



# FARNEK

## SUSTAINABILITY, DRIVING OUR MISSION WITH PASSION



UNGC Communication on Progress

July 2016 to June 2017

FARNEK.COM  TECHNOLOGY & SUSTAINABILITY DRIVEN FM COMPANY

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## About this report

This report provides an overview of our current and planned actions to advance the ten principles of the UN Global Compact Principles on human rights, labour standards, the environment and anticorruption across our sphere of influence.

The report is split by the four different themes that the ten principles fall under:

- Human Rights,
- Labour,
- Environment, and
- Anti-Corruption.

The themes are then split by the following three categories in alignment with the UNGC COP requirements:

- ✓ **Assessment, Policy and Goals** – this section includes a description of relevant issues for each theme, as well as FARNEK policies, public commitments and goals
- ✓ **Implementation** – this section includes a description of concrete actions to implement policies, address risks and respond to concerns relevant to each theme
- ✓ **Measurement of outcomes** – this section includes a description of how FARNEK service evaluates performance.

## Self-Assessment

- Includes a clear statement for continual support for the UN Global Compact and its ten principles.
- Report of relevant policies and action related to Human Rights
- Report of relevant policies and actions related to Labour
- Report of relevant policies and actions related to Environment
- Report of relevant policies and actions related to Anti-corruption

## About us

### Our Company



*We provide total sustainable facilities management services to a variety of industries and businesses across the UAE.*

Established in the UAE since 1980, Dubai-based Farnek Services LLC/Farnek Middle East LLC is an international full service property management company. With a skilled workforce of more than 4,500 employees, Farnek has now added offices in the Northern Emirates, to its existing offices in Abu Dhabi and Dubai, to deliver professional Facilities Management services to over 2,500 properties to high quality, world renowned organisations in several sectors. Aviation, Hospitality, Banking, Retail, Shopping Malls, Telecom, Residential, Commercial, Infrastructure, Government, Education, Leisure and Entertainment.

### OUR VISION

To deliver excellence in total facilities management services focusing on sustainable best practice while being led by innovative technology, which satisfies the needs and exceeds the expectations of our customers, business partners and other stakeholders.

### OUR MISSION

To become the ultimate provider of sustainable and technology driven total facilities management services throughout the UAE.

### OUR PORTFOLIO



TOTAL FACILITIES  
MANAGEMENT



SUSTAINABILITY  
MANAGEMENT



HOME  
MAINTENANCE

### OUR VALUES



#### EXCELLENCE

Stakeholders satisfaction is our ultimate goal



#### INTEGRITY

We carry out our business with honesty and consistency



#### INNOVATION

Our approach in creating sustainable value for our stakeholders



#### RESPECT

We treat all people with respect and dignity. We do our best save water and electricity on a personal and professional basis.



#### TEAM WORK

We are one team with one mission and one vision



#### LEARNING

We never stop learning

## Our CEO Message

Since 2010, FARNEK has embarked with passion in a sustainability journey on climate action that has never stopped. We take pride in 2016 and 2017 to have passed another level in carbon management, being the first entity to purchase 1,000 **CER carbon credits from the newly released DEWA Chiller Station project under UNFCCC**, in the objective to support the government in carbon offsetting options.



We are also the **1<sup>st</sup> Private company in the GCC** to have purchased an **electrical car** with Renault, the lovely ZOE will reach us in September 22017 and is due to run 72,000km a year and therefore save 17.4t CO2 per year. We have been **accredited ESCO** by the Dubai Regulatory and Supervisory Bureau in Feb-2017 and support clients to reduce their energy consumption. For our own premises, at the head-office we **retrofitted LED lights with LED lights** to generate 48% savings. We **installed LED lights in the staff accommodation** with at the head-office and installed water aerators that should help us to save respectively 6% and 2% on overall consumption at this camp. We also changed 15% of our window units A/Cs with more efficient ones. **'FARNEK Turtle'**, a green turtle, joined our family. She swims with a GPS tracker in the Arabian Gulf to support scientists to create reserves.

Our mission to be a leading FM company driven by technology and sustainability, we have been focusing on developing new services now available for all our clients. Our **Smart Watch** was awarded at the FM Awards in May-2017 for the best innovation of the year as it creates visibility for the service delivered for our clients but also is applauded by our employees as it has reduced data entry by **70%**, reduced health and safety emergency response times to **less than 3** minutes, cut incident reporting time from **60** to **10** minutes and reduced administration efforts by **80%**. We also launched the **Carbon Neutral Cleaning** service after an intense carbon assessment of our cleaning activities that highlighted that one cleaner produces 367t CO2e per year. Our clients can now offset their cleaning services with us!

We joined the **UNGC** with the purpose to voice the respect for our blue collars employees to our stakeholders. We have **purchased the plot for our new staff accommodation camp** that is due in DIP in 2018 to take full control on quality and green standards of our accommodation. Meanwhile the 11 staff accommodation centers we currently have are managed with great care for our employees. We had a strong **focus on health care** with a fully capable of health and safety team and Human Resources & Operational Efficiency teams who work hand in hand with the **Happiness Society** to find the new angles to create motivation and balance through awareness campaigns, rewards, entertainment and sustainability community events. FARNEK supports in hard work and strong values. We were proud to have awarded 66 employees on monthly or annual awards, associated with financial rewards.

A handwritten signature in black ink, which appears to read 'M. Oberlin'.

Markus Oberlin  
CEO

## Our Sustainable Development Goals



We believe that our growth enables people from unprivileged areas to access jobs. Between 2015 and YTD 2017 we created 1,127 jobs, an increase of 38%. Each of these jobs help sustain a direct or second level family in South East Asia or Africa. This year we plan to work on financial literacy to ensure that our workers plan for their retirement and ensure a good education for their children with the wages.



In 2015 and 2016, we invested in biogas plants of 20 year life span for 4 farms belonging of our employees with the objective to reduce the risk of carbon dioxide breathing from indoor cooking with gas and wood. In parallel, we have reinforced our health insurance coverage in 2017 for all workers and have planned for clinics to get installed in our staff accommodation. We also ensure our cleaning products are eco-friendly and human friendly.



Our labour policy integrated the UAE labour law and shows a high level of ethics and care for our employees. We are conscious of our responsibility to manage our staff accommodation centers in an exemplary manner and maintain regular audits of different levels. In 2015, we mapped the needs of our blue collar workers. In 2017 we our Welfare Committee was renamed Happiness Society to improve every year on our standards and approach. Our training center is fully operational with thousands of hours of training.



Climate Action is related to carbon emission reduction. It starts with **energy efficiency** and FARNEK is accredited Energy Auditors and ESCO through Dubai RSB supporting a large number of buildings to optimize their equipment efficiency through proper maintenance and implement retrofit savings solutions. It then includes the integration of **renewable energies**. FARNEK is set to develop the projects upon approval from our clients. We are also the exclusive distributor of Solar Jars in the UAE. The last mitigation activity is **offsetting**. Since 2010, FARNEK signed an agreement with myclimate the Swiss Climate Protection Foundation and developed pioneering initiatives like carbon-neutral buses, carbon offsetting for hotel stays, business travel, events. In 2017, we are the first company to purchase DEWA Credits from the DEWA Chiller Station project through the Dubai Carbon center of Excellence. We are also the first private company in the GCC to purchase electrical car to Renault. We were awarded for the carbon assessment of our cleaning activities. Since 2015 we are engaged in **waste management** best practices and are rolling series of initiatives that we make available to our clients (waste audits, binless offices, waste recycling implementation strategies ...).



For the first time in 2017, we have taken an initiative to sponsor a Gulf Green Turtle which is an endangered species because of the dangers in the Gulf related to increased sea freight traffic and plastic & other waste pollution. We partnered with EWS-WWF who works with scientific teams who analyse the turtle's journey through GPS tracking to create protected areas. This is close to 3 of our core missions: Sustainability, Technology & Home comfort.



In 2010, we created a **partnership** with myclimate the Swiss Climate Protection Foundation to get knowledge and solutions on carbon mitigation and became experts in the field. We are the preferred partner of Green Globe the highest standard of certification for the hospitality industry which positions us as leaders in this field. We are board **members** of Emirates Environmental Group, members of EWS-WWF, Dubai Chamber Sustainability Network and UN Global Compact. We work closely with **governmental entities**: Dubai Carbon Center of Excellence, Etihad ESCO, and Dubai Sustainable Tourism Department.

# 1. Human Rights

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

**Principle 2:** make sure that they are not complicit in human right abuses.



## 1.1. Assessment, policy and goals

We believe that respect for human rights will help lift people out of poverty and injustice, allow them to assert their dignity and guarantee sustainable development. When we speak about having a rights-based approach, this is what we mean.

We believe that everyone should have the right to:

- A livelihood
- Be Safe from harm
- Be heard
- Be treated as equal

### 1.1.1. Policy

FARNEK Services sets out our values, which include integrity, respect for others, learning and teamwork. Their exercise requires an environment that is open, supportive, and interdependent. No action could be more contrary to our values than discrimination.

FARNEK Services policies prohibit discrimination and harassment of any kind, and each employee needs to meet this obligation. We have fundamental value in equal treatment of all employees and job-applicants irrespective of race, blood or ethnic origin, religious belief, gender, disability, age, social status, social background, nationality, pregnancy, marriage, sexual orientation, or any other personal characteristics

We have integrated health and safety section, which requires all staff to contribute to promoting a safe environment and asserts that FARNEK respects the right of all individuals to work in a safe environment that promotes wellbeing.

FARNEK policy ensures the protection and enhancement of labour standards amongst our own workforce, our contractors and our direct suppliers. It makes a number of commitments pertaining to wages and benefits, working hours, annual leave, basic worker rights, women's rights, child labour, health and safety, labour accommodation and education. It has been designed to align with international best practice standards, in particular the International Labour Organisation Core Conventions and the requirements set out in the UN Global Compact.

Our HR procedures covers minimum standards for labour conditions and the health and safety of the supply chain workers on in our assets, and we have special criteria for those supply chain staff resident in labour accommodation camps. Contractors are required to comply with FARNEK standards and guidelines.

### 1.1.2. Goals

Our Goals to support human rights for 2017-2018

- We owned one camp for 5,000 people by 2018, where we will have full control on quality.
- Provide better health care to employees
- have 2 programs from Smart Life NGO dedicated to blue collars welfare implemented by end of 2017
- Gender Equality & Ladies development program
- Increase no. of entertainment/sports programs by 20%,
- Identify, create & support talent development programs and events.
- Identify & develop give back program for workers family
- Identify and develop financing/donation program
- Lead the Dubai Chamber Sustainability network- (Employer health focus and worker welfare group)
- To have partnership with local association for health and education program
- To have unsung hero for FM award 2018

## 1.2. Implementation

Farnek Services has implemented the following measures to ensure that Human Rights are in no way being abused and violated:

Human Resource Department have developed and implemented people and ethic policy and detailed procedures, Company aims to provide the best services to its customers and believes that ethical ways of operating are integral to the business. We are committed to operate in a just manner where the impact of operations is nationally and globally accepted, through sound ethical governance, policies and processes. FARNEK shall conduct periodic audits so as to ensure continuous improvement in ethical standards

In 2017, our focus is about Women Security in an FM environment and UAE Regulations and provide 3 events in the year during Valentine, Mother's day and Iftar that would be communicative events. Our objective is to have external speakers to talk about cybersecurity and how woman can protect their image.

In 2018, we want to develop a program for support to handicapped or sick children from our workers and hire more of the special needs. We would like to win a contract in a special needs institution that will help us to have strong relationship and have volunteers supporting the associations. We are close to reach there.

In case of natural catastrophe in one country where our workers are originated from, we would like to develop an accelerated process to identify is families have been hit. We had the case in Nepal which was a very difficult moment for all of us and we had no issue in Sri-Lanka recently but we want to be ready.

We are about to develop a team of volunteers who would contribute to our workers (dance / singing lessons, Zumba, reading, etc...) but could be involved in others activities. By the end of Q3 2017 we want to know what talents have our white collars employees and how they could bring some genuine support to our workers.

### 1.3. Measurement of Outcome

There has been no report of breach of any human rights violations. FARNEK Human Resources department has defined the clear policies on it.

We have clearly identified the Human right risks related to our organisation and implemented controls measure accordingly.

Farnek blue collar employees are working in common areas such as Mall, community centers and retail centers, we identified

- Accommodation conditions – Regular inspections are carried out to ensure the suitable conditions- All our accommodation are in satisfactory condition.
- Verbal abuse is one of the risk related to human rights. There might be possibility to deal aggressive customers at common areas, to mitigate the risk, we have provided effective trainings to our employees and supervision. There has no such case reported.
- When client requires to have employees works 12 hours without any breaks. All FARNEK contract evaluate the working hours to ensure the employees should take break and frequent discussion with the clients if the requirements not matching with our organisation standards.
- Women Working Lonely, Since FARNEK 10% workforce are women, and working in night shift at several sites. Where this could be lead to any incident. To protect the women rights FARNEK management team has decided upon mobilization of any site, team requires to identify high risk areas where ladies can't be allowed to work. Women are only scheduled to work for Ladies rest rooms, security at concierge and front door etc.
- pregnancy- Since UAE have very stringent laws on pregnancy and child birth to prevent from such incident, FARNEK has provided separate women accommodation with restricted working hours and We are also planning to organise awareness session on pregnancy, Cyber-Criminality
- and Money transfer risks



## 2. Labour Rights

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour.

**Principle 5:** Businesses should uphold the effective abolition of child labour.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

## 2.1. Assessment, policy and goals

With labour conditions in the regions in which we operate lagging behind international best practice and scrutinized by the press and NGOs, there are considerable risks if we do not manage and improve labour conditions in our supply chain. We also recognise the need to prevent child labour in all of the countries that we operate in and source materials from.

### 2.1.1. Policy and Procedure

FARNEK has implemented stringent policies and procedures. As a part of our UNGC commitment, we strictly adhere the set principles.

Our labour policy includes key messages:

FARNEK as an employer:

- Prohibits recruitment of young people under 18 years of age and child labor.
- Has a fundamental value in equal treatment of all employees and job-applicants irrespective of race, blood or ethnic origin, religious belief, gender, disability, age, social status, social background, nationality, pregnancy, marriage, sexual orientation, or any other personal characteristics.
- Does not tolerate discrimination, intimidation / bullying / or creation of a hostile work environment, including harassment, verbal, written (including e-mails or sms), corporal punishment, physical or psychological abuse. The Company has designed a suggestion box or email address where any employee can report the behavior of any person, ensuring the informant's identity secrecy.
- Considers the recruitment of first degree relatives and second degree relatives when there is no conflict of interest from a personal or business relationship standpoint and where there is no likelihood of the Company controls being compromised.
- Agrees with the right of freedom of choice for each job seeker.
- Complies with country labour law on working hours, reasonable arrangements for work, rest time, ensures the right of employees to rest and leave,
- Ensures that the remuneration paid to the employee is in compliance with all applicable laws, including the minimum wage and overtime hours.
- To ensure monthly payment of wages and payroll, is clear and easy to understand; in case of holiday's prepayment, the finance department will inform all employees in advance before implementation.

- Is committed to investing in human resources through relevant systematic training, development and where relevant, supplemented business education that contributes directly to the achievement of the individual growth and business objectives.
- Is committed to yearly individual performance appraisal with their direct reporting line based on Key Results Areas (KRAs) related to the Key Business Objectives, Competencies and New Learning Implementation.
- Ensures that its employees are provided with a safe and healthy environment in which to work and reside (in case of staff accommodation only).
- Is committed to fostering a physically and mentally healthy workforce to increase employee's commitment, contribution and staff retention. The Company will strive to create the conditions for empowerment to flourish by leading employees to learn to lead themselves. The company's culture supports learning, growth and adoption of new behaviors as embedded in all values.
- Ensures data protection.
- Will create a work environment that resolves the legitimate concerns of the employees in a prompt, fair, transparent and equitable manner and that employees are not disadvantaged in any way as a result of raising an issue through the grievance procedure.
- Ensures that disciplinary procedures will be initiated against the employees only in cases where good reasons and clear evidence exist and the employee have right to appeal.

#### Employees shall

- Adhere to the principles of the Code of conduct including adhering to the the highest standards of honesty and integrity and complying with all policies and applicable laws. Employees must not indulge in any activities detrimental to the Company's interest in their conduct both within and outside the company and must reflect the high standards of the company.
- Avoid situations where their personal interests conflicts with those of the Company or its customers.
- Protect the interests of the Company and be alert and vigilant with respect to fraud, theft, bribery, sexual harassment, favoritism or significant illegal activities committed within the organisation. All relevant incidents need to be reported.

FARNEK adopt strategic approach by introducing a Labour Policy to ensure the protection and enhancement of labour standards amongst our own workforce, our contractors and our direct suppliers. It makes a number of commitments pertaining to wages and benefits, working hours, annual leave, basic worker rights, women's rights, child labour, health and safety, labour

accommodation and education. It has been designed to align with the UAE Labour Law and the requirements set out in the UN Global Compact.

FARNEK procedures includes a health and safety section, which requires all employees to contribute to promoting a safe environment and which asserts that FARNEK respects the right of all individuals to work in a safe working environment that promotes wellbeing

### 2.1.2. Goals

We have set several goal for 2017-18 such as

- Number of **training hours** will be increased by 20% in 2017 vs 2016 with new trainings being developed for head office and maintenance teams while maintaining the efficient training programs in place, in particular through BICS Cleaning trainings and HSE Trainings.
- We are developing an internal HR application that will give access to the HR policies, forms with no paper print and authorizations levels automated, evaluations records ... Our objective is to ease the process.
- Our HR department went under a full audit by an external companies and is working at implementing the recommendations related to aligning salaries, aligning the position, reviewing the insurance benefits per levels.
- In Health and Safety, the target is to have 0 Loss Time Injury.
- Development of a Career Center. A Training Manager has been hired with the objective to integrate all trainings platforms and reporting and identify employees with potential leadership skills who will then follow an intensive training over 2 years. The objective is to identify 5 employees from Security, 10 from Cleaning and 6 from Maintenance.
- Talents. We like to identify eligible, can apply, driving license can apply to driving license. After 1 year.
- Succession Plan and Individual Development Plans for each position will be developed.

## 2.2. Implementation

- FARNEK has implemented effectively overtime policy and procedures to ensure all our operational staff get paid on time, the whole process is transparent and monitored by HR and finance department.
- Our Working hours are respecting the UAE Labour law and practices per position.
- We consider requests for overtime and investigate them.
- We make sure that the practice is not overused;
- Internal job posting and policy of hiring relatives especially in our labor force.

- An annual evaluation process is in place
- We recognize employees on a quarterly and annual bases rewards 'Employee of the Month' or 'Employee of the Year' certificates and financial incentive for the ones showing outstanding performance.
- We have grievance mechanism and ethics committee in place.

Farnek conduct regular trainings for combating child labor, eliminating racism and gender discrimination in hiring policy, fair compensation, recognition

Training is provided to all employees by training, HR and HSEQ department, we set induction process for every new employees in which employee has to attend several training session to understand company culture. A comprehensive training plan has been developed 2017, which covers several topics such related to HR systems and HR procedures including health and safety, eliminating racism and gender discrimination in hiring policy, fair compensation. During last year we have organised several trainings on the basic ethics and behavior development. Which results the improvement in the customer feedback.

Furthermore, we have Grievance mechanism, which was reviewed this year to reach one level above the person concerned.

FARNEK objective is to create a work environment that resolves the legitimate concerns of employees in a prompt, fair, transparent and equitable manner and that employees are not disadvantaged in any way as a result of raising an issue through the grievance procedure.(Refer to our Grievance policy objectives

It is the policy of the FARNEK that employees should:

- Be given a fair hearing by their immediate Divisional Manager, or Manager Human Resources and Organisational Effectiveness concerning any grievance they may wish to raise.
- Approach, in the first instance, their immediate line manager in resolving any grievance.
- Route complaints directly to the line manager.
- Only refer issues of a personal or sensitive nature directly to the Manager HR & OE who will keep the employee's identity confidential.
- Have the right to appeal to higher management against a decision made by their immediate Divisional Manager.
- Have the right to be accompanied by a fellow employee of their own choice when raising a grievance or appealing against a decision



## 2.3. Measurement of Outcome

We assess the progress of all our sustainability activities including those related to labour. To ensure the delivery of long term sustainability goals, FARNEK sets and tracks annual targets and key performance indicators which will internally reviewed and approved. Progress will directly reported on annual basis to the top management and publicly in our sustainability report if required. To ensure continual improvement, we have established a Sustainability Steering Group, which includes the CEO, and is supported by other departments. The Sustainability Steering Group meets on a quarterly basis to review our progress and implement changes where required.

Our Smart Watch innovation ensures a fair evaluation of the attendance of our employee on remote sites and also of overtime, we want to reach 100% of our employees who can't have a fingerprint lo in through this system.

At the moment 10% of our workforce are ladies and FARNEK is keen at looking at more female employees. Our employees turnover is reduced in 2017 to 9% compare to 12% in 2016.



## 3. Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

### 3.1. Assessment, policy and goals

Farnek is committed to provide safe and healthy working environment for all our stakeholders. We are strictly complying QHSE standards (ISO 9001, ISO 14001 and OHSAS 18001) and recently we went through successful external recertification audit by SGS without any major NCR's during Jan 2017 for both licensed entities (Dubai & Abu Dhabi) and FARNEK Middle East. We are also following the standards: ISO 14614, ISO 50001, ISO 55000, IFMA SFP, Green Globe, LEED EBOM, CIMS-GB (Cleaning) and guidelines ASHRAE 90.1, 55, 62.1, CIBSE guide F.

#### 3.1.1. Policies and Procedure

FARNEK sustainability policy sets out our brand, high level commitment to delivering our sustainability strategy.

Our Energy Management policy sets out how we optimize the performance to reduce electricity and water consumption. The policy aims to limit and control electricity and water wastage.

Our Waste Management policy demonstrate the commitment to reduce the waste impacts from its operations on managed sites and our owned sites by supporting the waste management team in all mean necessary to improve. The policy aims to reduce the negative environmental impacts of waste generated from our business activities by reducing waste to landfill.

FARNEK Sustainable purchasing policy outlines how we are ensuring that products and serviced purchased or contracted for will confirm to best sustainable practices in line with international certifications. We have integrated environmental and sustainability criteria to be considered.

### 3.2. Implementation & Outcome

In 2016, FARNEK integrated sustainability within the FM operation and its supply chain

#### 3.2.1. Strategy

- We did an environmental risk assessment for our head office, operations and for the tenants in buildings we managed for energy, water & waste
- We developed Energy Management Plans for 5 properties within our portfolio.
- We developed Waste Management Plans for 4 sites
- We developed environmental management plan for 3 sites.

##### 3.2.1.1. Collaborations & Capacity Building

We contributed to Dubai Tourism to develop their Dubai Sustainable Tourism

We sponsored The Dubai Green Hotel Innovation Conference in Nov 2016, contributing to Presentation and moderating a panel, we also were sponsors at the RetrofitTech Conference with presentation and panelist in 2 sessions.

We were key speakers at the Dubai Chamber of Commerce event on three events

- Retrofitting Existing Building
- Waste Management Best Practices
- Year of Giving

We supported the Tourism Innovation and Transformation Conference to be carbon neutral, together with all Emirates Environmental Group Events (34t Co2e) and the Gala Dinner of the Emirates Green Building Conference and the ITP Great GM Debate.

We were contacted by the organizers of the Arabian Hotel Investment Conference to speak about the 'Energy waste wake up call' to an audience of hotel chains C level operators and owners in May 2017.

The Swiss Business Council Environmental Committee involved us in their Waste Workshop in Ras Al Khaimah.

### 3.2.1.2. Our Own Buildings

In our Staff Accommodation at the Head Office

- We replaced 35 A/C window units with energy efficient units in the staff accommodation.
- We implemented in Sept-16 a lighting retrofit project involving the replacement of the old conventional lamps with energy efficient LED lamps aiming to save **126,237 kWh per annum** or **58% of energy consumption** accounted only due to the lighting. The project is aim to save 88 tCO2 per annum.
- We implemented in Sept-16 a water retrofit project involving the replacement of the old water tap fixtures with efficient fixtures having water aerators aiming to save **180,819 IG per annum of water** or **73% of water consumption** accounted only due to the water consumption from the washbasin taps.

We manage our **head office** consumption with caution for energy and waste management. We have a dedicated **energy manager** for FARNEK Assets working under the Director of Consultancy and in conjunction with the maintenance team and implementing the **ISO 50001 methodology**. His target is to reduce the energy consumption of the office by 5% every year working hand in hand with the FM team.

In June 2017 we replaced **LED lights with LED lights!** Our current LED lights reach end of life since we purchased them in 2009 leading to having lighting corresponding to only 2% of our energy load. We expect Brightness increasing the comfort for employees, 42% savings in electricity consumed by lights and 1.8t CO2e in one year.

In January 2015 Farnek introduced a '**Binless Office**' scheme, which is rare to see in companies as it is perceived as bringing constraints to employees. We decided to make a strong statement to our stakeholders by showing we walk the talk; after conducting segregation training for 100% of the employees, all bins under the desk were removed on the 9th January 2015, pushing employees to use the recycling bins made available in the most relevant and convenient areas. This was supported by regular waste-theme awareness campaigns and monthly communication of the results. This encourages a more sustainable office culture and provides a daily reminder to employees that they are responsible for the waste they generate and the environmental benefits of recycling. We are now reaching 70% Waste diversion ratio and have recently introduced food waste composter for Environmental Day with the objective to reach 1.5t food waste per year not sent to the landfill.

#### 3.2.1.3. Running our business sustainably

Our Director of Consultancy belongs to the Management team and insufflates the sustainability agenda to all departments while supervising all our projects and sub-committees

Sustainability training is organized once a year intensively with a sustainability pledge signing on our green wall.

All cleaning teams are trained during BICS training on segregation principles. Maintenance teams receive on-the-job and tool box talk's trainings on energy management, Security teams are trained on escalating lighting wastage or water leakages.

The HSE team supports the sites through audits, while our consultancy team can be called

All laptops and PCs are configured to print on both side in black and white while the paper is made of recycled paper, cartridges are recycled through EnviroSource.

#### 3.2.1.4. Our Fleet

With a **Fleet** of 230 vehicles, we manage to reduce our Consumption of fuel per employee transported every year since we measure it (2014) thanks to GPS tracking to ensure the shortest routes are taken and find locations easily, reorganization of the types of vehicles per site and purchase of larger buses for sites with a large number of employees contracted and training of drivers on how to drive to consume less fuel.

Since 2010, we offset the fuel consumption of 2 buses through purchased carbon credit with myclimate making them carbon neutral buses.

In September 2017, we will be delivered with our first electrical car, being the 1<sup>st</sup> company in the GCC to have purchased an Electrical Car from the European EV leader Renault.

### 3.2.2. Leading FM innovation with sustainability methods

#### 3.2.2.1. Hard FM – Energy Centered Maintenance

In 2017, we won awards for energy centered maintenance a new operational method with Emaar through our CBFA joint venture with Cofely Besix for the Hard FM at The Dubai Mall

- Emirates Green Building Council – Operational & Sustainability Practices – Winner
- Emirates Green Building Council – Sustainability Practices & Green FM Organisation of the Year – Winner
- Emirates Energy Awards 2017 – Private sector Small energy project - Winner

Energy Centered Maintenance is a preventative maintenance approach that uses the reliability centered maintenance analysis and measuring energy efficiency of equipment approach to reduce energy consumption and costs for any organization. The objective is to look at energy as a routine activity and not as an exceptional audit. This phase in energy management is integrated in the optimization of the no cost, low costs measures.

#### 3.2.2.2. Hard FM – Energy Management Expertise

FARNEK created in 2007 a department dedicated to sustainability and in particular Energy Management, long before any other FM company.

To engage our FM clients, we assigned have assigned since 2014 3 **Energy Managers** to several large sites, whose responsibility is to develop a strategy for the client to reduce the energy consumption by preparing effective energy management plans, monitoring the energy performance, make recommendations and implemented the approved solution while supporting the FM teams to optimize the energy and water consumption.

We also have been accredited **Energy Auditors** in 2015 and **Provisional ESCO** in 2017 by Dubai Regulatory and Supervisory Bureau, confirming our expertise in such practices to support the energy management implementation of our customers.

To further expand our measurement and reporting of our total impact we introduced environmental data monitoring tools and benchmarking tools for our facilities. This process is gradually being rolled out across all our few sites.

We actively supported Earth Hour for the 5<sup>th</sup> year in 2017, reaching 19t CO2e being saved in one hour by 13 properties. We gathered more than 150 people around the event (technicians, Management, Office tenants, Residential owners, Owners' Associations, children ...)

#### 3.2.2.3. Soft FM – Sustainable Cleaning

We also were recognized for the carbon assessment for our cleaning services

- FM Awards 2017 – Spotlights on Carbon footprint of Cleaning Services – Highly Commended.

80% of our chemicals in the cleaning operations are already Eco friendly since we use Kiehl or Diversey since 2009.

Following the carbon assessment in cleaning services, we created the concept of **carbon neutral cleaning, unique in Middle East**. CO2 Neutral Cleaning is a new concept that measures the impact of each element of the cleaning process in order to establish an accurate carbon footprint of the cleaning service. This methodology enabled us to identify that the impact of hiring one cleaner is 11 kg CO2e per man day or 3t per year. We can then offer to our clients using cleaning services with FARNEK, the opportunity to offset the emission of their cleaning activities based on the number of cleaners in the contract and the type of offsetting program they will choose from our portfolio of projects. This innovative service is the first of its kind in the FM world in the Middle East. We secured our first client in May 2017 and have started operating. It took us more than one year to develop the concept for which we associated with myclimate Climate Protection Foundation based in Switzerland and Dubai Carbon Center of Excellence from Dubai for the data verification.

#### 3.2.2.4. Soft FM – Exemplary Integrated Waste Management

In addition, as part of FARNEK commitment to minimizing our impacts, we have implemented innovative approach to manage our waste management practices.

We created an integrated waste management plan for City Walk and implemented the whole recycling strategy and did a water consumption assessment for cleaning teams, this includes the following deliverables for the site:

- Sourcing and design support for recycling bags for apartments in City Walk Residential for tenants to collect their recyclables and transport them conveniently.
- Sourcing and design support for recycling cages on each floor in City Walk Residential for tenants to segregate within their waste rooms on their own floors
- Sourcing and for recycling cages for each commercial and residential blocks for tenants to segregate within their waste rooms on their own floors

- Training of FM teams
- We ran our first awareness sessions for 90 tenants in City Walk to create momentum for recycling
- Sourcing of the most serious company for traceability and capacity in recycling.
- Managing responsibly hazardous waste.

### 3.2.3. IT supporting Biodiversity

Supporting the biodiversity protection battle, we now sponsor a turtle with EWS-WWF. Following our vision to be sustainability and technology driven and our agenda being to provide a comfortable living to the occupants of our buildings, with the objective to create a new dynamic to engage with our employees, we decided to sponsor a turtle through EWS-WWF Marine Conservation program. Their scientist's team observes the GPS installed on the carapace of the turtles to identify their route and create the safest natural reserves for the turtles







## 4. Anti-Corruption

**Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.**

## 4.1. Assessment, policy and goals

At FARNEK, we have recognise the importance of having anti-corruption strategies in place.

### 4.1.1. Policy and Procedures

We have a zero-tolerance approach to bribery and corruption across the whole of FARNEK, and in all the sites where we work, which includes in-cash/-kind bribery, embezzlement, fraud and extortion. Our anti-bribery and corruption policy is written into Human Resources policies.

ARNEK has developed separate detailed policy on anti-bribery and implemented revised procurement terms and condition with stringent guidelines for the suppliers and contractors against corruption.

We have publically included the anti-bribery commitments on our company website to demonstrate zero tolerance. We have developed detailed procedure available for train company employees and other stake holders. It is about to be published on the website and under approval and shall be live soon.

Our policy outlines our commitment to pursue all business in an ethical and honest manner, and to communicate the policy to our business partners, too. The senior management has primary responsibility for reviewing the policy, and ensuring that any instances of non-compliance are dealt with appropriately.

### 4.1.2. Goals

- Review our existing policies, procedures for effective implementation
- By 2017 to create and maintain the approved supplier list
- Integrate anti-corruption principles within the existing supplier evaluation process.
- Identify the areas by carrying out an antibribery and corruption risk assessment for our business
- To include anti-corruption topics in sustainability and orientation programs.

## 4.2. Implementation

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by both domestic and foreign bribery regulations Farnek have established and implement anti-corruption policy, an escalation matrix explains the way to report any suspicious case.

In addition, FARNEK anti-corruption committee developed an escalation matrix on the SOP and this would be further communicated to each department with acknowledgement.

We conduct awareness training for all colleagues on the details of our anti-corruption policy. Our management team willing to establishing a system to review the effectiveness of our antibribery and corruption policy and to setting regular review dates.

We are in process of reviewing our existing procurement policies, terms and condition and supplier evaluation and selection criteria, we agreed to include publically the anti-bribery commitments on our company website to demonstrate zero tolerance. We have developed detailed procedure available for train company employees and other stake holders. It is about to be published on the website and under approval and shall be live soon.

We have external auditing process for Human Recourse policies, procedures and documents to make sure employees' salaries are align with positions.

### 4.3. Measurement of Outcomes

We had no breaches of our anti-bribery and corruption policy, and no whistleblowing procedures were raised.

Our financial accounts for reviewed and signed off by external auditors KPMG; this auditing process involved significant focus on measures we have in place to mitigate fraud and reduce our risks in relation to currency fluctuation in our global marketplace.