



# Communication on Progress (COP)

**Year: 2013**



## STATEMENT OF CONTINUED SUPPORT

“Dubai Properties Group is a signatory of the United Nations Global Compact since 2007, supporting its Principles, in all four core areas, namely human rights, labour standards, environment and anti-corruption. We are proud to continue to participate in the UNGC so that we can be part of the solution to some of the world’s most pressing challenges.

It is our belief that our commitment will result in creating superior value for our Stakeholders, in order to meet and exceed their needs and expectations. Our future Corporate Responsibility strategy is focused on expanding our partnerships with local authorities while actively involving employees and other Stakeholders in community activities, thus supporting the development of a more sustainable business environment and society at large.

Through the above, we confirm our commitment to voluntarily adopt the United Nations Global Compact Principles, by aligning our operations with its standards of responsible operation.”

**Khalid Al Malik**

**Group Chief Executive Office**

**August 2014**

## CONTACT DETAILS

In case you have any queries regarding the content of this COP, kindly forward your questions to:

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## AVAILABILITY OF COP

As a company with a variety of operations mainly in the community development area, our Stakeholders potentially include all residents and visitors in the UAE, as well as Stakeholders in other countries. Therefore, in order to make this COP publicly available to all its Stakeholders, DPG will include it within the UN Global Compact’s website.

## NATURE OF BUSINESS

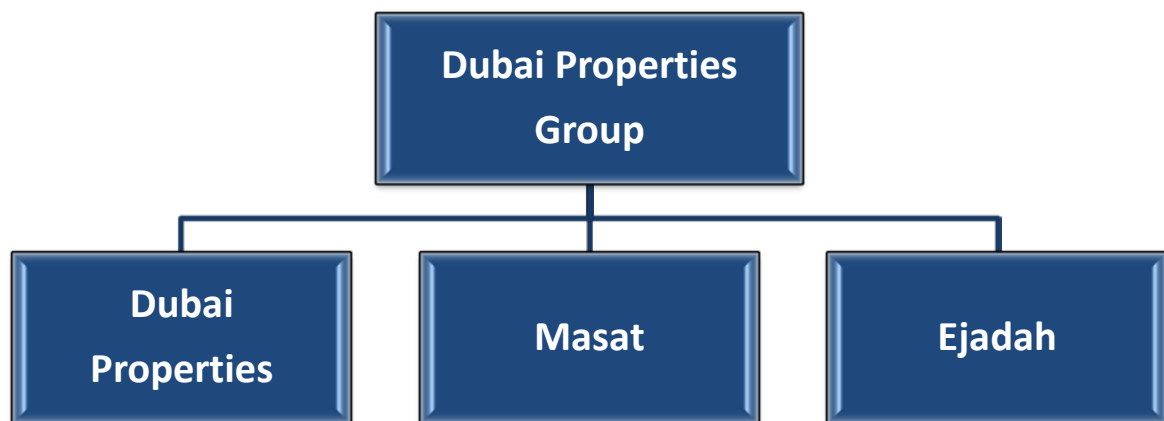
**Dubai Properties Group** (from here on “DPG” or “company”) is a member of Dubai Holdings and master developer of world class destinations that support the long-term development of Dubai including Business Bay, DUBAILAND, The Walk at JBR and Culture Village. DPG develops and manages properties, communities and destinations, whilst offering end-to-end property related services including project development, portfolio management and asset management.

**Our Vision** is to become the best partner in providing a reliable service through the creation of quality, value for money lifestyles, and by creating a world class organization that offers a wealth of industry knowledge and expertise.

At Dubai Properties Group we aim for profitable growth, but at the same time consider the way our operations affect the world around us and are committed to take relevant actions to manage these effects. Therefore, we have embedded our values and ethics in our Code of Conduct, which is shared by all employees and integrates responsibility into their daily activities, while facilitating their ethical behaviour.

DPG includes three business units:

- **Dubai Properties**, which is responsible for the BTS (built to sell) portfolio, including project development, sales, customer service, and handover management.
- **Masat**, which is responsible for the BTL (built to lease) portfolio management across DPG’s destinations and districts, including land leases and retail and mall management.
- **Ejadah**, which is responsible for providing facilities management, property management and security solutions for both the public and private sectors.



## THE UN GLOBAL COMPACT

DPG joined the United Nations (UN) Global Compact in 2007.

The UN Global Compact is an initiative to encourage businesses worldwide, not only to adopt sustainable and socially responsible policies, but also to report on their implementation. It is founded on a set of ten Principles covering four Core Areas: Human Rights, Labour standards, protection of the Environment and prevention of Corruption. Those principles are derived from globally recognised standards.

By accepting those Principles, companies can help ensure that corporate citizenship engagement is performed in a manner or benefitting economies and societies everywhere. Currently, it is the largest voluntary corporate responsibility initiative in the world, with over 12,000 corporate participants and other stakeholders from over 145 countries.

The Global Compact Network for the Gulf Cooperation Council States (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates), was officially launched in Dubai, on 7th April 2007 with the following main goals:

- To promote the Global Compact and its principles in the Gulf Cooperation Council States.
- To raise local Corporate Social Responsibility practices to international benchmarks.
- To rally the support and participation of the members of the Gulf Cooperation Council Local Network.
- To create opportunities for multi-stakeholder dialogue, learning and collective actions.

As a participant to the UN Global Compact, a company makes a commitment to:

- Integrate the Global Compact and its principles to its strategy, day-to-day operations and organizational culture.
- Assure that the decision making processes of its highest governance body incorporates the Global Compact and its principles.
- Ensure that its core business activities and partnerships contribute to broad development objectives.
- Communicate publicly the progress the company has made in implementing the ten principles and supporting broader development objectives through the “Communication on Progress” - COP.

Publicly advocate the Global Compact, its principles and responsible practices to peers, partners, clients, consumers and the society.

## PROGRESS ON PRINCIPLES

Below please find a description of the main Actions taken (policies, processes, systems, actions) and the main Outcomes achieved, in relation to the UN Global Compact 10 Principles, structured around the respective 4 Core Areas.

## CORE AREA 1: HUMAN RIGHTS

### PRINCIPLE 1

BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

### PRINCIPLE 2

BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

## CORE AREA 1: HUMAN RIGHTS

### Description of our main Policies:

**Code of Conduct:** The first three requirements of our Code of Conduct are directly related to Human Rights and our commitment to provide a safe, secure and healthy workplace to all our employees. Specifically, the Code states that all employees, among other should:

- Behave honestly and with integrity.
- Treat everyone with respect, courtesy, and without harassment.
- Act with care and diligence.

### Description of our main Processes, Systems and Actions:

**Communicating Responsibly:** We follow responsible practices for our marketing activities, to ensure that our communication material respects people's diversity, such as age, gender, race, religion etc. To guarantee the above, our marketing function delivers outdoor advertisements to the Municipality for screening before publication.

**Whistleblowing System:** Any internal or external person, including our business partners and suppliers, has the possibility to report anonymously on potential cases of breaches of our ethics code that has or may occur through a dedicated whistleblowing hotline.

**Reporting Grievances:** Any employee that has a concern or complaint in relation to his/her employment can submit his/her grievance to the organization. Grievances issues within our respective formal HR Policy include, but are not limited to issues such as:

- Humiliation in front of colleagues by their immediate line manager or peers through the use of belittling language or shouting.
- Physical abuse.
- Verbal or written harassment in the form of inappropriate jokes or remarks.
- Unwelcome comments.
- Offensive language or gossip.

As indicated in our HR Policy, an employee having a grievance should follow the below two stages:

#### Stage 1

- a) The employee raises any concerns or grievance directly with the immediate supervisor. The grievance is stated clearly with all background information in writing.
- b) The supervisor initiates formal discussion to resolve such grievances with all concern. If the matter cannot be resolved at the supervisory level, the employee seeks meeting with the Line Manager. The employee can be accompanied by a colleague at this stage.
- c) The grievance can be handed over to the Line Manager in writing through our Grievance submittal form. At this stage, the Line Manager, if required can request the assistance of a representative from Human Resources – Business Support Unit.
- d) A reasonable time frame is set by the Line Manager and the employee to resolve the grievance.
- e) All stages of the procedure are documented by the Line Manager. However, confidentiality is maintained at all times and information are passed only to those who are necessarily required for the Grievance Resolution.

	<p><u>Stage 2</u></p> <p>a) If the grievance remains unresolved even after this stage, the employee can escalate it to a Senior Manager level.</p> <p>b) A representative from Human Resources – Business Support Unit at a Senior Managerial level is present at this stage of the grievance procedure when a meeting is organized.</p> <p>c) All attempts are made to settle the grievance at this stage. The employee is provided with the outcome of the grievance resolution within 7 working days.</p> <p style="text-align: center;"><b>Activities planned for next year:</b></p> <p>The company intends to maintain the respective policies/processes/systems/actions described above within the next year.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Outcomes</b></p>	<p style="text-align: center;"><b>Measurement of (expected) outcomes and value added for our company:</b></p> <p>Indicative results of our company within the last year are presented below:</p> <ul style="list-style-type: none"> <li>• All employees have received and signed that they accept the Code of Conduct.</li> <li>• No incidents of irresponsible Marketing in terms of not respecting human rights and diversity were identified.</li> <li>• No incidents of Human Rights violations were reported through our whistle-blowing hotline.</li> <li>• No grievances related to Human Rights violations were reported by our employees.</li> <li>• No violations of Human Rights were identified through the 30 respective Internal Audits conducted in 2013.</li> </ul>

## **CORE AREA 2: LABOUR STANDARDS**

<b>PRINCIPLE 3</b>	<b>BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING</b>
<b>PRINCIPLE 4</b>	<b>BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR</b>
<b>PRINCIPLE 5</b>	<b>BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR</b>
<b>PRINCIPLE 6</b>	<b>BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION</b>



## CORE AREA 2: LABOUR STANDARDS

### Actions

#### Description of our main Policies:

**Code of Conduct:** DPG does not discriminate employees based on race, religion, colour, origin, age, special needs, personal relationships, political beliefs, gender or family status in any decisions related to employment (e.g. discrimination of wage based on gender). DPG has embedded its values and ethics in the Code of Conduct, which is shared by all employees and integrates responsibility into their daily activities, while facilitating their ethical behaviour. Our Code of Conduct requires, among other, that all DPG employees should:

- Treat everyone with respect, courtesy, and without harassment.
- Comply with all applicable laws of the country.
- Maintain appropriate confidentiality about dealings that the employee has with all stakeholders of the company.

**Collective Bargaining Policy:** DPG follows the U.A.E. law which prohibits the issue of collective bargaining and association.

**Passport Policy:** In line with the requirements of Dubai Holding, DPG retains custody of passports for technical employees whose jobs are evaluated as Grade 1 and 2, in a fire proof safe for security reasons, notifying each employee of their passport expiry well enough in advance to enable passport renewal.

#### Description of our main Processes, Systems and Actions:

**Handling Misconducts:** Our company addresses misconducts through a respective formal procedure, which addresses, among other the following issues:

- Serious criminal offences at work or outside work which makes the employee unsuitable.
- Harassment of employees or members of the public.
- Deliberately endangering life or limb of another person.
- Destruction, misuse, or improper disclosure of official documents or records.
- Incapability on duty due to the effects of alcohol or non-prescribed drugs and refusal to undergo an alcohol and/or drug test.
- Fighting or physical assault in uniform, or on Company premises, or in working hours.
- Action or conduct which could potentially damage the Company's reputation.
- Unauthorized possession or use of firearms, dangerous weapons, or explosives.

**Appraising Employees:** Employees working for DPG for over 45 days receive a formal appraisal by their supervisor, in order to review performance, develop further and at the same time ensure meritocracy. Also, a Personal Development Dialogue (behaviour oriented) is carried out on an annual basis, in order to link the individual performance objectives, with employees' department objectives.

**Reporting Grievances:** All employees can voice a concern / grievance they have in relation to their employment, including incidents of discrimination or false / unfair prejudicial statements in their Performance Appraisal Reports.

**Ensuring Fair Compensation:** Our compensation and benefit plans are designed to mirror market trends, utilizing a respective Post-Hay study, with compensation being above the legal limit, ensuring competitiveness of compensation packages. At the same time, they support the principles of equal opportunity and transparency, setting no discrimination per company entity, family condition, gender, origin,

nationality etc. of employees. Salary raises are based on achievement of agreed annual individual objectives, as well as on achievement of team objectives. All employees participate in bonus programs according to their performance, in relation to agreed objectives.

**Improving Health & Safety:** Eradicating accidents and creating and maintaining a workplace environment in which risks have been identified, understood and eliminated is of utmost importance to us. To achieve the above objective:

- All workplaces are assessed according to a risk assessment process called “Estimates of Professional Risks”, a written tool that helps us identify risks and initiate change.
- Our Idama division is certified according to OHSAS 18001 for Health and Safety at the Workplace.
- All sites and offices have emergency plans to prevent, mitigate and manage foreseeable health and safety emergencies.
- Each function has appointed a Health, Safety and Environment Champion, who has been comprehensively trained to support embedding HSE into day to day operations.
- Our company notifies responsible authorities about all accidents, according to respective legislation.
- On a rotating and regular basis, sites and offices conduct emergency drills.
- Employees identified at risk for developing work-related Cumulative Trauma Disorders (CTD’s) attend ergonomics training and are encouraged to report early signs and symptoms of work-related cumulative trauma disorders CTD’s to their supervisor/ manager, and/or to DPG Health, Safety and Environmental (HSE) Department.
- Through self-assessments and workstation evaluations, managers and supervisors provide an ergonomically safe workplace, participation in ergonomics training and implementation of control measures and ensure that all employees who report CTD symptoms are referred to HSE department to complete any required training and workstation ergonomics assessment.

**Auditing Safety:** We perform internal audits to ensure that we are compliant with the requirements of the Safety Management System (SMS) and OSHAS 18001, which allows us to determine the effectiveness of our Safety Management System and to identify opportunities for improvement. In the absence of evidence of conformity or if a departure from approved requirements is found, clear, specific details are recorded and a Corrective Action Request (CAR) is raised for each non-conformance identified. Each CAR is assigned a unique number for reference and monitoring.

**Influencing our Construction Contractors:** We recognize our responsibility to influence our construction contractors, in applying responsible labor practices. For this reason:

- Since 2008, EHS issues, compliance with the local UAE laws and regulations included in the labor law are systematically integrated into our subcontractors’ Contracts.
- Medical units exist to provide first aid and facilitate occupational doctor visits, on all construction sites.
- We have delegated EHS Advisors who conduct regular Inspections and advanced Audits against EHS requirements set out in contracts, addressing our sub-contractors.
- We adopted the Dubai Holding Construction Risk Management Guidelines (CRM), based on the UK CDM 2007.
- Contractors are required to provide monthly HSE Reports, which include HSE Accident & Incident Statistics, Near Misses, HSE Training, Tool Box Meeting, HSE Inductions etc.

### **Activities planned for next year:**

The company intends to maintain the respective policies/processes/systems/actions described above within the next year.

<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company:</b>		
	Indicative results of our company within the last years are presented below:		
		<b>2012</b>	<b>2013</b>
	Number of Employees (incl. DPG and all its entities)	2,462	5,257
	Children or minors (either below 15 or 18 years of age) employed	0	0
	Discrimination incidents reported (both refer to non-fair treatment by managers; cases were dismissed after investigation)	0	2
	Number of grievances related to labour standards	0	0
	Total number of training hours	13,729	17,350
	Number of employees trained	728	515
	Average training hours per employee	18.8	34.1
	Number of accidents at work (stair accident causing broken leg)	0	1
	Number of fatal accidents at work	0	0
	Number of fatal accidents at sub-contractors	0	1
	Total training hours on health and safety issues	55	105
	Percentage of Emiratis within the company	25%	22%
	Percentage of female middle managers	5%	5%
	Percentage of females in senior management positions	6%	5%
	Number of nationalities of employees (incl. DPG and all its entities)	40	47
	Percentage of employees who received a formal appraisal by their supervisor (excluding new joiners, which are not eligible)	100%	100%
	Number of non-conformance cases of work standards, practices, procedures and regulations during internal SMS audits	0	0

## CORE AREA 3: ENVIRONMENT

PRINCIPLE 7	BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES
PRINCIPLE 8	BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY
PRINCIPLE 9	BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

## CORE AREA 3: ENVIRONMENT

### Description of our main Policies:

**Committee System:** We have formally established a Health, Safety & Environment (HSE) committee representing employees and management, which meets monthly. The members of the committee represent a good cross-section of the workforce and have sufficient opportunity to consult with other employees prior to the meeting.

Additionally, the IDAMA Steering Committee is accountable to the CEO for the provision of resources and planning and for ensuring that all IDAMA operations have suitable HSE programs that meet regulatory requirements and company objectives. This is achieved by:

- Ensuring that all IDAMA operations are complied with relevant HSE legislation, regulations, codes and licenses.
- Identifying HSE activities and outcomes as key indicators in business and management performance.
- Setting HSE performance standards including objectives, & targets and ensuring they are integrated into business plans.
- Ensuring that all employees are aware of and understand the HSE plans and their responsibilities.
- Ensuring the provision of company HSE induction and awareness training to all new and existing employees, contractors and visitors as appropriate to operational risks.
- Monitoring performance against objectives, targets and KPI's and ensuring that employees are advised of HSE performance.
- Overseeing development, implementation and maintenance of documented HSE procedures /manuals to guide employees in their day-to-day operations.
- Overseeing development, implementation and maintenance of a document control and records system.
- Overseeing development, implementation and maintenance of induction, handbooks or the like to employees and contractors.
- Ensuring access to all relevant HSE policies and documentation by the employees.
- Overseeing the provision of promotional and information forums such as HSE committees, toolbox talks and HSE segments as part of business and management meetings.
- Overseeing the provision of information by way of posters, publications and other media to promote HSE in line with IDAMA's philosophy and individual needs and programs.
- Developing action plans based on prioritized risk ratings to implement effective management strategies to eliminate or control.
- Conducting and participating in HSE recognition ceremonies during site visits.
- Committing to and supporting HSE policies, programs and initiatives.
- Ensuring HSE is part of the sign off for major capital expenditure.
- Participating in briefings on significant HSE incidents or events.
- Ensuring that HSE progress and issues are an agenda item in board meetings.

### Description of our main Processes, Systems and Actions:

**Analysing Risks:** Our formal Risk Procedure addresses business performance, plans and targets in various areas, including the aspect of "Human life, health and safety (in respect of all stakeholders and related parties)".

**Identifying Environmental Aspects:** The designated HSE Manager of their respective DPG entity and/or his designated representative initiates the process of identifying environmental aspects for DPG and its subcontractor activities, products and services and assists the concerned managers in documenting a list of significant environmental aspects which is specific to the account. The process includes consultation with relevant managers responsible in operations (EMS champions) and professionals from other centralized

support departments (procurement, quality, operations, HR, etc.) as deemed appropriate, and examining the service design, operation, maintenance at each location. DPG employs a numerical rating system for determining the significance of each identified environmental impact, based on the following calculation: Significance Score = (Likelihood x Environmental Impact) + Regulatory Impact + Community Concern, with an established and specific cut-off score. Aspects which are labeled significant and are considered when establishing objectives and targets are those that either exceed the cut-off score or are mandated by a UAE Federal Law, Dubai or local government agency.

**Complying with Environmental Legislation and Regulation:** We have established a process for periodically evaluating compliance with all applicable environmental legal requirements. Idama HSE Department supported by the EMS champions in all accounts evaluates the activities and operations of Idama with respect to legal compliance on a semi-annual basis, using a compliance checklist that covers all relevant legislation and regulations identified in the legal requirements form. Any compliance non-conformance found during evaluation is noted on the checklist, and corrective and preventive action is taken and documented. Any serious non-conformance identified by the HSE Department that could result in fines or in negative publicity is communicated to the HSE Manager and the Account Director immediately.

**Auditing Suppliers:** As per our formal Policy, unscheduled supplier's performance evaluations are carried out at any time (as resources permit) in several cases, including:

- If a supplier has failed to meet DPG's or its Entities' HSE standards (Safety, Health and Environmental).
- If a supplier found to violate or not adhere to local regulations.

**Auditing Environmental Issues:** We have established the Environmental Management System (EMS) Internal Audit Procedure, in order to ensure that internal EMS audits are effectively scheduled, carried out, reported and followed-up to determine the effectiveness of the EMS and to identify opportunities for improvement. Audits are performed by looking for objective evidence that the requirements of ISO 14001:2004, all EMS documentation, Idama environmental policies/objectives/targets and other company requirements are being met and that the EMS is being followed. In the absence of evidence or if a departure from approved requirements is found, clear, specific details are recorded and a Corrective Action Request (CAR) is raised for each non-conformance identified. Each CAR is assigned a unique number for reference and monitoring.

**Defining Requirements for Contractors:** Each contractor, vendor, and/or supplier receives a document entitled "Idama Environmental Requirements For Contractors" as part of the contract, which defines requirements to ensure that the contractor works within Idama EMS and is aware of how his/her operations and activities can support the Idama's EMS and is aware of how their operations and activities can support the Idama's environmental policy, objectives and targets.

**Reducing Customer Impact:** We have included in our web site a detailed guideline on how to interact with our company, in order to help customers conduct their transactions quicker, without negative environmental impact due to travel to our Sales Points.

**Managing Water:** Facing the issue of water shortage and expecting it to become even more intense in the future, we have taken actions to ensure rational use and water savings:

- We include water spillage in construction sub-contractors' Audits.
- We continuously control and measure consumption at our headquarters.
- We have implemented sensor systems in washrooms at our headquarters.

Beyond responsible use of water, we seek to minimize the impact from waste waters on the environment:

- At all construction sites, water management is handled according to the effective legislation and forwarded to municipality treatment facilities.
- In all office buildings waste water is directed to the sewage.

- We analyze water annually, to confirm the conformity with effective legislative parameters.

**Treating Sewage Water:** Most of DPG Large Scale Projects that are not connected to the Municipality Sewage Treatment Pipelines are provided with Onsite Sewerage treatment plants. The sewage water is collected from the project sewerage lines and are then treated and used again in the same project or another for landscaping irrigation.

**Recycling Office Materials:** All employees have access to the recycling programs, with materials being separately collected and forwarded to the appropriate recycling supplier:

- Office paper.
- Aluminium.
- Plastic.
- Cans.
- Glass.

**Handling Waste:** DPG has signed a Memorandum of Understanding with Union Paper Mills (UPM) for waste collection and paper management in DPG offices and communities. As per this agreement, UPM will collect all types of waste paper, old corrugated cardboard, recyclable plastics, glass bottles and aluminum cans from the recycle centers installed in select DPG communities for recycling. Currently, the recycling centers have been installed in Ghoroob, Shorooq, Al Khail Gate, Layan, Bay Avenue and DPG headquarters.

**Reducing Atmospheric Emissions:** Since 2002, we have ceased acquiring equipment containing CFCs, which are particularly harmful for the ozone layer. Instead, we use cooling substances which are less damaging to the environment, as they correspond to a lower Ozone Depleting Potential (ODP). As an example, our company:

- Uses District Cooling Systems for its offices and most projects.
- Uses the more environmentally friendly R134A for air conditioning units, in projects where district cooling systems are not available.
- Uses manual fire extinguishers with CO<sub>2</sub>.
- Uses FM 200 as a fire extinguishing material in its IT rooms.

**Protecting Biodiversity:** All construction project sites of our company are located in areas characterized as industrial and are not covered by the International RAMSAR Convention (convention on areas of International Importance for Dwelling for Aquatic Birds) or other conventions for the protection of biodiversity. Even so, all DPG projects undergo an Environmental Impact Assessment (EIA), as part of the normal planning approval process, often in consultation with stakeholder groups such as NGOs, local communities etc.

**Managing Emergency:** DPG has recognized the need to plan and effectively respond to the occurrence of an unplanned event. Therefore, we have identified the potential for accidents and emergency situations that could result in a significant impact on the environment and we have ensured that all offices and operations areas have emergency plans to prevent, mitigate and manage foreseeable environmental emergencies. As a result, we have formalized an emergency preparedness and response process that addresses prevention, response and mitigation of these potential emergencies such as chemical leaks, spills of fuel during loading and storage and leakage of hazardous medical waste during storage and transportation.

### Activities planned for next year:

The company intends to maintain the respective policies/processes/systems/actions described above within the next year.

## Measurement of (expected) outcomes and value added for our company:

Indicative results of our company within the last year are presented below.

### Outcomes

Energy Management:	2012	2013
Total Energy (MWh)	2,746	3,864
Energy per square foot (KWh/ft <sup>2</sup> )	6.80	7.69
Water Management:		
Total water consumption (thousand gallons)	1,663	1,880
Water per employee (gallons/employee)	0,67	N/A
Material Management:		
Old Corrugated Cardboard (kgr)	6,210	5,433
Paper (kgr)	7,625	6,340
Plastic (kgr)	395	287
Cans (kgr)	249	260
Glass (kgr)	2,227	1,634
Other:		
Fines or legal actions due to environmental issues	0	0
Contractor Audits on premises regarding environmental issues	0	0
Corrective and/or preventive actions taken due to Contractor Audits	0	0
Non-conformance of work standards, practices, procedures and regulations during internal EMS Audits	15	10



## CORE AREA 4: ANTI-CORRUPTION

### PRINCIPLE 10

BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS,  
INCLUDING EXTORTION AND BRIBERY

## CORE AREA 4: ANTI-CORRUPTION

### Actions

#### Description of our main Policies:

**Code of Conduct:** DPG's values and ethics are embedded in its Code of Conduct, which integrates responsibility into our daily activities. Our Code of Conduct requires, among other, that all DPG employees:

- Behave honestly and with integrity.
- Act with care and diligence.
- Comply with all applicable laws of the country.
- Serve the best interests of the community in which they operate.
- Maintain appropriate confidentiality about dealings that the employee has with all stakeholders of the company.
- Don't accept gifts which could influence their decision-making process (value in excess of AED 300).

The Code has been communicated to all employees and they are obliged to uphold the Code during their day-to-day tasks. In case its content is revised, employees are informed of the respective cases via specific presentations. The Human Capital Function distributes the Code to all employees in two copies and employees return one of them, after proper signing.

**Gift Policy:** According to our formal Policy, employees must declare any gift received from clients/customers to their line manager by email. In case the gift is of 500 AED or lower, the employee is eligible to accept and keep the gift. If the gift is of higher value should deposit the gift to the DPG Corporate Culture Department.

**Supplier Code of Ethics:** Our Supplier Code of Ethics, which emphasizes the following aspects:

- Taking nothing for personal gain.
- Integrity in internal and external relationships.
- Rejecting improper practices, and reporting any to higher management.
- Respect confidentiality.
- Be accurate.
- Be transparent during negotiation with all suppliers.

Furthermore, we request at least 3 quotations for our acquisitions in an effort to increase transparency.

#### Description of our main Processes, Systems and Actions:

**Tendering Process:** The Tender Committee is responsible for overseeing the tender process, in order to ensure that a transparent and controlled approach is taken to maximize value and minimize risk to shareholders. The Committee is made up of 7 Members, with membership being subject, among other, to the following conditions:

- The term of office for a Member is 2 years.
- The quorum for meetings of the Committee is no less than 4 Members, in which case no business can be transacted at a meeting of the Committee.
- All decisions at meetings of the Committee are taken by on a majority basis, although unanimity is always sought in the first instance.
- Any Member that is aware of any conflict of interest in any vote has to declare that to the Committee by completing and signing a "Declaration of Interests Form" which records such declaration and such Member has to abstain from voting. Where appropriate, the Chairman can ask such Member to temporarily leave the meeting. Each Member of the Committee also signs a non-Disclosure Agreement.

Only those vendors/suppliers/goods and services providers who have been pre-qualified as per DPG

processes are invited to tender. Those that are not pre-qualified have to go through the pre-qualification process before they can be considered.

In case the award of a tender is likely to be (as per pre-tender estimate) for an amount of more than AED 500,000, the Committee has the authority to review all tenders and then approve, reject or otherwise make recommendations in relation to awarding of:

- Construction works contracts.
- Nomination of suppliers and sub-contractors.
- Construction consultancy agreements, construction project management agreements.
- Capital works procurement contracts.
- Contracts of insurance.
- Selection of a consultant or contractor based on a single quote, where applicable.
- Facilities management and maintenance contracts for build-to-lease projects (until authority for conducting tenders is delegated to Ejadah).

In case the total value of procurement is estimated to be AED 500,000 or less, procurement is conducted as per the processes of the company's Procurement or Contracts Department, as applicable.

**Protecting Data:** At all times, DPG ensures the suitable use of Data and Systems by our employees and includes requirements and obligations for the protection of data and systems, which are applicable to all our employees, to avoid potential misuse. All Information Systems (and any data or messages stored, created, sent or received through them) are company property, while the responsibility and obligation to ensure that the systems are used properly, lies with each user, as described in our Code of Conduct.

**Maintaining Records:** DPG has defined through a procedure the location, duration and maintenance of records, in order to be safeguarded for future use as a reference in case of questions related to contractual and legal matters, work techniques, verification of work done, and other parts essential to the company operating smoothly.

**Auditing Functions:** Since 2005, one of the company functions is a separate Internal Audit Department which reports functionally to the Board Auditing Committee of Dubai Holding and administratively to the Group CEO. The Audit function is responsible for providing independent and objective assurance to the Shareholders on efficiency and effectiveness of operation and compliance to regulatory provisions. Audits cover risks in areas of Revenue & Sales, Project Management, Project Finance, Enterprise Risk Management, Governance and management decision making process including legislative and regulatory compliances review.

**Monitoring Supplier:** Our suppliers are expected to subscribe to the same value set as we expect of our staff. Therefore:

- We have developed a "Pre-qualification Document", which is used to screen unregistered vendors based on aspects such as quality, price, environment, health & safety practices.
- We utilize a Supplier Evaluation report twice a year.
- We implement a Supplier Satisfaction Questionnaire, in order for our suppliers to rate DPG on our cooperation, but also on aspects like our environmental awareness.
- We have delegated EHS Advisors who conduct regular Inspections and advanced Audits against our EHS requirements set out in the contracts, with our contractors.
- Our procurement department on a yearly basis sends out a supplier survey internally to Users/Purchasers/Buyers/Finance in order to evaluate frequent and high value suppliers.

**Handling Misconducts:** Our company addresses misconducts through a respective formal procedure, which addresses, among other the following issues:

- Deception or fraud at work, for example, falsifying application form details, bonus sheets, expenses claim

	<p>forms, personal records or sickness certification documents.</p> <ul style="list-style-type: none"> <li>• Deliberately damaging or stealing Company property.</li> </ul> <p><b>Whistleblowing System:</b> DPG follows a zero tolerance to breaches of our highest ethical standards and to fraud, which may have severe repercussions for our company. Therefore, we encourage our business partners to inform DPG about any fraudulent or unethical behaviour or actions that have or may occur, by reporting their suspicions confidentially either via e-mail (to <a href="mailto:shieldline@dpg.ae">shieldline@dpg.ae</a>) or through our whistleblowing reporting hotline (on +971 56 299 4736). All communications made in this way are examined by the DPG's Fraud and Ethics and Review Committee ("FERC"), which investigates the allegation and once investigation is completed, FERC may inform the Whistleblower of the results of the investigation as well as any corrective steps that are being taken. In case an allegation of ethical misconduct is substantiated, appropriate disciplinary action is taken against the responsible individual(s).</p> <p style="text-align: center;"><b>Activities planned for next year:</b></p> <p>The company intends to maintain the respective policies/processes/systems/actions described above within the next year.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Outcomes</b></p>	<p style="text-align: center;"><b>Measurement of (expected) outcomes and value added for our company:</b></p> <p>Indicative results of our company within the last year are presented below.</p> <ul style="list-style-type: none"> <li>• According to our corporate whistleblowing hotline and 30 respective Internal Audits conducted in 2013, no violations of our Code of Conduct (including corruption cases and misconducts) occurred.</li> <li>• No fines have been imposed for regulatory or legislative issues.</li> <li>• The company has not been accused for any monopolistic practices or anti-competitive behaviour.</li> <li>• We did not receive any substantial complaints for privacy or lost data by customers.</li> </ul>