



INDEVCO

**SOURCING PAPER
RESPONSIBLY**

Sourcing Paper Responsibly

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Our commitment is to increase the use of certified chain-of-custody fiber from global sources, as well as increase the use of recycled paper materials.

How we manage this topic

Reducing deforestation is key to INDEVCO since trees are a major source of raw materials for our corrugated and paper packaging manufacturing operations, as well as our tissue mills. We are committed to UN SDG 12 for responsible consumption and production and understand our role in pushing forward a sustainable supply chain and reducing negative impacts on the environment. As such, our operations work to reduce paper material consumption through lighter weight packaging design and increasing the use of recycled materials, as well as responsibly sourcing virgin paper materials from certified sustainable forests. Our performance is monitored through such external standards as Sedex Members Ethical Trade Audit (SMETA) and EcoVadis CSR Scorecard audits.

Why this topic matters

Unsustainable paper production and consumption contributed to deforestation and natural ecosystem degradation across the years in some of the world's most ecologically valuable locations. From 2015-2020, the world showcased a 35.48% decline as 10 million hectares of forest were destroyed every year [1]. 25.8 million hectares of forest were lost in 2020, which is twice the amount of forested land lost in 2001 [2]. In total, deforestation increased 12% globally in 2020, according to the WRI [3], and the proportion of forest area globally declined from 31.9% in 2000 to 31.2% in 2020 [4]. Consecutively, 2020 was the year of record temperatures and increasing climate change catastrophes such as floods, droughts, storms, wildfires, and locust swarms [5]. Thus, it is critical for paper product manufacturers to reduce natural resource consumption and increase use of sustainably sourced materials and recycled paper materials. UN SDG 12 fosters environmentally friendly raw materials and finished goods, while UN SDG 15 sheds light on better visibility in the supply chain to pursue sustainable management of forests.

UN Sustainable Development Goals



IMPACT

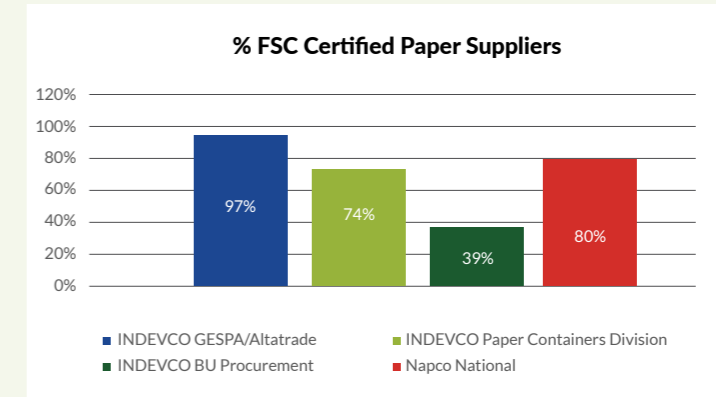
-  **100% recycling of paper & tissue industrial waste** at corrugated plants & tissue mills
-  **~70%** of paper & pulp suppliers are **FSC Chain of Custody (CoC) certified**
-  **Over 300,000 MT** of corrugated, paper, & tissue recycled at tissue mills

COUNTRIES

-  Egypt
-  Greece
-  Lebanon

OUTCOMES

Over 70% of INDEVCO's paper suppliers across INDEVCO and Napco National business units in Lebanon, Egypt, Greece, and Saudi Arabia are reported to be certified by the Forest Stewardship Council (FSC) sustainable forestry chain of custody.



INDEVCO's central procurement and trading arms, GESPA and Altatrade, report that 97% of paper, pulp, and fluff raw material suppliers are certified in FSC, 60% Programme for the Endorsement of Forest Certification (PEFC) certified, and 5% Sustainable Forestry Initiative (SFI) certified.

Forest Stewardship Council (FSC) Certifications

INDEVCO's tissue mill in Egypt, Interstate Paper Industries, attained the Forest Stewardship Council (FSC) Chain of Custody Certification in January 2013 and has maintained the certificate over the decade.

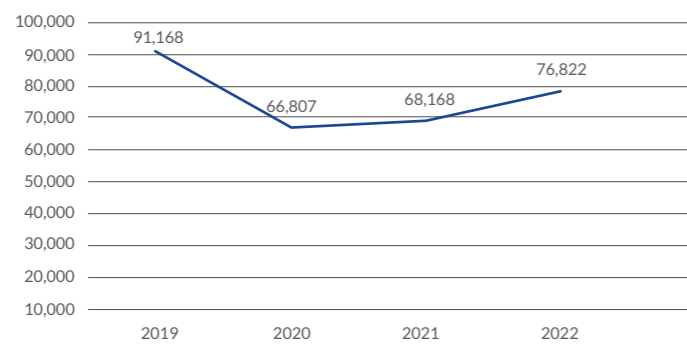
Certification	Company/Plant	Year
Forest Stewardship Council (FSC) Chain of Custody Certification	UNIPAKHELLAS Central	2020
	UNIPAK NEWPAK	2021
	UNIPAKHELLAS Central UNIPAKNILE	2022

Recycling Paper

Our paper-making operations in Greece, under UNIPAKHELLAS Central (UHC) and UNIPAKHELLAS North (UHN), recycle 100% of industrial manufacturing paper and corrugated waste generated by the two box plants at the UHC paper mill, as well as additional collected waste from major Greek retailers. Our corrugated packaging plants, UNIPAK in Lebanon and UNIPAKNILE in Egypt, also recycle 100% of their corrugated industrial waste with third-party recyclers.

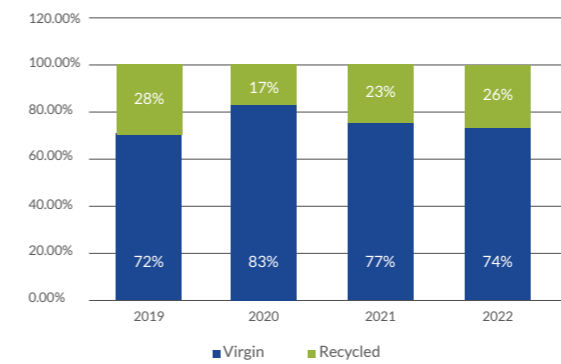
Our tissue mill operations in Lebanon and Egypt, Unipak Tissue Mill, and Interstate Paper Industries recycle all their industrial tissue waste in-house, as well as paper waste sent from sister companies such as UNIPAK, Sanita (consumer products manufacturing plant), and UNIPAKNILE. In addition, most of its needs in wastepaper are purchased from external sources.

Volume of Paper Recycled at Tissue Mills (in MT)

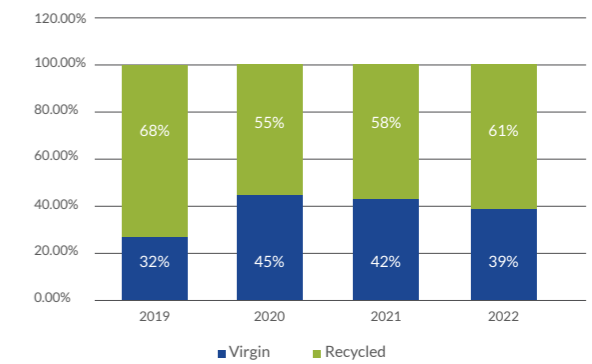


Both our tissue mills produce recycled jumbo tissue rolls. In 2022, 26% of Unipak Tissue Mill's products were recycled, while 61% of Interstate Paper Industries production was recycled jumbo tissue rolls.

UTM Jumbo Tissue Roll Production



IPI Jumbo Tissue Roll Production

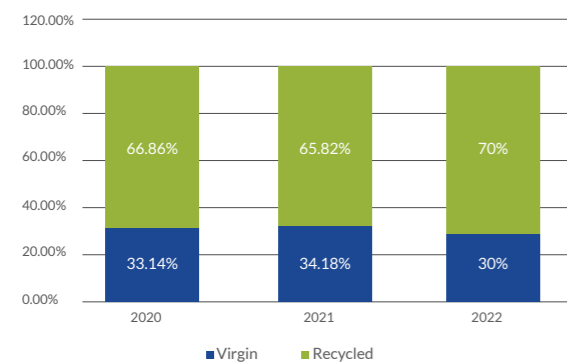


References

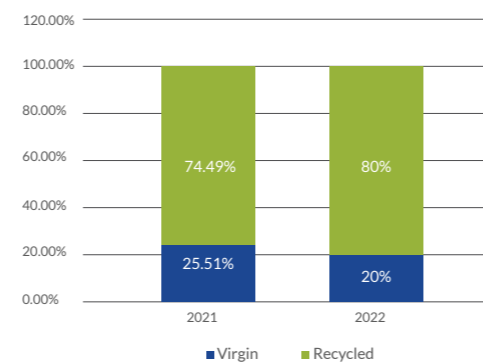
- [1,2,3] Toner Buzz. Deforestation Facts and Statistics 2022 [Global Data] <https://www.tonerbuzz.com/blog/deforestation-facts-and-statistics/>
- [4] United Nations. SDG Indicators. <https://unstats.un.org/sdgs/report/2020/goal-15/>
- [5] MDPI. Effect of Deforestation on Climate Change: A Co-Integration and Causality Approach with Time Series. <https://www.mdpi.com/2071-1050/14/18/11303/pdf> & Global Forest Watch. Global Primary Forest Loss. <https://bit.ly/3hpUkBn>

Recycled Tissue, Paper, & Corrugated Products

UNIPAKHELLAS - Central Recycled Paper Use



UNIPAKHELLAS - North Recycled Paper Use





INDEVCO

2019-2022 Global
GRI-Referenced Sustainability Report

published in 2023