



## **UNITED NATIONS GLOBAL COMPACT**

### **Communicate On Progress “COP”**

#### **CEO Policy Statement**

“Arabtec policy since inception is to conduct all business affairs in accordance with the highest business ethical standards, to comply with applicable laws, and to be a good corporate citizen of the world.

We believe that managing business goes far beyond “just” meeting legal requirements. We have also a moral and ethical Corporate Social Responsibility (CSR) toward our: employees, clients, business partners and communities to maintain a sustainable environment and to protect the natural resources of the world in which we all share.

Hence, Arabtec is committed to the UN Global Compact and its principles and we are strategizing to utilize and encourage our best asset: “our employees” to make a real contribution on the road to CSR and sustainability.



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#### Human Right Principles

**Principle 1:** Business should support and respect the protection of internationally proclaimed human rights;

**Principle 2:** Make sure they are not complicit in human rights abuse

#### **Policy**

Arabtec Human Rights and Labor Policy Statement guarantees to uphold the protection of human rights of all employees where it is possible through our sphere of influence. Our employees will be treated with the dignity and respect they deserve; they will be compensated as per their employment contract and will always work under their own free will.

We will ensure that we are not complicit in any human rights infringement and endeavor to hold our suppliers and business partners to these same high standards and to the principles proclaimed in the Universal Declaration of Human Rights to prevent any human rights violations.

#### **Arabtec will not tolerate human rights abuses and will ensure that:**

- We are an equal opportunity employer and any unlawful discrimination based on: religion, race, color, age, national origin, physical appearances, gender/ gender identity, disability or any other criteria mandated by the laws of the counties where we operate is strictly prohibited and is considered an offence as stipulated under our "Code of Ethics: May 2010."
- Our employees are properly remunerated based on their contractual agreement.
- Child labour (underage workers) is prohibited under any situation and Arabtec will not conduct any business with any partner(s) who uses child labour to provide us with product(s) or service(s).
- Arabtec Corporate Social Responsibility (CSR) policy is periodically reviewed during our semi-annual Management Review Meeting (MRM).



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- Arabtec will communicate CSR policy to suppliers and sub-contractors in order to help them uphold our CSR vision.
- No harsh treatment of employees /workers such as: sexual harassment, mental, physical or verbal abuse and there will not be any *threat* of similar treatment.
- The workers have the right to approach management regarding any issue(s) they see important to them individually or as a group.
- Arabtec respects the right of employees and workers freedom of association and collective bargaining (where applicable) in accordance with local regulations.
- Workplace Health and Safety is of highest importance and workers are provided with a safe working environment at all times. It's considered to be our moral and legal obligation and all hazards, associated risks and their control measures are identified in advance before the starting of any activity. Necessary training and supervision will be provided during the execution of the work. Workers are provided with clean toilet facilities, potable water, sanitary food storage, PPE/ Safety Equipment and eating facilities.
- Worker's camp(s) are also maintained clean and safe with adequate heating and ventilation.
- Procedures and systems of works are always available to all operatives in order to execute their duties in a safe manner, track and report any occupational injuries and illnesses.
- An emergency response procedure is also available and emergency drills are conducted regularly to ensure the readiness of our operatives in case of a real emergency.

### **Goal(s):**

- To develop awareness training related to Human and Labour Rights for our employees throughout our Projects and facilities locally and internationally where we operate.



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#### **Implementation**

**Responsibility:** CEO and HSE Director & MR

- Open door policy is implemented since the inception of Arabtec in 1975.
- Suggestion boxes will be kept in all Project Sites facilities and Head Office across the Arabtec operation.
- Training schedule is developed, specifically related to Human and Labour Rights to increase the awareness of our employees across our projects and facilities.
- HSEQ Director and MR in conjunction with Arabtec CEO will conduct consultation with stake holders and affected parties.
- Human resource policy and procedures will be periodically monitored and revised accordingly to reflect and support Human and Labour Rights.

**Measurement of outcome (In Progress):** Arabtec operation is monitored and measured through the following strategies:

#### **1. Internal Audits:**

- **Internal System Audits:** Full internal audits are conducted periodically which cover all Arabtec operations: Departments, Projects and Facilities. The scope and extent of the audits cover Systems as well as Operation and Control to ensure compliance with local and international codes/ standards and our management systems(QMS ISO 9001-2008, EMS ISO 14001-2004 and OHSAS 18001-2007)
- **Internal Financial Audits:** Financial audits are conducted periodically which cover all financial operations throughout Arabtec.

#### **2. External Audits (3<sup>rd</sup>. Party):**

- **Lloyd's Register Quality Assurance Limited (LRQA):** Is contracted to conduct Certification/ Recertification (QMS ISO 9001-2008, EMS ISO 14001-2004 and OHSAS 18001-2007). Surveillance Audits are conducted semi-annually.
- **Ernst & Young LLP:** Is contracted to conduct Financial Audits on annual basis with quarterly reviews.



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#### Labour Principles

**Principle 3:** Business should uphold freedom of association and 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.

**Principle 6:** The elimination of discrimination in respect of employment and occupation

#### Goal(s)

- To develop awareness training related to Human and Labour Rights for all employees throughout our Projects and facilities locally and internationally where we operate.

#### **Implementation:**

**Responsibility:** CEO and HR Director

- Open door policy is implemented since the inception of Arabtec in 1975.
- Complaint register is available in our all labour camps and complaints are acted upon on a priority basis.
- Training Schedule is developed specifically related to awareness raising or training of employees on human rights and labour rights.
- HR Manager in conjunction with CEO will conduct consultation with stake holders and affected parties.
- Human Resource policy and procedures will be periodically monitored and revised to support laborers rights.
- Pre-employment and semiannual medical surveillances are conducted as per country regulations for all special trades (painters, welders...etc.) or whenever is necessary.
- Arabtec have on board a full time medical doctor, clinic and several ambulances to handle any emergency that may occur.



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#### **Measurement of outcome**

- **Medical surveillance reports for special trades' operatives indicate no incidents illnesses for the past several years.**
- Describe how your Company deals with incidents of violations of labour principles
  - **Case by case basis according to the labour laws, regulations and guidelines of the countries we operate in.**
  - **No recordable incidents within the past few years.**
- Investigations, legal cases, rulings, fines and other relevant events related to labour.
  - **This is handled by our Legal Department. However No recordable incidents within the past few years.**
- Periodic review of results by senior management.
  - **Case by Case basis, semi-annually reviewed during the Management Review meeting**
- Specific progress made in the area of labour during the last reporting period.
  - **Arabtec received Certificates of appreciation from Ministry of Labour with regards to Labour camp operations.**
  - **Arabtec received 'Best Summer Program from Abu Dhabi, UAE Authority for Arabtec operation in an Abu Dhabi Project.**



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- **Please refer to 'Demographic Summary' (Age, Religion, Nationalities and Gender as mentioned below**

Per Age Group		
AGE GROUP	Total	In %
20'S	10,130	38.22
30'S	11,703	44.15
40'S	3,727	14.06
50'S	850	3.21
60'S	94	0.35
70'S	2	0.008
<b>Grand Total</b>	<b>26,506</b>	<b>100.00</b>

Per Religion		
RELIGION	Total	In %
BUDDHIST	37	0.14
CHRISTIAN	814	3.07
HINDU	9,257	34.92
MUSLIM	15,077	56.88
SIKH	1,321	4.98
<b>Grand Total</b>	<b>26,506</b>	<b>100.00</b>

Per Nationality		
NATIONALITY	Total	In %
ALGERIAN	3	0.011
AMERICAN	10	0.038
AUSTRALIAN	2	0.008
BANGLADESH	6,435	24.278
BAHRAINI	4	0.015
BOTSWANA	1	0.004
BRITISH	35	0.132



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BULGERIAN	1	0.004
CANADIAN	13	0.049
EGYPTIAN	253	0.955
EMIRATES	16	0.060
ERITREA	3	0.011
FRANCE	1	0.004
GERMANY	2	0.008
GHANA	1	0.004
GREEK	1	0.004
GUINEA	3	0.011
HELLENIC REPUBLIC	4	0.015
INDIAN	12,134	45.778
IRANIAN	5	0.019
IRAQ	29	0.109
IRELAND	6	0.023
JORDANIAN	270	1.019
KENYAN	3	0.011
Kuwaiti	2	0.008
LEBANESE	40	0.151
MALAYSIAN	3	0.011
MOROCCO	2	0.008
NEPAL	205	0.773
NEW ZEALAND	2	0.008
NIGERIA	2	0.008
OMAN	1	0.004
PAKISTANI	6,231	23.508
PALESTINIAN	121	0.457
PHILIPPINE	507	1.913
PORTUGHESE	1	0.004
ROMANIAN	2	0.008
RUSSIAN	1	0.004
SAUDI ARABIA	2	0.008
SINGAPOREAN	1	0.004
SOUTH AFRICA	2	0.008
SRILANKAN	23	0.087
SUDAN	17	0.064
SWEDISH	2	0.008
SYRIAN	91	0.343
TUNISIAN	1	0.004





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TURKEY	1	0.004
YEMEN	7	0.026
BOSNIA AND HERZEGOVINA	3	0.011
THAILAND	1	0.004
<b>Grand Total</b>	<b>26,506</b>	<b>100.000</b>

Per Gender		
GENDER	Total	
Female	239	0.90
Male	26,267	99.10
<b>Grand Total</b>	<b>26,506</b>	<b>100.00</b>

Per Category		
Category	Total	
Labourers	22,280	84.06
Junior Staff	2,755	10.39
Professional	1,056	3.98
Manager	399	1.51
Executive	16	0.06
<b>Grand Total</b>	<b>26,506</b>	<b>100.00</b>



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#### Environmental Principles

**Principle 7:** Business 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.

Arabtec is committed to Environment and Sustainability. We are aligning our operation to UN Global Compact “Ten Principles” which enjoys universal acceptance.

Arabtec environmental policy supports a precautionary approach to environmental and social challenges. We are committed to minimize environmental impacts of our operations by designing policies and procedures that ensure the execution of our activities in an environmentally responsible manner. Furthermore, we will undertake initiatives to promote greater environmental responsibility and encourage the development and dissemination of environmentally friendly technologies within our projects and facilities.

#### **Principle 7: Support a precautionary approach to environmental challenges.**

Arabtec systematically monitors and controls our resources such as Water, Diesel, Electricity and stationary. This is done through our Environmental Management System (EMS). The system conforms to the international Environmental Management Standard ISO 14001.

Environmental assessments’ and performance measurements (KPIs) are monitored on a yearly basis.

Our environmental management program which requires all Arabtec employees to take responsibility for their use of natural resources, like being



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energy-efficient in their day to day operations and considering sustainable development when dealing and working with suppliers. Arabtec supports this requirement through internal communication and periodical bulletins related to environmental behaviors.

Our environmental impacts are monitored through our EMS which creates systematic controls. We were able to significantly reduce CO2 emissions by monitoring our energy consumptions, diesel use, paper use across Arabtec operations, leading to an overall cost reduction in these areas.

### **Principle 8: Undertake initiatives to promote greater environmental responsibility.**

Arabtec is committed to protect the environment and the health and safety of its employees. It also encourages a uniform approach to environmental management across our projects and facilities. Our Environmental, Health and Safety policies, systems, procedures and performances (KPIs) framework is well defined and communicated to all employees.

We are involved in LEED certified Projects which contribute to the Life Cycle and natural resources conservation.

We are also actively promoting green building concepts and communicating the message to our employees and business partners.

### **Principle 9: Encourage the development and diffusion of environmentally friendly technologies.**

### **Commitment and policies**

Arabtec will ensure efficient use of natural resources and minimize the environmental impacts of our operations over their life cycle. We assess HSE risks and ensure that the benefit of new products, processes and technology outweighs the remaining risks.



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We give priority and encourage our business associates, suppliers and subcontractors to uphold our environmental values, and to promote them in their activities.

### **Implementations**

**Responsibility:** HSE Director & MR

- Tool box training provided to all employees regarding Environmental Protection.
- Internal training related to green building is provided to all concerned staff.
- Waste segregation implemented at all Project sites. E.g. Hazardous waste, non hazardous waste.
- Recycling of papers implemented in all Offices.
- Reduction in water consumption implemented in all labour camps.
- Purchasing of energy efficient appliances and computers for office use.
- Pollution monitoring for Air, Land and Water.
- One of our effective strategies in conserving natural resources is to implement in our operations the four R's principle: Reduce, Reuse, Repair and Recycle.

### **Measurement of outcome**

- Water consumption in labour camps are 10% below average compared to UAE consumption from 2009 to Oct 2013.
- Active members of Emirates Environment Group and participated in all types of Environmental initiatives. (Such as Cleanup UAE).
- Arabtec participated in Shred-it's shredding and recycling program and saved 100 trees from destruction in last 2 years.
- 260,510,388.00 gallons sewage water recycled by disposing it directly in to Municipality Sewage Treatment Plant during period (Nov'12-Oct'13).
- 44,689.12 tonnes of non hazardous waste recycled through Municipality approved suppliers and sub contractors during period (Nov'12-Oct'13).
- 1604.2 tonnes disposal of hazardous waste through Municipality approved suppliers and sub contractors during period (Nov'12-Oct'13).



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- Periodical emissions checks are conducted on all stationary equipments where action is taken immediately to repair or remove any equipment that is found with emissions above the legal requirements.
- Arabtec Qatar received 'Best HSE Contractor's' awards from Ministry of Labour, Qatar in 2011.
- 'Arabtec Living Division' has received the Certificate of Appreciation from Dubai Municipality for the great efforts and contributions of Arabtec Living Division employees in making the Desert Campaign 2012 organized by Dubai Municipality a great success."
- Arabtec received Best Contractor Award from Dubai Municipality for managing camps for 2010-2011.
- Active Participant of 'Clean-Up the World' campaign conducted in Dec 2012. Letter of appreciation has been received

## **Anti Corruption Principles**

**Principle 10: Business should work against corruption in all its forms, including extortion and bribery.**

### **Assessment, Policy and Goals**

Arabtec expects of its employees and associates to fully comply with our policy on anti-corruption, including political donations and gifts; and our approach to transparency and anti-competitive practices. We have a zero tolerance policy on corruption and bribery, hence, Arabtec will communicate this policy to all of our employees, business partners, suppliers and all other interested parties and:

- We do not allow our employees, or those acting on our behalf, to offer, solicit, pay or accept bribes.
- We do not condone anti-competitive practices and will not tolerate any such activity by our employees.
- We do not want to be misused for any kind of illegal activities, be it through clients, third parties, sales agents, business contractors or through their employees and we shall take appropriate measures to protect against such misuse.



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## **Implementation**

### **➤ Code of Ethics**

Arabtec has a documented code of ethics with a governance manual detailing the controls around giving and receiving of gifts, bribery and corruption dated May 2010.

## **Measurement of outcomes**

- The Board will include reference to compliance with this Code in the Arabtec’s annual report to shareholders.
- The operations of the Arabtec and its subsidiaries must be conducted in compliance with all laws and regulations applicable in the jurisdiction in which operations and activities are being undertaken.
- It is recognized that, in some cases, there may be uncertainty about which laws and regulations are applicable and there may be difficulties in interpretation. In such circumstances, directors and employees should seek internal legal advice from the Arabtec’s in-house legal advisor
- Bribes, inducements or other illegal payments of any kind must not be made to or for the benefit of any government official (of any country), customer, supplier or any other party in connection with obtaining orders or favorable treatment or for any other purpose.
- Employees of Arabtec and its subsidiaries must not seek or accept any type of compensation, fee, commission, gratuity or favor from a third party in connection with the operations of Arabtec or its subsidiaries.
- Giving or Receiving Gifts
  - a) Circumstances where receiving a gift is prohibited:  
Employees of Arabtec and its subsidiaries must not seek or accept in connection with the operation of Arabtec or its subsidiaries any gift, entertainment or other personal favor or assistance which goes beyond common courtesies associated with accepted commercial practices. Gifts valued more than AED 500 or equivalent must be disclosed to the Audit Committee and approved by the CEO.



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b) Circumstances where giving a gift is prohibited:

Employees of Arabtec and its subsidiaries who are below general manager level are prohibited from giving or offering any gifts, entertainment or other personal favor or assistance which goes beyond common courtesies associated with accepted commercial practices. The executive management will approve giving gifts, entertainment or other favors of value more than AED 5,000 or equivalent, per gift, to acknowledge extraordinary contributions of individuals

- Each employee owes a duty to Arabtec to:

- a) Act with integrity - deceit, dishonesty and subordination of principles are inconsistent with integrity.
- b) Make sure that service to Arabtec is never subordinated to personal gain or advantage.
- c) Fully observe applicable governmental laws, rules and regulations.
- d) Comply with the requirements of applicable accounting and auditing standards and Arabtec policies in the maintenance of a high standard of accuracy and completeness in the financial records. Adhere to a high standard of business ethics and not seek competitive advantage through unlawful or unethical business practices.
- e) Avoid conflicts of interest wherever possible. Anything that would be a conflict for an employee will also be a conflict if it is related to a member of his or her family or a close relative. Examples of conflict of interest situations, if material, include the following:
  - 1) Any significant ownership interest in any supplier or customer;
  - 2) Any consulting or employment relationship with any customer, supplier or competitor.
  - 3) Any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with Arabtec:
  - 4) The receipt of any money, non-nominal gifts or excessive entertainment from any Company- with which Arabtec has current or prospective business dealings;



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- 5) Being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any close relative, and Selling anything to Arabtec or buying anything from Arabtec, except on the same terms and conditions as comparable officers or directors are permitted to so purchase or sell.

