

CODE OF CONDUCT

50TH
ANNIVERSARY
1966 - 2016



FERNAND HOSRI
GROUP

DEFINITIONS

Integrity

The Quality of Being Honest and Having Strong Moral Principles; Moral weightiness and Lack corruption.

Respect

Due Regards for the feelings, wishes, Rights or Traditions of Others.

Accountable

Responsible for Actions, Decisions and expected to justify and give Explanations not excuses.

Integrity, Respect and Accountability

are all essential ingredients to this code of conduct and to a Mutual Healthy Relationship between Employer and Employees, employees between each other and with our Suppliers.

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BE AWARE

*You should know that
everything we do reflects our
brands and our group.*

*Our Code shows us the way,
and we need to abide by it
in all aspects of our lives.*



1

WHY WE
HAVE
A CODE



What makes Fernand Hosri Group one of the most respected companies is not just the brands and services we provide; it is mostly how we do business, the integrity of our actions, the respect we give our stakeholders and the accountability we have. All three values inspire our work and strengthen our reputation as a company who always measures up to its responsibility in an integer and respectful way.

We understand that sometimes we find ourselves in situations where it is unclear what the right thing to do is; and here is why this code of conduct should come in handy. It should be here to guide you and help you do the right thing.



HOW CAN
THE CODE
HELP YOU



- Conduct yourself ethically and honestly.
- Uphold our values and protect our reputation.
- Understand what Fernand Hosri Group expects from you.
- Make good decisions every day.
- Abide by the Laws, regulations and standards of our Company.
- Know where to go for assistance when you have a problem.



ADMINISTRATING THE CODE

- The Ethics and Compliance Committee is responsible for administering the code in an independent, objective and consistent manner.
- The code is enforced by senior company leaders and is overseen by the internal audit committee and board of directors.
- The code will and may be modified as necessary to comply with new rules and regulations.
- Any waiver of the code must be approved by the board of directors or whomever is designated by the board.



2 WHO IS CONCERNED BY THE CODE



It doesn't matter what and where you do or work; it includes full time, part time and trainees at all levels of the company all the way up to the board of directors.

The code also applies to entities and subsidiaries where the company has interest or manages operation any employee must acknowledge having read and agree to endorse and support the code.



Anyone who works on the company's behalf including suppliers, consultants and partners must share our commitment to integrity, respect and accountability.

Suppliers must sign a supplier code of conduct and follow our guiding principles.



YOUR RIGHT AS AN EMPLOYEE

While we expect you to follow our code, we acknowledge your right as a company employee and comply with the law in that regard.



WHEN A
CODE
VIOLATION
OCCURS



when one of our employees **fails** to follow up the code or the law, **ignores** the failure of someone else following the code or the law or **pressures** someone to violate the code or the law, a violation has occurred. This can badly harm the company's reputation and all we are about!



Code violations will be taken seriously and will lead to disciplinary action that matches the nature and circumstance of the violation up to and including suspension without pay, loss of merit increase and loss of incentives and termination of employment. If it violates the law it can result in criminal prosecution and will surely be documented in the employee record.



The company might have other policies and processes governing performance and those in no way enter in conflict with the code of ethics and conduct and violation of those will be handled under the appropriate policy and procedure.



3 WHAT YOU NEED TO KNOW



As employee or stakeholder to Fernand Hosri Group, each has a responsibility to;

1. Know and live the code; read it and follow it along with other policies that apply to the job.

2. Think before you act; use good judgment, be honest, true and ethical in every action.

If you are asked to violate the code do not do it!! Report the concerned as soon as possible even if the concerned is your superior.



3. Follow the law and if you are unclear please ask your manager or the company legal councilor.

4. Ask for help: when you do not know what to do ask for help.

5. Stay alert: pay clear attention to any activity that is not congruent with our code, policies or the law.

6. Report concerns: do not ignore a violation; preventing harm to your company and its reputation will in term prevent harm to your own interest and reputation, as you are an integral part of this company and what affects you directly.



7. If you are manager you have additional responsibility; model the code and our values, promote a culture of integrity by making ethical decisions and being honest in everything you say or do.

8. Talk about the code: Explain and refer to it in all applicable circumstances, make ethic conversation within meetings.

9. Be informed: you might not always find the answers in the code so know where to go for reference when need arises.

10. Expect the best: the company expects employees to always do what is right.



11. Create a “speak out” culture; encourage employees to come to you with questions and concerns, listen carefully and offer guidance.

12. Take actions: look out for misconduct and report when you see it regardless if within your department or not.



13. How to make good decisions? Doing what is right is our goal if it is not clear ask yourself the following;

1- Is it consistent with our code?

2- Is it legal?

3- Does it follow policies?

4- Does it benefit the company as a whole, is it in the company's best interest or does it only serve the interest of a certain individual or group?

5- Would it be comfortable if my actions are public?

Only when you can answer yes to all those than the action is probably ok. Maybe should not be an option, if you have doubts talk to your manager, the Ethics Committee or the Local Ethic Officer (LEO).



A person wearing a dark suit and a white shirt is holding a magnifying glass over a large sheet of paper. The person's hands are visible, and the magnifying glass is held in the right hand, focusing on the paper. The background is a blurred, textured blue-grey.

4 LEO Local Ethics Officer



The LEO is a member of the ethic committee, keeper of the code, entitled to represent the committee and voice co-workers and employees to the committee for appropriate measures.

No matter what company level you are, you should coordinate with a LEO who will procure a written approval for;

- Use of company assets.
- Eliminating conflict of interest.
- Gifts, meals and entertainment.

Approvals should be made through emails or any other written form. If I am a LEO then I need the approval of the board of directors.





REPORTING

Anyone who senses that something is not right at work or heard of an act that violates the code, company policies or the law is responsible and obliged to report right away.

When reporting a concern, issues are handled properly and fixed before it occurs and will allow more trust between co-workers customers and suppliers.

HOW TO SHARE A CONCERN?

- To a manager.
- To a LEO
- Anonymous Email





PROTECT
WHAT
IS OURS

WE CARE FOR ALL ASSETS

- We protect Non-Public information.
- We safeguard company assets.
 - Maintain proper records.





WE PROTECT
NON-PUBLIC INFORMATION



Protecting non-public information is crucial to the survival and success of the business; we need to understand that protecting the non- public information about our company helps us maintain our competitive advantage and preserve our reputation.



HOW? WHAT SHOULD WE DO? HOW SHOULD WE ACT?

- Understanding what is confidential* information, non-public and what not to share.
- Knowing how to protect it.



DEFINE CONFIDENTIAL

Non-public information; we will not be able to list all non-public information but here are a few.



BUSINESS PLANS

1. Product formula, source and price.

2. Strategy.

3. New product or service launches



FINANCIAL INFO

Pricing,
Proposal,
Cost,
Dues,
etc...



OPERATIONAL

Major Management plans for merges and acquisitions.



Non-Public information should only be shared with those who should have access to it or need to process it in order to do their job and in the interest of the company. If you are not sure how information should be shared and how it could be shared ask your manager or legal counsel.



- Always watch what you say around family, friends and outside the appropriate circle.
- Make sure that conversations are contained and not in public places; elevators, malls, snack (Fadys'), Abou Haidar over coffee etc... It is your duty as well as your interest to keep it safe.
- Always remember that your duty to keep such inform safe goes beyond employment and is legally binding.
- Apart from the moral and ethical point of view, the confidentiality agreement signed is legally binding.
- Sharing of password is prohibited and you should change a password as soon as receive it only to share it with your direct supervisor who should place it in the company's safe and not with the IT.





2

PROTECTING COMPANY ASSETS



The building we work in, the equipment we use, the technology we have access to, the ideas we develop, the company tickets we offer (free car wishes etc...), the vehicles, the mobiles we use to do our job are all considered company assets. It is our duty and responsibility to protect and safeguard them from damage, loss, misuse or theft.



HOW DO WE DO THAT?

- Do not use company assets outside business or for personal gain.
 - Do not use company assets for illegal performance
- We count on every employee to appropriately utilize assets and to report misuse and abuse.



DID YOU KNOW?

Advances from the company to employees are discouraged unless approved and requested through employee direct manager and approved by the board of directors. Advances to executive managers is strictly prohibited.

Cash is considered as company asset and cannot be allocated to anything other than company cash flow needs.

EXAMPLES

WHAT IS NOT TO BE DONE?

- 1- Using company computer for a university course.
- 2- Using company cargo to transport personal items.
- 3- Asking colleagues to do personal favors within company and using company assets.
- 4- Using company contacts for personal gain and benefit.
- 5- Photocopying school stuff for your children.

3

MAINTAINING PROPER RECORDS



Accurate record keeping and reporting helps the company maintain legal status, maintaining financial integrity reflects positively on our stakeholders.



Each and every one, and at every level of the company, is responsible to ensure accurate records. From resume, time sheet expense reports, budget forecasts. Regulatory and fiscal filling are all equally important and utmost accuracy is extremely important.



It is your duty to report once you notice abuse or misleading information as those are unethical legal infringements and violation to our standards and code of conduct.



EXAMPLES

1. Asking reimbursement for unspent parking tickets.
2. Adding miscellaneous expenses to expense sheet that do not pertain to spending done for business needs.
3. Filling personal cars with fuel on company account.
4. Hold that sale for next month so we can meet targets as we have already reached it this month.
5. Punch in for me I'll be late.

It is very important to never distort the true nature of the transaction.

MANAGE RECORDS PROPERLY

Disposing of records when they might still be needed is also a violation to this code and will harm the company. Always seek proper approval before disposing off documents.



BE ACCOUNTABLE



Our name reflects integrity and it is up to each and every member of this group to keep it.

We are all expected to act in the best interest of the company. Personal interest should not influence our actions, every decision we make should have company best interest in mind.



We should make sure that the line between personal and business is not erased as this often happens when outside employment or investments are involved. Always act or company behalf make sure there is no conflict of interest. Learn to recognize situations where a conflict emerges or appears.



Although Conflict can have different forms it always involves Personal investment & opportunities in bldg. personal financial portfolio. You will find many companies to invest in but, be aware when these are suppliers /customers/competitors especially if you deal with those business as your job.



EXAMPLES

1. Using the services of suppliers that you have acquired & met as part of your job at company preferential prices without the approval of the company.
2. Using those services directly from the supplier especially when it is part of your company's core business like buying a laptop from a supplier or competitor when the company or its sister company provide that service.

3. Registering full discount that is in the employee's power while selling it to the client slightly higher and cashing the difference. This is an opportunity loss for the company and the later only offers this discount in order to secure a sale.

4. Having outside employment is not permitted as per policy and regulation of the group and the Lebanese labor law regardless if it is outside working hours. Anyone who already has a second job or envisions to have one should declare it to the company and take special permission to do so.

5. Due to your position at the company you are often required to make presentation about your experience or asked to be a speaker or member of a panel of some sort a conflict can arise if you are offered payment of expense reimbursement.

6. Honorarium from suppliers, customers or any other partner is prohibited and should be declined. If for some reason you can't decline it then make it as a donation to charity in your name it will be honorable and for a good cause. EYWA is a possibility & would appreciate greatly any participation.

7. Handling other personal business within your working hours is not acceptable company time is sacred and should be used for company purposes only.

8. Dealing with relatives, spouses, children, cousins etc. might create conflict of interest & need to be clearly mentioned.



CHECKLIST

This checklist is intended to help you evaluate situations and eliminate possibility for conflict.

- Is it a conflict?
- Could personal interest influence the decision?
- Could it look like a conflict of interest to anyone if you did it?

If you answer yes to any of those then seek advice.

Ex: I am responsible for planning an event and need a catering business; my sister has a catering business can I hire her. Yes you can but Only when you seek approval.



BE RESPONSIBLE IN ACCEPTING GIFTS AND ENTERTAINMENT.

Exchange of gifts and entertainment is not new in business as a way to express gratitude. However overly generous gifts can pressure the recipient and make him feel indebted.



It is simple, we should not accept gifts or entertainment that will pressure our decision.

No matter if giver or receiver. As a giver it is considered bribery & is against the SDG's of the UN Global Compact that we at Fernand Hosri Group have committed to maintain while as a Receiver you are accepting bribery or indirectly feel pressured to do something in return for what has been offered.



Gifts that can be accepted are modest, a token item like branded t-shirt a desk item or something symbolic. We are not allowed to accept it if it is in exchange for some action it has value like gift cards etc.



EXAMPLES

1. A lunch invitation with a supplier to a casual restaurant or for coffee is OK however an extravagant dinner or lunch outing is NOT OK.
2. A gift bag at a conference given to everyone is OK however a gift basket with expensive stuff is NOT OK.

When receiving a gift that exceed acceptable value take it to your LEO or MGT for approval, donate it for a raffle or simply decline it and thank the person offering. As for meals they should not be accepted unless very reasonable & not extravagant.



Our relationship with all shareholders customers/ suppliers partners is a continuous relationship that must be built carefully, surely and in high standards of business conduct and ethics. We must always demonstrate honesty & commitment to values.

Dishonest act can seriously damage a relationship so make sure you understand your responsibility and are accountable for your actions.

Always say the truth never mislead, deceive or treat shareholders in an unfair way.



- Be fair.
 - Be accountable and responsible for your actions.
 - Be ethical.
- Be objective in your decisions.
 - Be respectful.





WE BELIEVE IN
FAIR HONEST
COMPETITION

We compete fairly & legally, we believe that competition is healthy in the market & benefits everyone once practiced ethically as our group mission statement implies.



OUR PRODUCTS
ARE UNIVERSAL
BUT OUR PRICE IS
IN THE QUALITY
OF OUR SERVICES.



We have built market share & continue on doing it by providing quality product and services not in engaging in unfair practices.



Be careful when discussing prices, cost and conditions of sales especially at trade shows etc.

Gather competitive intelligence ethically & capably, Win business the right way, do not badmouth competition Be careful to always give the right info about your product do not mislead your customer.



We operate in different countries & therefore need to comply with the different countries and market laws, for that you need to keep in mind and make sure you comply and to not involve the company in any legal implication.



- We do not tolerate bribery.
- We will not accept or tolerate anyone that receives anything of value in order to give business, keep a business or unfair advantages.
- In the drive to be successful in our business we focus on providing quality products & excellent services with aftersales support making clients happy & look forward to dealing with us.



- If the only way to make sale or maintain a customer is through payment or making a bribe walk away business won like this is not of value to up and we do not want it.
- We have committed to the UN global compact SDGS & anti-corruption & bribing is one of the main SGD's that is of Utmost importance.



- Corruption has led our country Lebanon to a disastrous state of bankruptcy & we will not tolerate or encourage such behavior.
- We urge you not to get involved in such situations never to promise payment.
- Directly or indirectly & surely never to accept any.



BRIBES COME IN MANY FORMS & WE NEED TO LEARN HOW TO SPOT THEM.

- A job promises to you or your children
- A gift
- A cut from a sale
- A trip

All can be considered as bribes when in between or exchange of a decision or favorable treatment.



For more details on anti-corruption and anti-bribery policies and what we have committed as UN Global Compact partners please read the UN Global Compact SGD's and their relative explanation made available throughout the company with all the assistants as well as on the company websites.



Trading of inside information & nonpublic information is not fair and in fact illegal.

Examples of inside info.

- Info on possible Mergers & acquisitions.
- Positive or negative info.
- Hiring or firing employees deals
- Gain or loss of significant customer.
- Prospect customer or leads.
- Regulatory action.
- Change In senior MGT control.
- New product.



PRIVACY POLICY

Keeping personal information secure is critical to our people our business and reputation.

The basis of any good relationship is trust, when our customers and consumers do business they trust us with their personal information, our employees do the same when they join and it is our duty to maintain this information.



A close-up photograph of several hands of different skin tones stacked together in a circle, symbolizing unity, support, and community. The hands are positioned in the center of the frame, with fingers interlaced. The background is blurred, showing more people and what appears to be a medical or professional setting. The entire image is framed by a dark red border.

CARE FOR
YOUR
COMMUNITY

A community is a group of individuals with common interest values.

It is “wholeness incorporating diversity” including people from different age groups, ethnic backgrounds, religion, educational level and income.



Individuals can be members of more than one community for example employment and work community, neighborhood etc. We owe it to the community to be cooperative respectful and participative. We should think and act as a community and not as an individual.



It is the responsibility of the individual to watch over the community, to make sure that standards and the objectives are met to the benefit of the individual and the community as a whole.



What do we mean is that individuals do better within a community and the higher that community's objectives & standard the better the individual is?



- 
- Respect for human rights.
 - Community engagement.
 - Diversity and inclusion.
 - Safe and healthy workplace.
 - Child labor.



We lead by example when we respect others
people will respect us in return. We need to
constantly display what respect looks like.



ALWAYS DO
THE OTHERS
WHAT YOU
ACCEPT
INTO
YOURSELF.



Consider human right when taking a decision. Consider its implications and all those that it will affect. Make sure that your decision is ethical and try to come out in a win win outcomes most of the time. Only when it is a win win that it will last and replicate no one will participate when the outcome is a loss and eventually you will be pushed away by your community members and it will be your loss.



Promote fairness, diversity and inclusion. Every person has a key role in our company & community never single anyone out or treat anyone negatively. Base your decisions on factors like skills, qualification, performance and business needs never on personal characteristics.



A close-up photograph of two hands in business suits. The hand on the left is in a grey suit jacket with three buttons visible. The hand on the right is in a dark suit jacket with a white shirt cuff visible. The right hand is raised with the index finger pointing up, palm facing forward, in a universal 'stop' or 'no' gesture. The background is a dark, neutral grey. The entire image is framed by a thick red border.

**WATCH FOR
HARASSMENT**

It takes many forms. It can be verbal physical
visual or sexual in nature.

It can look like intimidation, bullying, sharing
offensive sexual jokes and materials.

Standing by and not reacting to any form of
harassment is like participating in it and is a
violation to the code of conduct.



A close-up photograph of a person's hand, wearing a white shirt cuff, holding a vibrant green heart-shaped leaf. The hand is positioned against a dark grey or black suit jacket. The leaf is held between the thumb and index finger, with the rest of the hand curled. The background is the textured fabric of the suit jacket. The entire image is framed by a thick green border.

PROTECT YOUR
ENVIRONMENT

Doing your part by using resources responsibly, recycling and creating a sustainable environment is also part of your responsibility as an individual and towards your community the workplace. If you do not share the same values of your community and do not identify and feel proud to be part of it then better leave it as you will be harming yourself and all other members of it.

A close-up photograph of two hands cupped together, holding a bright, glowing light. Numerous small, white, star-like sparkles are scattered around the light, creating a magical or hopeful atmosphere. The background is dark and out of focus.

**SUPPORT
CHARITIES**

Supporting charities financially or through volunteering is part of giving back to your community and we encourage you to do that. Lebanon has sustained through so many years of war due to people's support to charity & charitable activities & personal initiatives.



We at Fernand Hosri group support many charitable and CSR activities that we would encourage you to support and appreciate your participation.



BECAUSE WE CARE
EYWA
MAR NOHRA
UNLEASH YOUR CREATIVITY
RIDE SAFE DAY
GREEN FOOTSTEPS

Above are the main causes that we are supporting and the relative activities that we are doing to leave a positive note behind us. We believe you share our same values & expect you to take part and give in to many of those activities or other that are important to you.



However, your charitable endeavors should be undertaken by using your own funds, time, and without using company assets.

Use social media carefully your posts are being viewed by millions of people and should reflect self-respect and poise. Your image is directly linked with the company image and any negative situation or post or social media could jeopardize your status.



Finally, we thank you
for your
commitment to the
Fernand Hosri group
its members all over
the world and its
code of conduct.



Our reputation was built by generations of dedicated hardworking employees like you to do the right thing every day, in every act and every transaction of since 1966 and we are dedicated to maintaining this reputation for generations to come.



Follow not only our code, policies and regulation that apply to your work but also your conscience when something doesn't feel right or puts our people the company or those who Serve it at risk report it take action; By doing so you preserve our good name, reputation and help us do better as a company, community and eventually be reflected on you.

