

## United Nations Global Compact Communications on Progress 2014 -2015

#### To our stakeholders:

I am pleased to confirm that United Projects for Aviation Services KSCP "UPAC" reaffirms its support of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our continued adherence to the principles of the Global Compact and our achievements in furthering these 10 Principles in our business strategy, work culture and daily operations.

Achievements during 2014 and 2015:

- Participated with USD 1,000 for Foundation for the Global Compact.
- Sponsored Loyac with KD 5,000.
- UPAC is considering mandatory training for UPAC team with regards to the UN Global Compact principles.
- Considered the environment by controlling company waste and control electricity consumption.
- Approved the Equal Employment Opportunity policy.
- Approved the Compensation and Benefits Policy
- Approved the Business Travel and Entertainment Policy
- Approved the Orientation Training and Development Policy
- Approved the Working Hours Overtime Public Holidays
- Approved the Leave Management Policy
- Approved the Performance Appraisal and Personal Development Review Policy
- Approved the Total Reward System
- Approved the In-house Rules and Code of Conduct
- Currently working with Operations on the ISO 9001 standard to be certified by 2015.
- Initiated and participated in Internal and external CSR activities.
- Provided various trainings programs that included all department and sectors in the organization.

We proudly present our latest achievement to our stakeholders.

Best Regards,

Nadia Akil CEO and Chairperson





# UN GLOBAL COMPACT Human Rights

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 personnel are required to participate in Ethics and Compliance courses through Integrity International. Human Rights is one of the six key modules. Participation is conducted through e-learning on an individual basis – and employees must pass an on-line examination to achieve certification.

The progress in attending the mandatory Human Rights on-line training is as the following:

75% March 2015
82% July 2015
100% Sept 2015

As a part of our recruitment and employee orientation training, new staff members are informed of their rights in both languages Arabic and English. Contracts defining salary and benefits are issued to each employee. UPAC pays all recruitment fees, visa, airfare, travel, formalities fees and medical fees for all employees. Employees are recruited based on Kuwait Labour Law considering their right for annual leave and sick leave payback.

Employee orientation includes individual human rights and direct reporting access that is independent of direct line management. In August 2015, the Equal Employment Opportunity policy has been approved. All management team and direct line supervisors are held directly responsible for the welfare of employees.

Employees are issued 6 complete sets of company uniforms, 2 pairs of safety shoes, winter weather clothing and job-related personal protective equipment (PPE). All employees retain their own passports.

Working hours are governed by the Kuwait labour law, Religious holidays and Ramadan hours are respected. Religious beliefs and practices are respected, sufficient time is given for prayer during working hours. During Ramadan, employees are provided with daily meals at Iftar time. Iftar Family gathering for all staff members took place in Marina Hotel in June 2015.

UPAC established the HR and Admin system including the policies and procedures. CEO signed off the following policies.

- P 01 Equal Employment Opportunity Policy.
- P 02 Compensation and Benefits Policy
- P 03 Business Travel and Entertainment Policy
- P 04 Orientation Training and Development Policy
- P 05 Working Hours Overtime & Public Holidays
- P 06 Leave Management Policy
- P 07 Performance Appraisal and Personal Development Review Policy
- P 09 Total Reward System



UPAC aims to sign off the Employee Relations Policy during 2016. This policy should address the grievance procedure and disciplinary system that meets local and international laws to ensure proper management and handling of human rights abuse.

On November 2015, an on-job training in both Arabic and English has been introduced on "How to Conduct Successful Performance Appraisal". The training has been attended by 73 employees for 4 days in UPAC and HR team introduced the concept of Self-Assessment and Performance Appraisal Review to be applied effective 2015/2016.

UPAC is taking action to understand the needs and actively support the careers of women while promoting healthy work/life integration. UPAC is supporting female employees with maternity leave and nursing hours to ensure work/ life balance for pregnant employees. The total number of UPAC team is 73 staff member, 6 team members are women and 2 of them are in senior position.



## UN Global Compact Labour

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 management personnel are required to participate in mandatory Ethics and Compliance Courses through Integrity International. EEO and Workplace Conduct for Managers is a key course in the program. Employees participate electronically and are required to pass the course examination – the process of which ensures compliance and provides the foundation of our zero violations regarding breach of conduct.

While collective bargaining is illegal in the State of Kuwait, at UPAC we are working on expanding channels for employees to air out their grievances and present their concerns to management in a more official capacity

Our Equal Employment Policy commits us to not tolerate any inhumane treatment of people working for us, including any form of forced labour, physical punishment or other abuse. Employment contracts clearly define employee entitlements, including salary, benefits, annual leaves, vacations and indemnity. Annual bonus linked to performance appraisal is part of UPAC remuneration packages and it is applied to all UPAC employees.

UPAC promotes workplace equality and seeks to eliminate all forms of unfair discrimination. Equitable processes for recruitment and promotion and remuneration are in place, both of which ensure employment and promotion on the basis of job requirements and merit. In addition, these processes continually support the establishment of a diverse workforce and ensure that all employees and employment applicants are treated equally irrespective of race, color, sex, sexual orientation, religion or belief, family circumstances, political opinion, age, nationality or disability. UPAC carefully screens all employees prior to employment. We do not employ personnel under the age of 18, nor do we accept suppliers who employ children.

Employee training is ongoing: allowing us to identify abilities and to promote from within the organization. It is not uncommon to find that employees who began with the company have risen to supervisory or management roles. By implementing ISO 9001 standards, training programs and awareness is part of ISO standards.

UPAC provided intensive training program that covers the following aspects:

Training Description	Number of Participants
Management of Customer Complaints.	17
Effective Time Management.	21
Team Building.	20
Health and Safety In Aviation Industry.	23
Creative Business and Financial Modeling Using Excel.	8
Innovation and Culture – Idea Connection Systems	1
Strategic Planning and Review	1
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## UN Global Compact Environment

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

UPAC implemented a 'Go-Green' program in 2014. All offices are provided with collection bins, for Paper, Plastic, Metal and Glass that are collected for recycling on a weekly basis by Al-Arfaj (Kuwait Waste Collection and Recycling Co.).

UPAC encourages the development of environmentally friendly technologies by considering renovation projects with the Directorate General of Civil Aviation (DGCA) that took place during 2014 and 2015 in the renovation of some facilities at Kuwait International Airport that meets the environment saving requirements such as changing the water taps to be motion sensitive and change the lighting system in some areas at the airport in order to reduce the electricity consumption as per Ministry of Water and Electricity "MOW&E" regulations and to meet the environment standards.

Employees are furnished with appropriate Personal Protective Equipment such as overalls, gloves, eyeglasses, hearing protection, reflective vests and safety shoes to ensure that anyone coming into contact with Hazardous Materials is protected. Training is continuous for both recognizing and responding to environmental incidents.

UPAC provided Health and Safety in Aviation Services Training for 5 days (1-5 Nov. 2015). The training course introduced the key tools to manage a performance-based SMS. The processes examined are equally applicable to airline, airport, Air Traffic Management and other aviation operations.

We continually encourage all UPAC team to reduce the electricity consumption by the following:

- 1. Spread the awareness of the environment importance.
- 2. Having a word of mouth with all team members on the importance of electricity saving.
- 3. Posting "Think Green" sign on all electricity switches within the company.



### Corporate Social Responsibility

UPAC participated in supporting children suffering from Cancer and Children's Rehabilitation. Activities were between fundraising, donation and sponsorship.

- Donation Abhyasika Project, India The Abhyasika (Tuition Center) aims to provide children from the slums of India with opportunities for a quality education and other extra-curricular activities. These students typically live in cramped spaces with large families and lack the necessary environment that allows for quiet study time. Abhyasika provides these students with the right atmosphere to foster education while volunteers help by providing guidance and support to the process. Students are invited to the Abhyasika facilities every evening so they can study and complete their homework. Donation from UPAC team were collected and has been sent parent company Agility as participation.
- Charity Run RunQ8 on November 30 2014 to Support Children's Rehabilitation in Kuwait.
   Fawzia Sultan Rehabilitation Institute (FSRI) organized the third RunQ8 event in Kuwait in collaboration with Agility and its subsidiaries. The 10km race held on Saturday, November 30 starting from the Marina Crescent on the Gulf Road. UPAC team participated in this race as part of its ongoing participation in supporting charitable events
- Fund raising Choowy Goowy donate 50% of each sale cookie jars in UPAC.
   Choowy Goowy, the famous Kuwaiti cookie makers, partnered with Agility and its subsidiaries to offer
  - their scrumptious cookie jars at a discounted rate exclusively for employees and their family members and friends. The sale of the cookies were donated to help children battling cancer. In addition to the discounted price, Choowy Goowy donated 50% of each sale to the Kuwait Association for the Care of Children in Hospital (KACCH) and Bayt Abdullah Children's Hospice.
- Corporate Social Responsibility UPAC consistently participates in CSR activities through the social events and other activities that take place in Discovery Mall, one of its projects. Discovery Mall is a specialized 'Child Development Center" that encourages Education, Scientific and Environmental awareness as well as Entertainment events for children of all ages. The Center provides children the ability to use their imagination and creativity, participate in wholesome activities, and learn whilst teaching them the importance of team work and the importance of social collaboration, awareness and participation.





Activities that UPAC participated in during 2014 and 2015:

1. Annual National Festival (HABEEBITI YA KUWAIT)
Date: For one day - February 13, 2015

This event aims to energize young Kuwaitis who are largely concerned with highlighting the national identity through a national festival. The primary aim is to identify the Kuwaiti national identity and Kuwaiti heritage and history.

2. UNITES US IN ORDER TO AUTISM Date: For one day - 16 April 2015.

This event has been coordinated with Sowaedna voluntary group, UPAC contributed to the celebration of the "World Day for Autism". The slogan of this campaign is "unites us to unite" to work together to raise awareness of the rights of patients diagnosed with Autism to within Kuwaiti society.



3. Donate Blood – Save Life
Date: For one day 2/11/2014

This has been organized with Kuwait Central Blood Bank in Discovery Mall - Child Development Center - blood donation campaign was attended by the UPAC team, Discovery Mall investors and the visitors of the mall.





#### 4. KIDS READING

Date: - 12 Feb 2015

The event has been coordinated with the British Council in Kuwait and HSBC Bank in Kuwait. The event aims to celebrate the international children's book day at to motivate the children

and youth to read frequently.



#### 5. I SAVED A LIFE

Date: 17 to 19 JULY 2015

According to the WHO, a large number of children in India are unvaccinated simply due to the unavailability of vaccines, which encouraged us to carry out a campaign in which we collect donations that will help provide vaccines for those children. It consisted of gathering money from selling lavender ice-cream in the Discovery mall throughout the 3 days of Eid. Thankfully, this campaign was a huge success as the donations were around 4000 KD that will provide over 2000 vaccine.





Corporate Social Responsibility – Participated in Loyac program with Bronze Sponsorship – KD 5000 for 1 year effective from Sept. 2015 until August 2016.

Loyac is an organization that runs programs to facilitate the professional development and personal growth for youth between the ages of 6-28 years in Kuwait and the gulf region. The organization provides opportunities for personal growth and for developing professional skills through on the job training and internships, both of which seek to build self-confidence and understanding on how to achieve stated objectives



## UN Global Compact Anti-corruption

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

Recognizing the difficulties of employees and clients in the Middle East to understand international standards and practices. UPACs parent company Agility published a comprehensive Code of Business Ethics and Conduct that apply to all group companies. UPAC personnel are required to completed Integrity International on-line, interactive training modules in:

### For the Management Team:

- Antitrust
- Code of Business Ethics
- Combating Bribery in Business
- Human Rights
- Preventing Sexual Harassment
- Privacy and Data Protection
- Whistleblowing: Raising Concerns

#### For Non-Managers:

- Antitrust
- Code of Business Ethics
- Combating Bribery in Business
- FCPA Anti-Bribery
- Government Procurement
- Human Rights
- Whistleblowing: Raising Concerns

The training is conducted using examples and situational analysis designed to develop understanding and model behavior. Participants must complete an online imbedded examination designed to ensure understanding of good business practices. Course participation is mandatory and is ongoing during the year to ensure compliance. An electronic transcript of completion is generated for employee and corporate records. The completion ratio by December 2015 is 98.7%

•	69.8%	March 2015
•	85.6%	September 2015
•	86.2%	October 2015
•	98.7%	December 2015

Our Code of Conduct and In-house Business Rules mirrors the UN Global Compact and specifically addresses Employee conflicts of interest, gifts, meals and entertainment in the course of interacting with clients, suppliers, subcontractors and competitors.



UPAC and its parent company Agility are dedicated to the Code of Business Ethics and Conduct. We staunchly defend our record of performance and strive to ensure international compliance at corporate levels. Our audit processes includes internal and external audits. External audits include ISO 9001 compliance and Ernst & Young third-party financial audits.

Later on we can add on information about the new committees we are required to set up in line with the new CMA regulation such as risk committee, audit committee, compensation committee etc.