



# UPAC

شركة المشاريع المتحدة  
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**United Nations**  
Global Compact

# 2020

## COMMUNICATIONS ON PROGRESS



## Message from the CEO

As we approach the end of our seventh 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 uphold these principles as well as its obligation with regards to consistently reporting and communicating its annual progress to its stakeholders.

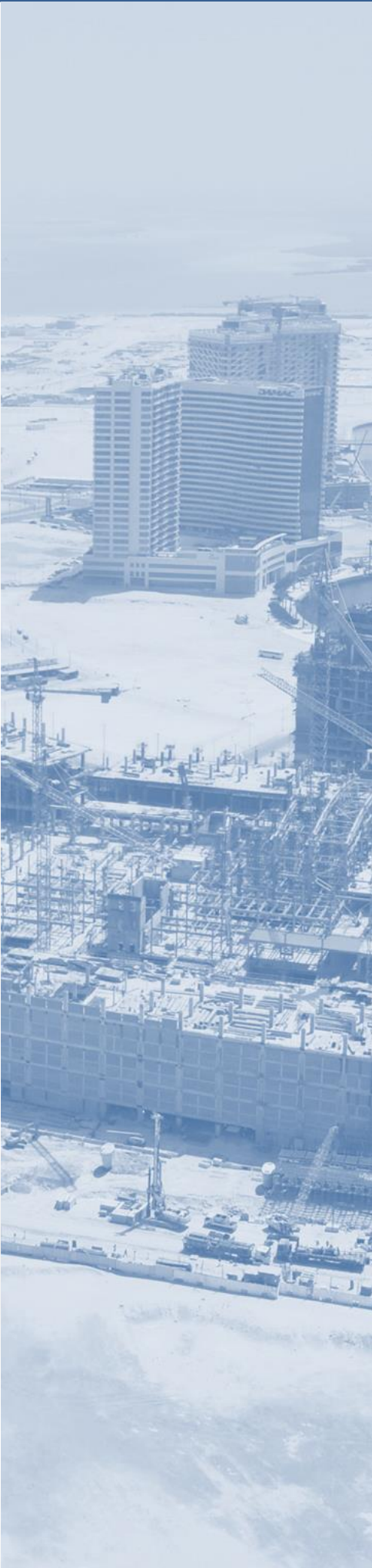
In the 2020 Communication on Progress (COP), UPAC provides an overview of its continued commitment to the ten principles set out in the UN Global Compact by showcasing its relevant achievements to date through its business strategy, work culture, and daily operations. Achievements during 2020 include:

- Participating in various community activities to support humanitarian issues locally and worldwide.
- Expanding the scope of various activities within our Corporate Social Responsibility (CSR) platform to include ongoing support to the Kuwait Red Crescent Society and other NGOs.
- Supporting the Directorate General of Civil Aviation's (DGCA) in its repatriation efforts during the COVID-19 pandemic.
- Developing various new health and safety policies and procedures in response to the COVID-19 pandemic and implementing these policies throughout the Company.
- Enhancing the Cleaning and Disinfection Procedures in response to the COVID-19 pandemic and implementing the same across all the company's premises.
- Protecting the environment by controlling Company waste and electricity consumption.
- Successfully completing the surveillance audit of the Quality Management System - ISO 9001:2008.
- Re-Certification of the Environmental Management Systems - EMS 14001.
- Re-Certification and transition from OHSAS 18001:2007 to ISO 45001:2018.
- Revising all relevant HR policies and procedures to ensure consistency with the updated requirements of the Public Authority for Manpower related to COVID-19.
- Introducing a consolidated "Office Re-entry Plan" and "Work Resumption Plan" in order to increase awareness amongst employees to combat COVID-19 and safeguard employee health and safety.
- Distributing awareness posters and ensuring accessibility of hand sanitizers, face masks, and other safety equipment as applicable across the Company.
- Completing more than 19 technical and management training programs across departments.

In this annual COP report, UPAC presents an overview of its commitment to the ten principles set out in the UN Global Compact. This report is compiled to present the Company's achievements to date in line with its business strategy, work culture and daily operations. UPAC continues to uphold these principles as well as its obligation to consistently and responsibly report and communicate its annual progress to its stakeholders.

Best Regards,

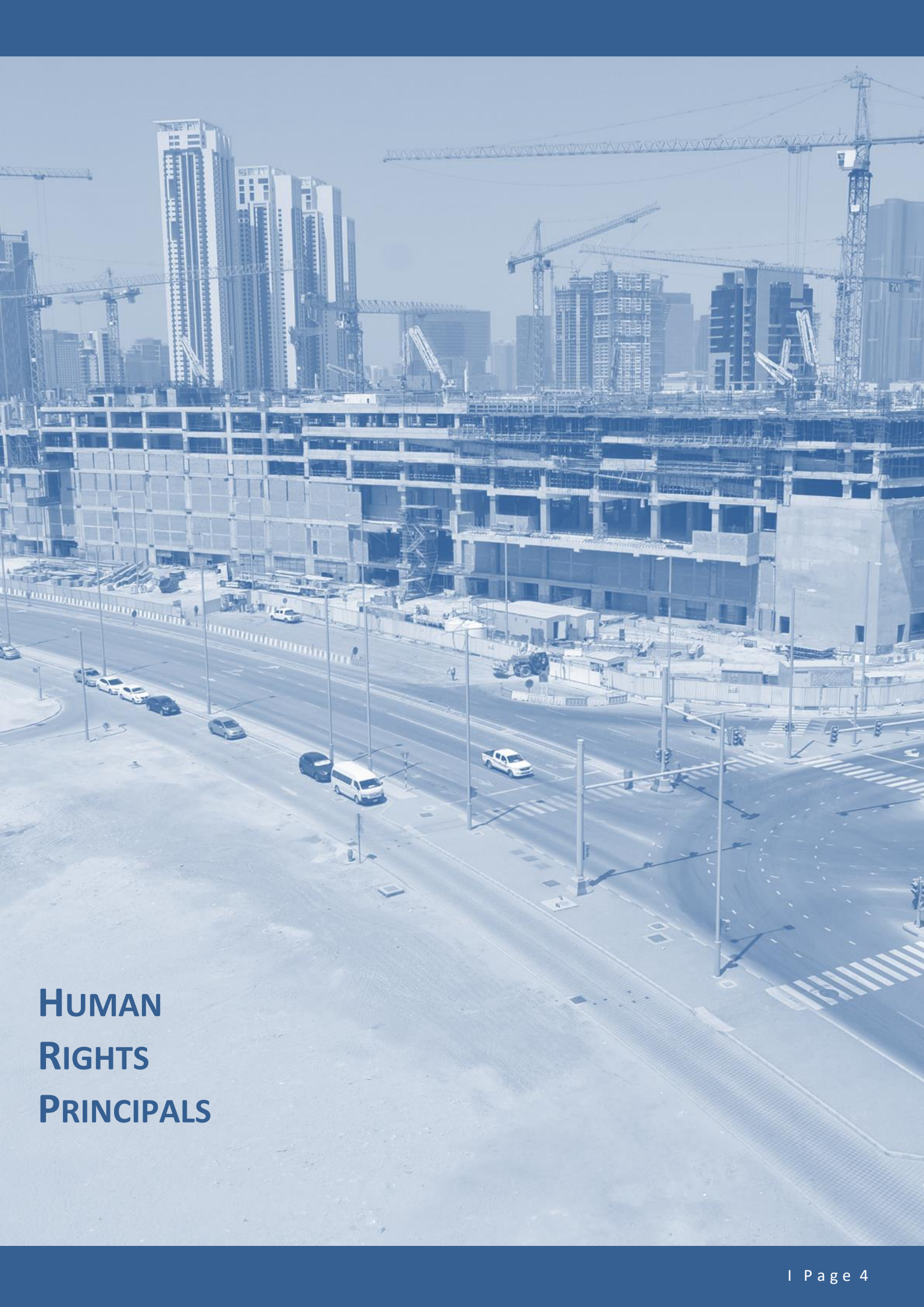
**Nadia Akil**  
CEO and Vice Chairperson



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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 proclaimed human rights and does not engage in any activity related to human rights abuses. UPAC employees are required to participate in compulsory Ethics and Compliance training courses during the first six months of employment. Training is carried out using examples and other real situations that are designed to help with the understanding of model behavior.

Participants must complete an online test to ensure an understanding of the good business practice. The system allows the participant to listen to a live conversation or read a situation script.

In 2020, UPAC 's management implemented a new set of training courses in addition to the basic training provided upon joining. The following courses are a new set of training courses for employees, both managers and non-managers.

- CYBER-SECURITY: How to Avoid Dangerous Links **(New)**
- Whistleblowing: Raising Concerns **(New)**
- Code of Conduct: Best Practices **(New)**
- Recognizing and Avoiding Bribery **(New)**
- Human Rights **(New)**
- Global Cybersecurity Employee Training **(New)**
- 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

Participation is carried out by e-learning on an individual basis, and employees must pass an online exam to obtain certification. Upon completion of the course, an electronic certificate will be generated for employees and the corporate records will be updated accordingly.

Two employees joined UPAC in 2020 and their training completion ratio for on-line 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 E-forms
- Dress Code
- Job Description
- Grievance and Disciplinary System
- Orientation to the respective Department

### Training and Development

As per the Orientation Training and Development Policy, employees shall receive the required orientation to understand their rights and duties. The orientation process provides the employee with information related to the organization's structure, direct reporting access, whistleblowing channels, as well as a brief on the Grievance and Disciplinary Policy.

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



UPAC is committed to paying salaries by the 25th 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.

As part of our recruitment and employee orientation training, new recruits are provided with the employee handbook that includes an overview of the Company's ethical practices. The employee handbook has been revised during 2019/2020 to include additional information related to the annual leave process and end of service calculation.

During 2020, the Succession Plan and Career Development Policy were updated and approved. The objective of the Succession Plan is to ensure the timely availability of a diverse and experienced pool of employees to meet key job requirements as and when necessary. All members of the management team, as well as direct line supervisors, are responsible for implementing the Career Development Policy.

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

UPAC is committed to continue and contract with only those 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.

Any associated recruitment costs are fully covered by UPAC. UPAC is also committed to recruiting applicants from abroad through the official channels stated by local embassies and as per the Kuwait Labour Law.

Employment contracts clearly define employees' entitlements, including salary, benefits, annual leave, vacation, and indemnity. The annual incentives are linked to the performance assessment review and are part of the UPAC remuneration packages for all its employees. UPAC carefully screens all employees before employment to ensure the recruitment of applicants over the age of 18.

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

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

Since the start of the COVID-19 crises, UPAC took all the necessary actions to ensure the continuity of its business with minimal disruption. COVID-19 has shown its devastating impact across the globe, quite literally forcing the world into quarantine and impacting industries, corporates, and governments worldwide. The COVID-19 pandemic affected the pattern of our daily life and routine where all employees were asked to work remotely from home.

Employees were provided with some tools to be able to work from home without affecting the safety of employees such as:

- Secured network to access UPAC's systems
- Transfora mobile application to process requests online
- Corporate virtual meeting tools and applications
- Mobile Internet connection
- Flexible working hours
- Moving some office equipment to homes temporarily
- Laptops for some employees
- Hotlines to respond to emergencies

UPAC continued running its critical operations as necessary in Kuwait International Airport mainly which is one of the critical sites in Kuwait. Employees working onsite have been provided with 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 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.

UPAC follows a zero-tolerance policy with regards to a breach of conduct; hence employees must attend the Code of Business Ethics E-Learning training and are required to pass the course to ensure compliance. The mandatory Code of Business Ethics E-Learning training course is assigned to raise awareness of the Equal Employment Opportunity and prevention of harassment.

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 status protected by legislation or regulations. UPAC does not tolerate discrimination, harassment, inhumane treatment, including forced labor or physical punishment. UPAC promotes equality in the workplace and aims to eliminate all forms of discrimination.

By the end of 2020, UPAC's team consists of 86 employees, two out of its eight senior executives are females; this reflects the value the Company places on their experience and knowledge. UPAC supports women in the workplace and takes the necessary measures to understand their needs while seeking to actively support their career paths by promoting a healthy work-life balance.

## Revision of Policies and Procedures

The Human Resources policies have been signed off in 2015 and have since been reviewed, updated, and enhanced every two years. The last review has been approved in 2019. UPAC revised the Human Resources Policies and Procedures, including the Equal Employment Opportunity Policy to ensure compliance with the regulations issued by the Capital Markets Authority (CMA) in relation to the overall Corporate Governance Framework.

Following the same pattern, UPAC signed off the Finance Department Policies and Procedures during 2019. The policies address the necessary relevant International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAPs) to ensure alignment of both local and international laws and to ensure stronger financial controls.

- 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

During 2020, the Operations Department signed off new procedures that control the supporting activities at Kuwait International Airport. The new procedures include:

## COVID-19 Infection Prevention and Control

During this year, the cleaning and disinfection protocols and procedures have been updated to respond to the emerging situation of COVID-19. UPAC has developed a specific policy "**Infection Prevention and Control Guidelines COVID-19**" to control the cleaning and disinfection activities at all premises and projects that UPAC is responsible for.

Employees were asked to follow the "Office Re-entry Plan" (ORP) framework that includes new policies and procedures that have been put in place to mitigate the spread of coronavirus and ensure a safe return to work for all employees after the lockdown period.



The plan included the measures taken prior to the duty resumption, preventive measures applied, and official sources of information & contacts.

Additionally, UPAC has developed a “Work Resumption Plan” that provides employees with a manual that summarizes the newly set guidelines which are designed to safeguard both employees and visitors who visit the UPAC premises to ensure a healthy and safe workspace.

The plan included details related to infection control, disinfection procedures, meetings set up, recommendations on how to use common areas at the workplace, handling external mail, parcels and other deliveries, transportation, and travels. The plan has been considered in both Arabic and English languages to increase awareness among employees. Graphical posters and related instructions in both languages Arabic and English were posted in all public places to ensure the spread of awareness and increase of knowledge.

UPAC management encourages employees to be transparent and inform the HR Department of any symptoms of COVID-19 illness to safeguard other employees. COVID-19 sick leaves are fully paid. Employees returning from abroad are paid for the quarantine period of 14 days from the day of return.

UPAC CEO was keen to keep all employees informed with the latest updates on the COVID-19 pandemic on weekly basis, and how this could be reflected in our operation, business continuity and financials.

### Tenants Manual

The Tenants Manual aims to define the Tenant and landlord (UPAC) obligations and rights. The document is detailed enough to include all aspects of maintenance and preventive maintenance liabilities on both parties.

### Cleaning Activity Procedure

The Cleaning Activity Procedure aims to state the approved policy and procedure to control the cleaning activities within Kuwait International Airport. It defines the expected level and quality of the deliverables, in addition to the level of performance of the cleaning employees. The document similarly states the human rights laws and regulations that should be followed.

### UPAC Recognize the employees' efforts during COVID-19 Pandemic

UPAC honored all the employees, both at Kuwait International Airport and at the Discovery Mall, who worked very hard during the COVID-19 pandemic and had the greatest effect to overcome this situation to maintain the sustainability of the business. UPAC operations did not stop during the full and partial lockdown period stated by the government.



UPAC CEO presented gifts for employees who worked during the lockdown period along with a plaque of appreciation in recognition of their commitment, contributions and dedication towards the Company over the years. During the ceremony, several employees graciously shared some of their most memorable moments over the crises and how they passed it.



## Collective bargaining

UPAC employees are free to participate in the political process in their private capacity, provided that it does not violate the principles set out in the Code of Business Ethics and Conduct.

There is no common practice of collective bargaining in the State of Kuwait, additionally, private sector labor laws limit employee's scope for collective bargaining; however, anti-union discrimination and employer interference with union functions is prohibited under the laws.

Following the approved Corporate Governance Framework and HR policies, employees are provided with different channels for expressing views, providing feedback, and raising concerns. We expand the channels for employees to address their concerns to the management in a formal structure.

UPAC encourages an open, equitable, and transparent working environment and thus offers the following contact platforms to enable employees to communicate their grievances in an efficient way and in total confidentiality:

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

UPAC strives to meet the highest standards of business conduct and ethics both internally within the organization and externally with respect to its customers, suppliers and other related third parties. Having said that, it is crucial that all employees abide by these ethical standards and comply with these regulations when conducting business.

UPAC undertakes to conduct its business fairly and in full compliance with all applicable laws and regulations.

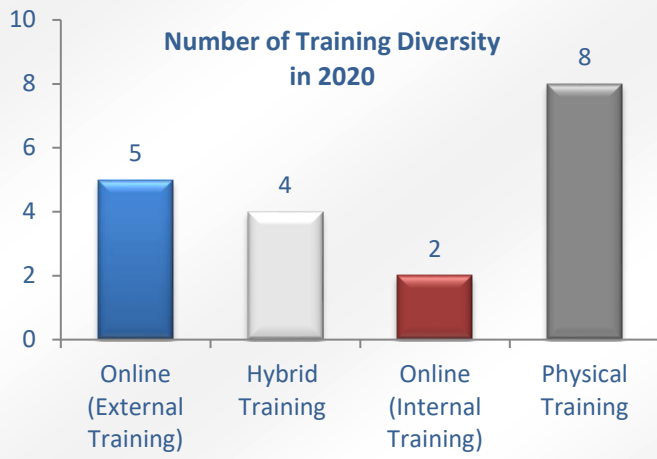
## Training and Development

In 2020, over USD 10,000 was invested in training and development programs by UPAC. The investment was coordinated with international bodies to ensure that quality-assured services are provided. This investment has helped to improve knowledge and skills for employees at all levels of the Company.

During the COVID-19 pandemic, UPAC applied a hybrid training model that enables a combination of physical training and online training. As a consequence of the COVID-19 pandemic, employees must consider social distance while maintaining business continuity. The training process has shifted to consider the delivery of technical training in small groups of less than 4 employees and to consider theoretical online training for larger groups.

A structured, e-learning and on-job training are an ongoing process at UPAC, and in 2020 the Company provided the below intensive training programs covering the following topics:

Training Description	# of Participants
Low Tension Panels troubleshooting (Low Voltage)	16
Types of pollution, causes, effects and our social responsibilities	9
Practical Training on the Merging Belt Conveyor System using 90 ° and 45 °.	4
COVID-19: Defeating the Crisis and Evolving as a Leader	79
Chemical treatment of Water	7
SKIDATA - LPR Camera Calibration	4
Fire Alarm Panel Troubleshooting.	8
ISO 45001 Awareness training	76
Electrical Safety Procedures in UPAC Premises (OHSMS)	7
Cloud and Virtualization Technologies	2
Mobile Application and Website Administration	2
The Basics of Network Cabling	15
International Financial Reporting Standards "IFRS" - Online	1
Financial Reporting Integrity	1
Managing Business in Challenging Times	1
Developing Effective Teams	1
IFRS Updates (Online Training Course)	1
People Analytics: HR Transformation through Data	1
Occupational Health and Safety 45001:2018 Transition Stage	8



### Percentage of Training Across the Structure in 2020







# 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 pledged to continue working with different environmental-friendly organizations and to enhance sustainable activities to promote environmental engagement and support. UPAC aims to reduce environmental impact and increase efforts to promote various environmental and social sustainability as a responsible Company based in Kuwait.

The environmental expansion was part of UPAC's Abu Dhabi – Reem Mall project. The Abu Dhabi Urban Planning Council (UPC) awarded Estidama 2 Pearl Design Rating to Reem Mall.

Estidama is a major urban development initiative developed and promoted by the UPC. It strives to encourage sensible and responsible development by establishing a balanced society based on four equal pillars of sustainability: environmental, economic, social, and cultural.



From the start, Reem Mall surpassed the obligatory minimum sustainable design. Highly insulating and high-performance materials, together with highly efficient air conditioning and lighting systems have been studied and designed carefully for the walls, roof and glazing.

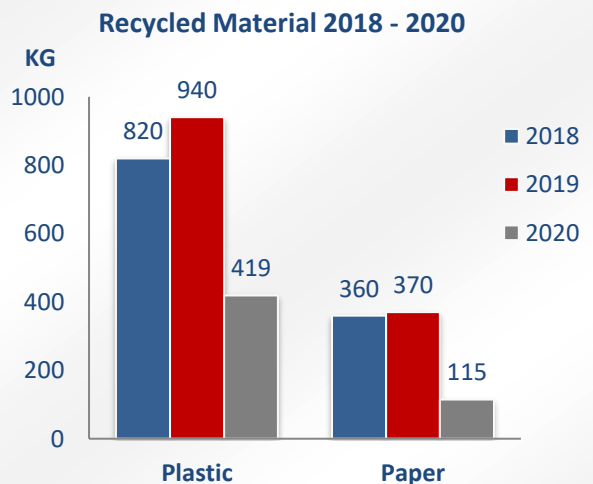
Another important consideration was water consumption at Reem Mall. Efficient irrigation systems and equipment have been integrated in the design in order to reduce the consumption of potable water in the building. Solid sustainability measures have also been applied since 2016 in the building phase. At least 70% of wasted water onsite is recycled and 20% of material is obtained from sources within 500 kilometers from the project site, reducing travel distance and associated air pollution.

Reem Mall has adopted the Equator Principles. This is a financial industry benchmark for determining, assessing and managing environmental and social risks in Projects. All Reem Mall stakeholders from AFPD down to subcontractors are in compliance with these and they are included in all forms of Contract. These contribute to deliver the objectives and outcomes of the United Nations Sustainable Development Goals.

Since the introduction of the 'Go-Green' initiative in 2014, UPAC continues to support and improve the program on a regular basis. In 2020, UPAC renewed its contract with United Waste Management Company for the recycling of all types of paper.

UPAC has partnered with Omniya Plastic Recycling since 2016 to collect all forms of plastic waste for plastic recycling. Both companies are committed to weekly recycling schedules to

As a result of the COVID-19 pandemic, we asked UPAC employees to work remotely from home, and we put in place internal procedures to consider online payment and other digital methods to reduce possible physical contact. This resulted in a significant reduction in the amount of recycled material. The diagram below shows the total recycled material from 2018 to 2020. (As of 1 November 2020)





During the COVID-19 pandemic, UPAC extended its scope for environmental awareness, to include all its employees. The HR Department considered circulating internal communication in both Arabic and English languages to increase awareness of practices that could affect the health and safety of employees and how to protect themselves and others from infections while disposing of used masks and gloves and placed separate biohazard bins.

**Tip of the Day: Precautions When Going Out**  
**نصيحة اليوم: احتياطات يجب إتباعها عند الخروج من المنزل**

**UPAC**  
 شركة المشاريع المتحدة  
 للخدمات العامة - الإمارات العربية المتحدة

**Precautions to follow when leaving your home**  
**الاحتياطات الواجب إتباعها عند مغادرة منزلك**

**While outside your home:**  
**أثناء تواجدك خارج المنزل:**

			
Wash hands with soap and water prior to leaving and use sanitizers frequently while out اغسل يديك بالصابون والماء قبل المغادرة واستخدام المطهرات بشكل متكرر أثناء تواجدك في الخارج	Keep adequate social distancing حافظ على مسافة اجتماعية كافية	Refrain from touching face, nose and eyes امتنع عن لمس وجوهك وأفكار وعينيك	Wear gloves and mask all the time ارتدي القفازات وكنام الوجه طوال الوقت

**Once back home:**  
**عند عودتك إلى المنزل:**

			
Wash your hands with soap and water and / or take a shower اغسل اليدين بالصابون والماء أو ارتد	Wash clothes and / or disinfect exposed personal belongings اغسل الملابس و/ أو قم بتعقيم الممتلكات الشخصية المكشوفة	Follow instructions set by health authorities اتبع تعليمات السلطات الصحية	Dispose of used gloves and mask immediately تخلص من القفازات وكنام الوجه على الفور

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:

- Update 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.
- Awareness posters that include instructions in both languages Arabic and English.
- Shared links of various government e-services with employees

UPAC conducts continuous training programs to ensure adequate protection to help prevent any hazardous incidents. All employees are provided with the appropriate Personal Protective Equipment (PPE) such as overalls, gloves, eyeglasses, hearing protection, reflective vests, and safety shoes to ensure that anyone coming into contact with hazardous materials is protected.

In line with our commitment to promote industry-leading health and safety standards, Al Farwaniya Property Developments, the developer behind Abu Dhabi's Reem Mall (one of UPAC projects), launched a unique awards program for its staff and contractors “Health and Safety Awards”.

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



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. UPAC organized a tree planting activity at Al Andalus public gardens in celebration of Earth Day 2020 in collaboration with Green Hands Environmental Team, a local non-profit organization.



UPAC hosted the Earth Day activities for the fifth consecutive year. 33 volunteers from UPAC, along with their families, and a number of other volunteers took part in planting nearly 350 plants with the aim of increasing the number of trees planted and beautifying the area.



Before the event kicked off, the temperatures of all volunteers, adults and children, were measured and the necessary instructions were provided regarding proper hygiene, sterilization, security and safety, in addition to a short presentation for children on how to cultivate and the importance of preserving the environment.



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 the cleaning company to conduct Disinfection Procedures twice a week at all premises in UPAC.

As a responsible Company operating in Kuwait, UPAC aims at reducing its environmental impact and increasing its efforts in promoting various CSR initiatives.

UPAC partnered with Ajyal Nursery through the sponsorship of “Healthy Meals” program that took place in Discovery Mall.



The objective of the program was to increase awareness of following a healthy lifestyle. The program encouraged the children and their parents to walk and practice sports to reduce their weight and improve their lifestyle. UPAC has pledged to continue working with various environmentally friendly organizations to further its commitment and support towards the environment.

On the other hand, UPAC believes that encouraging a healthy lifestyle and improving employees' diet has a significant impact on their physical and mental well-being.

Promoting a healthy lifestyle has a huge influence on the productivity and efficiency of a person's personal and professional life. That being said, UPAC asked HealthyBar Kuwait to establish an “Employee Wellness Program” that aims to help employees and their families maintain a healthy lifestyle and have a balanced diet.

The program is based on calorie intake per day and it is designed to consider the preferences of participants and their targeted weight. The programs encourage fitness based on a combination of diet and sport under the supervision of a dietitian and medical observation.

The programs included diets for slimming, fitness, weight gain, body-building and vegan. The program has been provided at discounted prices for the employees and their families to encourage maintaining a healthy lifestyle especially during the lockdown periods and working from home for parents and children.

## HealthyBar

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, the contracts approval, the issuance of visas, procurements, supplier evaluations and the approval of IT license fees.



The system helped to improve productivity, efficiency, and to reduce paper printing for environmental sustainability. In 2020, we continued to use the same system to conduct the end of the year and mid-year performance review. A new process has been applied internally to arrange for delivery and pickup services to reduce gas emissions and air pollution.

UPAC is committed to protecting the environment and considering any steps that might be taken to enforce the concept of a green environment. This has been demonstrated by encouraging employees to include a "go green" footnote in UPAC emails.







# 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'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.

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.

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.

UPAC's induction program for new recruits educates employees on the importance of corporate ethics, values, and business conduct. New employees are given a copy of the Code of Business Ethics and Conduct upon their employment 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, the board members participated in some personalized e-learning sessions organized by SAI Global Company and in compliance with the Corporate Governance Framework.

- FCPA Anti-Bribery
- Global Cybersecurity
- Refresher: Code of Conduct: Best Practices

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
FCPA Anti-Bribery	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 designed to educate the participant on types of scam targeting companies. This training helps in protecting the organization from compromised accounts and help the users to learn how and why attackers compromise accounts along with best practices to avoid scams.
Refresher: Code of Conduct: Best Practices	This course is designed to provide the recipient with the fundamentals of acceptable business practices. It outlines the principles of driving business in an ethical way 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 apply the approved Tendering Procedure, which is strictly followed in all UPAC projects. The tendering procedure sets out clear requirements for the pre-qualification and selection of tender winners to meet those criteria. The call for an enveloping meeting to envelop tenders submitted by subcontractors (including the Reem Mall Project in Abu Dhabi) imposed tight control to prevent corruption.

### Equator Principles

The construction contract for Reem Mall has direct reference to the Equator Principles and these are monitored monthly via Audits, Workshops, and regular Site audits. The Contractor has signed this document and has fully agreed to undertake to abide by such principles.



AFPD has also ensured that all Subcontract Works have a back to back Clause transferring this obligation on to all Sub-contractors and Sub-consultants. The Contractor provides written statements every month advising of its continual compliance with these requirements such as payment of staff and labour, retention of passports, payment of employment fees etc.



As well as these statements, spot checks are carried out at irregular, non-specific times, on labor attending the Project. The Project also has anonymous comments boxes to enable people to air their views without any threat of reprisal.

## International Accreditation

### Integrated Management System



In September 2020, 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.

UPAC passed the audit transition requirements to move from OHSAS 18001:2007 (Occupational Health and Safety Management System) to ISO 45001:2018 for the same domain. 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 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 provides assurance on 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 2020, 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 2019 is available on this [link](#).

### Board of Directors Meetings

The BOD held a total of six meetings during the course of 2020. 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
2018	7
2019	6
2020	5

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 2020:

Board Risk and Audit Committee (BRAC)	
Year	Number of Meetings
2018	4
2019	4
2020	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 2020:

Board Nomination and Remuneration Committee (BNRC)	
Year	Number of Meetings
2018	2
2019	1
2020	1



**CORPORATE SOCIAL  
RESPONSIBILITY**



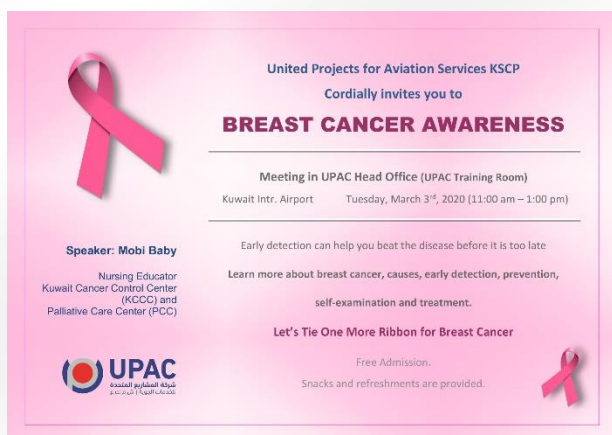
## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.

### Breast Cancer Awareness Campaign.

3<sup>rd</sup> March 2020 and 15<sup>th</sup> October 2020

UPAC organized a public awareness session for employees and visitors of Kuwait International Airport to spread the awareness among the general population of breast cancer under the campaign name “Let’s Tie One More Ribbon for Breast Cancer”



United Projects for Aviation Services KSCP  
Cordially invites you to  
**BREAST CANCER AWARENESS**

Meeting in UPAC Head Office (UPAC Training Room)  
Kuwait Intr. Airport Tuesday, March 3<sup>rd</sup>, 2020 (11:00 am – 1:00 pm)

**Speaker: Mubi Baby**  
Nursing Educator  
Kuwait Cancer Control Center (KCCC) and  
Palliative Care Center (PCC)

Early detection can help you beat the disease before it is too late  
Learn more about breast cancer, causes, early detection, prevention, self-examination and treatment.

**Let's Tie One More Ribbon for Breast Cancer**

Free Admission.  
Snacks and refreshments are provided.

The campaign aims to increase awareness of the causes and risk factors of breast cancer, self-examination, clinical manifestations, early detection, stage of breast cancer, preventive methods, and treatments. During the session, both male and female participants were provided with educational brochures and were given time to ask questions. In October 2020, UPAC employees were offered preferential rates for early screening visits to private hospitals.



## UPAC Plants Trees for Earth Day 2020

7<sup>th</sup> March 2020

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



UPAC organized a tree planting activity at Al Andalus public gardens in celebration of Earth Day 2020 in collaboration with Green Hands Environmental Team, a local non-profit organization.

33 volunteers from UPAC, along with their families, and a number of other volunteers took part in planting nearly 350 plants in Al Andalus public gardens with the aim of increasing the number of trees planted and beautifying the area.



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.



## Donation to KRCS's "Aid for Eastern Africa" Campaign

12<sup>th</sup> February 2020

UPAC believes that social responsibility is a vital part of any organization and within the community in which it operates. UPAC has supported the Kuwait Red Crescent Society (KRCS) in its campaign "Aid for Eastern Africa." The campaign aimed to raise funds to support the Eastern Africa countries in need of financial support in order to secure basic necessities such as food, water, and healthcare.



Recognizing that millions of children and their families in East Africa are left extremely vulnerable due to climate-related disasters, and more than nine million citizens displaced to other areas as a result of internal conflict in Ethiopia, Somalia, Tanzania, and Djibouti, facing threats such as hunger, disease, and exposure to violence and abuse.

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 KRCS supporting various campaigns to help those in need. Most recently, the Company donated funds to the "Donate to Education" campaign, which aims to support less fortunate students by providing them with the opportunity to gain access to a basic level of education.

## Donations to Lebanon Relief Effort

6<sup>th</sup> August 2020

Disaster, disease and conflict can strike at any moment. On August 4, a massive explosion tore through Beirut, killing hundreds of people, injuring more than 5,000 and leaving more than 300,000 homeless.

UPAC joined forces with Agility who teamed up with International Medical Corps providing urgent supplies and staff to area hospitals and deploying mobile medical units to the affected communities.



International Medical Corps is on the frontlines, delivering lifesaving health care and training, wherever and whenever we are needed. The mobile medical teams had been deployed to support local health clinics after a natural disaster, as well as preventing disease outbreaks and providing malnutrition treatments to vulnerable communities.



Please watch this [video](#) to understand the full impact of our contribution.



## UPAC Organized Fun Day for Kuwait's Orphanage

19<sup>th</sup> February 2020

UPAC organized a Fun Day for Kuwait's Orphanage at Discovery Center. The event took place on 19<sup>th</sup> February 2020 to take part in the National Day celebration activities in Kuwait. The event was carried out in coordination with the Public Authority for Minors Affairs, who currently manage all affairs related to orphanage minors across Kuwait.



UPAC places great importance on social responsibility and its overall role in increasing social awareness and participating in the wider community.

The events catered more to 100 children between the ages of 4 – 12 all of whom were given the opportunity to enjoy several activities across the center's entertainment outlets in addition to the national day celebration program.



Accompanying the children were 5 UPAC volunteers who spent the day alongside the children and guided them throughout the various fun activities.



## UPAC Organized Fun Days in Discovery Center

20 – 23 February 2020

UPAC organized various entertainment and fun days for children at Discovery Center. The days marked Liberation and National days' celebrations.



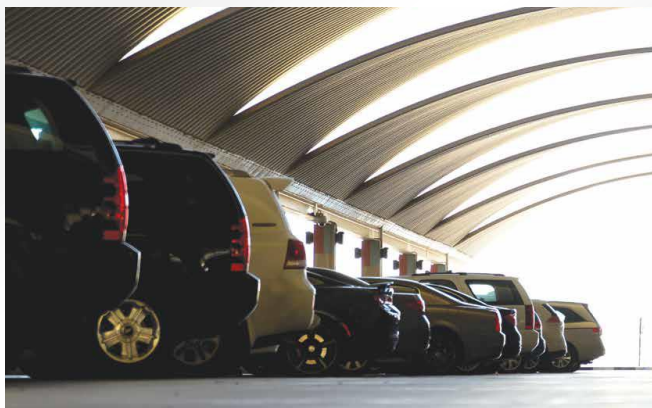
The fun days between 20 – 23 February were coordinated with Gravity Solutions, where more than 500 children enjoyed several fun activities across the center. UPAC employees volunteered to entertain the children and provide the required assistance during the days.



## UPAC Supports Repatriation Efforts during COVID-19 Pandemic

26<sup>th</sup> April 2020

In support of the Directorate General of Civil Aviation's (DGCA) repatriation efforts for citizens returning to Kuwait, UPAC announced that it has offered complimentary parking services at its facilities at Kuwait International Airport's Terminal 1 (T1) and Terminal 4 (T4) for the families and relatives of those passengers returning home.



Parking fees were waived for those persons and government officials involved in the repatriation efforts, which commenced on 19 April, and will continue for a set timeframe as per the official schedule and as coordinated with the DGCA.

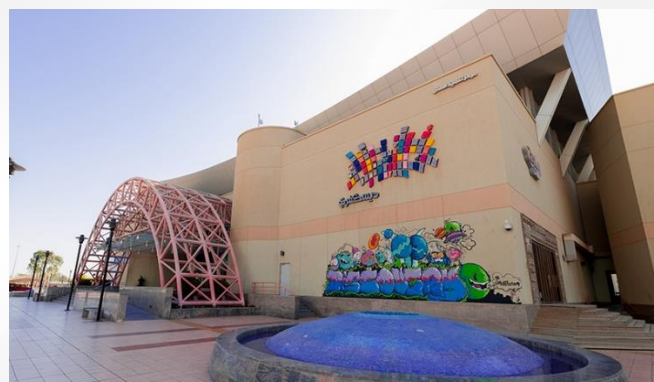
UPAC is proud to be able to support the DGCA and serve our country during these unprecedented times. UPAC is always working closely with the DGCA and the Incheon International Airport Corporation to coordinate a smooth and efficient process for returning passengers, as well as to support staff from the Ministry of Interior Ministry of Health, and others, in any way.

## UPAC Supports its Discovery Mall Tenants during COVID-19 Pandemic

2<sup>nd</sup> May 2020

UPAC announced that it has waived four months' rent for all its tenants at Discovery Mall, in consideration of the current circumstances brought on by the COVID-19 pandemic and its economic effects felt by most sectors including small businesses.

This initiative aims to provide support to affected small and medium-sized Kuwaiti businesses whose owners are facing various challenges in light of the crisis.



During unprecedented times, many smaller businesses experienced a number of economic hardships and were in need of assistance and we believe it's important to find a middle ground to ensure business sustainability in the long term. UPAC has a long-standing relationship with its tenants at Discovery Mall and our aim was to continue to support them as best as we can during hard times.



## Educational Activities at Discovery Center

18<sup>th</sup> February 2020

UPAC partnered with Ajyal Nursery through the sponsorship of the “Healthy Meals” program that took place in the Discovery Center. As a responsible Company operating in Kuwait, UPAC aims at reducing its environmental impact and increasing its efforts in promoting various initiatives to encourage a healthy lifestyle.



The goal of the initiative was to raise awareness of a healthier lifestyle. The initiative encouraged children and their parents to exercise and practice sports in order to decrease their weight and change their lifestyles. UPAC has vowed to continue partnering with numerous environmentally sustainable organizations to further its contribution and support to the community.



## REEM Mall Campaign “Go PINK FOR A CAUSE”.

October 2020

In honor of Breast Cancer Awareness Month, Al Farwaniya Property Developments (a partnership between Agility, UPAC, and National Real Estate Company), has launched a breast cancer awareness campaign, aiming to spread knowledge on combatting the disease among its employees and the local communities in which it operates.

Al-Farwaniya campaign included various activities highlighting the importance of adopting a healthy lifestyle and on methods of prevention and early detection of breast cancer.



The team of Al Farwaniya Development has been invited to show their support and build awareness by joining “Go PINK FOR A CAUSE”.

They decorated the office with pink balloons, the team wore their favorite shade of pink, pink masks and cupcakes were distributed, and nice photos from the day posted on Reem Mall social media pages to support spreading the awareness and the strong fighters of this disease.



## 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 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 2020 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)