its corporate communication department issues an internal weekly digital magazine and a bi-annual printed pamphlet respectively by the name of 'Links' and 'Reach Out', relaying all kinds of company news across the Group.

CELEBRATIONS AND OUTINGS

We encourage our teams across different functions and geographies to organize and engage in miscellaneous festivities. Christmas, Ramadan, Easter, Adha, Nowruz, Mother's day and many other occasions are celebrated by our teams in the most joyful, innovative and warm ways. Often such events are ideal occasions to expand festivities to the outside world spreading the giving spirit among the most deprived.

Some of our entities celebrate their own occasions such as our Home and Personal Care division in Beirut who commemorates the anniversary of its inception by coming up with an inventive themed night featuring each year the traditions of a different country. With all what it takes from exuberant decoration, ethnic food, traditional music, to typical costumes and make up, all prepared in-house to the enjoyment of everyone, many of such celebrations have become anchored in the traditions of our business entities.

In addition to specific grand occasions, we also appreciate organizing spontaneous outings either centrally or led by commercial entities, support functions or small units to several nearby destinations for the sake of team bonding around a lunch, a dinner, a drink or a walk in the nature.



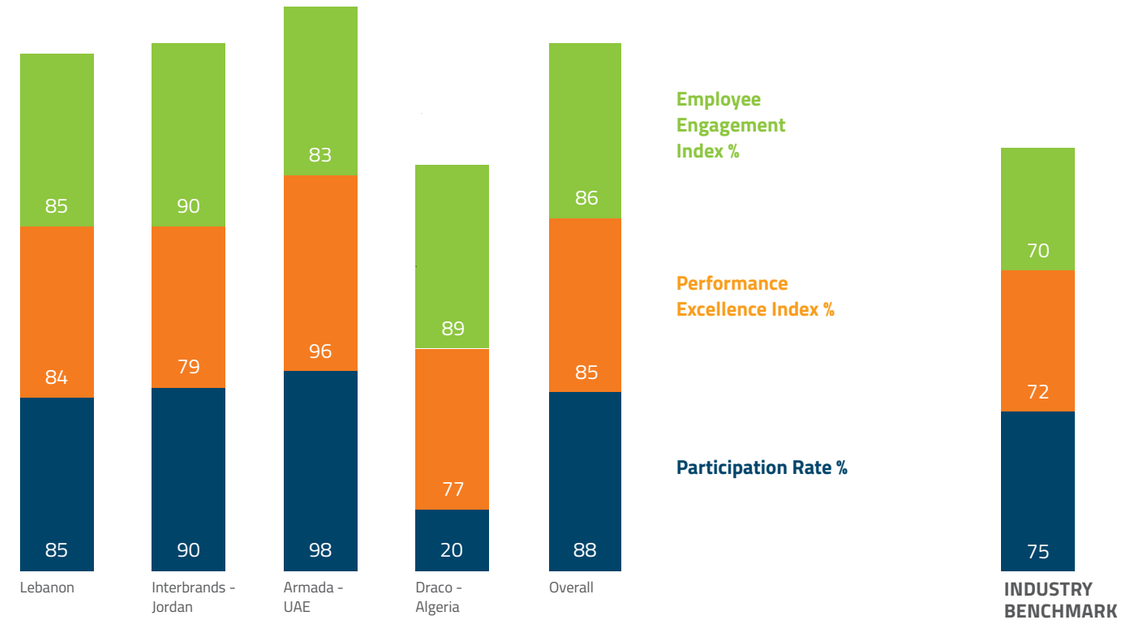
A few of our HPC team members at a Sottish night in Beirut

EMPLOYEE ENGAGEMENT

We are convinced of the primary importance of monitoring our employees' engagement level as we believe our workforce deserves better than a transactional relationship with the company. In 2015, we commissioned IBM-Kenexa, the renowned Talent Management Company, to run a Group wide survey aimed at (1) assessing the extent to which employees are motivated to contribute to organizational success and (2) the extent to which the company through its workforce is committed to performance excellence. The overall results were very good and greater than what is globally seen, as per IBM-Kenexa. Fattal Group was rated 16% above global norms for employee engagement and 13% above global norms for Performance Excellence. "Pride" and "Belief" in the values of the company were very highly graded.

Survey results were shared with the Board of Directors and Top Management, and a workshop was organized to coach managers on how to deal with the survey's outcomes, sharing them with their respective teams and building constructive action plans to enhance areas that needed development.

IBM-KENEXA SURVEY RESULTS (%) - 2015



INDICATOR	DEFINITION
EMPLOYEE ENGAGEMENT INDEX %	THE EXTENT TO WHICH EMPLOYEES ARE MOTIVATED TO CONTRIBUTE TO ORGANIZATIONAL SUCCESS, AND ARE WILLING TO APPLY DISCRETIONARY EFFORT TO ACCOMPLISH TASKS IMPORTANT TO THE ACHIEVEMENT OF ORGANIZATIONAL GOALS
PERFORMANCE EXCELLENCE INDEX %	THE EXTENT TO WHICH AN ORGANISATION IS STRONGLY COMMITTED TO HIGH LEVELS OF CUSTOMER SERVICE AND PRODUCT QUALITY AND RELIES UPON CONTINUOUS IMPROVEMENT OF PRACTICES TO ACHIEVE SUPERIOR ORGANISATIONAL RESULTS

In 2015, our workforce rated us 16% above global norms for employee engagement and 13% above global norms for Performance Excellence

OUR ENVIRONMENT

Sleiman Corbani, Corporate Communications Manager

"When the paper recycling initiative followed by plastic bottle caps and cardboard was first launched in 2012, I was skeptical regarding results. I thought people at work tended to be focused on their day-to-day tasks. Thanks to the marked efforts of the CSR committee at that time, we all became much more environmentally aware than I ever thought we would become. Even while on-the-job, caring for the environment mattered to my colleagues and to me, materializing through each one of us actively collecting and sorting different kinds of recyclables. With the recent garbage crisis prevailing, turning our company into a much less polluting organization has become a serious urge. Thanks to the new CSR unit and its current leadership, this is now an acclaimed objective looked at as a major priority for 2017. With Fattal Group celebrating its 120 years in 2017, I feel proud that the company I work for has chosen this very emblematic year to kick off work on becoming the first zero waste company in Lebanon."

We believe that preserving the environment requires that we actively direct our efforts towards curbing the negative impact of our operations on the ecosystem. Therefore, we have put in place several projects to help us act in that direction. In this respect, managing company waste such as office paper, warehouse cardboard, promotional material, IT supplies, plastic and nylon remains are at the heart of our everyday green initiatives. We are also active in reducing energy consumption and in offsetting our expansion plans especially when building new offices and warehouses, with large planted areas.

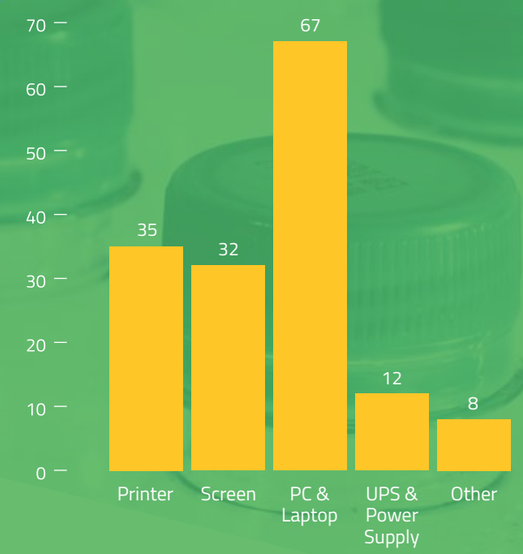
RECYCLING

In 2014 -2015 we saved the equivalent of 4,528 trees (266 Tons of paper/cardboard) via our paper recycling program put in place in 2012. Providing dedicated paper recycling bins in each and every working space across our Lebanon premises was and still is key to the success of this initiative. Similarly, in our warehouses, cardboard boxes as well as nylon waste and obsolete promotional materials are systematically collected every day, compressed in-house and delivered to recycling companies.

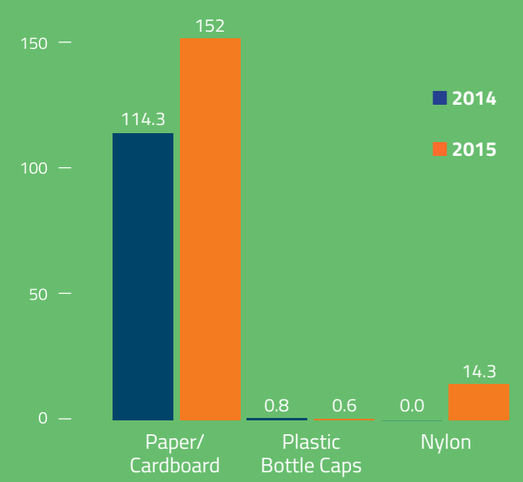
Our plastic bottle caps collection program launched in 2013 in collaboration with Arc-En-Ciel, a powerful local NGO specialized in waste management, allows us to offer a free wheelchair to at least one physically disabled person each year. In 2014-2015, we collected through our workforce, 1.4 tons of plastic bottle caps.

Also for recycling purposes and for the last 5 years, we have been actively collecting old IT supplies generated by our company's usage of technology. In 2014-2015, we delivered to local recycling companies, more than 150 pieces of hardware including old computers, screens, printers, scanners, UPS and other computer accessories.

RECYCLABLES (UNITS) 2014 - 2015



RECYCLABLES (TONS)



REDUCING

In 2013, we accomplished a leap forward in reducing paper usage through our accounts receivables department by shifting from printed account statements to a computerized interface, allowing clients to check their dues online. In 2014-2015, this initiative led to a reduction in paper usage worth of nearly 150 reams of A4 paper (375 KG), not to mention the reduction in the consumption of ink cartridges and related hardware.

REUSING

Our efforts in terms of 'reusing' are still shy but nevertheless worth mentioning. Through the Karcher brand (cleaning equipment) which we distribute, we have been implementing small scale but very inspiring practices directly linked to our commercial activities. Our frequent participation in 2014-2015 to miscellaneous fairs involving Karcher cleaning devices is a typical case whereby we make use of old warehouse pallets and worn tires to furnish our booths, hence conveying to the community a strong ecofriendly message.

ENERGY CONSUMPTION

In 2013, we started integrating LED technology for lighting purposes across each and every new office block or warehouse we build. Similarly for air-conditioning, we use VRV technology exclusively given it has proved, next to LED bulbs, to be considerably efficient in terms of energy saving. In 2014-2015, this combination of green practices resulted in circa 50% reduction in both cost and energy consumption. Whereas photovoltaic alternatives (solar panels) are still under study but at a very advanced level, green diesel oil is systematically used to fuel the Group's electricity generators in Lebanon.

Our Garden with Centenary trees serving as outdoor lunchtime canteen

NATURE PRESERVATION

Our commitment to nature preservation is not new. It dates back to the 80's when we started allocating large green spaces whenever new offices and warehouses were built, often at the expense of parking spots. Our concern to maintain a high ratio of built versus green areas throughout our past, current and future expansion plans, has become a full-fledged practice of our sustainable growth culture. At our headquarters in Lebanon, employees and visitors benefit from an outdoor tree shaded area pretty much similar to a small park often used for recreational activities and outdoor lunch break. Similarly, green areas have been taken into account to a large extent at our warehouses in Nahr Ibrahim (North of Beirut) and in our premises in Erbil - Iraqi Kurdistan.

We believe we have gone a long way learning how to be environmentally friendly and that we are ready to start our zero waste company project by 2017. The challenge is significant but the will and the mindset are there.

OUR COMMUNITY

Ghida Ibrahim, Group CSR Officer

"Our country, like many other countries in the region, is seriously struggling to overcome political conflicts, security issues, inflation problems, poverty, unemployment, revenue discrepancies, religious discrimination etc. Amidst this unfortunate situation, individuals and corporations are compelled to take responsibility and drive positive change across their communities rather than remaining on the observer's side. I am personally convinced that joining efforts at all levels is not optional anymore, it has become mandatory. Fattal Group being an influential player in the region, has always engaged in supporting the society by helping students, young entrepreneurs, NGOs, and even companies foster a better tomorrow. Growing furthermore our commitment to empower the communities where we operate must be more than ever at the center of our company priorities. That is what made the whole difference for me as an employee of the Group and what will continue to make the difference, for me, as a consumer."

Empowering the community stands as another of our Group's particularly important priorities. Next to our employee wellbeing and environment preservation concerns, helping out the wider society achieve sustainable goals on its turn, is part of our culture of sharing. In this respect, our internship programs equip pre-graduate university students with a best-in-class short experience allowing them to grasp quickly the various dynamics of working for an enterprise. Not less important are our efforts to spread knowledge outside the office across educational institutions often eager to host us as guest and/or inspirational speakers. We are proud as well, to be partners to a handful of associations and NGOs whom we sponsor regularly by backing up their causes, ranging from education, drug abuse and help to the elderly, up towards gender equality. We make sure in all cases, and whenever we involve in philanthropic activities, to reach the right beneficiaries, at the right time, at the right place benefit from our contributions.

Few of our Interns during Internship Closure Ceremony, August 2014

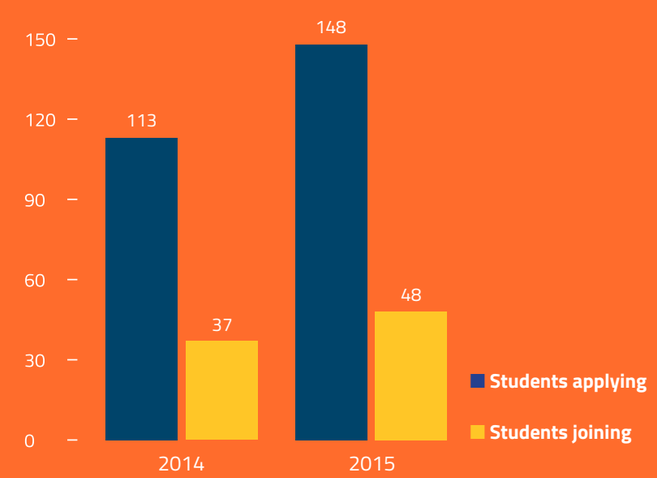
Intersnship awardee, Summer 2014

INTERNSHIP

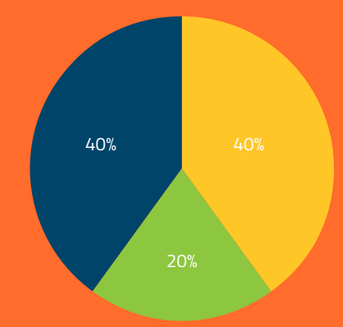
In 2014-2015, a total of 90 university students enrolled in our internship program which we run each year during the months of July and August. Depending on what the pre-graduate student is majoring in, tailor-made projects are designed and redesigned to answer most of his/her expectations. Each intern is directed to the department that suits most his/her educational background with a work curriculum that provides a unique learning opportunity via real-life work situations supervised by a dedicated coach.

On the job training, technical and business tutoring, in addition to field work, sales assignments, workshops as well as specific projects are among the many activities our coaches prepare thoroughly every year in view of a successful internship season. Around 30% of applicants get accepted in the internship program, all selected fairly from the best ranking educational institutions. Upon finalizing the list of interns for a specific year, we give priority to our workforce's children making sure we do not compromise on the educational level. The program is challenging but features fun moments such the graduation ceremony which the interns' family members and friends as well as Fattal Group top management and the Chairman's office are invited. Every year, a handful of interns end up proudly working for us once they graduate.

INTERSHIP APPLICATIONS VERSUS RETENTION



AVERAGE ACCEPTANCE BY EDUCATIONAL INSTITUTION



- American University of Beirut
- Université Saint Joseph
- Other*

** LAU, AUST, NDU, Lebanese University, Balamand University, La Sagesse, Antoinine University*

EDUCATIONAL PROGRAMS

In addition to our Internship program, we are keen on providing educational institutions with as much support as we can by sharing our know-how and expertise in the business field in general and in the distribution field in particular. In 2014, our HRD through its director Jacqueline Moukheiber, gave university students an interactive talk on how to win a job interview. The talk that was delivered at ESA Business School with whom we are partners since its inception in 1996, was rated as one of the best as it dealt with the topic from an employer standpoint as opposed to a headhunter's. In 2015, our head of household and personal care division, Yani Athanassiou, delivered an equally winning talk at a workshop organized by USEK (Université Saint Esprit Kaslik) around the topic of retail management and the related challenges in Lebanon and in the region. We also intervene with schools through our proactive HR team often delivering custom made programs to young students avid of knowing more about the business field.

PHILANTHROPY

We actively engage in philanthropy in order to support specific causes. For instance, our affiliate in Iraq was extremely swift in granting food donations to refugees fleeing ISIS outbreak in 2015. Locally, and typically during Christmas and Ramadan, our household and personal care division regularly grants free products to charity associations such as St. Jude Children Cancer, The Sidon Orphan Welfare Society and Al Mabarrat Foundation. In 2015, we joined forces and collected clothing destined to the elderly community whom we visited at 'Amour Et Partage', an elderly care association. In the same spirit of giving, our consumer electronics division donated in 2015 a Play Station (PS3) console to the Psychiatry department of St. Charles Hospital, gaming having proved to be a privileged therapy for cases involving drug abuse rehabilitation and anger management treatments.

Our teams supporting Myschoolpulse in Faqra in 2015

SUPPORT AND EMPOWERMENT

We actively empower the community by sponsoring causes that meet our sustainability goals. We typically support causes directly related to education, but also causes that promote gender equality, health, and a greener environment. In this context, we are partners to several associations such as 'Myschoolpulse', a nonprofit organization dedicated to providing education to hospitalized children undergoing lengthy treatments. Every summer for already 5 years, we participate to the 5KM race organized by 'Myschoolpulse' in the context of an annual fundraising campaign at Faqra Club. Whenever we engage in supporting the community, we strive to involve our workforce as we firmly believe that caring and giving back is a human quality much more than a corporate practice.

'Skoun', a Lebanese drug abuse rehabilitation institution, receives our empowerment in the same manner. We support the latter association in its mission to spread awareness about drug abuse prevention by sponsoring its annual events but also and most importantly by cooperating together in delivering customized awareness sessions to the children we help through our foundation dedicated to education (Our Lady of Hope Foundation for Education and teaching). In 2017, our collaboration with 'Skoun' will hopefully go the extra mile and encompass awareness programs targeting our own employees' kids.

In 2014 and in the context of our commitment to empower women, we sponsored the AIWF (Arab International Women's Forum) yearly networking event and offered our own recreational premises for the event. AIWF is a unique network linking Arab women with their international counterparts serving as their voice and showcasing their development, ability and competence in business, professional and public life.

Our endeavor to empower women goes beyond sponsorship initiatives and lies at the heart of the Fattal Group's commercial activities in Lebanon and in Egypt. Through the Tupperware and AVON brands which we promote actively, we contribute to the empowerment of more than 60,000 women throughout an extensive network of Lebanese and Egyptian women. Our direct sales operations got us the acclaim of thousands of ladies in the region and are looked at as a lucrative and respectful way to earn a living but also to gain individuality and independence especially in remotely located areas.

Our AVON team at the Shouf Cedras reserve

In 2014-2015, we continued to support Lebanon's environment and natural heritage namely through the LMTA and Jouzour Loubnan associations and extended our impact over the reforestation of 2 hectares in the Shouf Biosphere Reserve, the largest natural reserve in Lebanon. We had organized in 2014, addressing the same concern, a nature cleaning and hiking day across the Keserwan region with the aim of collecting empty shotgun shells which many hunters sadly leave behind.

And finally, each year, on June 14, we celebrate the International Blood Donor Day by giving the chance to our workforce to contribute by donating blood. We are partners with the NGO Donner Sans Compter (DSC) in this respect.

OUR LADY OF HOPE FOUNDATION
THE FATTAL FOUNDATION FOR EDUCATION & LEARNING

Stephanie Fattal, Fattal Group Board Member

"30 years after the onset of Our Lady of Hope Foundation and as we embark in modern CSR the way it is meant to be nowadays, the words of our late Chairman Georges Fattal remain more than ever valid and strikingly contemporary: "Our goals should expand beyond business prosperity otherwise all work is vain." Of equal resonance, the words of our visionary CEO, the late Bernard Fattal are not less eloquent: "Our Lady of Hope Foundation is primarily an act of faith in the future of our country". As a board member, I take pride realizing each day that our company, through our Foundation, has been recently multiplying efforts to help our nation's future generations overcome barriers to education. I want to thank Our Lady of Hope Foundation Board of Trustees and all the volunteers as well as all the donors starting with the Fattal community of employees reaching out to our friends, customers and suppliers. You are and will remain behind the smiles drawn on the faces of numerous families across Lebanon as they ensure that their kids will not anymore be compelled to withdraw from school."

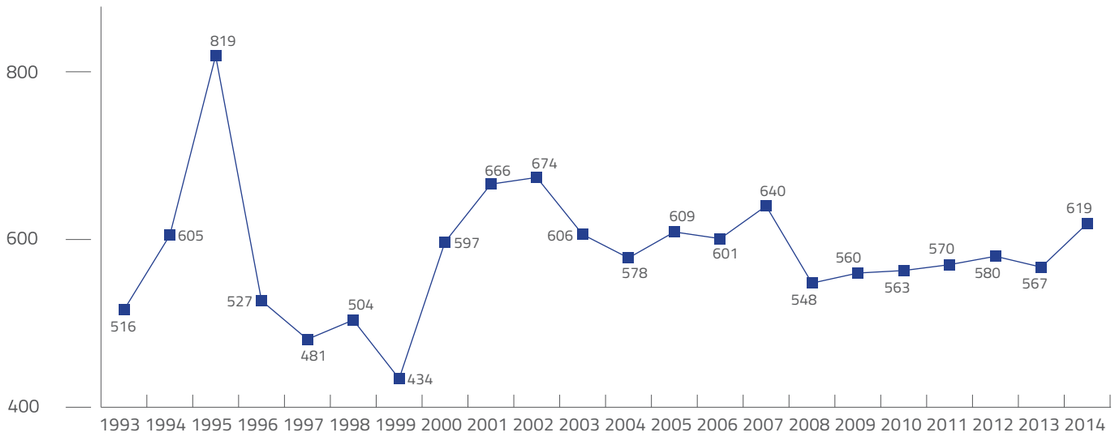
Schooling fees in Lebanon are the number one financial burden on most households resulting in disrupted educational paths, decreasing enrollment rates, poor quality education, and high levels of school drop-outs. In 1987, Our Lady of Hope Foundation was created on an initiative of the Fattal Group in order to help students with very limited financial means access proper and steady schooling. It has been since, and still is the pillar through which we impact the community the most, interacting with educational institutions all across the country providing grants and varied educational support without discrimination.

In 2014-2015 and through our Foundation, we boosted fundraising initiatives, developed further new activities, involved more donors and engaged more volunteers. We also partnered with several institutions serving the same cause as us. Today, Our Lady of Hope Foundation is more than ever actively fostering education, giving access to education to hundreds of children who happened to be born in less advantaged communities.

FINANCIAL CONTRIBUTIONS

Throughout the years, we succeeded in maintaining our commitment to help students no matter the circumstances. Thanks to our donors, partners, sponsors and the efforts of our volunteers, we are able to keep our promises year after year, ensuring that underprivileged children continue to benefit from our financial contributions. In 2014-2015, 1,199 children benefited from our contributions to schooling fees.

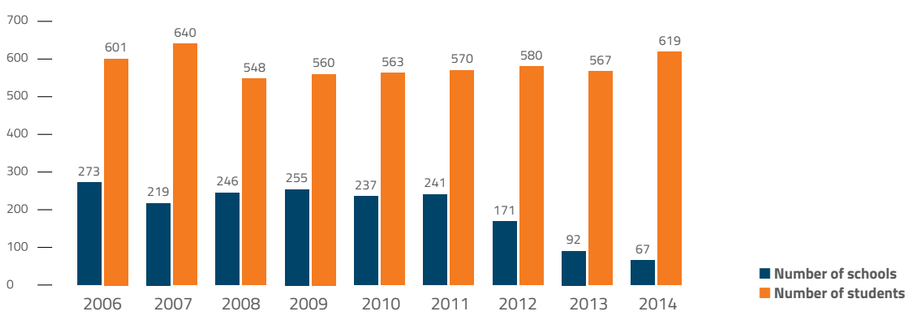
NUMBER OF FINANCIAL CONTRIBUTIONS



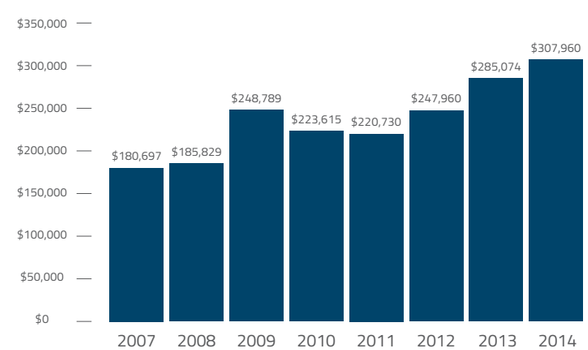
In 2012, we started to focus on a lesser number of schools without necessarily altering the number or the value of the financial contributions we grant. 30 years of experience in the field, taught us that the best way to ensure students efficiently benefit from our grants, is to closely follow up on their educational journey, therefore limiting the number of schools towards a better management of the distributed funds. This improved way of looking at the recipients of our financial contributions, led us often to increase selectively the amount of individual grants in favor of a more effective and efficient impact.

We strive to increase the total value of our contributions year on year as this means most of the time that we are answering the needs of more and more families eager to ensure proper schooling for their kids. In 2014, the total amount of schooling fees contributions was in excess of 300$K. We do our utmost to ensure the wider coverage possible reaching out to the most remote and deprived areas. Recently, we enhanced our grants spread, typically targeting remote areas such as Bekaa, North and the South of Lebanon always making sure we address schools with the most urgent requests.

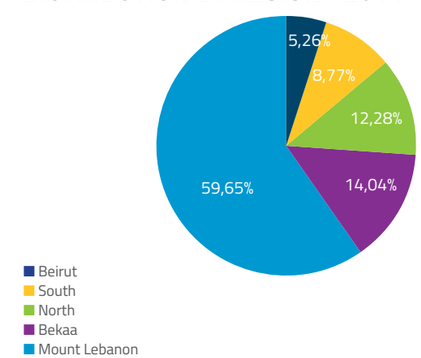
NUMBER OF SCHOOLS VERSUS NUMBER OF STUDENTS



YEARLY FINANCIAL CONTRIBUTIONS



FINANCIAL CONTRIBUTIONS DISTRIBUTION BY REGION - 2014



Supporters of the cause of education at a Gala Concert in 2014

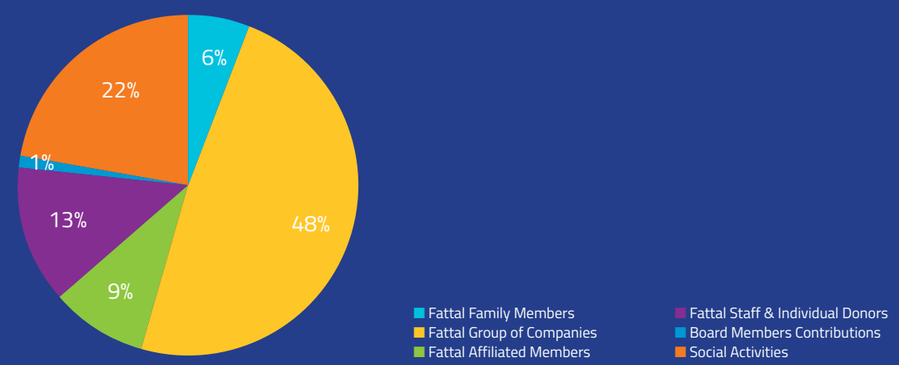
The 'Golden Age' singing at a fundraising concert in 2014 and wearing Our Lady of Hope Foundation colors.

ANNUAL GALA CONCERT

Our Lady of Hope Foundation derives funds from different sources namely its Board of Trustees, Fattal Family members, Fattal companies, Fattal employees, individual donors and through social activities. Fundraising through social events accounts for circa 20% of the funds we raise and includes the traditional Annual Gala Concert.

The traditional Annual Gala Concert represents Our Lady of Hope Foundation's main annual fundraising activity. It features each year a different prominent Lebanese celebrity in the context of a musical concert. Each year, the Gala Concert gathers around 1000 supporters many of which are Fattal Group employees, their generous friends and family members, but also customers, suppliers and various stakeholders. An average of $75,000 is raised during this yearly social event. We are extremely thankful to the artists, to UNESCO Palace in Beirut and to Emile Lahoud Convention Center in Dbayeh for hosting most of our annual events at their venues. We are equally grateful to our Food & Beverage division for their unfailing support year on year, handling the convivial welcome drink that takes place at the start of each event.

SOURCES OF FUNDS



Enthusiastic supporters of Our Lady of Hope Foundation at Beirut Marathon in 2015

Our Lady of Hope Foundation winners of 2015
Beirut Marathon Relay Race - NGO category - 1st, 2nd and 3rd price

BEIRUT MARATHON

In 2014, we started diversifying the sources of funds coming from social activities and partnered with Beirut Marathon Association. For 2 consecutive years, around 400 Fattal Group employees, their family members and friends participated to the 10 KM run for fun race and to the kids' itinerary with over $20,000 raised annually. In 2015 and also in the context of Beirut Marathon, Assurex a sister company, enrolled its employees in the Marathon for our cause and as part of its CSR commitment to foster education. Téléperformance, also a sister company did the same in 2014. Carrefour Lebanon engaged their workforce next to ours both in 2014 and 2015. We are thankful to our supporters and to Braun, Clearblue, Vanish, Xerox, Carefree, Medco, Alvita, ESA Business School, Netlogistics and Volvic for sponsoring the different races.

In the context of Beirut Marathon and both in 2014 and 2015, we were 3 relay race teams composed of Fattal and non Fattal enthusiastic athletes to win proudly the first, second and third price. (NGO Category). We are equally grateful and proud of Perrine Malaud, Marcello Mori and Charbel Bassil all 3, full marathon first time finishers, for taking and completing the challenge of running 42.195 KM for our cause in 2015!

CROWDFUNDING

In 2015, we embraced crowdfunding as a means to increase further the inflow of funds and decided to go for the sports theme. In fact, we were solicited by a team of enthusiastic and independent semi-professional athletes, all driven by the urge to challenge themselves and finish a full Ironman triathlon. The similarities between the struggle for education and the athletes' extremely demanding races (swimming, biking, running), led us to go for a crowdfunding campaign involving 7 semi-professional athletes - many of them first time triathlon finishers, but all determined to complete the 2015 Nice Full Ironman Triathlon. The 7 athletes crowdfunded in favor of the Foundation and offered in addition, several free fitness sessions to the children in 2 of the schools we regularly support. We are thankful to Vincent, Olivier, Suzy, Charbel, Pascal, Tom and Mary Anne for their outstanding efforts! We are also thankful to Khoury Home and the Euromena Fund for sponsoring generously our very first crowdfunding initiative.

In 2015 also, and as an individual initiative, we had Georges Baaklini, raising high the flag of the Foundation by running and completing the Bahrain Half Ironman. Funds coming from crowdfunding initiatives in 2015 amounted to over $25,000.

AVSI kids during a day out at our Headquarters in Beirut in 2015 posing in front of a commemorative cedars tree they planted.

OUR PARTNERSHIP WITH AVSI

Since 2013, a strategic partnership has been initiated between AVSI and Our Lady of Hope Foundation. AVSI is an international not-for-profit, non-governmental organization (NGO) founded in Italy in 1972. Its mission is to promote the dignity of the person through development cooperation activities, with with a special focuse on education. AVSI is present in Lebanon since 1996 and very active in remote underprivileged areas especially in the south and north of Lebanon as well as in the western sector of the Bekaa valley. The added value of our collaboration with AVSI is the latter's ability to give us access to public schools whereas Our Lady of Hope Foundation deals generally with private schools. Children designated by AVSI hence, receive contributions from Our Lady of Hope foundation to enhance the quality of their socio-educational life but not to secure their tuition fees.

To further make this goal more engaging and beyond material help, Fattal Group as a major sponsor of Our Lady of Hope Foundation, came up with a parenting program involving employees as godfathers and godmothers. Following the successful pilot project undertaken in 2013 involving parenting of 12 children, we are at the time of this report, parenting and closely monitoring the educational and personal progress of 20 children in the areas of Marjayoun in the South of Lebanon and Becharri in the North. In 2014 and 2015, and in order to strengthen further the bonds with the children, we organized visits to our headquarters in Beirut as well as outings during Christmas Season. In addition, we enrolled the children in the Myschoolpulse race in Faqra, next to our employees' kids as part of our involvement in the community.

There is no better giving than the time volunteers' offer for the wellbeing of others. Rooted in our company core beliefs, volunteerism is the main drive behind the success of every CSR initiative. In fact, Fattal CSR strategy implementation largely depends on volunteers, all colleagues from various departments and functions. Spread across 5 committees, they offer their collective energy, talent, and expertise in a continuous endeavor to leave a positive mark on the community. Upon publishing this report, we seize the opportunity to thank our volunteers for their determination and availability. They are a valuable asset to the Fattal Group, for the CSR department as well as for the community at large.

Ambiance Committee: Dolly Emmanuel, Laure Harb, Laureine Atallah and Richard Mechleb. **Sports Committee:** Joseph Kabbani, Nicolas Frenn and Rami Choucair. **Cafeteria Committee:** Elias Khalil, Carmen Ghantous Lea Feghaly and Marc Azkoul. **Environment Committee:** Elie Constantine, Jihad Bou Ghannam and Youssef Chalita **Education Committee:** Maria Chlela, Marie-Noëlle Fattal and Samir Mesarra.

This report has been conceived by the Fattal CSR department, together with the Corporate Communications and the HR departments. It was graphically designed by Chantal Coroller and printed by Arab Printing Press on FSC (Forest Stewardship Council) certified paper.

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