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COMMUNICATION ON PROGRESS

Period Covered by this Report: From February 2018 to Mai 2019

Beirut, 12-6-2019

I am pleased to confirm that "L'artisan du Liban" reaffirms its support to the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. As a social enterprise owned by an NGO "Mouvement Social", we directly support and provide income generating opportunities to craftsmen and craftswomen in need, while preserving our cultural heritage.

In this annual Communication on Progress, we describe our actions to continually improve and align the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Roula Haidar General Manager



Description of actions

ADL is directly involved in six development goals: No Poverty, Gender Equality, Decent Work and Economic Growth, Reduced Inequalities, Responsible Consumption and Production, and Partnerships for the Goals. In the following table, we describe how we are addressing each one of them, with the annual results and numbers.

Development Goal	L'artisan du Liban (ADL) involvement
1 NO POVERTY	-To generate income and alleviate poverty in remote and unprivilege areas through training and supporting artisans in their handicrafts work.
/Ⅱ¥₩₩₩I	During 2018-2019, L'artisan du Liban has been able to provide revenues to 300 people in need through production orders, for an annual amount of \$410,00. Thus, the generated revenues through the work of ADL allowed 300 people to escape the extreme poverty threshold.
	The Rapid Poverty Assessment in Lebanon, conducted by UNDP, shows that 30% (or 1.5M individuals) of the Lebanese population live on less than 4\$/day or 120\$/month and about 300,000 are considered extremely poor and live on less than 2.5\$/day (unable to meet their basic food needs)
5 GENDER EQUALITY	Empowering women and skill building in both technical and business areas are at the heart of ADL mission.
	We support small groups of women to organise themselves and to become economically active, in friendly environements. We provide them with raw material, equipment and machines, free of charge, as long as they work and produce sellable items.
	ADL three top managers are women. The employees' gender is 24 women and 5 men. Craftsmen represent 35% while women are a mojority of 65% of ADL workforce.
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work: -All ADL employees are registered in the National Social Security Fund. They are paid at least 20% more than the minimum wageThe culture and the values of the company create a safe, friendly and supportive environment. We have zero tolerance to sexual harrassment, violence and to any kind of descrimination, especially sectarianism.
	Economic Growth: -ADL sets an example as a social enterprise established and owned by an NGO which has proven to be economically sustainable for 40 years.
	-Also, ADL works with 160 micro and small enterprises, reaching a total number of 750 enterprise owners and workers; they were able to sustain during the Lebanese crisis and civil war through this opportunity. The innovation introduced by ADL in the designs

	and the techniques allowed them to evolve and meet customers' needs.
	-Local and young designers have the opportunity to sell in ADL shops; we encourage them to innovate and modernise Lebanese handicrafts while keeping the cultural identity of the products. L'artisan du Liban always had and still have the goal of encouraging and supporting young designers to interact and collaborate with craftsmen and women in the interest of both: the former needs to apply and manufacture their products, and the latter needs to modernize and innovate their traditional products to reach better chances of market penetration.
10 REDUCED INEQUALITIES	83% of ADL production is done through people in need of work. ADL works in all Lebanese areas but has a workforce concentration in underprivileged ones: as an example 36% of poor people live in the North.
	ADL has a special work unit in North Lebanon to recruit, train and organize the production of craftsmen and women.
	Also, other NGOs having production units are encouraged to sell in our boutiques. Through them we reach more than 250 beneficiaries, learning crafts and producing at a small scale.
12 RESPONSIBLE CONSUMPTION	An average of 50% of product costs goes directly to the workforce.
CO	Our customers have the opportunity to experience responsible consumption while purchasing ADL products and supporting a social cause.
	ADL social impact on both income generation and culture heritage preservation is at the heart of our mission
17 PARTNERSHIPS FOR THE GOALS	To achieve ADL goals we partner with other NGOs, INGOs universities, and other stakeholders from the private and public sectors.
8	In 2018, we were able to produce corporate gifts to banks and companies, and encourage their CSR.
	During 2018, we have executed a development and livelihood project with an NGO. We trained 37 women on crafts, from whom 17 are still producing and working with ADL equipment and machineries.
	Finally, we partner with municipalities and local associations to provide working spaces to crafts women groups in rural areas, free of charge.

Measurement and Indicators

- Number of people earning revenues through ADL production
- Amount paid to craftsmen and women per month and per year
- Number of micro and SMEs working with ADL
- Geographic areas covered by ADL work
- Number of new craftsmen and women recruited and working with ADL
- Crafts covered and product innovation using their techniques
- Number of Employees and demographic characteristics (age, gender...)

Rooms for Improvement

- The decrease in sales during the past 8 years has negatively affected the amount of orders and the amounts paid to craftsmen and women: ADL is trying to reverse this trend and increase the sales through market diversification, online sales and competitive prices in order to increase its income generating activities
- Craftsmen and women working with ADL don't benefit from health and social coverage. ADL has the ambition to help them establish cooperatives and create a mutual fund to cover their health and social needs