

OUR COMMITMENT TO SUSTAINABILITY

A Message from Our Chairman

As we moved into the new decade [2020], we left behind life and business as we knew it and entered into a new era marked with volatility, uncertainty, and chaos. 'We Listen to Change' with resilience, hard work, and commitment, and we developed a new normal post-COVID19. This approach empowered us to be exceptionally agile and to swiftly react to unforeseen events. It all owed us to proactively prepare ourselves to withstand the storm that we have been living through the first few years of this decade. One critical fact came to the forefront over 2019 – 2022, those who fail to work towards sustainability – environmental, social, economic, and product – as a key business priority will inevitably vanish.

We are a company founded on a philosophy that emphasizes creating business value by focusing on the well-being and needs of the community and our people. This philosophy and our core values helped us steer through turbulent waters and come out stronger. Our mission extends from our homes to the company and transcends beyond the organization to the community. As such, even in the most challenging times, it was crucial to maintain INDEVCO's environmental and social initiatives. Sustainability and Corporate Social Responsibility (CSR) are not from the excess, the fat that we usually seek to eliminate in the consolidation process. On the contrary, it forms the very foundation of our endeavors.

During this time an important question arose: How can our organization, INDEVCO, as a structure, achieve sustainability? If we learned anything from the monumental events of the past three years, it is that we must reevaluate our priorities and continuously strive to do better for the sake of our families, employees, stakeholders, partners, and company. Tomorrow and what it brings aren't guaranteed and we must work to leave the world a better place than we received it. Corporate sustainability is a strategic priority that we must embed in the fabric of the organization to secure continuity and drive business growth and longevity.

Today, we are still heavily focused on UN Sustainable Development Goals and [UN Global Compact \(UNGC\) Ten Principles](#) on anti-corruption, environment, human rights, and labor. Our pillars of sustainability are environment, product, community, and employee. As a large, diversified multinational, we address environmental sustainability in terms of renewable energy, circular economy, reduced resource consumption, and recycling, but one essential aspect that we will further focus on heavily is our carbon footprint. Our leaders across the group will be responsible for integrating the mindset into strategic planning to assess our footprint and take positive action.

Our products must be sustainable. We must continuously consider: what will happen to our products once they reach the end of their lifecycle? How can we make them circular? How are our products recycled? How do we integrate recycled materials whenever possible? How can we optimize energy during the production process? We focus on the manufacturing process, materials used, and product design for circularity, emphasizing research and development to minimize product carbon footprint and waste.

Caring for the community is our modus operandi. Our organization was established by individuals and is structured around them, hence the “People First” slogan and INDEVCO’s primary philosophy, ‘What is good for the community is good for the company’. If we neglect to observe and address what is happening in the community, we will face extinction and entire communities could disappear. When operating abroad, we are particularly mindful of the ecosystem we evolve in, nurturing our surroundings to make sure we are fully embraced and integrated. We strive to contribute, to add value to every country we operate in, bringing along our universal moral values and principles. This is fundamental. The values that define INDEVCO are not confined to Lebanon or its immediate surroundings; they extend to every corner of the globe.

Finally, nurturing the people within the INDEVCO family is the most crucial element. We have to consider how to preserve and nurture our employees, starting from the recruitment process and selecting individuals who align with our values to become members of our extensive family. Subsequently, we focus on how to train them, elevate their knowledge, keep them motivated, communicate our philosophy effectively, and establish technical, structural,

and systemic connections with them to ensure coherent feedback loops. In line with our value 'Servant Leadership', our leaders are tasked with collectively considering the prospects of the third, fourth, and fifth generations within INDEVCO, and how to nurture and guide these generations of future leaders.

The world we lived in and the dynamics we worked with changed dramatically over the past four years. As such, this report will cover our sustainability progress and initiatives over 2019, 2020, 2021, and 2022.

Neemat G. Frem
INDEVCO Chairman & CEO