



**2020  
SUSTAINABILITY REPORT  
AL DHAFRA INSURANCE COMPANY P.S.C**



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# Introduction

# About Us

Al Dhafra Insurance Company P.S.C (ADIC) established in 1979, is both life and non-life insurance provider listed on ADX, with our Head Office based in Abu Dhabi, United Arab Emirates (UAE).

With over 3 decades of history servicing the UAE market, we strive to achieve business excellence by applying innovations and technology in the way we operate. While being in a competitive position, we continuously try to improve, innovate, and grow while keeping our stakeholder interest at the core of everything we do. ADIC's business operation is fully automated and branches and offices are connected on-line with Head Office for fast and efficient customer service. Company has on-line sales offices in part of the Immigration offices and Traffic offices across the country.

## **Our Core Mission and Values:**

### **Mission:**

- Add Value to Insurance Service provided
- Increase Stake holder's Value

### **Values:**

- Highest Priority to Customer Needs
- Loyalty and Integrity
- Constant Improvement
- High standard of Public Conduct

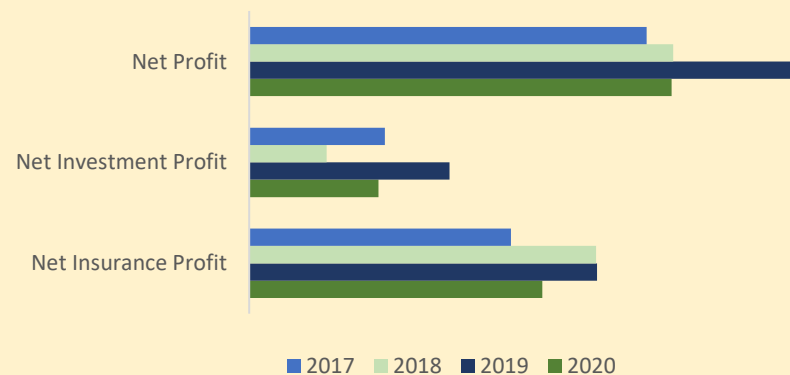
# Snapshot 2020

## 📍 Operational Presence

ADIC operated through its head office in Abu Dhabi and has branch offices in the U.A.E at Dubai, Sharjah, Al Ain and Bida Zayed. ADIC also has 15 Point of Sales offices and 6 traffic counters across the U.A.E.



Premium Written	Net Profit Ratio %	Solvency Ratio	Dividend Per Share
2020 – 289.9	2020 – 18.91%	2020 – 213%	2020 – 0.40
2019 – 323.8	2019 – 21.96%	2019 – 195%	2019 – 0.40
2018 – 333.5	2018 – 16.34%	2018 – 231%	2018 – 0.35
2017 – 415.3	2017 – 12.41%	2017 – 189%	2017 – 0.35



## 💡 Ratings Received

Moody – Baa1 Stable Outlook  
 AM Best – B++ Good Stable Outlook  
 ADNOC – ICV Certified

# General Manager Message

## Dear Stakeholders,

Welcome to the first sustainability report 2020 of Al Dhafra Insurance Co PSC.

We value the trust that our customers, business partners, shareholders and society place on us, we try to serve in their best interests every day. To make these efforts as transparent as possible, we want to disclose our Environmental, Social and Governance (ESG) approach as good as we can, beginning with this report.

Over the course of the last few years, we have witnessed a considerable shift in customer expectations with regards to technological advancement, increased regulatory requirements and social commitment to society at large. **Operating in the insurance sector wherein trust matters the most, we remain committed to meet the expectations of our stakeholders by aligning our business model with the Sustainable Development Goals (SDG's) and working together for a positive future.**

ADIC has always put the wellbeing of its employee as its highest priority. The effect of the same is that it receives continuous input on the solutions regarding the varied concerns about climate change, human right issues and economic crisis which have brought the focus on transparency, sustainability and responsibility in business, covered in this report. Recent discussions with our business partners, brokers, agents, regulators and suppliers also reflect a shift in reporting requirement and strengthened our decision about preparing non-financial disclosures displaying our determination in conducting business in sustainable manners, aiming to contribute positively for People, Planet and Profit.

Through this report, we seek to provide an insight to all our stakeholders regarding the ESG factors we integrate and plan to integrate in our business model and how we intend to advance the practice of ESG integration within all our operations. We are committed to deliver our corporate responsibility through enhancing our customer services, honoring timely claims, serving the community and making long-term local investments.

Further, we believe that presenting such sustainability report will serve as catalyst for self-assessment and continued improvement in our sustainability journey. As we integrate the ESG factors in our insurance & investment and improve our operations each day, our goal is to deliver long-term value for all our stakeholders. Enforcing our business strategy towards a strong sustainability performance is not only going to help us on the way to be one of UAE's most respected and well-regarded brands in insurance, but also ensures our positive contribution towards the society and environment. While doing so we will ensure that our customers and clients prosper, economies do better, and society becomes stronger.

**Kamal Sartawi**  
General Manager

# About This Report

We are pleased to present our first sustainability report 2020. Through this report we demonstrate our commitment towards ADX initiative to drive sustainability in alignment with UAE national vision 2021, Abu Dhabi Economic Vision 2030 and national & global efforts on adopting sustainable development goals (SDG) through all the activities in insurance value chain.



## Reporting Period

The scope of this report cover our performance from 1 January 2020 to 31 December 2020.

This report is based on the ADX guidelines for ESG reporting. Our goal is to align our activities and operations, assess performance across KPIs, recognize strengths and acknowledge areas for improvement. We believe that this exercise will help in defining and implementing management practices aimed at bridging gaps and providing an ESG reporting framework to guide and aid our future business activities and operations. From a national and local context, the report has been developed taking into account key considerations of UAE Vision 2021 and Abu Dhabi Economic Vision 2030. From a global perspective, ADIC's ESG report has been developed from insights and considerations taken from the United Nations Sustainable Development Goals (SDGs) and wider reporting considerations taken from the GRI standards guidance.



## ADIC 2020 ESG Reporting Boundary and Limitations

The 2020 ESG report forms the reporting baseline moving forward. This report covers data for ADIC located within the UAE and covers all of its operations.



## Stakeholder Feedback

We thank all our stakeholders who have played a key role in contributing to our sustainability performance and welcome your valuable feedback on this report, which can be directed to [info@aldhafrainsurance.ae](mailto:info@aldhafrainsurance.ae).

# Governance Framework





# Overview

At ADIC, we believe that by having a high quality corporate governance framework and complete information transparency, we are better able to promote the long-term sustainable success of ADIC, generate value for all stakeholders and contribute to wider community.

Accordingly we have adopted and implemented a complete corporate governance framework that fulfills all applicable laws and regulations while also being in line with international best practices. This corporate governance framework is designed to ensure that ADIC has a culture of consistency, responsibility, accountability and transparency of highest standard at all level.

Ensuring that our governance processes and procedures are undertaken properly helps to contribute to our long-term sustainable success.

Accordingly, we are taking this opportunity to remind you of the comprehensive corporate governance framework that we have adopted and under which we operate. In this section, we will provide you with a brief overview of our corporate governance processes and report on how these processes have been implemented by us.

Further details on our Corporate Governance should be read in conjunction with separate Corporate Governance Report published by us (link to Corporate Governance Report 2020: [https://www.aldhafrainsurance.ae/wp-content/uploads/2021/02/Governance\\_Report\\_en2020.pdf](https://www.aldhafrainsurance.ae/wp-content/uploads/2021/02/Governance_Report_en2020.pdf))

# Governance

- **Board of Directors:**

- The Company's Board of Directors consists of 9 members who are citizens of United Arab Emirates. All the members of the Board of Directors are independent.
- The roles of the Chairman and the CEO are separated and the Chairman is considered independent.
- Regular meetings were held (6 meetings) in 2020, and the attendance for each of the meeting has been displayed in the corporate governance report 2020.
- Board biographies are disclosed in details in the governance report.
- Board members are elected at least every 3 years.

- **Audit and Internal Control:**

- The audit committee consists of 3 members and all are considered independent.
- Members of the committee have the financial and operational experience.
- The Audit Committee does not oversee sustainability risks but has a comprehensive role.
- The internal control system covers the standard issues related to financial, operational, and legal risks.
- No major internal control failures have been identified over the past three years.
- The nominations committee consists of 3 members and all are considered independent.

# Governance

- **Remuneration Committee:**

- The remuneration committee consists of 3 members and all are considered independent.
- All elements of remuneration are disclosed on an individual basis.
- We do not link our remuneration and performance targets as of now.

- **Investment Committee:**

- The Investment committee consists of 3 members and all are considered independent.
- Investment committee ensures proper investment of funds to respond adequately to changing economic and social circumstances.
- Decision making on the investment strategy occurs through mutual consent of the Board and the Committee.

- **Shareholders' Right:**

- We respects the "one share - one vote" principle.
- There are no major restrictions on shareholders' ability to vote.
- We disclose voting results in a general form.

# Governance

- **Corporate Governance Policy:**

- We are committed to having a corporate governance framework that is compliant with all corporate governance requirements that are applicable to public joint stock companies in the UAE and that are consistent with international best practices.
- Our Corporate Governance Policy provides clear guidance on:
  - ADIC corporate governance structure and the interface between the ADIC and its stakeholders.
  - The authorities and decision-making mechanisms within the ADIC and between its stakeholders.
  - The role and responsibilities of the ADIC corporate governance function.
- The policy provides complete details of the governance structure and responsibility to be shared by the stakeholders and the management team.

- **Code of Conduct :**

- Our Code of Conduct demonstrates ADIC's commitment to compliance and ethical behavior in all that it does.
- Our Code of Conduct:
  - Sets out the minimum standard of conduct that we expect from anyone working for or on behalf of ADIC.
  - Provides a set of basic rules and standards that are designed to ensure that our business is conducted in an ethical and compliant manner and in accordance with our core values.

# Governance

- **Non-Discrimination:**

- Based on our Code of Conduct core value ‘We Are Respectful’, we do not tolerate discrimination, harassment or violence of any kind in our workplace.
- We ensure all our employees adhere to this and base their conduct on our values of workplace ethics, honesty, and integrity.
- We expect all our suppliers, contractors and business partners to abide by our Code of Conduct and to our Supplier and Partner Code of Ethics.

- **Related Party Transactions Policy:**

- Our Related Party Transaction Policy is designed to ensure that:
  - transactions with related parties are conducted on arm’s length terms.
  - the Board of Directors and senior management are aware of the steps required to approve transactions with related parties
  - a legitimate business case is present and which supports the relevant related party transactions, including their arm’s length nature. (cont....)

# Governance

- **Related Party Transactions Policy:** (cont.....)

- In accordance with this policy, we may not enter into a related party transaction unless it has been approved by:
  - our Board of Directors, where the transaction's value does not exceed 5% of the value of our share capital.
  - our shareholders at a General Assembly, where the transaction's value exceeds 5% of our share capital.

- **Anti Money Laundering Policy:**

- AL Dhafra Insurance Company is committed to the highest standards of Anti-Money Laundering & Countering Finance of Terrorist (AML-CFT) compliance and requires management and employees to adhere to these standards to prevent the use of its products or services for money laundering purposes and to safeguard the interests of its customers/stakeholders.

# Environment



# Overview

We understand our major role being timely response to customers when they need assurance and especially when being impacted by the climate change claims. Moving from the traditional insurer role, we also realize that climate change risk requires us to actively engage with our entire value chain in implementing preventive risk management and adaptive strategies. While we try to reduce our environmental impact as far as possible, it is going to be a long journey building socio-economic resilience and transitioning to low-carbon economy together. Therefore, amongst others we want to take part through planned investments, awareness, and trainings (risk preparation and mitigation).

We are committed to limit the environmental footprint from our business operations, ensure economical use of resources and focus on processes that support our “Think Green” initiative. These programs are our steps in implementing ecological habits, embedding corporate philosophy in actions we take and impact we create in support to our society. Understanding that “Change is the only thing constant”, we review and revisit our operational goals and collaborate with employees and supply chain partners to operate responsibly and encourage continuous improvements & incentivize environmental stewardship.



# Environment

- **Water & Energy Management:**

- We continuously work towards reducing water and energy wastage at all times.
- The company has been monitoring its water consumption over the past year and in its effort to reduce wastage has planned to replace some of the water distribution devices with modern types that work on the principal of reducing water consumption.
- Similarly the company will also aim to replace lighting tools with modern type low consumption devices as part of its efforts to save consumption.
- The company aims at replacing the existing lighting with automatic lights, which operate by sensing the movement, in common areas in the office building.
- The above efforts will help company in achieving its goal of reducing water and energy consumption there by having a positive effect on the environment and public health.

- **Waste Management:**

- We continuously work towards reducing hazardous and non-hazardous waste.
- We work on measures to reduce hazardous and non-hazardous waste. One of the measures implemented is the “**THINK GREEN BEFORE YOU PRINT**” to reduce use of paper in the organisation.
- We have resorted to intra mails and DMS scanning and archiving mechanism to reduce the printing and thereby reducing the use of paper.
- The waste majorly consists of non hazardous waste out which some portions are recycled while other is disposed off as per the guidelines.
- Currently the company does not maintain quantitative data on the percentage of recycled non-hazardous waste.

# Environment

- **Sustainable Products and Services:**
  - We work towards achieving sustainable products and services and constantly looks for ways to achieve the same.
  - The company is working on providing online portals for its products and services to its Customers. In its efforts to achieve the same, has moved its motor insurance business to the online portal in its commitment to achieve sustainable products and services.
- **Allegations:**
  - There have been no allegations on the company over the last 3 years.

# Social



# Overview

At ADIC, we believe that in addition to maximizing shareholders value, we must also act in a manner that benefits the society in which we operate as well the society in general.

Accordingly we constantly work to enact policies that promote an ethical balance between the dual mandates of striving for profitability and benefiting society as a whole. Our policies consists of both commission policy and omission policy in order to achieve our goal of social responsibility.

Accordingly, we are taking this opportunity to remind you of the comprehensive social responsibility framework that we have adopted and under which we operate. In this section, we will provide you with a brief overview of our social responsibility processes and report on how these processes have been implemented by us.

Further details on our Social responsibility should be read in conjunction with separate Corporate Governance Report published by us (link to Corporate Governance Report 2020: [https://www.aldhafrainsurance.ae/wp-content/uploads/2021/02/Governance\\_Report\\_en2020.pdf](https://www.aldhafrainsurance.ae/wp-content/uploads/2021/02/Governance_Report_en2020.pdf))

# Social Responsibility

- **Responsible Relationships with Customers:**

- The company has made general references to ensure responsible customer relations in its website. We strive to provide exceptional customer service and maintain a healthy customer relationship.
- Al Dhafra has deployed measures to ensure responsible customer relations.
  - Complaint management system: Al Dhafra has a complaint management system that resolves all complaints within 1 business days of receiving notice.

- **Responsible Relationships with Suppliers:**

- Al Dhafra has made general references to ensure responsible relationship with its suppliers and tries to procure majority of its requirement from local suppliers.
- Al Dhafra has deployed limited measures to ensure responsible relationships with suppliers.
  - Procurement from Local Suppliers: Al Dhafra has a system in place for procurement from local suppliers.
  - All the suppliers need to pass through the ADIC checklist before empanelment which takes into account ESG factors.

- **Data Privacy and Security:**

- The kind of information we deal with, data privacy and security is of great importance to us, as such we keep on implementing data security systems that maintain the privacy of the data by providing utmost security.
- We have also setup a disaster recovery plan in partnership with Etisalat to further enhance our data security and storage.

# Social Responsibility

- **Human Capital Health and Safety:**

- With the outbreak of the Corona virus pandemic, the company promoted remote working for its employees and also conducted the necessary examination to detect the disease in its effort to company with the government directives.
- Once the outbreak eased out and authorities allowed the employees to return to offices, the company started operating in double shift to ensure social distancing in offices in its effort to provide a healthy work environment for its employees.
- Company provides health insurance to all its employees at the expense of the company.

- **Employee Training and Development:**

- The company has made general references to promote employee training and development in its Corporate Governance Report 2020 and website. We strive to provide career development.
- The company provides on job training to all its employees from time to time.
- The company also encourage its employees to take part in conferences arranges by different organizations to enhance the knowledge and keep up to date with the current changes.
- The company encourages is employees to go for higher studies related to their area of work and provides them with paid leaves for examination and reimbursement of fees for the course and study material.
- The Employee Turnover for 2020 is at 7.28% in comparison to 10.52% in 2019.

# Social Responsibility

- **Work Environment:**

- Company is commitment to provide a healthy work environment at work place.
- In our commitment to provide a healthy work environment, we work to provide a healthy work life balance for our employees and as such employees are encouraged to not work after the working hours are completed.
- In our efforts to have a healthy environment and to keep our employees motivated, we arrange various camps for our employees. One such camp organized last year before the pandemic was a desert safari exertion for all the employees.
- The management team is also always easily accessible for all the employees to guide them and help them in work.
- The on Job training provided to new and existing employees in under the direct supervision of Dept. heads.
- This provides the employees with more confidence in their work as well as trainer can guide them towards results with proper feedback.
- These efforts help in keeping a healthy environment at work place.

# Social Responsibility

- **Equal Opportunity:**

- Company is commitment to promote equal opportunity within the organization.
- Our policy is to hire is based on the qualification and relevant experience to handle the job profile and the best fit based on the above criteria is employed within the organization.
- The company also follows a clear salary and wages policy on the basis of competence and experience in accordance with unified standards for both men and women.
- The share of women in the workforce has increased to 17.31% in 2020 as compared to 16.75% in 2019.

- **Community Initiatives:**

- The company in its effort to help the community works on voluntary initiatives from time to time.
- In the last 3 years company has donated AED 163,563/- to The United Arab Emirates Red Crescent (UAERC).

- **Youth Development:**

- The company is committed to promote the development of youth within the organization and constantly provides opportunity to youth to join the organization.
- The company encourages various internships program for college students from time to time in its effort for youth development in the region.



# Social Responsibility

- **Emiratisation:**

- The company has made specific reference to promote Emiratisation in its Corporate Governance Report 2020 and website. We commit to Emiratisation and offers nationals opportunities for employment, training and career development.
- The company has 7% UAE nationals working with various departments.
- We plan to increase the percentage of citizen employees to 15% by 2022 as per the developed Tawteen plan approved by our Board of Directors.
- In order to achieve the targeted percentage, we will be participating in the upcoming National Career exhibition & Tawteen data bank to source CV's.
- The candidates will than be contacted for a telephonic discussion and if the candidates shows interest to join the insurance sector at the packages offered by the company, will call them for a personal interview and test.
- Successful candidates will be given the offer & will be appointed after completion of MOL formalities.

# Future Sustainability Approach

- **Our Approach:**

- The company shall be committed to prepare this report annually.
- Our sustainability approach does not always stop evolving, which allows us to continue to reinforce our responsibility, supervise our various capital flows and understand the interlinkages between what is best, in addition to our support in consolidating a comprehensive and integrated approach towards various groups in terms of the decision-making and practices, and keeping our concentration focused on creating value in short, medium and long term.
- This report represents our relentless efforts to open transparent communication with relevant and concerned parties internally and externally, as well as being part of our internal measures to monitor operations and ensure full harmony between our operations and practices on the one hand, and our strategic vision on the other hand.
- The company as such is committed to comply with the UAE vision 2021 and Abu Dhabi Vision 2030 in the future as well.

# FEEDBACK.

We appreciate your valuable feedback on this report and any other queries that you may have.  
You may write to us at:

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## Al Dhafra Insurance Co. PSC



[www.aldhafrainsurance.ae](http://www.aldhafrainsurance.ae)



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