



**COMMUNICATION
ON PROGRESS FOR
THE UNGC**

REPORTING PERIOD:
DECEMBER 2016 | DECEMBER 2017



COMMUNICATION ON PROGRESS FOR THE UNGC

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Claude J. Bahsali

ABOUT ITG

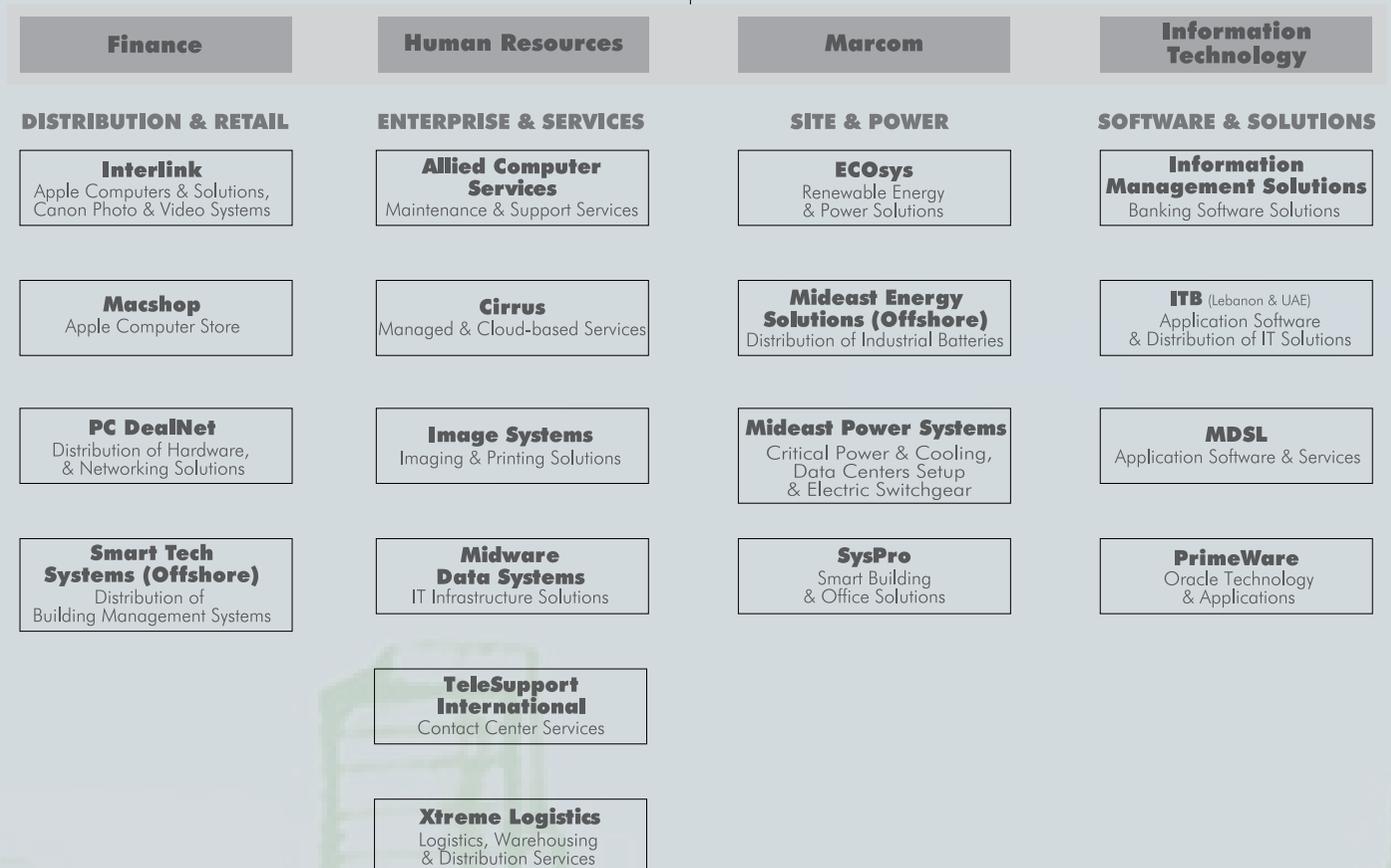
Information Technology Group (ITG) is a Lebanese holding company. We combine an array of autonomous affiliates dedicated to providing a large portfolio of solutions and services in the MENA region, in the area of hardware, system software, and application software, in addition to building automation and office solutions.

Being a highly diversified group, ITG's professionals are specialized in numerous technological fields and business sectors. Strong with our established reputation, proven track-record, and our solid partnerships with leaders in the ICT industry, we can offer the full spectrum of solutions to most businesses, ranging from office furniture to the full-fledged data center, in addition to cloud based services.

Throughout its successful history, ITG has built solid partnerships with leaders in the ICT industry. This enables us to service our varied clientele with state-of-the-art solutions in the areas of hardware, system software, application software and related professional services, in addition to building automation and office solutions.

ITG derives additional strength and reach thanks to its affiliation with the HOLCOM group of companies which has a 50 year history in diligently serving clients in the EMEA region with its 5,700 professionals.

For more info: www.itgholding.com





Network Lebanon

OUR COMMITMENT WITH THE UNGC

ITG joined the widely embraced corporate social responsibility (CSR) initiative of the United Nations Global Compact Lebanon (UNGC) on December 2015. As token of our commitment to make the Global Compact and its ten principles in the field of Human Rights, Labour, Environment and Fighting Corruption, we are devoted to communicate all of our Communication on Progress (COP) to our stakeholders.

ABOUT THIS REPORT

Through this ITG second Communication on Progress report, our aim is to demonstrate parts of our strategies, day-to-day operations, culture, and all the efforts made to engage in the UNGC ten principles. We are cognizant that our success in spreading further awareness on the uptake of CSR will continue to expand through the years, and confidently we will be able to achieve our goals and make a change





H.E Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

LETTER OF COMMITMENT

November 17, 2015

Dear Mr. Secretary-General,

I am pleased to confirm that ITG S.A.L. (Holding) supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. ITG S.A.L. (Holding) will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,

Mr. Claude J. Bahsali
Chairman & CEO, ITG S.A.L. (Holding)

CEO STATEMENT OF CONTINUED SUPPORT



**OUR
ACTIVITIES
AFFECT OUR
SOCIETY**

In fulfillment of our second Communication on Progress, I am pleased to reaffirm that ITG supports the Ten Principles of the UNGC. Since our last report, we have taken a leap forward in our endeavor to become a more socially responsible, promoting sustainable living and business in everything we do.

We at ITG recognize that our activities affect our society, employees, customers, environment, business partners, shareholders, and the public sector. Our involvement with the UNGC gives us an important framework for our internal and external policies, based on universal and recognized principles related to human rights, labor, environment, and anti-corruption. It is an incentive to achieve more, advance step by step in the area of CSR, in a difficult country and environment, where many internationally accepted values are not respected. But we know that good private initiatives can contribute to a better tomorrow. By taking positive steps, we express our intent to advance and influence our people, our community and encourage other corporates to join this initiative.

Claude J. Bahsali
Chairman & CEO
ITG s.a.l. (Holding)

We at ITG recognize that our activities and those of the private sector have an impact on society: On employees, customers, community, environment, business partners, shareholders and the public sector. We know that our decisions can contribute to the social good, to our wealth, and also to the overall society wealth. We are conscious of our Corporate Social Responsibility.

One of ITG's main objectives is to keep our people motivated, give them the chance to grow and enhance their skills, and encourage them to excel in what they do. We strive to offer them a flexible working environment and a positive and pleasant atmosphere. Values such as integrity, respect and trust, as well as adherence to high moral standards and business ethics, far from any discrimination, are part of ITG culture.



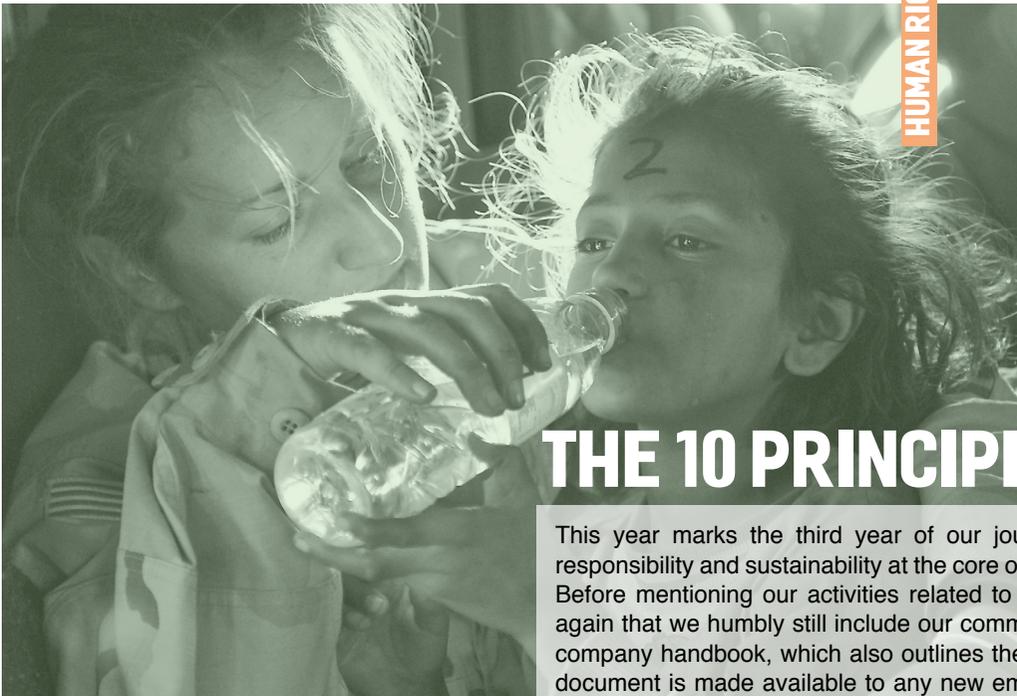
Compliance and transparency are key elements when dealing with the public institutions. ITG complies with applicable laws and regulations and expects its directors, executives, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws, and to refrain from any illegal, dishonest, or unethical conduct.

We aim to apply our commitments for a positive influence on society, at every level of the enterprise, from strategy, to day-to-day operational practice. And that is a big challenge. Our mission statement reflects our commitment to our customers, business partners, employees, and the environment.

We are aware of the necessity to 'Go Green', to contribute in protecting the environment and saving our country's natural resources. We try to identify responsible ways to act in our offices to fight against waste and massive consumption.

In addition, our new headquarters in the Holcom building are designed with the latest technologies in mind to ensure energy saving. Also, one of ITG affiliates provides renewable energy solutions, thus helping promote the green initiative culture among our clients and fellow citizens.

HUMAN RIGHTS



THE 10 PRINCIPLES

This year marks the third year of our journey towards embedding our corporate social responsibility and sustainability at the core of our business and sustaining our positive impact. Before mentioning our activities related to the 10 principles, it is important to mention yet again that we humbly still include our commitment to the UNGC and its 10 principles, in our company handbook, which also outlines the ITG code of conduct, policies and culture. This document is made available to any new employee joining the ITG family, as part of the onboarding sessions. The employees are responsible for reading and understanding its content, and apply the ITG internal rules and policies.

ENVIRONMENT



ANTI-CORRUPTION



LABOUR





THE 10 PRINCIPLES

HUMAN RIGHTS

Principle 1: Business should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

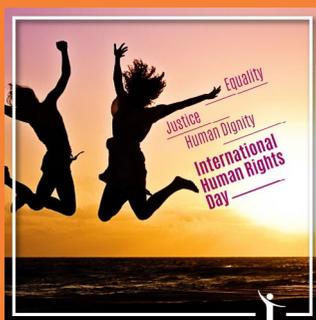
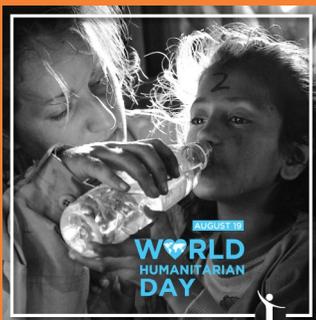
EQUAL OPPORTUNITY

• ITG gives equal chances when hiring people which is clearly stated in ITG's Employee Handbook, as our primary objective is cultivating our human capital and talent:

"ITG is an equal opportunity employer. Religion, age, gender, national origin, sexual orientation, race, or color does not affect hiring, promotion, development opportunities, pay, or benefits. ITG is strongly committed to fair treatment of employee based on merit."

• ITG has stopped mentioning the religion of its employees in the official papers sent to the National Security Social Funds institution.

• We try to raise awareness through our social media platforms by posting several 'Human Rights' posts.



GENDER EQUALITY

•ITG encourages gender equality, and makes no discrimination when hiring as it offers equal opportunities to women, by giving them access to positions that were traditionally perceived for men based on their merit.

•ITG along with the Lebanese League for Women in Business (LLWB) have signed the "Women in Boardroom" which seeks to drive women's empowerment further in Lebanon. This initiative encourages diversity - & more specifically, gender diversity that rallies support from businesses to commit on hiring and helping women reach their potential and increase the number of women on the Board of Directors, as well as managerial positions.

Our goal is to achieve a 30% female representation on our BOD by 2025 as well as managerial positions.

• 22% of managerial positions at ITG are held by women (General Managers and head of departments at group level)

• We held a campaign "Women at ITG" to identify and bring attention to those who are holding a managerial position and recognize their achievements.



ETHICAL & PROTECTED WORK ENVIRONMENT

Against Discrimination

• ITG is against any form of discrimination, as stated in the ITG Employee Handbook: "ITG is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, intimidating, or disruptive. Harassment in the work place is a form of discrimination. It is unwelcomed and unwanted. It affects the individual's ability to learn and work. It can also be an expression of abuse of power, authority, or control in coercive in nature."

• ITG's HR Department has an open door policy, in which any employee can address any complaint for it to be solved.

Maintaining Respect & A Positive Work Environment

• ITG strives to have a good working environment where respect, courtesy, and positive attitudes prevail, as it is stated in the ITG Employee Handbook:

• "ITG strives to maintain a positive work environment where employees treat each other with respect and courtesy, and therefore, having good etiquette at the workplace is extremely important. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive or annoying to others. ITG encourages all employees to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another employee's ability to concentrate and be productive".

Smoking

• "In order to protect and enhance our indoor air quality and to contribute to the health and well-being of all employees, smoking is prohibited in all of the below areas within ITG sites, without exception and at all times. This includes common private offices, open work areas, conference and meeting rooms, cafeteria, hallways, stairs, restrooms, parking shuttle buses and all other enclosed facilities". This is stated in the ITG Employee Handbook.

• ITG dedicates an isolated outdoor area for smokers, and raised awareness on the above topic by encouraging a No Tobacco day.





THE 10 PRINCIPLES

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.

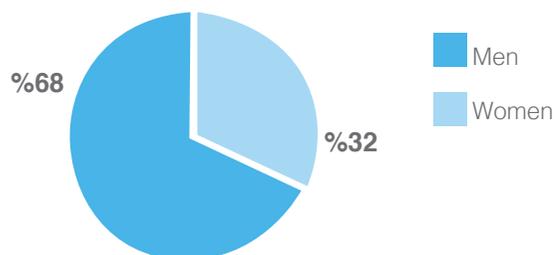
Principle 6: The elimination of discrimination in respect of employment and occupation.

1- RECRUITMENT & SELECTION FAR FROM DISCRIMINATION

ITG ensures that the required human capital meets its operational and strategic goals. We adopt a strategic approach for the recruitment and selection process, whereby the right person is matched to the right job based purely on his/her inherent qualifications, and disregarding any form of discrimination whilst recognizing equal opportunities for all.

- ITG provides job opportunities for fresh graduates as well as senior profiles, in order to ensure diversity in its workforce.
- In 2017, we recruited a total of 94 employees.
- The company groups 660 employees, in which 32% are females, this is considered a good ratio for a group in the IT business.

Women at ITG



2- ENSURING TEAM GROWTH & CAREER DEVELOPMENT

One of ITG's main objectives is to keep our people motivated, give them the chance to grow and enhance their skills, create a sense of ownership in their work and encourage them to excel in what they do. ITG adheres to the principle of promoting from within as the basis for sharing expertise, giving employees new opportunities within the group, and developing their talents throughout the organization.

3- ENCOURAGING OUR EMPLOYEES CONTINUOUS EDUCATION

• Pursuing Advanced Studies at Universities

ITG strives to establish fruitful collaboration with major universities, signing mutual agreements whereby the universities grant special discounts for our staff wishing to continue their education. Thus we provide our employees the opportunity to pursue their advanced education (MBA and others).

Agreements were signed with the below universities to grant special discounts for undergraduates and graduate studies, varying from 10% to 40%:

- Antonine University
- American University of Science and Technology - AUST
- Holy Spirit University of Kaslik - USEK
- Institut de Gestion des Entreprises – IGE USJ
- Agence Universitaire de la Francophonie - AUF
- Notre Dame University – NDU

• ITG Academy and Staff Training

In our continuous efforts to develop the potential of our employees, we provide them with constant training and courses through "ITG Academy" programs in various fields, with the support of major local learning centers. The training programs are delivered internally or externally, depending on the topic, and the graduates are provided with official certifications. Some of the training topics:

- Legal issues course
- Basic IFRS
- Finance & audit courses
- Corporate events and exhibitions organization
- Professional Diploma in Digital Marketing
- Introduction to Project Management & Project Management
- Leadership Program
- Competency based recruitment & interviewing workshop
- Communication & Connections
- English course

Training courses were delivered to 280 persons, since the establishment of the ITG Academy. In 2017, 124 members have participated in trainings & workshops.



4- ACTIVITIES TOWARDS YOUNG GENERATION

• Holcom Opens its Doors to the University Students

Holcom opened its doors to a group of business students from the Lebanese University (LU), and The Holy Spirit University of Kaslik (USEK), as well as future engineers from Saint Joseph University – ESIB Faculty. The purpose behind such initiatives was to build bridges between Holcom and Universities, to motivate, recruit talents and boost entrepreneurship.



• Introducing Artificial Intelligence in Educational Curriculums

PC DealNet, an ITG company, and a Value Added Distributor of technology products & solutions has concluded an agreement with 3Poli Robotics to introduce Ubtech Robots to their educational curriculum.

ITG organized an orientation session for its 2017 summer interns to prepare them for their post internship journey. They were exposed to fundamental recruitment tips and advices on how to prepare themselves for the job hunt. The presentation included three live testimonials of previous interns that are currently employed in different ITG affiliates. The members have emphasized on one unified point, which is for interns to profit and learn as much as they can from their internship period.

• Internship Programs

ITG Holding constantly seeks to offer practical work experience through its internship program for undergraduates during their academic studies. ITG's HR Department, Learning & Development division, provides yearly internships programs set for 2 months or more if needed, and the successful interns are later interviewed by the Recruitment dept. for a possibility to become an ITG member.

- 2017: 35 hosted interns
- 2016: 50 hosted interns
- 2015: 37 hosted interns
- 2014: 25 hosted interns



5. COLLABORATION WITH UNIVERSITIES & EMPLOYEES INVOLVEMENT

ITG signed several Memorandums of Understanding, in 2017, with multiple local universities and institutions to promote academic cooperation through ITG (Holding)'s internship program. The signed partnership identifies the mutual benefit of both institutions aiming towards facilitating the exchange of expertise among professors and students, in the fields of engineering, management, computer science, IT and business. The agreement extends the initiative of allowing undergraduates to explore the professional world and gain practical experience in their field of study prior to their graduation through internships.

• MOU signed in 2017:

- IGE – Institut de Gestion des Entreprises USJ
- LAU – Lebanese American University
- AUF – Agence Universitaire de la Francophonie
- NDU – Notre Dame University

• Previous MOU signed:

- USEK – The Holy Spirit University of Kaslik
- AUST – American University of Science and Technology



6. ADDITIONAL BENEFITS TO EMPLOYEES

• Schooling Allowance

ITG contributes in part to its employee's children's tuition fees, as detailed below:

- Nursery and School: Up to 1,000,000 LBP per year per child
- University: Up to 1,500,000 LBP per year per child (for the first two years only)

• Insurance

- Medical insurance plan for the employees and their direct dependents (Spouse, children)
- Life insurance plan

• End of Year Bonus

As part of the Employee Benefits Program, ITG and its affiliates may grant their employees an End of Year bonus to reward them for their personal efforts and their contribution in the company's performance, and for their renewed commitment and involvement in the company's future.

• Mileage Reimbursement for Sales & Technical positions

Given that some functions within our Holding require the personnel to use their personal cars to visit customers, allowances are paid to the entitled employees, based on the number of kilometers covered.

7. CSR ACTIVITIES

As previously mentioned, we try our best to enhance awareness on social responsibility by continuously organizing activities that benefit the society.

• Marathon 2017: Participation with “Lebanese Autism Society”

ITG employees participated in the 2017 marathon, in collaboration with the Lebanese Autism Society, a non-profit organization bringing awareness and enhancing the well-being of Individuals living with Autism in Lebanon. The fees covered by ITG went to the support of LAS.

42 participants enjoyed the 8K Fun Run.

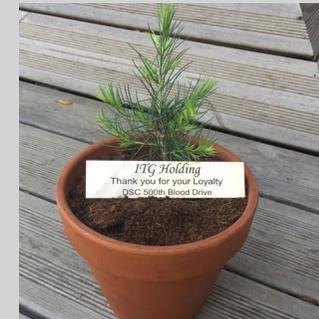


• **Celebrating the International Day for the Elderly at the Maronite Nursing Home**

ITG organized an activity in which we involved our workforce to visit the elders at the Maronite Nursing Home, Furn El Chebbak. A group of employees, who represent ITG's affiliates spent time with the elders at the nursing home, to uplift their morale while sharing with them homemade sweets. ITG wanted to appreciate the contributions

that seniors have done to the society on the International Day of the Elderly, which was on October 1st, while offering a kind donation.

ITG aims to involve its employees in the society and raise awareness on the importance of giving care to the elders that are left alone in nursing homes. Clearly, a growing moral imperative and human rights record within the culture of ITG improves our business performance.



• **Organ Donation Awareness Campaign**

ITG hosted an awareness campaign for organ donation in partnership with the National Organization for Organ & Tissue Donation & Transplantation (NOD). The presentation was informative to those attending, NOD representatives defined "Brain Death", and proceeded by informing the attendees on the process of organ donation from the donor and the receiver side, along with testimonials of a father whose son donated his organs.

• **Part of the 500 Blood Drive with DSC**

In 2016, with the partnership of Donner Sang Compter (DSC) we hosted a blood drive at our premises. And in 2017, we received from DSC the honor of being part of their 500 Blood drives.

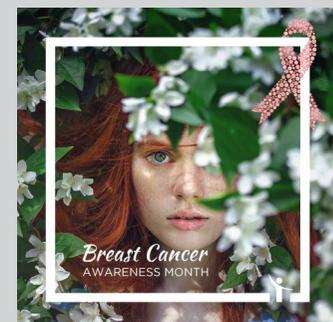
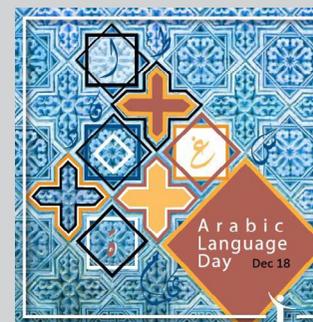
• **Donation of cubicles to AEC**

TeleSupport International, an ITG company has donated their old contact center cubicles to Arcenciel workshop at Corniche Al Nahr.

• **Awareness Campaign Posts**

We use our social media platforms to our advantage when we want to increase awareness towards certain events.

- Arabic Language day
- Labour day
- Breast Cancer Awareness day
- International Men's day
- System Administrator day
- Programmers day



8. EMPLOYEES SPORTS ACTIVITIES

ITG encourages its employees to interact with each other, and to participate to yearly sport tournaments, competing internally within ITG group, or externally with other corporate companies.



9. CELEBRATING TEAM SUCCESS

Whenever our affiliates complete a new project at hand, their success story is shared among the internal organization as well as our social media platforms. We encourage and organize events in order to increase camaraderie amongst staff to help build a sense of cohesiveness within the group, and engage our staff to build new strategies.



10. 'ITG OFFERS' FOR EMPLOYEES

ITG initiated the concept of "ITG Offers" in 2016. The idea behind it was to negotiate special discounts for ITG staff, ranging from 10 to 25%, with several external companies such as shops, restaurants, fitness centers, and other services providers.





THE 10 PRINCIPLES

ENVIRONMENT

Principle 7: Business should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

1. ITG GREEN HEADQUARTERS

The Holcom Building (Holcom is ITG mother holding), is an eco-friendly and sustainable headquarters. It was conceived to save energy, and provide the best work conditions. In terms of energy, the green building is centered on Solar Energy, and Lighting Management solutions, in addition to other green elements.

- A Solar Photovoltaic system installed on the building rooftop over an area of 1,250m² (113kW), in addition to 100m² (7kW) of Solar Photovoltaic vertical thin film on the façade.
- Total power of 114 kWp, for a yearly energy production of 159 MWh
- Providing 25% of the building energy demands
- Savings per year are:



• **The building architecture** includes an external skin (metal panels), on all the façades, allowing to manage the sun light, where and how the light enters, while reducing the sun heat impact. In addition, external blinds protect the glass façade from the heat.

• **Lighting Management & Shading solutions** with a strategy to optimize energy usage based on 4 elements: Scheduling/time clock, occupancy sensing, high-end tuning, and daylight harvesting. The lighting level is automatically set according to the natural daylight level, and shadings are automatically adjusted based on solar position. The solutions save 47.6% of the lighting energy consumption of the building, which represents 506,808 kWh/year.

• **Many greenery plantations** for more shading and less heat: 80m² of green wall at the main entrance, in addition to many Bamboo & trees planting.

--> Take a tour inside our building: <http://bit.ly/2fUq0KC>

2. ITG GREEN SLOGAN

To spread the 'green' culture among its members. ITG introduced the eco-slogan "ITG = I Think Green", which is included in the electronic signature of all its employees.



3. RECYCLING INITIATIVE

ITG commitment towards a greener Lebanon has been continuous since 2012 through several activities:

• **Paper Recycling:** In cooperation with 'Terre Liban', ITG gathered 49,033 Kg of paper in 6 years, equivalent to



• **Other Recycling Initiatives:** ITG retail and distribution affiliates replaced their traditional plastic bags with new environmental-friendly biodegradable plastic bags.

• **Upcycling event with La Brocante des Artistes:** The purpose behind this event was to upcycle ITG old hardware and e-waste & turn it into a piece of art with plants.

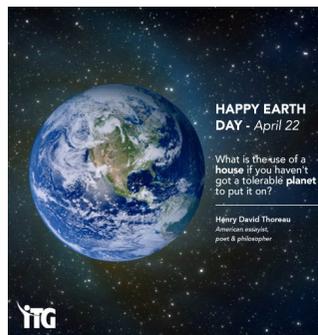


4. ENVIRONMENTAL EVENTS & ACTIVITIES

• Sponsoring 'Earth Hour Lebanon 2017'

- ECOsys, an ITG company, sponsored 'Earth Hour Lebanon 2017', on March 25. ECOsys contribution transformed Earth Hour Lebanon into a carbon neutral event, by installing solar Photovoltaic Panels to offset the electricity consumption of the event. ECOsys was able to gather 434 Kg of e-waste, from old laptops, printers, phones... to be recycled through an initiative launched by Beeatoona, an NGO with a primary aim to promote good environmental practices among the Lebanese and Arab communities, for a sustainable development.

- In this context, Holcom & ITG headquarters were turned off for 1 hour, in parallel with public and private institutions.



• Joining the 'Lebanon Climate Act' initiative (LCA)

- ITG joined the Lebanon Climate Act initiative (LCA), on July 26, 2016, in line with Lebanon's climate change engagement at the international COP21 conference. LCA encourages companies to reduce their environmental and carbon footprint, deploy more clean energy, and build more sustainable businesses. A team from ECOsys attends the ongoing workshops, organized by LCA, to learn more about the dangerous effects of climate change.

Check out the list of participants: <http://bit.ly/2fN60tx>

- The initiative was also announced on our social media platforms by posting the LCA interactive video to raise awareness on climate change: <http://bit.ly/2eT2SKp>

• Signing the green pledge of 'Lebanon Opportunities'

- In October 2016, ITG signed the 'Green Pledge' and joined the Green Club created by Lebanon Opportunities. The aim of this initiative is to inform and enable the business community on ways to become environmentally friendly in an economically feasible manner, and to provide them with practical tools and independent support that would have a positive contribution to their profits when engaging in an environmentally sustainable conduct.



• Environmental Awareness Messages:

Several awareness messages related to the environment were posted on our social media throughout the year of 2017.



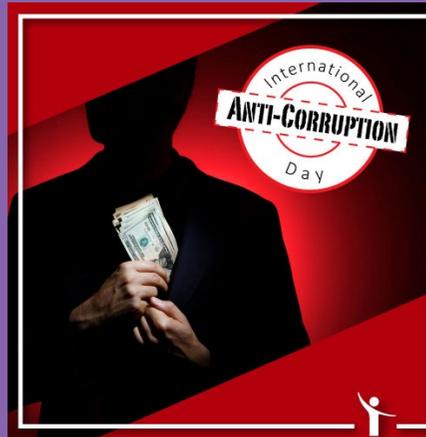


THE 10 PRINCIPLES

ANTI-CORRUPTION:

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

Compliance and transparency are key elements when dealing with the public institutions. ITG complies with applicable laws and regulations and expects its directors, executives, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws, and to refrain from any illegal, dishonest, or unethical conduct. The company works on maintaining a high level of transparency and takes action if any breach in misconduct takes place.



1. Employee Conduct and Disciplinary Actions

Our Code of Ethics and Conduct clearly upholds the principle of non-discrimination and of maintaining a violence and harassment-free workplace.

“Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as meticulous regard for the highest standards of conduct and personal integrity, in addition to adherence to high moral standards and business ethics, far from any political, religious or any other type of discrimination.”

The continued success of ITG is dependent upon our customers’ trust and we are dedicated to preserving that trust, and confidence of the public.



WWW.ITGHOLDING.COM

