



# CSR REPORT 2016-2017



2016-2017  
CSR REPORT



# SUSTAINABLE DEVELOPMENT GOALS



## OUR VISION OF SUSTAINABILITY



### 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.

Fattal Group is keen on embracing social responsibility in all aspects of the business. Starting from our core values of Trust, Sharing, Courage and Respect, which are key pillars for running business ethically, reaching to our commitment to engage stakeholders having similar values, from suppliers, to customers and mainly our workforce.

2017 marked the celebration of the Fattal Group 120 years Anniversary, a legacy that we are proud of, mainly for being able to be a contributor to the economic growth of the communities in the 7 countries where we operate. On that same occasion, we renewed our commitment to promote quality education by refurbishing the Khalil Fattal & Fils Auditorium at ESA Business School, which we had donated 20 years ago upon the creation of the school.

2016 marked the celebration of our 80 years of partnership with Unilever. A business relationship that is not only limited to the commercial aspect. Our partnership with Unilever is also about a close collaboration on sustainability plans for the benefit of the communities we serve. In this context, we seized the occasion of Mr. Paul Polman's visit to our headquarters to organize a roundtable around the topic of sustainability in presence of key stakeholders in Lebanon.

Our CSR intervention in the local community for the last few years, and our ability to develop and grow specific initiatives into real partnerships, are the drive behind the renewal of our commitment with UNGC. Strengthening our partnerships with multiple stakeholders from the private sector and the civil society helps us contribute to the sustainability development goals with an emphasis on goals 2, 3, 4, 13 and 17.

We have focused our CSR approach on increasing our workforce's engagement in preserving our environment, enhancing the lives of many disadvantaged families particularly those lacking quality access to education and the basic requirements of a decent life.

Doing business with heart, is how we describe our track record. As we strive continuously to grow our impact on the wellbeing of employees, the environment and the community, we are sure that our CSR moto 'Change For Life', will continue to inspire us for many years to come.

**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.

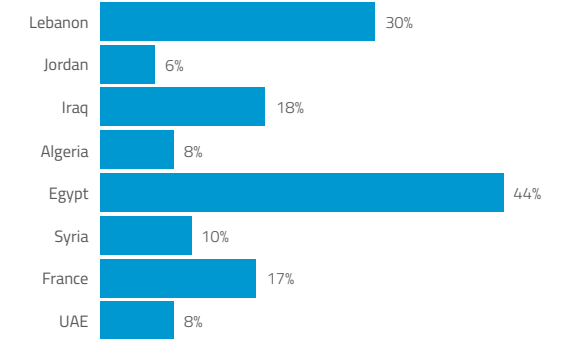
Many of the brands we represent belong to Fortune 500 companies. We are as well, proud recipients of numerous awards from our suppliers and varied other stakeholders. Via our portfolio of quality brands, we thrive to improve the daily lives of 60 million families in the region and directly employ more than 2,800 people in the Arab world out of which 24% are women.

*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.*

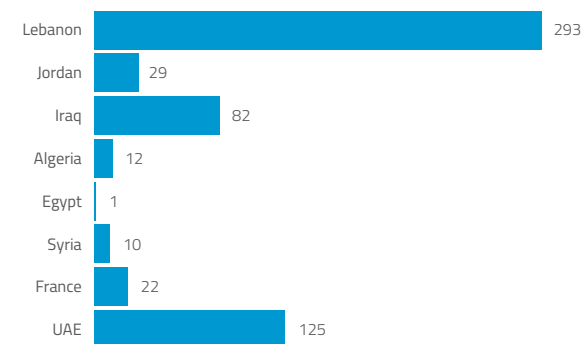
# Where we operate

Operating in Lebanon, Syria, Jordan, Iraq, UAE, Algeria, Egypt and France, Fattal Group is a powerful gateway to reaching millions of consumers in the MENA region. We handle more than 60,000 different SKUs (stock keeping units) across our operations with over 500 trade suppliers and 88,000 customers. More than 50% of our workforce is located in Lebanon.

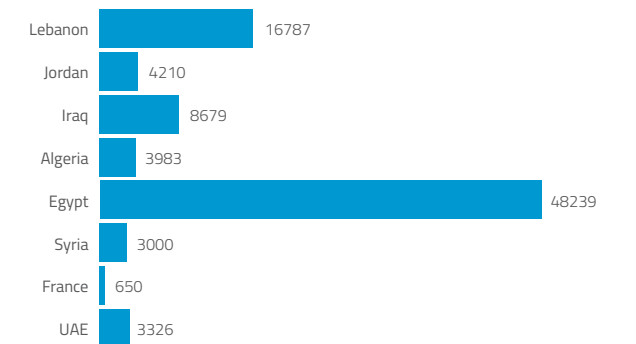
## Percentage of Women in the Workforce



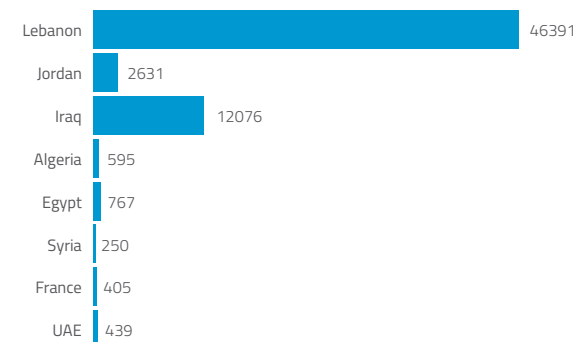
## Number of Suppliers



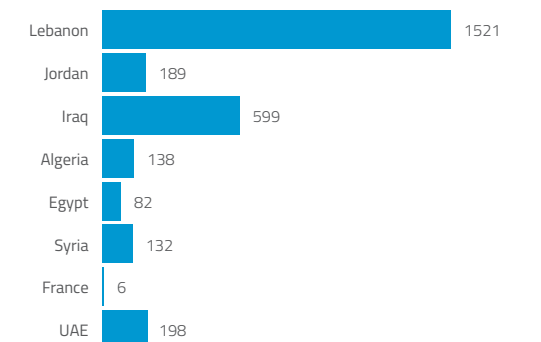
## Number of Customers



## Number of SKUs (Stock Keeping Units)



## Number of Employees







### EMPLOYEE WELLBEING

- P. 12 Sports, Health and Safety
- P. 14 Seniority and Recognition
- P. 16 Retirement and other benefits
- P. 16 Code of Ethics
- P. 21 Hiking Activities
- P. 22 My Shop
- P. 23 Equal Opportunities

### ENVIRONMENT

- P. 25 Recycling
- P. 26 Reducing
- P. 26 Reusing
- P. 27 Energy Consumption
- P. 28 Carbon Foot Print calculation
- P. 29 Nature Preservation

### EMPOWERMENT TO COMMUNITY

- P. 31 Volunteering with Injaz
- P. 32 Internship
- P. 34 Environmental championship program (ECP)
- P. 35 Support to NGO's
  
- P. 38 Our Lady of Hope Foundation
  
- P. 44 Affiliates
- P. 45 Testimony

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

## OUR CSR VISION

Lead positive change in our region and impact 5,000 lives every year through Education, Environment, Community, Services and Employee wellbeing.

## OUR CSR MISSION

Engage at least 10% of Fattal Group staff in Fattal CSR activities to:

- Save the equivalent of 1,000 trees per year through waste management, carbon footprint reduction.
- Optimize our engagement in giving back to community: (1) **Maintain our current educational commitments** and improve quality of our contribution under our Lady of Hope Foundation (2) **Empower Entrepreneurs and university students** to develop and launch their start-ups by making sure each line of business leverages its industry capabilities to support one new CSR initiative every year, (3) **Partner with NGOs and institutions** that directly serve our CSR & Corporate vision and mission.
- Strive to safeguard our engagement index at 86% by focusing on employee safety, health, integration, work life balance and recognition.

# The 3ES

Our CSR approach revolves around the 3Es: Employee Wellbeing, Environment, and Empowerment to Community.

## EMPLOYEE WELLBEING



**Zeina K. Assi, GROUP HR DIRECTOR**

Work has long been recognized as having a major influence on health and wellbeing. With our everyday fast changing environment and the evolution of technology, the nature of work and the way it is conceptualized has been evolving drastically. This new reality has changed the way organizations and individuals perform at the workplace.

Therefore, and at Fattal Group, we ensure that all necessary efforts, policies and processes are in place to make work experience as a positive influence on our employee's health and consequently on our Community.

Employee wellbeing is a key purpose at the heart of our mission. We are dedicated to continuously address and improve Fattal employee's wellbeing to make sure they remain happy and motivated at work.

Guided by our Group Values of Trust, Courage, Respect and Sharing, we are committed to promote open communication, provide equal opportunities, encourage internal mobility, endorse learning and to ensure fairness and job clarity.

Morale and satisfaction directly impact employees' engagement, productivity, retention and contribute solidly towards our groups' sustainability.



# SPORTS, HEALTH AND SAFETY

Internal sports tournaments



## OCCUPATIONAL PROGRAMS

	2016	2017	TARGET GROUP	OBJECTIVE
<b>BACK PAIN (SPINAL CARE)</b>	111 employees		All Employees	Acquiring 1 <sup>st</sup> aid principles and how to react in emergency situations
<b>DRIVING IMPROVEMENT PROGRAM BY THE LEBANESE INTERNATIONAL ROAD SAFETY ACADEMY - LIRSA</b>		44 employees	All employees	Acquiring useful tips and healthy habits to prevent injury and back pain.

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 court located in our headquarters site witnesses the fun and excitement brought up during our internal tournaments.

In 2016-2017, 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. Our corporate basketball team created in 2015 was not less active in 2016-2017 performing

at its best and competing against other local and regional corporate teams.

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. Fattal is among the fewest companies in Lebanon that invested in a GYM on-premise. The Dolphin Fitness Club is a hub for all employees, suppliers and tenants located in our headquarters, to stay healthy and fit and thus, perform better.





# SENIORITY AND RECOGNITION

*As a core belief in the wellbeing of our employees, recognizing performance is a practice our company has been embracing all from the start.*

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 2016-2017, 110 employees celebrated their 8 years of seniority within the Group, 54 employees celebrated their 15 years of seniority and 8 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.

As a core belief in the wellbeing of our employees, 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



*Our colleagues during a performance recognition ceremony.*

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 achievements which were not acknowledged companywide.

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.

## SENIORITY CELEBRATIONS

SENIORITY	2016	2017	BENEFITS & TOKENS
8 YEARS	65 employees	45 employees	Financial reward (1 monthly salary), Framed certificate of recognition, 8 months free membership at the corporate gym
15 YEARS	26 employees	28 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 top management
25 YEARS	5 employees	3 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 and top management

## WEDDING, BIRTH AND GRIEF:

OCCASION	2016	2017	BENEFITS
WEDDING	43 employees	35 employees	Financial reward (Purchase voucher) based on years of service varying between 500\$ to 1 monthly salary
BIRTH	63 children	56 children	250\$ Purchase voucher
GRIEF	59 losses*	50 losses*	Donation of LBP 100.000 to Our Lady of Hope Foundation

\*Direct member of an employee family

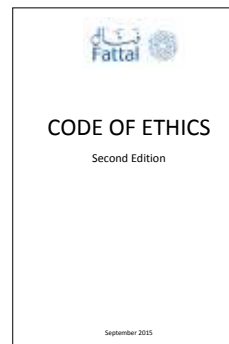




# RETIREMENT & OTHER BENEFITS

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. 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 projects.

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 till end 2017, 716 employees under the pension plan scheme.



## CODE OF ETHICS

Our 'Code of Ethics and Business Conduct' responds 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. It 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.







contribution to the business and treat each other with no discrimination as to gender, race or sexual orientation. Sharing, because we share with each other, problems, concerns, happiness and sorrow, and with the community a part of the Group's returns by giving back to those most in need. And finally, Trust because it has been the foundation of our business dealings success and human conduct with each other since the start and with all our stakeholders with no exceptions.

## FATTAL CELEBRATES 120 YEARS

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



Reaching 120 years would not have been possible for Fattal Group without its employees' commitment and dedication. This is the reason why the Fattal family decided to celebrate those twelve decades in presence of the whole Fattal workforce on May 19, 2017 at Hilton Habtoor – Beirut, during a memorable Gala Dinner. This unique evening of its kind united 1500 colleagues coming from the Group's 7 affiliates in the MENA and from Lebanon. It was as well an opportunity to re-embed our business values of Courage, Respect, Trust and Sharing in our way of doing business.

Courage, to reflect our founders' challenging track of success and our predecessors' exemplary resilience and because they showed us the way, operating in one of the world's most uncertain environments. Respect, because at Fattal Group we value everyone's







Arnaoon Day

*Employee gatherings play a major role in enhancing their motivation, level of engagement and sense of loyalty.*

## GET TOGETHER DAY

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



The wellbeing of employees being one of the main pillars of Fattal Group CSR approach, a yearly get together mega event has been initiated in 2016 whereby the entire Fattal Community was invited in the context of a non-work related setting and away from the office. The first edition of this winning team bonding experience took place in September at Arnaoon Village. Colleagues from all over the company divisions and departments met and mingled together in the casual and natural environment of a unique venue nestled in the heart of Batroun hills. More than 600 employees attended this full day. Such gatherings play a major role in enhancing employees' motivation, level of engagement and definitely their sense of loyalty.

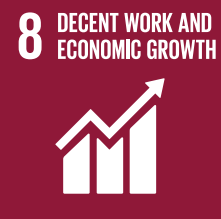
## FATTAL HIKING ACTIVITIES



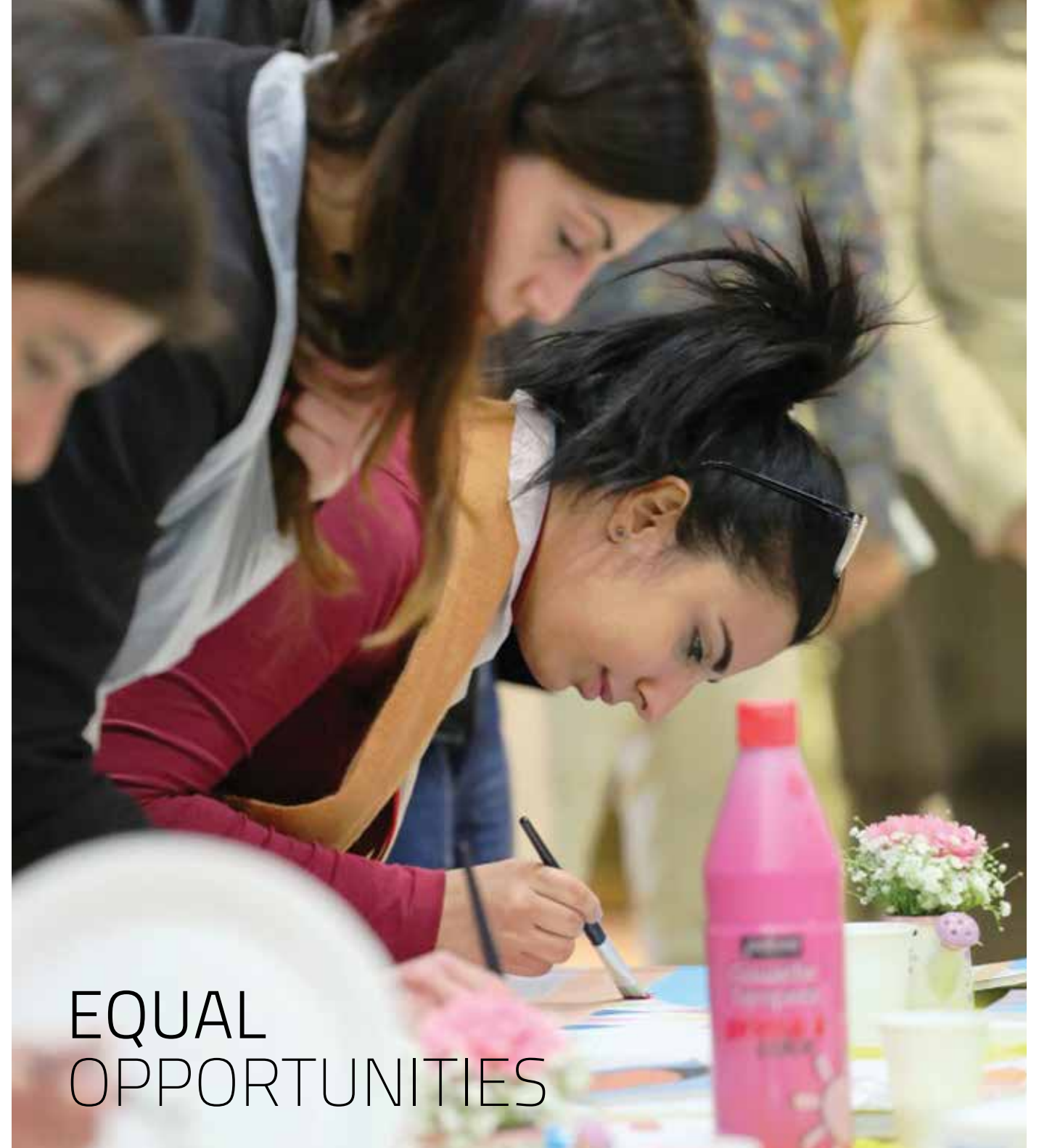
Fattal Hiking activities were initiated in 2016 with the objective of instilling a taste of nature in the midst of the Group workforce's hectic work schedules. Organized by the CSR Committee members, the monthly hikes taking place on weekends have become more and more popular as the hikers explored a new Lebanese region each time they gather for a new adventure. Wherever our teams go hike, they try to buy their needs of the day from local manufacturers and crops. Hikes are open to Fattal employees' friends and family members adding fun and enjoyment. Accessible itineraries in breathtaking locations earned participants' enthusiasm as the number of both hikes and hikers went on increasing since the inception of Fattal Hiking activities.



# MY SHOP



Created in 2016 in an attempt to give Fattal employees easy and convenient access to the Group's near to expiry products at discounted prices, the rich and varied assortment of products offered by this internal outlet along with the extremely lively and animated promotions that take place almost every 2 weeks made it a perfect internal shopping destination. At My Shop, colleagues would benefit from privileged pricing but also meet and have a brief relaxing time while shopping among colleagues.



# EQUAL OPPORTUNITIES



Our company, which proudly won in 2016 the AmCham MENA Award as "Best Company for Women to work for" is more than ever committed to keep the ranking. With more than 25% of its workforce being women, the Group believes in equal opportunities and strives to promote it by recruiting and retaining talented women, hosting events tightly related to this cause and celebrating key occasions related to it. In 2017, Fattal Group decided to celebrate onwards, two events in one: International Women's Day and Mother's Day. On this special occasion, the CSR department invited lawyer Mrs. Leila Awada from KAFA Association to talk about "Lebanese Women's Rights". The event brought the Fattal workforce together to express gratitude towards all women and motherly figures across the company.



# OUR ENVIRONMENT



**Imad Nassar**, Group Properties and Facilities Manager

The success of our CSR committee initiatives taken during past years on environmental issues until now, made me never doubt that a small group of thoughtful committed persons can really make a change.

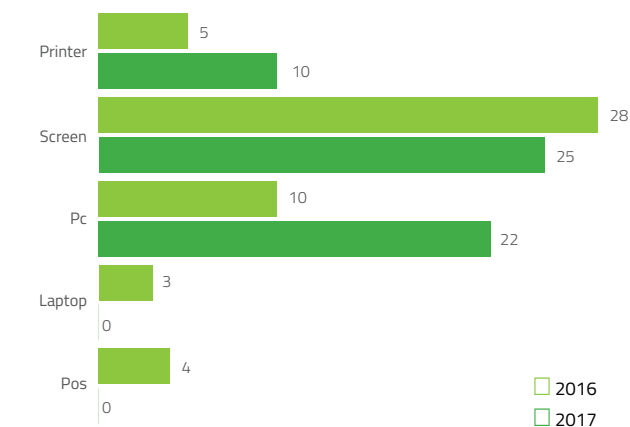
It encouraged us to think, to try and develop new ways in getting everybody involved so to learn how to use our resources wisely and to raise awareness on the most pressing environmental issues of our time.

Despite our advancement in many fields, our goals are still threatened by a range of challenges, but Fattal Group chose the road of true commitment to the environment and believes that economic growth and environmental protection can and should go hand in hand.

## RECYCLING

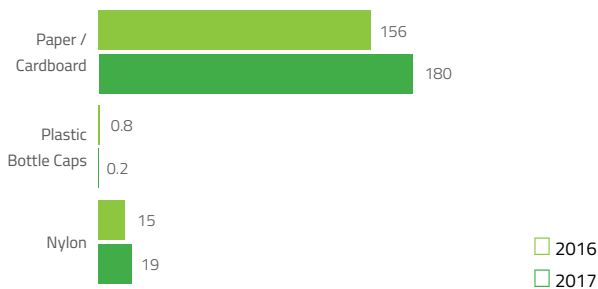
In 2016-2017, we saved the equivalent of 5,712 trees (26 % increase over the period 2014-2015) via our paper recycling program put in place in 2012. Providing dedicated paper recycling bins in each and every working space across our Lebanon premises was and still is key to the success of this initiative.

Recyclables (UNITS)



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 Arcenciel, 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 2016-2017, we collected through our workforce, 1000 KG of plastic bottle caps. Also for recycling purposes and for the last 7 years, we have been actively collecting old IT supplies generated by our company's usage of technology.

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 2016-2017, this initiative led to a reduction in paper usage worth of nearly 200 reams of A4 paper (500 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. In 2016-2017, our frequent participation 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 environmental message.



# ENERGY CONSUMPTION

2016 and 2017 were marked by an increase in the usage of Led Technology in the Group's lighting needs. As to Air Conditioning, VRV migration implemented group wide, resulted in a significant reduction in energy consumption enabling the Facilities Division to put on hold the purchase of an additional 500KVA generator scheduled for 2017.







## CARBON FOOT PRINT CALCULATION

The Fattal Group achieved in the second half of 2017 a very important leap forward by calculating the 2016 Carbon Footprint (CO2 Emissions) related to its warehousing operations in the healthcare and FMCG divisions in Lebanon. The work on this pilot project, which had started in 2016 in cooperation with V4 Advisors, a trusted expert in the field, led to a comprehensive report highlighting the carbon emissions of the 2 operations occupying a total space of 18,174 SQM and 266 employees.

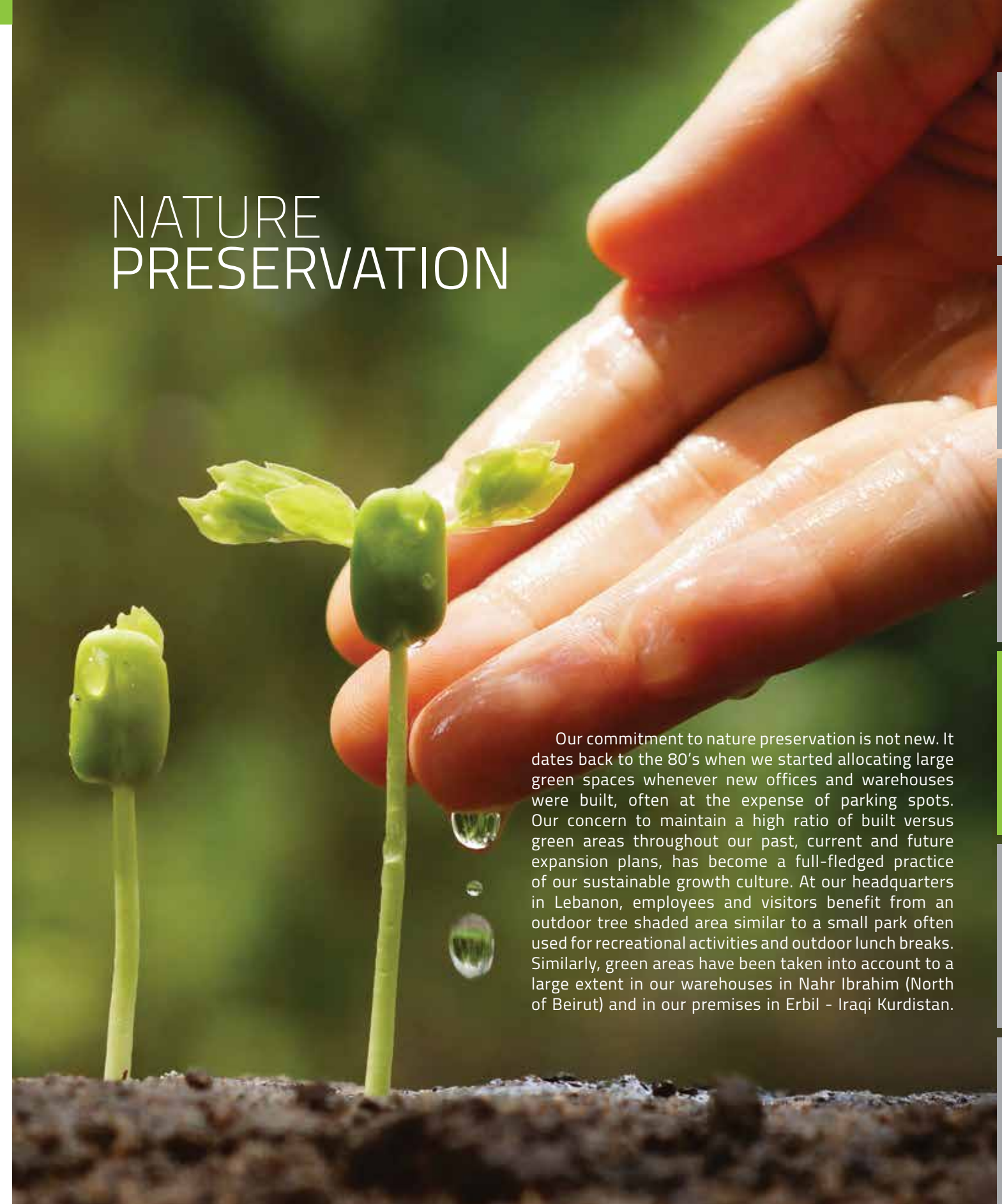
In 2016, KFF Healthcare and Excel Logistics produced 2,035.7 Tons of CO2, the equivalent of 214 trips around the equator using a normal passenger car. The main drivers of the carbon emissions being the use of owned generators, car and vehicle fleets, purchased electricity, travel flights, and paper usage. In an ideal situation and in order to compensate the Group's emissions of CO2, the Group needs to have 93,381 planted trees of 10 years old each or 6,846 PV panels (solar panels) of 2x1m (305 WP) each.

Fattal Group is the first distribution company in Lebanon to calculate the carbon footprint of its operations in view of taking remedying actions on a scientific basis.

13 CLIMATE ACTION



## 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 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 in our warehouses in Nahr Ibrahim (North of Beirut) and in our premises in Erbil - Iraqi Kurdistan.



# EMPOWERMENT TO COMMUNITY



**Ghida Ibrahim, Group CSR Officer**

The economic growth cannot take place in communities that suffer. Around the world, efforts are being joined among private and public sectors, alongside with civil societies to enable communities increase control of their lives. Based on this, we, at Fattal Group, have faith in our support to the local communities, as we believe in the power of partnership to meet the SDGs. Empowerment to community is a strong pillar of our CSR approach. It is a platform for us to share our knowledge, expertise and care with our local community beyond the ordinary financial contributions.

It is also an opportunity for us to engage our own employees in thinking about the main challenges faced by our community starting from the basic need for food, lack of awareness about health issues, difficulties in accessing education and other issues. Through our engagement, we are growing our sense of responsibility and our potential of making a greater impact, whenever we act.



## VOLUNTEERING WITH INJAZ



Fattal Group being on the board of INJAZ was very active in 2016-2017 involving members of its workforce to volunteer and bring business knowledge and education to schools and universities. In this context, a team from Fattal Group delivered the "It's My Business" program for Grade 7 in several schools, and the "Be a Leader" for Grade 9 and "Steer Your Career" programs for university students. The successful sessions were acknowledged by INJAZ management as being highly effective according to the principals of the schools and universities involved. As to the Fattal Group volunteers, the experience was rewarding in the sense that it helped them uncover their capabilities alongside being heard and valued for their professional input. INJAZ in its turn, acknowledged the Fattal volunteers in written and as follows: "Thank you so much for successfully delivering our programs with great enthusiasm, professionalism and commitment. We are really grateful to your dedication to the INJAZ mission and we hope you enjoyed it as we know the students did. The feedback from the school principals and students were very positive and we hope you will consider volunteering with us again."



# INTERNSHIP

*Fattal Internship Program provides a unique learning opportunity via real-life work situations supervised by a dedicated coach.*



During the Internship Graduation Ceremony

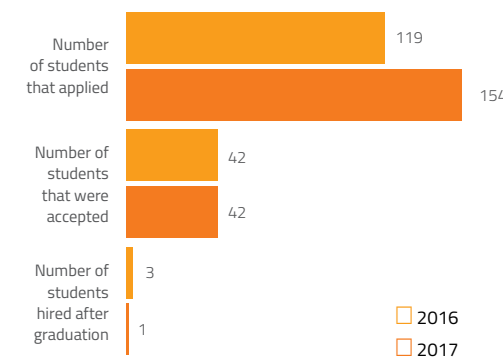


Fattal Group Internship Program is ranked among the best in Lebanon. In 2016-2017, a total of 82 university students enrolled in our program run yearly during the months of July and August. Depending on what the pre-graduate student is majoring in, tailor-made projects are designed and redesigned to 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.

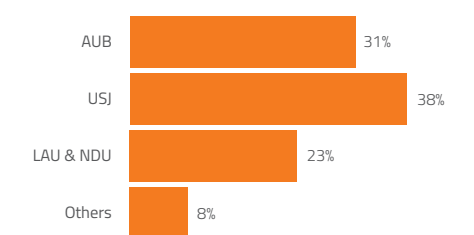
On the job training, technical and business tutoring, in

addition to fieldwork, 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 are accepted in the internship program, all selected fairly from the best ranking educational institutions. We give priority to our workforce's youth, making sure we do not compromise on the educational level. The program is challenging but features fun moments such as the graduation ceremony, which the interns' family members and friends as well as Fattal Group top management are invited. Every year, a handful of interns end up proudly working for us once they graduate.

## Internship



## Average Acceptance (2 Years)





# ENVIRONMENTAL CHAMPIONSHIP PROGRAM (ECP)

Our kids during ECP



Participation to Myschoolpulse Marathon

*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.*

## SUPPORT TO NGO'S

We actively empower the community by supporting causes that meet our sustainability goals. We typically stand for causes directly related to education, but also causes that promote wellbeing, health, help to underprivileged communities 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 7 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.

13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



Today's youth are tomorrow's leaders! Fattal Group engages in educating the youth, creating proper socio-environmental awareness for them to be able to make knowledgeable decisions regarding their future. In this context, Fattal co-sponsored with Holdal Group and for the first time, a 5-day camp for employees' kids, aged between 9 and 12 years, at the end of which they would become "Environmental Champions"!

Built on the concept of experiential learning, with hands-on, fun, and creative activities aiming at giving kids a clear understanding of the full loop that is our ecosystem, the objective of the program is to empower kids through educators and coaches by giving them the title of "Environmental Champions".

The program inspires the kids to become stewards of the planet Earth in a pro-active way by protecting nature, acting sensibly about eco-issues and communicating around them the related important environmental messages.

The multi-location camp itself is organized by the LMTA (Lebanese Mountain Trail Association) and Eco-Consulting. Activities involved basic earth science, hiking, fieldwork and recreational activities giving the kids the opportunity for a better understanding of the Lebanese eco-system. Kids connected with nature and enhanced their knowledge and awareness about the importance of the environment, developing a deep sense of responsibility, which they will undoubtedly spread in their respective communities.

17 PARTNERSHIPS FOR THE GOALS





In 2016-2017, Fattal Group continued to support Lebanon's environment and natural heritage namely through Jouzour Loubnan whom we continuously back up over the years. As part of the Group's belief in the importance of preserving the cultural and natural heritage of the country, the Group contributed in 2016 to the reforestation of 2 hectares in the Shouf Biosphere Reserve, the largest Lebanon natural reserve. In July 2015, UNESCO declared the Shouf Biosphere Reserve a protected area of approximately 50,000 hectares or 0.5% of the total area of Lebanon. This reserve is a major natural attraction for Lebanon and the region.



*Fattal, as part of the UNGC Lebanon Chapter, has been an active participant on the Education Committee*



*During the Awards Ceremony of UNGC competition*



Charity initiatives are present across the Group especially during the end year festivities period and during Ramadan. The yearly Hope Hive Charity initiative organized by Fattal CSR department collaborates with several NGOs as receivers of the collected items. In 2016 – 2017, the Group collaborated with Les Soeurs du Bon Pasteur convent, to contribute to the well-being of 40 girls, aged between 5 and 20, kept away from their families by the convent to protect them from mental or physical abuse. To note that the convent is also supported by the Fattal Foundation (Our Lady of Hope Foundation for Education & Teaching) to ensure the girls are getting quality education.

Other Charity related initiatives undertaken in 2016-2017 onwards are the charity boxes that could be found in the Group's cantinas around Christmas period. Le Bonheur du Ciel NGO was the receiver of the collected amounts.

Fattal Group, as part of the UNGC Lebanon Chapter, have been an active participant on the Education Committee. We participated in the jury of a National competition among school students to raise awareness about the UNGC Principles.



Every year, Fattal makes sure to lock in its calendar, a day to support DSC (Donner Sans Compter), as we believe blood donation is a national need, and a cause hitting the wellbeing of the community. Around the date of June 14, the Group celebrates International Blood Donor Day by giving the chance to our workforce to contribute by donating blood.

In the healthcare field, Fattal Group takes part regularly in reducing the burden of cancer on the occasion of the World International Cancer Day (February 4) by organizing fundraising activities aimed at supporting the Children Cancer Center in Lebanon. Fattal employees are the major contributors in the context of such activities as they take place in the form of buying a rose for a

cause especially that February 4 is close enough to Valentine's Day.

The Back to School period is a particularly important occasion within the Group, whereby the Fattal CSR committee organizes every year and in conjunction with Eastpak (a backpack brand distributed by Fattal) a joint charity initiative. Fattal Community and their kids donate their old backpacks filled with unneeded books. In return, they are entitled to a 50% discount on a new Eastpak backpack. NGOs specialized in scholarly assistance to students benefited from the donated backpacks in 2016. Children of an orphanage were the happy receivers of the school bags in 2017.



# OUR LADY OF HOPE FOUNDATION



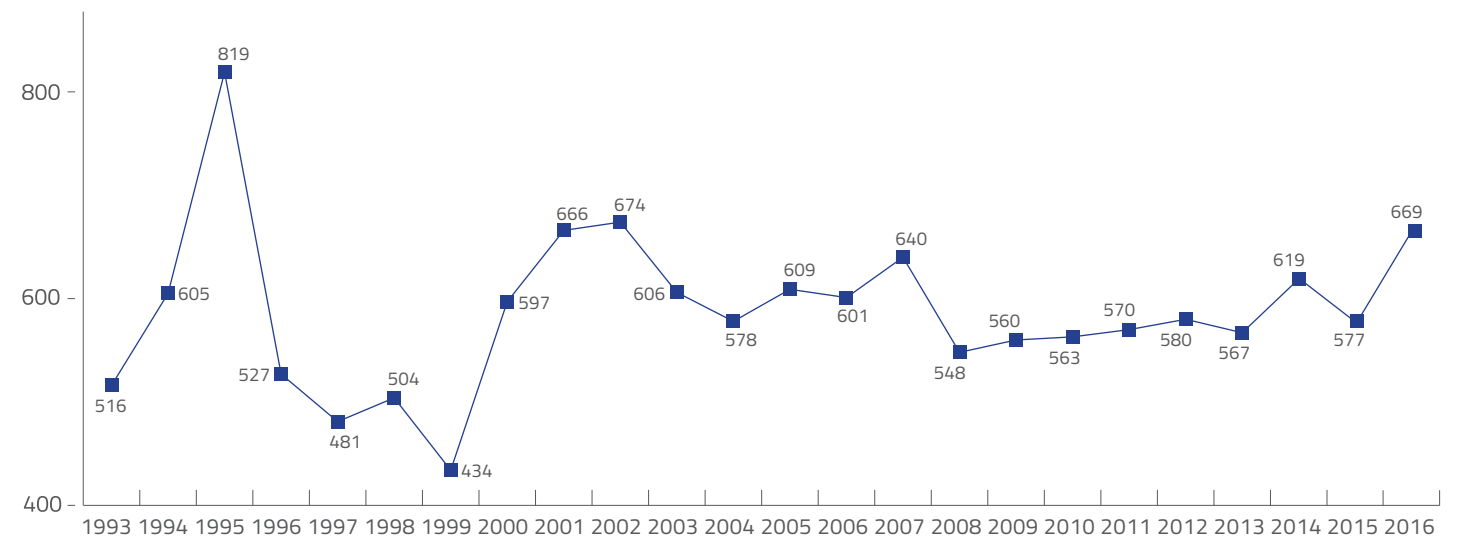
**Samir Messara**, Sales Capabilities Director

Throughout its journey of 31 years, "Our Lady of Hope Foundation" has touched the hearts of hundreds of deprived Lebanese families by assisting them in paying the school fees of their children. It made their dreams come true. It drew a smile on their faces. It showed that in a world where violence is increasingly threatening our lives, human values still prevail. It asserted that education comes first and is a fundamental right that no one can prevent or deny. Thanks to the efforts of its board of trustees and the unfailing support of the donors, Fattal community of employees, friends, customers, and suppliers, "Our Lady of Hope Foundation" is now a major change agent that contributes in crafting the future of our nation through a relentless quest of building the capabilities of our incoming generations. A Tibetan proverb says: "A child without education is like a bird without wings". Let us all unite and work hard to make our young birds fly.

## FINANCIAL CONTRIBUTIONS

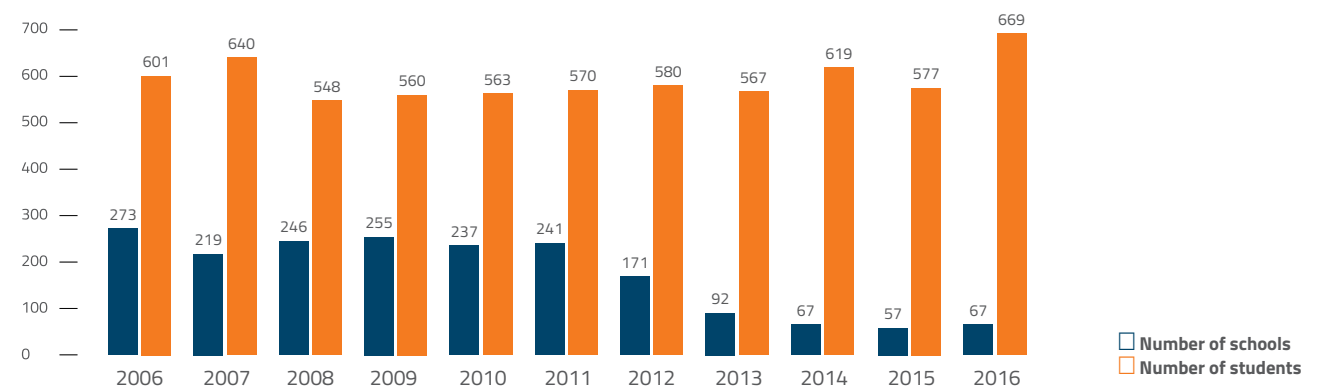
Throughout the years, we succeeded in maintaining our commitment to help students no matter the circumstances. Thanks to our donors, partners, sponsors and the efforts of our volunteers, we were able to keep our promises year after year, ensuring that underprivileged children continue to benefit from our financial aids. Every year, an average of 600 students benefit from our contributions to schooling fees.

### NUMBER OF FINANCIAL CONTRIBUTIONS



We started to focus on a lesser number of schools without necessarily altering the number or the value of the financial contributions we grant. More than 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.

### NUMBER OF SCHOOLS VERSUS NUMBER OF STUDENTS

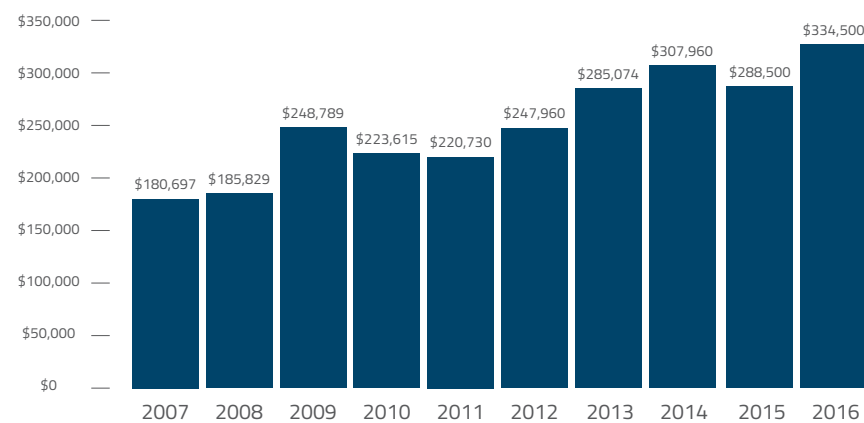




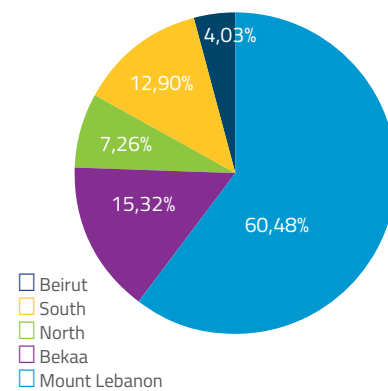


We strive to increase the total value of our contributions year on year as this means most of the time that we are answering the needs of more and more families eager to ensure proper schooling for their kids. In 2016, the total amount of schooling fees contributions was in excess of 325\$K. We do our 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.

### YEARLY FINANCIAL CONTRIBUTIONS

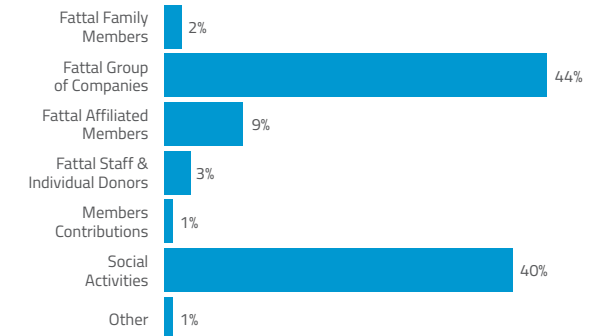


### FINANCIAL CONTRIBUTIONS DISTRIBUTION BY REGION 2016-2017



# ANNUAL FUNDRAISING CONCERT

SOURCES OF FUNDS in % (Average 2 Years, 2016 and 2017)



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 40% of the funds we raise and includes the traditional Annual Fundraising Concert.

The traditional Annual 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

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 with whom we collaborated in 2016-2017 namely One Lebanon, Cats Production. We are equally grateful to our Food & Beverage division for its unflinching support year on year, handling the convivial welcome drink that takes place at the start of each event.





Fattal employees with their Godsons and daughters

## THE PARTNERSHIP WITH AVSI

The partnership between Our Lady of Hope Foundation and AVSI entered its 3<sup>rd</sup> year in mid-2017. Under AVSI 'Soutien a distance' project (SAD), launched 4 years ago, Fattal colleagues parent 12 kids from the South of Lebanon. In 2016 and 2017, in order to strengthen further the bonds with the children, Fattal CSR Committee organized regular visits as well as outings during the Christmas Season or on specific occasions such as the Myschoolpulse Mini Marathon, during which Godparents get to meet the children in order to monitor their personal and social progress. In addition to Deir Mimes in the South of Lebanon and Klayaa in the Caza of Marjeyoun which constituted the 2 major outing destinations in 2016 and 2017, Fattal CSR with the help of the Godparents organized a Cinema Outing for the kids which took place at Vox Cinemas in Beirut. For some children, it was their first time at the movies.

Our Lady of Hope Foundation went the extra mile in 2017 by donating the amount of USD 9,000 to AVSI allowing the Italian NGO to transform a decrepit space in the public school of Klayaa (Marjeyoun District – South of Lebanon) into a modern, hygienic and colorful playground for kids, fitted out with colorful playing equipment.

17 PARTNERSHIPS FOR THE GOALS



## BEIRUT MARATHON

Participation in Beirut Marathon



The Beirut Marathon is an exceptional event in Lebanon. Rarely does one activity in Lebanon have the power to bring all people together running for good causes. Our Lady of Hope was proud to be part of it again, in 2016 and 2017 (for the 4th year in a row) and the CSR Committee turned this participation into a real success once again!

Much more than a traditional fundraising event, beyond a typical corporate social responsibility activity, on its 30<sup>th</sup> anniversary (2017), Our Lady of Hope Foundation involvement in Beirut Marathon came to rejuvenate its educational commitment and mission launched by Fattal Group in 1987, offering Lebanese children better access to quality education.

Unilever, Fattal Group's 83 years old business partner personated this matured business relationship through

a major sponsorship of the event and through their eager 100 participants. ESA Business School, for the 4<sup>th</sup> year in a row, sponsored as well, through 46 participants, adding an exceptional taste to the action. Teleperformance completed the supporters' community with 37 of its collaborators and Fattal Group supported the cause of education with 217 of its ardent personnel who passionately engaged on the running track. Once again, the 2017 edition's 400 participants, each in his own way, contributed in giving access to quality education to as many Lebanese unprivileged children as possible.

Fattal thanks go to sponsors and participants, namely the Fattal Community of employees alongside MILTON, MEDCO, UNIPAK and ALCS.



# AFFILIATES

Our affiliates in the countries we operate follow the spirit of the Group CSR approach and undertake activities and initiatives in line with the 3Es (Employee Wellbeing, Environment, and Empowerment to Community).

In 2016 - 2017, **Interbrands**, our affiliate in Jordan, organized football games running through the entire year and celebrated with its workforce occasions such as Labor's and Mother's day, Employees' Birthdays, Pre-wedding, Farewells and Iftars, materializing the company's pledge to enhance employee wellbeing. Interbrands engaged also in recognition, acknowledging its merchandising team's performance by organizing a competition rewarding the best merchandisers. On the environment front, in 2016-2017, Interbrands conducted a study on the use of solar energy. In 2017, the company's traditional lighting system was replaced by LED technology with electrical sensors as well as AC switch covers. In terms of community work, on both Eid Al Fitr and Ramadan, Interbrands offered gifts to orphans such as clothes and personal care items.

**Al Mouyasser**, our affiliate in Iraq, engaged in 2016-2017 in several employee wellbeing activities, marking important occasions across all the branches of the company such as Nawrooz in Erbil, Iftars, Easter, Year End Celebrations etc. Al Mouyasser is keen on enhancing team bonding to an important extent be it through celebrations or by organizing sports tournaments. These latter are meant to build a stronger rapport between employees while spreading the healthy spirit of rivalry. Al Mouyasser tournaments are mainly focused on football (the most popular national game in Iraq) with 6 different Al Mouyasser teams and regular games held on holidays. Similarly in 2016-2017, the Healthcare division at Al Mouyasser, organized football games for its teams as well as team bonding activities. The Fattal Iraqi affiliate is equally committed to recognize its workforce's seniority by holding ceremonies and delivering certificates to members who have completed 8 years of service. Caring for the environment at Al Mouyasser is also taken into consideration especially with the newly built warehouses and offices in Erbil where planted zones with trees and other greeneries were planned and executed. In terms of charity, Al Mouyasser

having endured harsh times in 2016 and 2017 due to ISIS issues, gave back to the community by donating \$20,000 to the Erbil Governorate in addition to distributing baskets of food, milk and soap to the displaced from Mosul especially after the September 2017 referendum.

In 2016-2017, **Armada**, our affiliate in the UAE who is well committed to employee wellbeing programs often involving the whole staff, celebrated major occasions with its workforce and most importantly the end year party. This latter gathered more than 200 employees in the Armada 'Fattal Auditorium' to celebrate the entire year's achievements alongside a team building activity (playing samba music in a synchronized manner). In the last quarter of 2017 and with always the same objective of strengthening teamwork, Armada trade team participated in Dubai Cricket League wherein team members met to practice and play the games every weekend for 2 consecutive months.

To note also that Armada is very keen on making sure its workforce is operating in convenient, creative and home like office style with proper ventilation, ambient lighting allowing exposure to a natural environment whenever possible. On an environmental level, Armada engages in paper recycling. The company was able to save 57.5 trees in 2016-2017 by spreading awareness and installing shredders next to areas where paper consumption is particular important. This was possible through contracting with 'Shred-it', a waste destruction and recycling company who collects and recycles shredded paper on a regular basis. On a yearly basis, Armada contributes to the education cause by donating to Our Lady of Hope, the Fattal Group Foundation for Education and Teaching, therefore, contributing to empowering the community by enabling a number of underprivileged students get quality education.

Similarly, **Sodimo**, Fattal Group affiliate in France, donates a yearly amount to the French Foundation 'Apprentis d'Auteuil' whose aim is to provide quality education and training to young adults with limited means.

**UNIRO**, our affiliate in Egypt is particularly active in empowering women due to the nature of its activities (door to door selling of the Tupperware brand), therefore providing work to nearly 50,000 Egyptian women.

# TESTIMONY

**Randa Alamuddin**, Head Of Talent Acquisition

*«Of all the paths you take in life, make sure a few of them is dirt.» John Muir*

As a Lebanese who grew up close to nature, I was always fond of spending time outside in fresh air. When I joined the CSR hiking group to discover the true face of Lebanon, which is its nature, I found out a face that we need to promote and be proud of!

God in his creation has endowed this country such a diverse nature with sea, mountains, valleys and peaks all waiting to be enjoyed by us being outside at different altitudes, discovering small villages, lovely hospitable people, traditions and enjoying food grown and cooked the way our forefathers knew.

There is a trail that will suit everybody, you can brisk walk, stroll or face up the challenge set by some competitive people. Get lost in nature, and discover the true value of life, make new friends and cement old friendships.

I highly recommend every able body to join and experience Lebanese unspoiled paths.

*«Climb mountains not so the world can see you, but you can see the world.»*



A big thank you to our community of volunteers who are the assets and the drive behind our CSR.

*This report has been conceived by the Fattal CSR department, together with the Corporate Communications and the HR departments.*





CEDRUS LIBANI

[www.fattal.com.lb](http://www.fattal.com.lb)