



# UPAC

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**United Nations**  
Global Compact

# 2021

## COMMUNICATIONS ON PROGRESS

## Message from the CEO

As we approach the end of our eighth year communicating our progress to United Nations Global Compact, I am pleased to reaffirm that United Projects for Aviation Services KSCP (UPAC) is committed to support the ten principles of the UN Global Compact relating to Human Rights, Labour Standards, the Environment and the Fight Against Corruption. UPAC continues to adhere to these principles, as well as to its obligation in providing consistent reporting and communication to its stakeholders on an annual basis.

UPAC provides an overview of its continued commitment to the ten principles outlined in the UN Global Compact in the 2021 Communication on Progress (COP) by highlighting its relevant achievements to date through its business strategy, work culture, and daily operations. Among the accomplishments in 2021 are:

- Revising all relevant HR policies and procedures to ensure consistency with the updated requirements of the Public Authority for Manpower and other COVID-19 related procedures.
- Successfully completing the surveillance audit of the Quality Management System - ISO 9001:2015.
- Re-Certification of the Environmental Management Systems - ISO 14001:2015.
- Re-Certification of the Health and Safety Management System - ISO 45001:2018.
- Completing more than 22 technical and management training programs across various departments.
- Participating in various community activities to support humanitarian issues locally and globally.
- Expanding the scope of various activates within the Company's Corporate Social Responsibility (CSR) platform to include ongoing support to the Kuwait Red Crescent Society and other NGOs.
- Supporting the Ministry of Health and Directorate General of Civil Aviation's (DGCA) in their efforts to vaccinate all Kuwait International Airport employees during the COVID-19 pandemic.
- Protecting the environment by controlling Company waste and electricity consumption.

This report has been compiled to present the Company's achievements to date in accordance with its business strategy, work culture, and daily operations. UPAC continues to adhere to these principles, as well as to its obligation to report and communicate its annual progress to its stakeholders in a consistent and responsible manner.

Best Regards,



**Nadia Akil**  
**CEO and Vice Chairperson**



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# HUMAN RIGHTS PRINCIPALS



### Principle 1

**Businesses should support and respect the protection of internationally proclaimed human rights.**

### Principle 2

**Make sure they are not complicit in human rights abuses.**

UPAC is committed to promoting and respecting the declared human rights and does not participate in any activity related to human rights violations. During the first six months of employment, UPAC employees are required to attend mandatory Ethics and Compliance training courses. Training is conducted using examples and other real-world scenarios designed to contribute to an understanding of model behavior.

Participants must pass an online test to demonstrate their understanding of good business practices. The system gives the participant the option of listening to a live conversation or reading a situation script.

In addition to the basic training provided upon joining, UPAC's management implemented a new set of training courses in 2021. The courses listed below are a new set of training courses designed for employees, both managers and non-managers.

- Mandatory COVID-19 Training **(New)**
- Fair Labor Training – Managers **(New)**
- Finding & Grouping Data **(New)**
- Sharing & Collaborating on a Document **(New)**
- CYBER-SECURITY **(New)**
- Whistleblowing: Raising Concerns
- Code of Conduct: Best Practices
- Recognizing and Avoiding Bribery
- Human Rights
- Global Cybersecurity Employee Training
- FCPA Anti-Bribery
- Antitrust: Careful Communication with Competitors
- Conflicts of Interest
- Government Procurement
- Global Data Protection
- Insider Trading
- Privacy and Data Protection
- Preventing Sexual Harassment

Employees must pass an online exam to obtain certification, and participation is done through e-learning on an individual basis.

Employees will be issued an electronic certificate upon completion of the course, and corporate records will be updated accordingly.

Three employees joined UPAC in 2021 and their training completion ratio for online training during the year was recorded as follows:



### Induction and Orientation

Newly joined employees are introduced to UPAC through a comprehensive orientation program. The standard orientation program covers the following:

- UPAC Vision, Values, and Services
- UPAC Organizational Structure
- Code of Business Ethics and Conduct
- HR Department Scope of Work
- Introduction for Abroad Hires
- Contact details for key persons
- Health and Safety Procedures
- Residency information
- Working Hours, Leave, and Official Holidays
- Performance Review Process on Transfora
- Dress Code
- Job Description
- Grievance and Disciplinary System
- Orientation to the respective Department

### Training and Development

Employees must receive the necessary orientation to understand their rights and responsibilities, according to the Orientation Training and Development Policy. The orientation process provides the employee with information related to the organization's structure, direct reporting access, whistleblowing channels, and a summary of the Grievance and Disciplinary Policy.

Orientation is available in both Arabic and English. Recruits are informed of their legal rights in both Arabic and English. Contracts defining salary and benefits are issued in three copies to each employee: one for UPAC, one for the employee, and one for The Public Authority for Manpower, a Kuwait government entity.

UPAC is committed to paying salaries by the 25<sup>th</sup> of each month and is based on an approved grading system that defines the titles, basic pay, as well as allowances and benefits for each employee.

New recruits are provided with an employee handbook, which includes an overview of the Company's ethics and fair practices, as part of their recruitment and employee orientation training. During 2020/2021, the employee handbook was revised to include additional information related to the annual leave process and end of service calculation.

The Succession Plan and Career Development Policy was updated and approved in 2021. The Succession Plan's goal is to ensure the timely availability of a diverse and experienced pool of employees to meet key job requirements as needed. The Career Development Policy must be implemented by all members of the management team including line managers and supervisors.

#### **Local and International Recruitment**

UPAC is committed to continue to contract only with recruitment agencies that refrain from charging fees to applicants and that refuse to accept applicants under the age of eighteen (18). For local and international recruitment, UPAC covers all relevant recruitment fees, visa fees, airfare, travel, medical as well as any other applicable fees for all employees.

Technical employees are supplied with six (6) complete sets of Company uniforms, two (2) pairs of safety shoes, winter weather clothing, and job-related Personal Protective Equipment (PPE). UPAC's policy states that all employees must retain their passports. All employees are recruited based on the Kuwait Labour Law practices considering their right to annual leave and sick leave pay. Service period indemnity is paid as per the Kuwait Labour Law.

Recruitment processes continue to support the establishment of a diverse workforce and ensure that all employees and job applicants are treated fairly and in accordance with the Equal Employment Opportunity Policy.

UPAC will cover all associated recruitment costs. UPAC is also committed to recruiting candidates from other countries through the official channels specified by local embassies and in accordance with Kuwait Labour Law.

Employee entitlements, such as salary, benefits, annual leave, vacation, and indemnity, are clearly defined in employment contracts. The annual incentives are linked to the performance evaluation review and are included in the UPAC remuneration packages for all employees. UPAC carefully screens all employees prior to hiring to ensure that applicants are over the age of 18.

Religious beliefs and practices are respected and accepted within the organization, and ample time for prayer is provided during working hours. Working hours are reduced by two (2) hours per day during Ramadan, in accordance with Kuwait Labor Law, and all relevant religious holidays are respected.

#### **COVID-19 Pandemic**

Since the beginning of the COVID-19 crisis, UPAC has taken all necessary steps to ensure business continuity with minimal disruption. COVID-19 has shown its devastating global impact across the globe, quite, literally forcing the world into quarantine and affecting industries, corporates, and governments worldwide. The COVID-19 pandemic disrupted the usual work routine by requiring all employees to work remotely from home for a specific duration.

A secured network for accessing UPAC's systems, Transfora mobile application for online request processing, corporate virtual meeting tools, internet connection, flexible working hours, laptop, and emergency hotlines were provided to employees to allow them to work from home without jeopardizing their safety.

UPAC organized a vaccination drive for all employees and their family members ensuring that either one of two vaccines were successfully administered: Pfizer BioNTech or Oxford AstraZeneca.

UPAC continued to run critical operations as needed, primarily at Kuwait International Airport, which is one of Kuwait's critical sites. Employees working on-site have received the following:

- Free of charge transportation
- Accommodation facility onsite
- Meals during the day
- Disposable masks and gloves



# LABOUR PRINCIPLES



### **Principle 3**

**Businesses should uphold the freedom of association and the 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.**

UPAC employs a zero-tolerance policy for violations of conduct. All employees are obligated to attend and pass the Code of Business Ethics E-Learning training to ensure compliance. The Code of Business Ethics E-Learning training course is required to raise awareness regarding equal employment opportunity and harassment prevention amongst others.

UPAC is an Equal Opportunity Employer and prohibits discrimination and harassment of any kind. UPAC has committed itself to the principle of equal opportunities for all employees and provides them with a secure workplace free of discrimination or harassment. The Company continues throughout the year to improve its current policies and procedures.

All UPAC employment decisions are based on business needs, employment requirements, and individual qualifications, regardless of race and color, religion or belief, ethnic or national origin, gender, age, disability, or any other statutory protections. UPAC will not tolerate any form of discrimination, harassment, or inhumane treatment, including forced labor or physical punishment. UPAC promotes workplace equality and strives to eliminate all forms of discrimination.

UPAC's team currently consists of a total of 86 employees. Of this total, 9 are senior executives, with 3 of those positions held by women. UPAC supports diversification in the workplace including the equal and fair inclusion of women within the workplace.

Despite the fact that Kuwait International Airport was closed during the COVID-19 crisis and most flights were suspended, UPAC managed to maintain its employees and was able to avoid any employment service terminations or suspensions during this time. Once the airport resumed operations, UPAC provided all

employees with permission to apply for annual leaves up to 60 days.

### **Revision of Policies and Procedures**

All internal Human Resources policies were approved in 2015 and have consistently since been reviewed and updated every two years. The most recent review of all HR policies and procedures has been completed in 2021, including an amendment to the Equal Employment Opportunity Policy, to ensure compliance with the Corporate Governance Framework and relevant changes to various pertinent regulations outlined by the Capital Markets Authority (CMA). During 2021, the HR department revised the grading structure for all positions at UPAC. A detailed job evaluation process was also included in the revision in order to evaluate the skills and competencies as well as the reporting structure. The COVID-19 pandemic had a significant impact on pay scales due to the imposed travel restrictions and subsequent difficulty in sourcing and retaining labour. This resulted in an upwards adjustment in blue-collar jobs in order to meet the demand for technical skills during the pandemic and meet the revised market ranges.

In 2021, the Succession Plan and Career Development Policy was revised and approved by the CEO. One of the objectives of the Succession Planning process is to ensure the timely availability and planning of a diverse and experienced pool of employees are identified to meet critical job requirements as and when they are required. All members of the management team, as well as line managers and supervisors, are responsible for ensuring that the Career Development Policy is implemented.

UPAC also approved the Finance Department Policies and Procedures in 2020. These policies address the relevant International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAPs) to ensure compliance with both local and international laws and to ensure stronger financial controls. The various policies cover the following subjects:

- Accounts Payables
- Accounts Receivable and Bad Debts Process
- Cash Management and Bank Reconciliation
- External Audit Process
- Fixed Assets
- Inventory
- Petty Cash Process



- Revenue Recognition
- Management of Information Reporting
- Annual Budgeting Process

### COVID-19 Infection Prevention and Control

All existing cleaning and disinfection protocols and procedures have been updated in 2020 in response to the emerging COVID-19 pandemic. Additionally, as an added measure in response to the COVID-19 crisis, UPAC developed a specific policy **Infection Prevention and Control Guidelines COVID-19** to control and closely monitor cleaning and disinfection activities at all UPAC-managed facilities.

The Cleaning Activity Procedure specifies the approved policy and procedure for controlling cleaning activities at Kuwait International Airport. It specifies the expected level and quality of deliverables, as well as the level of performance of the cleaning staff. The document also specifies the human rights laws and regulations that must be followed.

An "Office Re-entry Plan" (ORP) guideline was also developed to clearly outline the newly implemented procedures, put in place in order to reduce the spread of coronavirus and to ensure a safe return to work for all employees following the lockdown period. The ORP included various cleaning, safety, and preventative measures necessary to combat the spread of the virus, as well as access to official government health and contact information. All employees were required to sign an acknowledgment that they have read, understood, and undertaken to implement the ORP guidelines going forward.

Furthermore, UPAC has created a "Work Resumption Plan" that provides employees with a manual that summarizes the newly established guidelines, which are intended to protect both employees and visitors who visit the UPAC premises in order to ensure a healthy and safe workplace.

The plan detailed infection control, disinfection procedures, meeting setup procedures, recommendations on use common areas at work, handling of external mail, parcels, and other deliveries, as well as the recommended process for transportation, and travel.

To further raise employee awareness, the plan has been published in both Arabic and English. Graphical posters and related instructions in both Arabic and

English were posted in all public places to increase awareness and knowledge.

UPAC management encourages employees to be transparent and inform the HR Department of any symptoms of COVID-19 illness in order to safeguard other employees. Any sick leave related to COVID-19 is fully paid. Employees returning from travels abroad are paid for the quarantine period of 14 days (as applicable) from the date of return.

HR continued to share regular communications with all employees including any relevant information and other latest updates on the COVID-19 pandemic, including any key government announcements such as curfews and travel restrictions.

### Collective Bargaining

Collective bargaining is not commonly practiced in the State of Kuwait and private sector labor laws restrict employees' ability to bargain collectively. In addition, anti-union discrimination and employer interference with union functions are prohibited under the law.

UPAC employees are free to engage in political activity in their personal capacity, as long as they do not violate the principles outlined in the Code of Business Ethics and Conduct.

Employees are provided with a variety of channels for expressing their views, providing feedback, and raising concerns, in accordance with the approved Corporate Governance Framework and Human Resource Policies. UPAC promotes an open, equitable, and transparent work environment. As such, various formal channels have been established to enable employees to confidentially communicate their concerns and grievances to management. These platforms are outlined below:

- UPAC Customer Complaint Email  
customer.feedback@upac.com.kw
- UPAC Whistleblowing Email  
whistleblowing@upac.com.kw
- UPAC Suggestion Box

UPAC strives to uphold the highest standards of business conduct and ethics both internally and externally when interacting with customers, suppliers, and other third parties. It is therefore critical for all employees to adhere to the ethical standards enforced by UPAC through the e-learning programs (listed on

page 5) and ensure compliance with regulations while conducting business.

UPAC commits to conducting business in a fair and lawful manner, and in accordance with all applicable laws and regulations.

### Training and Development

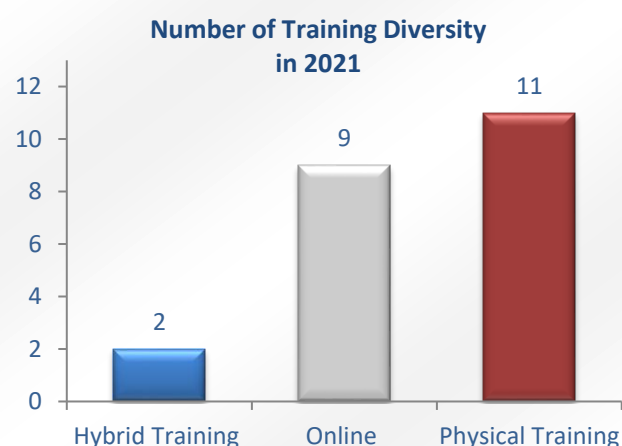
UPAC invested over USD 9,000 in training and development programs over the course of 2021. These programs were coordinated with various international bodies to ensure the provision of quality training and coaching services and served to further enhance the existing skillset within the organization.

Given the challenges faced during the COVID-19 pandemic with regards to physical proximity and social distancing, UPAC managed to apply a hybrid training model combining both physical and online training. The training process has evolved to include specific technical training delivered in small groups of fewer than four employees at a time while theoretical online training courses were coordinated for larger groups.

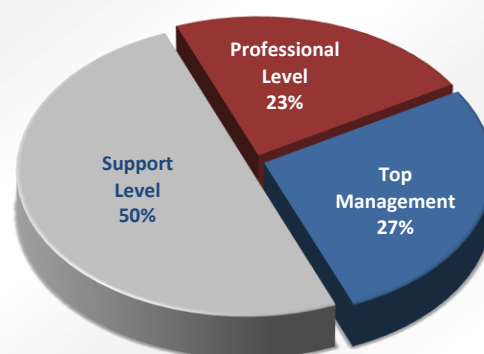
A structured, e-learning and on-job training are an ongoing process at UPAC, and in 2021 the Company provided the below intensive training programs covering the following topics:

Training Description	# of Participants
Chiller (Electrical, Mechanical And Refrigeration)	13
Building Management System (BMS)	13
Generator (IC Engines, Alternator Control Function)	4
Job Safety Analysis	11
Fire Alarm Pane	5
Aspect & Impact Register	6
Ergonomics	6
Waste Collection Management	5
Deluge Valve Operation	9
CCTV Division Controls	14
Digital Transformation	2
Digital Mindset And Leadership	1

Training Description	# of Participants
Innovative Leadership	1
Leading Through Crisis and Renewal	1
Out-Think The Competition - The Out Thinker Process	1
Finance Matters: Unlock Value Using Financial Tools And Analysis	2
Certified First Aid Trainer	5
Amazon Web Services (AWS) Cloud	3
People & Performance Management - HEC	1
New Future Of Work	2
Project Management Essentials	1
Design Thinking for HR	1



**Percentage of Training Across the Structure in 2021**



## The Equator Principles and Human Rights

UPAC signed an agreement to partner with Al Farwaniya Property Developments (AFPD) to develop Abu Dhabi's Reem Mall. The 10 Equator Principles (EPs) have been implemented in all aspects of Reem Mall's project.

The Equator Principles are defined as a set of voluntary guidelines adopted by financial institutions to ensure that large-scale development and construction projects appropriately consider the associated potential impacts on the natural environment and community.

One of the Equator Principles seeks to fulfill the responsibility to respect human rights following the United Nations Guiding Principles, specifically Human Rights. This is accomplished by performing due diligence on the Project's personnel working at Reem Mall.



These principles are followed by AFPD and subcontractors alike, and they are incorporated into all forms of contracting. Multiple parties, including AFPD, rigorously check all tendering and employment methodologies to ensure that compulsory work, corruption, and bribery are prevented. Reem Mall also adheres to the Agility Corporate and Social Responsibility directives, and the project is audited on a biannual basis.

## Employees Recognition

Employee promotions and increments are based on certain key performance indicators and relevant job qualifications. During 2021, ten employees were promoted to more senior positions.



The Star Employee of the Month Award and Monthly Safety Award events are held once monthly within the Company's various projects to recognize employees and site workers who have consistently demonstrated their dedication to upholding the highest levels of quality and safety on site. The award symbolizes the Company's commitment to recognizing top performers and achievers.

The name and photo of the star employee of the month are displayed on the company recognition board for a period of 12 months.



The Company honored all workers on the International Workers' Memorial Day and has taken the required measures to protect and ensure the safety of all construction workers.



## ENVIRONMENT PRINCIPLES



### Principle 7

Businesses should support a precautionary approach to environmental challenges.

### Principle 8

Undertake initiatives to promote greater environmental responsibility.

### Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

## ENVIRONMENT

UPAC has committed to continuing to collaborate with a variety of environmentally conscious organizations and to enhancing sustainable activities that encourage environmental engagement and support. As a responsible company, UPAC aims to minimize environmental impact and increase efforts to promote various forms of environmental and social sustainability.

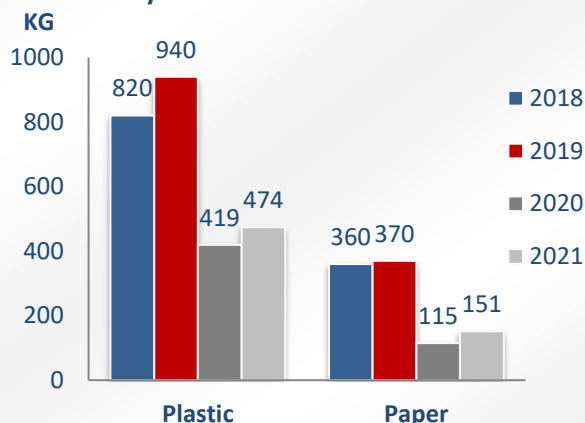
Various environmental enhancements have been implemented within the company's projects, one of which is within the Reem Mall development in Abu Dhabi. Reem Mall has been awarded an Estidama 2 Pearl Design Rating by the Abu Dhabi Urban Planning Council (UPC).

Estidama is a significant urban development initiative spearheaded by the UPC. Its mission is to promote rational and responsible development by establishing a balanced society founded on four equal pillars of sustainability: environmental, economic, social, and cultural.

Reem Mall is constructed under Estidama 2 Pearl Rating and is eco-friendly with regard to material choice and waste management. The Equator Principles previously discussed include requirements for environmental and social assessments that Reem Mall should follow and adhere to.


Since the launch of the 'Go-Green' initiative in 2014, UPAC has consistently supported and improved the program. UPAC renewed its contract with United Waste Management Company for all types of paper recycling in 2021. Since 2016, UPAC has partnered with Omniya Plastic Recycling to collect and recycle all types of plastic waste. Both companies have established weekly recycling schedules.

Recycled Material 2018 - 2021




As a result of the COVID-19 pandemic, UPAC employees were instructed to work remotely from home for a duration requiring the adoption of various internal policies to be put in place with regards to online payment and other digital methods to manage workflow and avoid unnecessary physical contact. As a result of this, the amount of recycled material during 2020 and 2021 was significantly reduced. The diagram below depicts the total amount of recycled material between 2018 to 2021. (as of November 1, 2021)

During the COVID-19 pandemic, UPAC extended its scope for environmental awareness, to include all its employees. The Human Resources Department considered distributing internal communication in both Arabic and English to raise awareness of practices that could jeopardize employees' health and safety, as well as how to protect themselves and others from infection when disposing of used masks and gloves. Separate biohazard bins were also placed in common areas for accessibility.




COVID-19 Preventive Awareness  
الوعي الوقائي لفيروس كورونا

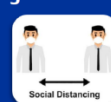
All Meetings Should Be Held Virtually – If this is not Possible, Please Follow the Below Safety Guidelines:  
يجب عقد جميع الاجتماعات إلكترونياً، فإن لم يتيسر الأمر، يرجى اتباع الإجراءات التالية قبل الانضمام إلى الاجتماع




1 Wash hands with soap and water for at least 20 seconds before and after each meeting  
اغسل يديك بالصابون والماء لمدة لا تقل عن 20 ثانية قبل وبعد أي اجتماع



2 Wear a mask (and gloves as necessary) at all times and refrain from touching your face, nose or mouth  
ارتدي كمام الوجه (والقفازات إذا تطلب الأمر) طوال الوقت و امتنع عن ملامسة وجهك أو نكك أو فمك



3 Observe a physical distance of 2 meters from others at all times  
حافظ على مسافة اجتماعية مع الآخرين لا تقل عن مترين طوال الوقت



4 Make sure the meeting room is cleaned and sanitized before and after each use  
تأكد من أن غرفة الاجتماعات قد تم تنظيفها وتعقيمها قبل وبعد كل استخدام



UPAC regularly promotes energy conservation and environmental protection between employees by applying the following:

- Spreading awareness between employees of the importance of environmental protection and energy conservation.
- Sharing reminder memos to turn off all electronics (including lights, laptops, PCs, and other electronics) daily at the end of each working day.
- Verbally addressing these issues to employees on an individual basis.

The well-being of our employees and their families has been and will remain at the forefront of UPAC's response to COVID-19. UPAC considered the following measures to protect employees, visitors, and customers:

- Updated the Cleaning and Disinfection policy to respond to ensure limiting the spread of COVID-19 infections.
- Developed a new policy "Infection Prevention and Control Guidelines COVID-19" to control the cleaning and disinfection activities at all premises and projects that UPAC operates.
- Developed an "Office Re-entry Plan" (ORP) that includes new policies and procedures to mitigate the spread of coronavirus and ensure a safe return for all employees.
- Developed a "Work Resumption Plan" that provides employees with a summary of the newly applied guidelines to secure a safe workspace.
- Posted awareness posters that include instructions in both Arabic and English.
- Shared links of various government e-services with employees for further guidance on health and safety measures.

UPAC conducts ongoing training to ensure adequate protection and to assist in the prevention of hazardous incidents. To protect those who come into contact with hazardous materials, all employees are provided with appropriate Personal Protective Equipment (PPE) such as overalls, gloves, eyeglasses, hearing protection, reflective vests, and safety shoes.

This year's Earth Day activity was part of a wider range of socially responsible initiatives dedicated solely to the environment.



UPAC organized a virtual tree planting initiative with Green Hands Environmental Team, a local non-profit organization in celebration of Earth Day 2021 in recognition and appreciation to all the front liners and medical personnel throughout the COVID-19 pandemic.



Between 7 and 10 April, volunteers from the Green Hands environmental team and UPAC team planted nearly 500 seedlings and herbal plants used in herbal remedies in the Al-Sabah Medical Area dedicated to growing herbal and aromatic plants. This initiative aims to increase the number and variety of trees planted in the area, as well as the yields from specific plants.

UPAC has pledged to continue working with various environmental organizations to further its commitment to reducing its overall environmental footprint by supporting various socially responsible activities that have a positive impact on the environment.



Before the event kicked off, the temperatures of all volunteers were measured and the necessary instructions were provided regarding proper hygiene, sterilization, security, and safety measures.

The Green Hands Environmental Team facilitated all the necessary approvals to support UPAC's Earth Day project this year. The non-profit organization aims to support efforts and communities to protect and conserve the environment, as well as, increase environmental sustainability awareness.

Since March 2020 and with the spread of the COVID-19 virus, to further ensure the health and safety of our employees, clients, and visitors, UPAC assigned a cleaning company to conduct Disinfection Procedures twice a week at all premises in UPAC.

### Reem Mall Adopted the Equator Principles

Since the implementation of the Equator Principles at Reem Mall, Al Farwaniya Property Developments (AFPD), the developer of Reem Mall, forced all contractors and subcontractors to comply with these principles and include them in all forms of contract. These contribute to deliver the objectives and outcomes of the United Nations Sustainable Development Goals.



Reem Mall has always gone above and beyond the bare minimum required level of sustainability. Highly insulating and high-performance materials, as well as highly efficient air conditioning and lighting systems, have been carefully studied and designed for the walls, roof, and glazing.

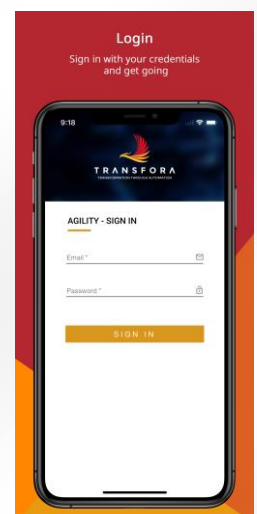


Another critical factor to consider is Reem Mall's water consumption. The design incorporates efficient irrigation systems and equipment to help the building consume less potable water. Since 2016, robust sustainability measures have been incorporated into the construction phase as well. At least 70% of onsite wastewater is recycled, and 20% of material is sourced within 500 kilometers of the project, significantly reducing travel distance and associated air pollution.

The Equator Principles have been adopted by Reem Mall. This standard is used by the financial industry to determine, assess, and manage environmental and social risks associated with projects. Reem Mall stakeholders, from the AFPD to subcontractors, adhere to these standards, which are incorporated into all contract documents. These activities contribute to the achievement of the United Nations Sustainable Development Goals' objectives and outcomes.

### Digital Transformation

Initially, in 2019, UPAC implemented a new "Transfora" process management system, enabling users to model, implement, monitor, and optimize processes and transactions such as the processing of employees' leaves, contracts approval, issuance of visas, procurement, supplier evaluations and the approval of IT license fees.

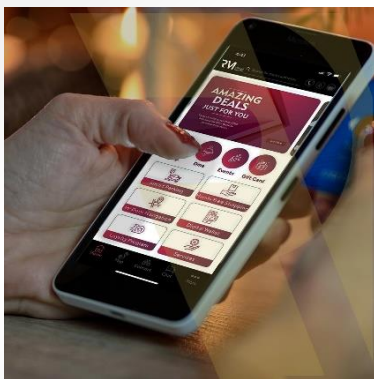


The system helps to improve productivity, efficiency, and to reduce paper printing for environmental sustainability. UPAC continues to use the same system to conduct the end of the year and mid-year performance reviews.

In 2021, UPAC moved toward adopting a digital environment by automating its business and administrative processes through Transfora. The team has relaunched the Transfora mobile app which provides additional accessibility and efficiency.

The app allows the user to manage all Transfora requests anytime, anywhere. The app includes the personal Transfora inbox, all department processes, and a mobile-friendly version of any forms submitted. The Transfora platform encompasses more than 150 processes across Agility and its subsidiaries, including HR, finance, marketing, quality, legal, administration, and operations.


Transfora streamlines any process, from leave requests to employee onboarding to contract management. As a result, workflow is more efficient, with faster and better results. A new process has recently been applied internally to arrange for delivery and pickup services (of what ??) to reduce gas emissions and air pollution.



Reem Mall is developing an aggregated app complete with a built-in e-commerce platform, and other digital services such as parking navigation, hands-free shopping, and digital wallet. The

app is set to revolutionize the shopping experience for consumers and retailers alike. The philosophy at Reem Mall has always been to keep innovating, adapting, and maintaining a strong digital approach to retail.

UPAC was keen to keep employees informed of recent declarations by Kuwaiti local authorities regarding the COVID-19 pandemic. UPAC kept employees informed by providing them with health and safety updates via various links to government official sources and information that are reliable, and accessible.



**UPAC**  
شركة المشاريع المملوكة  
للخدمات العامة

**Emergency Contact Numbers**

**أرقام الهواتف لحالات الطوارئ**

*The following message is from UPAC Human Resources Department to all UPAC employees. It is intended for internal use only, and should not be disclosed to any third party.*

هذه الرسالة صادرة من إدارة الموارد البشرية في شركة يوناك لجميع العاملين في الشركة. و يُسمح باستخدام هذه الرسالة داخليا ولا يجوز تداولها مع أية جهة خارجية.

**17<sup>th</sup> May 2020** 17 مايو 2020

Please save the following hotline numbers for the key government entities in the event of any emergency. يرجى الاحتفاظ بأرقام التلغونات التالية والتي تخص بعض الجهات الحكومية الأساسية وذلك في حال حدوث أية طوارئ.

<b>Ministry of Electricity and Water</b> وزارة الكهرباء والماء	<b>Ministry of Health</b> وزارة الصحة	<b>Ministry of Interior (Operations, Ambulance and Fire Department)</b> وزارة الداخلية (عمليات وإسعاف ومطافئ)
<b>152</b>	<b>151</b>	<b>112</b>
<b>Kuwait Municipality</b> بلدية الكويت	<b>Ministry of Public Works</b> وزارة الأشغال العامة	<b>Ministry of Commerce and Industry</b> وزارة التجارة والصناعة
<b>139</b>	<b>150</b>	<b>135</b>

April 28 marked the International Workers Memorial Day. Laborers at the Reem Mall site were invited by the team to celebrate this event, distribute accomplishment awards, and honor all workers in recognition of International Workers Memorial Day.



On the other side, Reem Mall has taken the following measures to protect and ensure the safety of all our construction workers.

- Construction Project Inductions: 46,932
- No. of training hours completed: 1,379,727
- No. of Prestart/TBT conducted: 340,547
- No. of HSE Inspection completed: 11,142



# ANTI- CORRUPTION PRINCIPLES





## Principle 10:

**Businesses should work against corruption in all its forms, including extortion and bribery.**

### ANTI-CORRUPTION

UPAC has a zero-tolerance approach to unethical conduct and is committed to ensuring that its employees retain the reputation of the Company. UPAC promotes honesty, integrity, and equality in all aspects of its business and expects the same in its relationship with all those with whom it conducts business.

### Code of Conduct and Business Ethics

UPAC has approved the Code of Business Ethics and Conduct policy to help employees identify, report, and resolve certain conflicts and other complications that may arise during the course of business as part of its standard review procedure.

UPAC's Code of Business Ethics and Conduct reflects UN Global Compact Principles, which include, but are not limited to, conflicts of interest, insider trading, external affiliations, money laundering, improper payments, fair dealings, gifts, meals, and entertainment while interacting with customers, suppliers, subcontractors, and competitors.

UPAC employees are required to comply with internal rules on the prevention of bribery and corruption with interactions between government officials and private individuals. It is also required that external consultants comply with the same internal policies as the Corporate Governance Framework.

The Code is available to all employees on the Company [website](#) and is also covered within the employee handbook. Both employees and the Board of Directors are governed by the Code and Conduct and the code conforms to the corporate governance framework.

The induction program for new recruits at UPAC educates employees on the importance of corporate ethics, values, and business conduct. When new employees are hired, they are given a copy of the Code of Business Ethics and Conduct and are required to sign it as acceptance and acknowledgment.

### Recognizing and Avoiding Bribery

UPAC's Code of Business Ethics and Conduct governs the conduct of employees as well as the Board of Directors. The Code is aligned with the regulatory Corporate Governance Framework.

During 2020 and 2021, employees and board members participated in various tailored e-learning sessions organized by SAI Global Company and Percipio Learning Management System (LMS), in compliance with the Corporate Governance Framework.

The training was customized to the executive level to address all scenarios related to ethical business practices and how to recognize, address and avoid bribery in business.

Name	Description
International Anti-Bribery Principles	This course is designed to make it clear that the Company prohibits bribery, including the bribery of government or public officials, anywhere it conducts business.
Global Cybersecurity	The training is intended to educate participants about the various types of scams that target businesses. This training assists the organization in defending against compromised accounts.
Recognizing and Avoiding Bribery	This course is intended to educate learners on how to identify forms of bribery and how to avoid these situations in all types of business and operations.
Code of Conduct: Best Practices	This course is intended to educate participants about the fundamentals of ethical business practices. It establishes principles for conducting business ethically in order to reinforce business values.

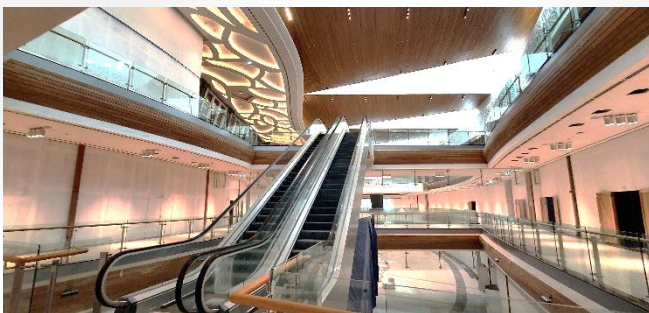
UPAC undertakes to provide up-to-date, accurate, and reliable information. All data or information submitted to public officials or other third parties is up to date, accurate and reliable. UPAC makes no payments to political parties, organizations, or their representatives.

UPAC and its subsidiaries follow the approved Tendering Procedure in all of their projects. The tendering procedure stipulates specific criteria for pre-qualification and selection of tender winners that must be met. The invitation to an envelop opening meeting ensures that tenders submitted by subcontractors (including the Abu Dhabi Reem Mall Project) impose strict controls to prevent corruption.

### Equator Principles

The Equator Principles are explicitly referenced in the Main Contract Document signed by the contractors responsible for the construction of Reem Mall, which is monitored on a monthly basis by Agility, the parent company, through audits, workshops, and regular site audits. The Contractor has signed this document and agrees to abide by these principles unconditionally.

On a monthly basis, the Contractor provides written statements advising of its continued compliance with these requirements, such as payment of staff and labor, retention of passports, payment of employment fees. In addition to these statements, labor attending the project is subjected to spot checks carried out at random.



The Project also includes anonymous comment boxes where people may express themselves without fear of reprisals. All comments are responded to and investigated for factual content.



All procurement and employment processes for the Abu Dhabi Reem Mall are rigorously vetted by multiple parties, including AFPD, to ensure that corruption and bribery are avoided. Additionally, AFPD has ensured that each subcontract work contains a back-to-back clause transferring this obligation to all subcontractors and sub-consultants.

### International Accreditation

#### Integrated Management System



In September 2021, UPAC has also successfully passed the surveillance audit requirements for the ISO 9001:2015 - Quality Management Systems (QMS), and the re-certification requirements for ISO 14001:2015 - Environmental Management System (EMS) by SGS Kuwait. The certifications were done by Société Générale de Surveillance (SGS) Kuwait.

Certificates were awarded following a comprehensive site audit of all UPAC operated facilities at Kuwait International Airport and in recognition of its implementation of environmental and safety management systems, as well as its continuous efforts to uphold and develop its quality management standards.

These certificates reflect UPAC 's dedication to provide the highest level of quality, safety, and environmental management. It further credits UPAC 's role in the local and regional markets as a leading real estate and facilities management company. Certificates are awarded by the United Kingdom Accreditation Service (UKAS), the only national accreditation body recognized by the British Government.





## Corporate Governance

The principles of the Corporate Governance Framework fall within the competence of the members of the Board of Directors (BOD). The members of the BOD are committed to implementing a sound governance system that meets the relevant regulatory requirements set out by the Capital Markets Authority (CMA) and other applicable regulatory bodies.

UPAC's BOD has adopted a sound Corporate Governance Framework that improves the overall governance environment and is in line with the applicable corporate governance practices, laws, and regulations.

This has been pursued through an integrated Corporate Governance system applied and monitored through a set of policies, standards and internal controls that have been adopted by the Company in line with regulatory requirements.

Under the Corporate Governance Framework, UPAC began the implementation of an internal control system that ensures all business transactions are checked, verified, and audited regularly.

### Risk Management Function

The Risk Management function ensures that the overall risks of the Company are identified, managed, and rectified effectively. Risk identification involves existing or potential risks. UPAC's BOD ensures that sufficient management resources are allocated to identify, assess and take appropriate action on related business risks.

### Internal Audit Functions

The Internal Audit Function (IAF) plays a critical role in providing the BOD and Executive Management with a comprehensive view of the applied financial and operating controls. The IAF assures the effectiveness of the Internal Control, Risk Management, and Corporate Governance Framework processes within the Company. The BOD has allocated qualified resources to manage the IAF.

During 2021, all financial reporting activities have been carried out through the external audit and internal audit functions, as well as through direct reporting to the BOD via the recommendations of the Board Risk and Audit Committee.

The external and internal audit activities included the following:

- A surveillance audit was conducted for the ISO 9001.
- Re-certification audit for ISO 14001:2015
- Transition audit to move to ISO 45001:2018 standards.
- Risk Assessment Audit conducted by Protiviti Kuwait.
- Internal Control Audit conducted by Deloitte Kuwait
- Financial Audits conducted by Ernst & Young Kuwait.
- Internal Audits conducted by Agility Kuwait.
- Corporate Social Responsibility Audit conducted by Agility Kuwait.

Access to the full Corporate Governance Report for 2020 is available on this [link](#).

### Board of Directors Meetings

The BOD held a total of six meetings during the course of 2021. All meetings are called by a formal invitation in advance, in order to allow adequate time for members to attend.

Each time a meeting is called for, a formal agenda is shared with members along with all necessary supporting documents prior to the meeting to allow members sufficient time to review.

Board of Directors Meetings	
Year	Number of Meetings
2019	6
2020	5
2021	6

In 2016, UPAC established two independent committees in order to provide an independent review function between the BOD and management. The committees seek to provide recommendations to the BOD as an independent body and as well as to monitor the effectiveness of Executive Management.



### Board Risk and Audit Committee (BRAC)

The Board Risk and Audit Committee (BRAC) was formed pursuant to a Board Resolution executed on 28<sup>th</sup> June 2016, following the approval from the CMA to merge the Board Risk Committee and the Board Audit Committee.

The Board Risk and Audit Committee has been restructured in November 2017 to meet the requirements of the Capital Market Authority.

The below schedule indicates the progress of the Board Risk and Audit Committee (BRAC) meetings as of 15<sup>th</sup> November 2021:

Board Risk and Audit Committee (BRAC)	
Year	Number of Meetings
2019	4
2020	4
2021	4

### Board Nomination and Remuneration Committee (BNRC)

The BNRC was formed pursuant to a Board Resolution dated 10<sup>th</sup> November 2016. The below schedule indicates the progress of the Board Nomination and Remuneration Committee (BNRC) meetings as of 15<sup>th</sup> November 2021:

Board Nomination and Remuneration Committee (BNRC)	
Year	Number of Meetings
2019	1
2020	1
2021	1

# CORPORATE SOCIAL RESPONSIBILITY





## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a socially responsible organization, UPAC has designed and participated in various CSR initiatives throughout the year that support individuals, families, NGOs, and communities both locally and internationally. UPAC has always given importance to its social commitments. CSR initiatives included volunteering, fundraising, donations, and sponsorship.

### UPAC Plants Trees for Earth Day 2021

7<sup>th</sup> – 10<sup>th</sup> April 2021

UPAC organized a virtual tree planting initiative with Green Hands Environmental Team, a local non-profit organization in celebration of Earth Day 2021 in recognition and appreciation to all the front liners and medical personnel throughout the COVID-19 pandemic.



Between 7 and 10 April, volunteers from the Green Hands environmental team and UPAC team planted nearly 500 seedlings and herbal plants used in herbal remedies in the Al-Sabah Medical Area dedicated to growing herbal and aromatic plants. This initiative aims to increase the number and variety of trees planted in the area, as well as the yields from specific plants.

UPAC has pledged to continue working with various environmental organizations to further its commitment to reducing its overall environmental footprint by supporting various socially responsible activities that have a positive impact on the environment. The Green Hands Environmental Team facilitated all the necessary approvals to support UPAC's Earth Day project this year.

The non-profit organization aims to support efforts and communities to protect and conserve the environment, as well as, increase environmental sustainability awareness.



UPAC has always placed a premium on its social responsibilities. Volunteering, fundraising, donations, and sponsorship were all used in our CSR initiatives.

### Breast Cancer Awareness Campaign.

1<sup>st</sup> – 31<sup>st</sup> October 2021

As part of the "Let's Tie One More Ribbon for Breast Cancer" campaign launched in October 2020 and continued to 2021, UPAC employees were offered preferential rates for early screening visits to private hospitals.

## Breast Cancer Screening Offers

All offers valid for the month of October only

Royale Hayat Hospital	Badr Al Samaa Medical Centre	Al Salam International Hospital
Now KD 75 (from KD 140) By appointment only Call 25360000	Now KD 10 (from KD 28) By appointment only Call 60689323	50% Discount Except Fridays & Saturdays Call 1830003
Includes: <ul style="list-style-type: none"><li>• Consultation with Dr. Nuha Al Saleh, Consultant General Surgery and Surgical Oncology</li><li>• Breast Ultrasound</li><li>• Mammogram</li></ul>	Includes: <ul style="list-style-type: none"><li>• Gynecology Consultation</li><li>• Breast Ultrasound</li></ul>	Includes: <ul style="list-style-type: none"><li>• Mammogram</li><li>• Breast Ultrasound</li><li>• Cytology Pap Smear</li></ul>

The campaign's goal is to raise awareness about the causes and risk factors of breast cancer, self-examination, clinical manifestations, early detection, stage of breast cancer, preventive methods, and treatments. As part of this campaign, UPAC encouraged employees to take part, and all employees (male and female) were offered preferential rates for early screening visits to private hospitals.



## **UPAC Supports UNICEF's "Coronavirus Children's Crisis Appeal" Campaign**

5<sup>th</sup> April 2021

UPAC joined forces with United Nations International Children's Emergency Fund (UNICEF) to support their campaign "Coronavirus Children's Crisis Appeal" with the aim to present children with a better post-pandemic world.

The COVID-19 pandemic continues to cause disruption across the globe, and without immediate funding and access to health care for vulnerable children, an additional 6,000 children under the age of five could die per day.

Employees were invited and encouraged to participate in this campaign and contribute whatever they can. In addition, UPAC has committed to match employees' donations dollar for dollar.



Through this campaign, funds raised will aim to help prevent further spread of the coronavirus and provide children and their families with critical protection, healthcare, and education.

UPAC places great importance on social responsibility and aims to continue supporting such humanitarian causes that require assistance.

## **UPAC support UNRWA's Campaign #Back\_To\_Learning!**

31<sup>st</sup> May 2021

The United Nations Relief and Works Agency (UNRWA) launched their '#Back\_To\_Learning!' campaign to support educational efforts for refugee children post the COVID-19 pandemic.

The pandemic of COVID-19 is still wreaking havoc on a global scale. Without immediate funding and access to high-quality education, an estimated 535,000 additional refugee students will be unable to continue their education during the 2021/2022 academic year.



In light of the Company's continued efforts to uphold social responsibility, we have joined forces with the UNRWA to support this cause. The program aimed to raise funds to provide quality education, access to technological solutions, and psychosocial support to relieve the impact of the COVID-19 on students, parents, and the community.

Over the last few years, UPAC has supported a variety of charity programs that aim to further benefit education and communities at different levels. Through this campaign, UPAC's employees were able to participate by providing support by way of cash donations that were matched dollar for dollar by the Company.

UPAC has partnered with UNRWA to help those in need. Most recently, the Company donated funds to the "#Back\_To\_Learning!" campaign, which aims to support less fortunate students by providing them with the opportunity to gain access to a basic level of education.

## UPAC Vaccination Drive for COVID-19 for Kuwait International Airport Employees

26<sup>th</sup> April 2021

UPAC organized a vaccination drive in cooperation with the Ministry of Health (MOH) to vaccinate employees and all related airport services personnel working at Kuwait International Airport's Terminal 1 (T1). The drive was in support of MOH's campaign throughout Kuwait to vaccinate employees across various businesses and sectors.

UPAC coordinated closely with the Directorate General of Civil Aviation's (DGCA) ensuring all health and safety regulations were met, ensuring that operations continued at the airport without any disruptions. The MOH mobile vaccination unit was set up at the Mezzanine floor at T1, where all airport personnel was provided with vaccinations; including airport mall staff, all services staff such as cleaners, security personnel, and luggage porters.



UPAC worked closely with the DGCA and the Ministry of Interior (MOI) to manage an efficient process at T1, ensuring no disruption to normal airport operations or crowding during the vaccination process.



## UPAC Organized Blood Donation Drive with Kuwait Central Blood Bank

7<sup>th</sup> – 11<sup>th</sup> November 2021

UPAC organized a blood donation drive in partnership with Kuwait Central Blood Bank. In light of the COVID-19 pandemic, the blood donation drive was held between 7<sup>th</sup> and 11<sup>th</sup> November 2021 at Kuwait Central Blood Bank premises to ensure compliance with the government's health and safety measures.



**Donate Blood**  
Save Lives



**تبرع بالدم**  
لتنقذ حياة

We would like to invite all employees to participate in and support UPAC in its

**BLOOD DONATION CAMPAIGN 2021,**  
7 - 11 NOVEMBER 2021.

For those who do not have transportation, UPAC will provide donors with complimentary transportation to and from the Kuwait Central Blood Bank, as well as some refreshments.

Note: Employees who received COVID-19 vaccination may donate blood following the below guidelines:  
24 hours after a Pfizer BioNTech dose and 2 weeks after an Oxford AstraZeneca dose

Please register with the HR Dept. to ensure coordination with the blood bank.

نود دعوة جميع الموظفين لدعم ومشاركة شركة يوباك في

**حملة التبرع بالدم لعام 2021**  
11-7 نوفمبر 2021

لأن لا يملك وسيلة مواصلات، سنقوم شركة يوباك بتوفير مواصلات مجانية للمتعبرين للتعليم من وإلى بنك الدم المركزي الكويتي، بالإضافة إلى توفير بعض المرشحات.

ملاحظة: يمكن للموظفين الذين تم تطعيمهم ضد فيروس كورونا COVID-19 - التبرع بالدم وفقاً الإرشادات التالية:  
بعد مرور 24 ساعة من جرعة فايزر BioNTech وبعد مرور أسبوعين من جرعة أكسفورد أسترازينكا AstraZeneca

يرجى التسجيل مع إدارة الموارد البشرية لضمان التنسيق بشكل كامل مع بنك الدم.

Coordinated with Kuwait Central Blood Bank

22 UPAC employees donated blood in support of Kuwait Central Blood Bank's campaign. A total of 11 liters of blood were donated which will be used to augment emergency blood requirements at government hospitals in Kuwait.

Donating blood contributes to helping those in need of immediate transfusions following an accident, as well as restoring the health of patients recovering from illnesses. UPAC's blood donation drive showcases the company's commitment towards the local community where it makes an impact on the lives of the community where it operates.





## UPAC's Commitment

The annual Communication on Progress Report (COP) serves to incorporate information regarding the Company's activities according to the UN Global Compact. An overview of such activities is available on the UN Global Compact's website as well as the UPAC website.

UPAC is committed to continuing to update and report annually on the Communication on Progress Report (COP). Integrating the principles of the Global Compact into UPAC's policies and culture has provided the Company with an opportunity to enhance its culture of integrity and accountability and has allowed it to continue to build on its responsibilities towards its people, stakeholders, and the wider community.

We hope that this report succeeds in outlining the Company's performance in 2021 and in demonstrating its commitment to upholding the ten principles of the UN Global Compact. In the coming year, UPAC aims to maintain and advance its human rights, workplace, environment, and anti-corruption activities.

We would like to thank you for this opportunity and welcome any feedback on the above report.

[www.upac.com.kw](http://www.upac.com.kw)