

Dear Sirs,

We, at Fattal Holding, we issue the CSR report on two-year basis, for us to be able to better measure the impact of the initiatives we run.

We hereby, have adjusted the deadline to September 2018, as we are expecting our new CSR report to be released in June 2018.

We are sharing with you here below some of the activities run in 2016-2017.

Thank you

SDG 3: Good Health & Well-being

Fattal Group employees' health condition and safety is a priority. The Group has established an in-house highly equipped gym, offering training classes at considered rates, to encourage employees and their families enjoy a healthy lifestyle. Consequently, the company regularly invests in long term health centered programs such as the 'Proactive Spinal Care Awareness Program' intended to help the workforce better manage physical strain. Similarly, occupational safety programs are offered, aimed at raising awareness and protecting employees against injuries. In this context, Fattal launched in 2015 the Driving Improvement Training Program and in 2014, the 'First Aid Program' which the Group carries out in cooperation with the Lebanese Red Cross.

SDG 4: Quality Education

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 quality education. It has been since, and still is the pillar through which the Group influences the community the most, interacting with educational institutions all across the country providing grants and varied educational support programs without discrimination. In 2014-2015, the Fattal Foundation boosted fundraising initiatives, developed further new activities, involved more donors and engaged more volunteers. Fattal Group also collaborated with several institutions serving the same cause as theirs. Today, Our Lady of Hope Foundation, the Fattal Foundation for Education, is more than ever actively fostering education, giving access to education to hundreds of Lebanese children born and raised in less advantaged communities. Fattal provides yearly grants with an average value of \$300K. Our Lady of Hope Foundation collaborates with AVSI, an Italian NGO, in order to enlarge its scope, thus reaching out to public schools.

SDG 5: Gender Equality

Fattal ensures providing equal job opportunities to women and men. Its commitment to equality is reflected in the marked presence of women employees at all levels of the hierarchy, starting with the Group Board of Directors represented by two women.

Fattal sponsored the AIWF (Arab International Women's Forum) yearly networking event and offered their own recreational premises for the occasion. 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.

SDG 7: Affordable and Clean energy

Fattal has set an internal policy to use led lamps in all its new and refurbished facilities.

SDG 8: Good Jobs and Economic Growth

In 2014-2015, a total of 90 university students enrolled in the Group's internship program run each year during the months of July and August. Every year, a handful of interns end up proudly working for Fattal once they graduate.

SDG 10: Reduced inequalities

Fattal creates and provides job opportunities for people with special needs.

SDG 12: Responsible Consumption & SDG 13 Climate action

Fattal Group has put in place several projects towards achieving responsible consumption and SDG 13 Climate Action. In this respect, managing company waste such as office paper, warehouse cardboard, promotional material, IT supplies, plastic and nylon are at the heart of the company's everyday green initiatives.

In 2014 -2015 the Group saved the equivalent of 4,528 trees (266 Tons of paper/cardboard) via a paper recycling program put in place in 2012.

In 2014-2015, Fattal collected through its workforce, 1.4 tons of plastic bottle caps. In 2014-2015, the Group delivered to local recycling companies, more than 150 pieces of hardware including old computers, screens, printers, scanners, and other computer accessories.

In 2013, Fattal accomplished a leap forward in reducing paper usage through the Group's accounts receivables department by shifting from printed account statements to an online system, allowing clients to check their dues using their computers. 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.

Fattal's frequent participation (in 2014-2015) to miscellaneous fairs involving Karcher cleaning devices is a typical case whereby the involved teams make use of old warehouse pallets and worn tires to furnish their booths, hence conveying to the community a strong ecofriendly message.

SDG 15: Life on Land

Fattal's concern to maintain a high ratio of built versus green areas throughout their past, current and future expansion plans, is a full-fledged practice of their sustainable growth culture. At their 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 breaks. Similarly, green areas have been taken into account to a large extent at their warehouses in Nahr Ibrahim (North of Beirut) and in their premises in Erbil - Iraqi Kurdistan. To note that Fattal engages regularly in reforestation activities across Lebanon.

SDG 16: Peace, Justice and strong institutions

In 2015, Fattal issued the second edition of the Group 'Code of Ethics and Business Conduct' responding to an evolving business world characterized by an extensive expansion across the MENA region. 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.

SDG 17: Partnership for the goals

Fattal believes that collaboration and joined efforts are the foundation of a positive change. Thus, it gives open hand to several NGOs, with whom the Group partners in many collaborative initiatives targeting major problems of the communities where the company operates including the MENA region.

Fattal Group is also partner with many NGOs in the fields of education, health, elderly well-being, feeding people in need and environment. The company is shifting from the concept of mere sponsorship to financial support and the engagement of its own community of employees, their families, customers and suppliers in the causes it supports.

NGOs and institutions include Children Cancer Center (CCC), Lebanese Mountain Trail (LMT), Skoun, Jouzour Loubnan, Shouf Biosphere, Myschoolpulse, Beirut Marathon Association (BMA), Injaz, Adyan, Save Beirut Heritage, Red Cross, Amour et Partage, Ordre de Malte and many others....