



**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE
REPORT 2020**

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WE SUPPORT **SUSTAINABLE** LIFESTYLES IN AN URBAN WONDER

Embedded in the United Arab Emirates' DNA, Union Properties' has contributed towards developing and servicing integrated communities across Dubai for over three decades. Union continues to improve its customers' quality of life by providing quality living and an unmatched breadth and depth of services, experiences, and know-how cultivated locally to meet international best practice. A portfolio of iconic developments to stand witness to its history and a diversified portfolio of subsidiaries that position it as a leading market player, Union's reach extends across key economic segments in the UAE's real estate sector, aligning its future with the country's admirable vision.

KEY HIGHLIGHTS

Throughout 2020, Union and its subsidiaries reiterated their commitment towards the communities they operate within through leading and participating in several initiatives including Blood Drives, Breast Cancer Awareness Campaigns, Sanitization and Fumigation Drives and a series of Learning & Development Workshops across its subsidiaries.



+1 MN SQM.

Sanitized & Fumigated Area



+6,500 HOURS

Learning & Development



+2 CAMPAIGNS

Blood Drives & Breast Cancer Awareness

The Group aims to play an active role in society and plans on creating a sustainable CSR program through 2021 centered around our people and the environment.

Key initiatives taken during 2020 include:

- Led a community-wide sanitization and fumigation drive across Motor City during the COVID-19 pandemic
- Conducting several training sessions and workshops i.e. communication skills, housekeeping skills, leadership & presentation skills
- Participating in a blood drive organized on a periodically basis in coordination with DHA and Latifa Hospital during February and July 2020.
- Organizing a Breast Awareness Campaign in collaboration with Prime Medical for group employees.



OBJECTIVES

1.	2.
Develop unrivalled state of the art Integrated Communities across Dubai	Be the leading local real estate group in the Emirates, in breadth & depth of offering
3.	4.
Offer best-in-class services and experiences across managed communities	Attract & retain top talent

DRIVERS

<p>SCALED AND POSITIONED FOR GROWTH</p> <p>Prime LandBank paves the path towards growth</p> 	<p>LEVERAGE SUBSIDIARY PORTFOLIO</p> <p>A unique position to improve customer offering and enhance group's financial performance</p> 	<p>SUSTAINABLE PRACTICES</p> <p>Innovation and Sustainability at the heart of our corporate strategy</p> 	<p>OUR PEOPLE</p> <p>Provide the best career & training opportunities for staff in the sector</p> 
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RETURNS

1.	2.	3.	4.
Increase Return on Assets (ROA) and Return on Capital Employed (ROCE)	Strengthen Liquidity Ratio and Optimize Debt-Assets Ratio	Increase Return on Equity (ROE) and Earnings Per Share (EPS) and Declare Dividends	Improve Cost Efficiency Ratio (CER)



As concepts and frameworks of Corporate Governance and Corporate Social Responsibility evolved over the years, organizations and institutions gradually developed a broad spectrum of definitions for what is recognized today as ESG. While the term and its framework are relatively new to some, ESG has been a fundamental component and driver of corporate strategy at Union for years.

Rapid changes in the global environment have been the primary calling for organizations to adopt and adapt to ESG practices. As stakeholders' expectations are set to higher standards and both, responsibility and accountability, become essential blocks of all initiatives, organizations are expected to adhere and abide in order to succeed. At Union, we believe it is those blocks that drive the creation of value are those that sustain it. Going forward, we intend to

incorporate these foundations at the root of our corporate strategies by ensuring Environmental, Social, and Governance factors deeply embedded in our business.

This is our first update on ESG, and it aims to present our roadmap, articulating the issues important to us and the role we play in addressing them as part of our duty towards the wider community. While this is our first dedicated segment to the topic, throughout history we have always operated our business with sustainability at the heart of what we do, aiming always to create value for our stakeholders.

Our goal from these updates is to provide an honest summary of our progress, a transparent view of the areas we need to develop, and most importantly a framework of accountability to ensure ESG is forever engrained in our business.

STAKEHOLDERS

Over the years, Union has dedicated itself to the creation of value to all its stakeholders including customers, communities, employees, regulators, shareholders and the environment it operates within. A deep understanding of the various stakeholder types it catered to and their objectives meant Union was always prepared to evolve and remain aligned to the various stakeholder expectations.

An ambition turned reality, 'Creating Value' is at the heart of what we do and an integral part of our history. Our stakeholders agree, the foundations on which value is built upon matter and that responsibility is an essential building block. 'The Future Demands Action Today' and 'how' we continue to create value today will shape our shared tomorrow – therefore ESG is critical to us.



OUR JOURNEY

Union's adoption of best practices in the development of its corporate governance aims to ensure the protection of stakeholder rights. The Group's governance framework is in continuous development, adopting the rules and regulations set by the Dubai Financial Market and the Securities and Commodities Authority.

Throughout 2020, Union aimed to increase its engagement with stakeholders while strengthening its internal controls and the policies centered around them aiming to strengthen risk management framework. Union's Board continues to disclose major events and substantial decisions, cementing transparency at the heart of all communications and engagements. Supporting diversity across its Board and Executive Management, Union focuses on attracting local and international talent across a wide spectrum of industry experience whilst also focusing on important issues like gender equality

During 2021, we will aim to communicate our ESG commitments, defining a clear roadmap and the group's targets as well as establish and update policies in accordance with UAE's vision for the next 50. During this phase, the group shall focus on launching towards Dubai's Tourism Vision 2025 from Dubai's 2020 Expo.

Dubai's Urban Master Plan Vision 2040



In 2020, we initiated a group wide ESG internal audit, setting sustainable reporting standards to establish a baseline for ESG metrics. We have narrowed down key issues impacting our industries and begun by defining overall objectives and soft targets and the respective KPIs.

Abu Dhabi Economic & Environmental Vision 2030

THE JOURNEY TO 2040

The Group's strategic positioning and competitive strengths guarantee its role as both, a contributor and beneficiary, in the emirates' Vision 2040 program. As the emirate's next 50 years are planned, six key pillars including community, education and human capital, economy, infrastructure and environmental sustainability, safety and security, justice and future government are addressed over phases, Dubai's Vision 2040, Urban Master Plan, focuses on enhancing people's happiness and quality of life by paving the road to enhanced infrastructure, integrated smart cities and environmental sustainability, the perfect combination of both, growth and sustainability. Union's journey to 2040 will witness key events and milestones set forth by the United Arab Emirates' visionary leadership, guiding the group and its stakeholders towards a sustainable future.

EXPO 2020 DUBAI

As we leap into the next decade, Dubai will hold its first international expo event, Expo 2020 Dubai, with the aim to bring people together offering a sense of inclusion to all participants. The Expo 2020 serves as an opportunity to visit ESG on multiple fronts including environmental through the

Sustainability District and social through the Opportunity District, capitalizing on international best practices and innovation. A contributor to the Expo event, Union has a golden opportunity to showcase its participating subsidiaries, gaining experience and momentum within the realm of sustainability.

UAE VISION 2021

Achieving congruence with the United Arab Emirates' vision is imperative for Union Properties' success. During 2021, Union plans on revisiting and redrafting its corporate policies and corporate strategies aiming to align itself with the UAE's sustainability agenda or National Agenda 2021. Focusing on improving the quality of air, preserving water resources, increasing the contribution of clean energy and implementing green growth plans, the National Agenda also highlights the importance of infrastructure and integration of smart services.

DUBAI'S TOURISM VISION 2025

Fueled by tourism, Dubai acknowledges the importance of tourists as major drivers of businesses in the emirate. Attracting tourists to a splendid urban wonder, talent to a unique business hub, and businesses to a thriving

economy, Dubai aims to attract more than 23 million visitors a year by 2025. In accordance with this ambitious goal, the emirate has invested its resources in securing global and regional mega events, preparing to host a variety of events including Expo 2020, Geospatial Week 2021, and AIPPI World Intellectual Property Congress 2025 among others. A key player leading economic recovery post the pandemic, Dubai continues to provide unwavering support to local businesses particularly within the hospitality and entertainment sectors. As an integrated community developer within the emirate, Union is committed to establishing itself as part of the emirate's sustainable tourism plan.

ABU DHABI'S VISION(S) 2030

As the capital aims to drive positive change, Abu Dhabi has committed towards achieving a set of 8 sustainable agenda items by 2030. In accordance with Union's plans to operate in the capital, the group aims to develop a strategic roadmap that mirrors the emirate's agenda. Focusing on key areas such as the economy, environment, industrial strategy, and 3D printing, Union aims to widen its corporate strategy whilst developing clear sustainability policies and objectives to secure its position and role in the emirate's success story.



The Group is fully committed to supporting and protecting the environment setting Carbon Neutrality as a key target. Operationally, our group remains proactive, revisiting its policies to ensure the reduction of emissions and waste through the adopting the use of renewable energy sources and sustainable raw material as well as integrating sustainable practices including waste management and recycling, energy management (water conservation), and urban forestation.

Technology, mainly through automation and digitalization, drives Union's efforts towards monitoring, implementing, improving, and reporting environmentally friendly practices. Through the availability of and accessibility to data and enhanced workflows and processes Union and its portfolio subsidiaries can address the group's key environmental themes. Built on a deep understanding of key internal environmental metrics and their respective impacts, managing 'Direct Impacts' highlights the group's approach in addressing key environmental themes.

As the global environmental agenda evolves adding complexity and depth to the framework, Union and its portfolio subsidiaries remain committed to integrating management system policies, strengthening environmental compliance policies to mirror regulatory requirements. Recognized international, regional, and local accreditation bodies aim to guide the group's activities, validating performance, acknowledging continuous improvement, and cementing efforts invested, and knowledge gained.

RENEWABLE & ALTERNATIVE ENERGY

An integral component of the environmental framework, energy consumption is a major contributor to greenhouse gas emissions. As technological developments pave the way towards greener alternatives, Union has initiated feasibility studies to validate commercially suitable green energy solutions, considering the integration of solar energy into its

businesses and managed communities such as Dubai Autodrome and Motor City. Other key initiatives under this umbrella include ServeU's decision to switch transportation related energy source to biofuel.

As performance metrics were skewed due to the Covid19- pandemic, the year 2020 does not stand to provide a reliable baseline for the issue, it is worth noting however the group's revision of historical energy consumption. Commercial space accompanied with other technical aspects including PPE quality and PPE maintenance are major contributors to energy consumption thus leading to a group-wide internal audit to visit these points.

SUSTAINABLE MATERIAL & PURCHASING

As an iconic property developer and proud holding company to service providers and product manufacturers, Union Properties understands the need to adopt the use of sustainable building material and environmentally friendly raw material for manufacturing. While design effectively commands a key role in the matter, material sourcing (supply chain logistics) remains a key component of the process.

The group aims to address the following issue through conducting an audit across its managed communities and buildings, assessing the impact of current design materials followed by drafting key policies to govern future design policies while also mapping an initiative to address existing structures. In parallel, manufacturing hubs owned by the group will undergo comprehensive audits aiming to improve material sourcing and selection processes including interaction with key suppliers to enhance procurement criteria standards. Key achievements under the following umbrella include The FitOut's ISO 14001 certification as the company establishes a clear directive towards environmental protection.

WASTE MANAGEMENT & RECYCLING

In efforts to reduce GHG emissions as a

direct result of waste, the group deploys waste management policies and liaises with the relevant local authorities to ensure proper waste disposal. While the primary waste investigated is heavy metals among other construction and raw material used in manufacturing, this policy is directly impacted through the sustainable material policy due to the impact of single-use material on waste volume.

The group aims to address the issue through establishing clear policies directing towards improved waste management practices supported by reliable third-party experts in addition to gradually adopting new policies focusing on swapping single-use products with reusable ones. The group's objective is currently supported by portfolio subsidiaries including ServeU having contributed in the recycling of material with a base turnover of AED10.5K. The Dubai Autodrome also currently employs a third-party waste removal firm assisting with the proper waste removal of automotive related waste and other consumables.

WATER CONSERVATION

In accordance with the Emirates' goals to improve water conservation, Union aims at implementing better water management practices that improve efficiency, reduce water waste, and lower its water footprint. Key steps include measuring water consumption across the group's assets to establish a baseline followed by performing an objective analysis of the results which aims to assist in drafting of policies and recommendations across the group.

URBAN FORESTATION

The group's strategic roadmap towards building smart integrated communities aims to provide a balanced combination of modern urban development coupled with connectivity and smart infrastructure whilst maintaining a green landscape providing a natural countermeasure against GHG. During 2021, the group will consider plans to engage in large scale landscaping across managed communities in the aim to address this key area.

FACILITY MANAGEMENT FIRM **SERVEU** REDUCES ITS **CARBON EMISSION** BY **SWITCHING TO BIOFUEL**

ServeU, a facilities management company and subsidiary of Union Properties, has switched its entire fleet of over 4000 staff transport buses to biofuel in an effort to reduce its carbon footprint.

The firm has switched its entire fleet of over 4,000 staff transport buses to biofuel

The company, which employs more than 5,000 people to manage the facilities of 600 of the UAE's biggest government departments, banks and hotels, has moved from fossil diesel to B20 biofuel, a blend of 100 percent pure biodiesel and regular ultra low Sulphur diesel.

"When we transport our staff to clients across Dubai using fossil diesel, we emit CO2 which contributes to greenhouse gases. This is what we are seeking to address with the switch to B20 biofuel," said Jalal Saleh, Transport Manager at ServeU.



FM firm ServeU reduces its carbon emissions with switch to biofuel

The firm has switched its entire fleet of over 4,000 staff transport ...

FACILITY MANAGEMENT FIRM **SERVEU** REDUCES ITS **CARBON EMISSION** BY **SWITCHING TO BIOFUEL**

Continuing its efforts to reduce carbon footprint for a greener environment around the community, today, ServeU mark the completion of one year of using biofuels from @neutral_fuels

Last year ServeU reduced its carbon emission by 387,152 kilograms of CO2 by choosing Biofuel over fossil fuel.

Which is equivalent to:

- carbon sequestered by 6,402 trees from seedling grown for 10 years
- Taking 84 fossil-fueled car off the road for 1 year
- Switching 14,708 incandescent lamps to LEDs

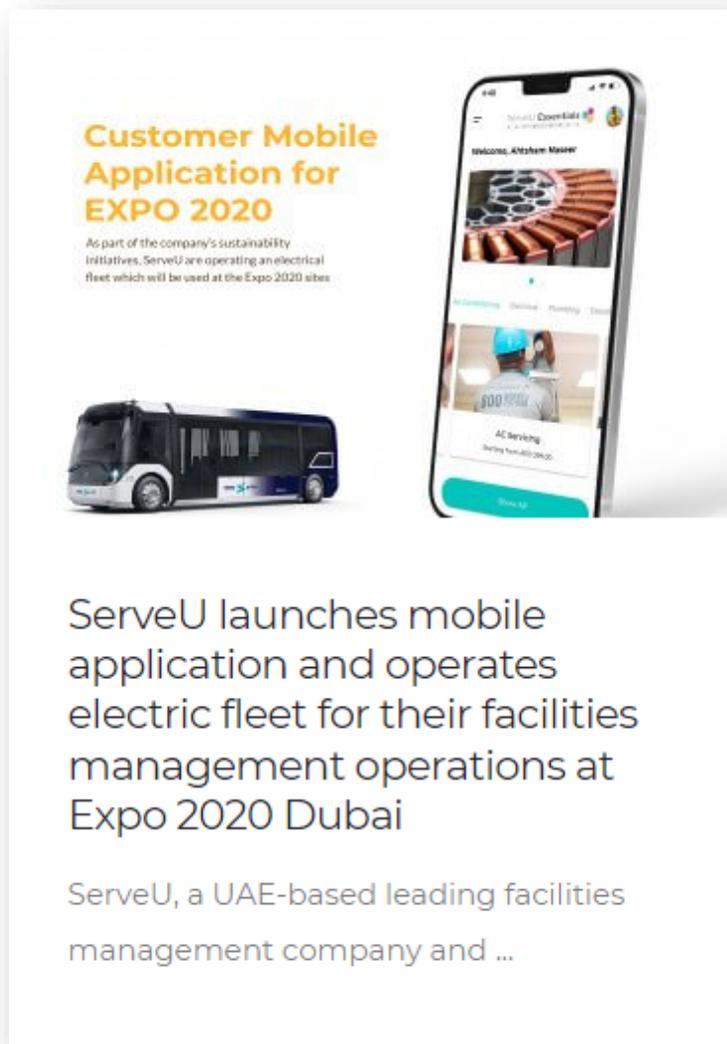


FACILITY MANAGEMENT FIRM **SERVEU** LAUNCHES **MOBILE APPLICATION** AND OPERATES **ELECTRIC FLEET** FOR THEIR FACILITIES MANAGEMENT OPERATIONS AT **EXPO 2020 DUBAI**

ServeU launched its own dedicated customer mobile application to manage its FM operations at the Expo 2020 site. The leading FM services provider is set to manage 14 pavilions, including the UK pavilion, at the upcoming Expo 2020 set in October.

The newly launched mobile app is designed with a built-in booking system that provides customers a direct access to the mobile teams stationed at the Expo 2020 sites. ServeU Essentials mobile teams can be deployed at a tap of a button by customers through the app, it will be directed straight to the company's Computer Aided Facility Management (CAFM) system.

Further, as part of the company's sustainability initiatives, ServeU will be operating an electrical fleet which will be used around the Expo 2020 site, this is part of a wider initiative to move towards a more greener transportation network across the UAE.



Customer Mobile Application for EXPO 2020

As part of the company's sustainability initiatives, ServeU are operating an electrical fleet which will be used at the Expo 2020 sites

ServeU launches mobile application and operates electric fleet for their facilities management operations at Expo 2020 Dubai

ServeU, a UAE-based leading facilities management company and ...

DUBAI AUTODROME HAS IMPLEMENTED AN **INTERNAL POLICY** HIGHLIGHTING EFFORTS THAT HELPS IN THE REDUCTION OF **WASTE** AND SETS PATH FOR A **GREEN INITIATIVE** WHICH WILL BE FURTHER DEVELOPED IN THE NEAR FUTURE

- National Race Day events are run mainly paperless, with communication done electronically and results published using a digital noticeboard.
- DA supports the Trees for the Future campaign together with event promoter Creventic during the annual Hankook Dubai 24H Race.
- Water dispenser using tap water lines installed in most frequented event areas
- EV Destination Chargers installed in strategic areas at Dubai Autodrome and Dubai Kartdrome
- Venue structure converted to facilitate shift from conventional engines to electric vehicles with charging points in garages
- Solar infrastructure plans to cover more than 75% of DA electricity consumption
- Preferential rates for championships using fuel (partially) made from renewable resources
- Recycling of used race tires to be used as tire barriers at both Dubai Autodrome and Dubai Kartdrome circuit (and donated to other UAE venues, e.g. Jebel Ali Karting track)
- Landscaping project planned, providing additional shade thus reducing energy consumption & binding CO2 while using native flora
- Light change at venue to LEDs, including circuit lights
- Motion sensors to control toilets and lights



GENERAL OVERVIEW OF CO2 EMISSIONS OF THE SEPARATE VENUES OF DUBAI AUTODROME

- Management Office, Paddock & Garages: 32,627 KG Co2e
- Track Lights & Medical Centre: 8,332 KG Co2e
- Grandstand incl. chilled water pumps & ACs: 21,951 KG Co2e
- Outdoor Kartdrome: 17,035 KG Co2e
- Indoor Kartdrome: 15,134 KG Co2e
- Hospitality Suites: 20,536 KG Co2e

Dubai Autodrome is working with Suez for waste removal at both Dubai Autodrome and Dubai Kartdrome such as Oil waste, Medical waste (including face masks and gloves), Recycle material like coffee capsules.



Improving society's quality of life across our employees and the communities we manage alongside the wider community including our customers and partners is at the center of our core values. The Covid19- pandemic has created uncertainty, causing disruption to our employees and customers alike, challenging our resilience at its core. Throughout these challenging times, we have remained resilient and tenacious, remaining operational whilst ensuring the safety of our customers, employees, and communities. We have supported our customers throughout these challenging times through various offerings including payment deferrals while also supporting our employees by implementing remote working policies and providing a stable work environment that protects both, jobs and salaries. Our Group had also worked effortlessly on ensuring the safety of its communities by launching sanitization drives in liaison with local authorities.

CUSTOMERS

As customer satisfaction remains a priority across the group, Union aims to achieve the highest standards of both, service excellence and product quality. Incorporating sustainable practices at the heart of customer centric initiatives, aims to strengthen our client relationships. The

integration of technology is pivotal in enhancing customer experience, which is highlighted in Union's strategy, supporting businesses like ServeU towards developing an application for ServeU Essentials. The group is also keen on benefiting from customer feedback, creating channels to drive key feedback to relevant departments, creating a customer driven environment.

SUPPLIERS

Build on shared values, Union's relationship with its suppliers and third-party service providers is key to sustaining value across the entire supply chain. As ESG grows more prevalent across our industry and the underlying subsectors we support, Union aims to position itself as a strong supporter, advocating for the integration of sustainable standards across all its partners.

COMMUNITY

Our communities represent our commitment towards creating sustainable value for a better shared future. The group aims to instill the UAE's cultural fabric across all its managed communities and wider community through continuous contribution to the overall quality of life, introducing comfort, convenience, access, opportunity and much more. Over the year, Union has fulfilled its commitment through supporting blood drives, cancer awareness

campaigns, sanitization drives and more including boosting community outreach, setting plans towards targeting college students seeking internship opportunities

EMPLOYEES

Union aims to build a well-rounded work environment supporting employees on their career journey, focusing on areas including labor opportunities, skill development, and diversity. A modern workforce requires modern employers with a strong commitment towards elevating their employees through providing them ample opportunities to develop their skillsets. Union continuously provides training sessions across its subsidiaries to support the growth of employees' prospects. In addition to the following, Union has relied on innovation and technology to provide employees with an online platform to accommodate their requests, recommendations, and feedback. Union has also been committed towards supporting gender diversity and equality, evident in the many men and women holding key positions across the group. Finally, Union also commits to supporting the UAE's Emiratization initiatives by pursuing and developing local talent, recruiting experienced professionals as well as ambitious minds in collaboration with prestigious local universities



KEY HIGHLIGHTS

+6.9K

Employees



+25

Nationalities



7.21%

CEO Pay Ratio



28.79%

Female Employment Ratio



5%

UAE Nationals



47.34%

Gender Pay Ratio



75%

Local Shareholders



+11K

Shareholders



28.16%

Employees turnover



CORPORATE GOVERNANCE

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VISION 2040

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