

SUSTAINABILITY REPORT - 2021

AL DHAFRA INSURANCE COMPANY



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Introduction

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Data and prognosis of activity



About Us

Founded in 1979, Al Dhafra Insurance company is a reputed insurance company. ADIC is listed on Abu Dhabi Securities Exchange and is head quartered in Abu Dhabi, United Arab Emirates (UAE).

ADIC offers a multiple range of insurance solutions catering to the requirement of Retails customers as well as to Corporates. The product range of ADIC includes both life and non-life solutions. The company has presence across 3 emirates with 5 branches. The company also has on-line sales offices in part of the Immigration offices and Traffic offices across the country.

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.

Being an entity, which values best governance practices and ethics, ADIC is committed to adopt a sound ESG strategy to achieve its environment, social and governance objectives.

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

General Manager Message

Dear Stakeholders,

Extending my heartiest regards to all the readers of this document, I am delighted to present the sustainability report 2021 of Al Dhafra Insurance Co PSC.

Our presence in UAE spans over four decades and throughout this time, we have earned the stature of trusted partner amongst our valuable stakeholders. Al Dhafra immensely values the trust demonstrated by its customers, shareholders and the society and remains committed to the well being of its stakeholders

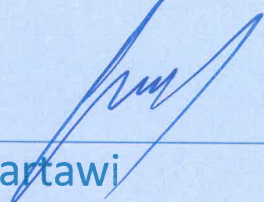
In this report, we present our constant efforts to raise engagement with our customers, employees and partners to achieve a sustainable development built upon trust and transparency. We are committed in developing a corporate environment empowering people to create a positive impact to a more sustainable society.

As we strive to attain a sustainable environment, we recognize there is more work to be done and we are dedicated to implement concrete actions that will result in positive outcomes. Our sustainable development strategy

to foster an environment of strong governance, diversify an inclusive culture that empowers employees, and adopt sustainable business practices to ensure a safe environment.

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.

I look forward to further strengthening our sustainability efforts, in close cooperation with our esteemed clientele, dedicated employees and valuable partners.



Kamal Sartawi
General Manager

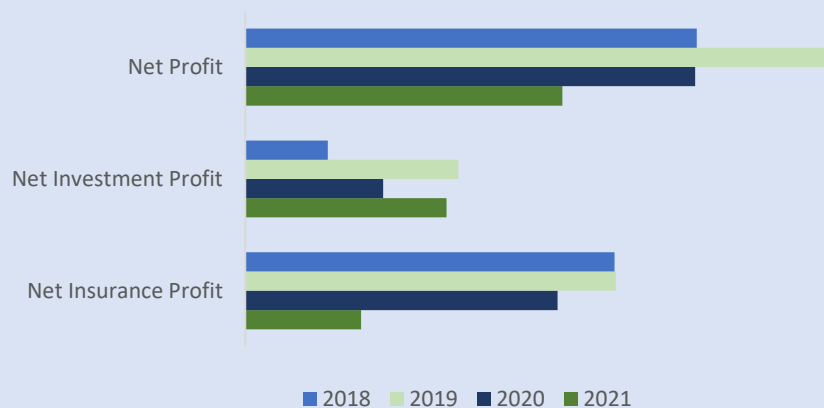
Business Overview

Operational Presence

The successful insurance results due to the prudent underwriting approach and the stable investment income constantly balancing risk with profitability has been a hallmark of ADIC's strategy to ensure steady growth and thereby maximizing our shareholders returns.



Year	Premium Written	Net Profit %	Dividend per Share
2021	314.51	12.29%	0.35
2020	289.90	18.91%	0.40
2019	323.80	21.96%	0.40
2018	331.50	16.34%	0.35



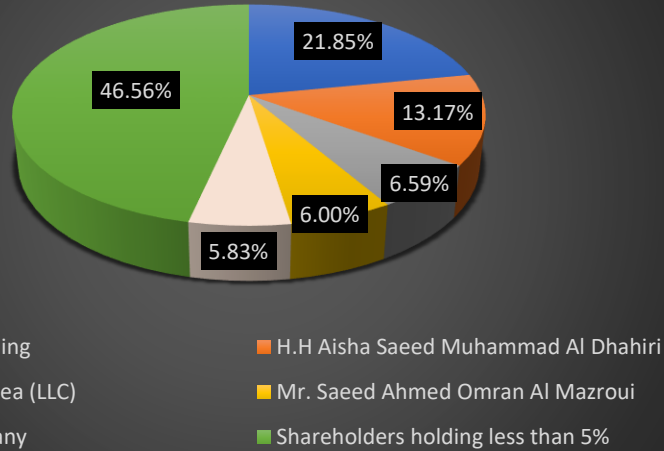
Ratings Received

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

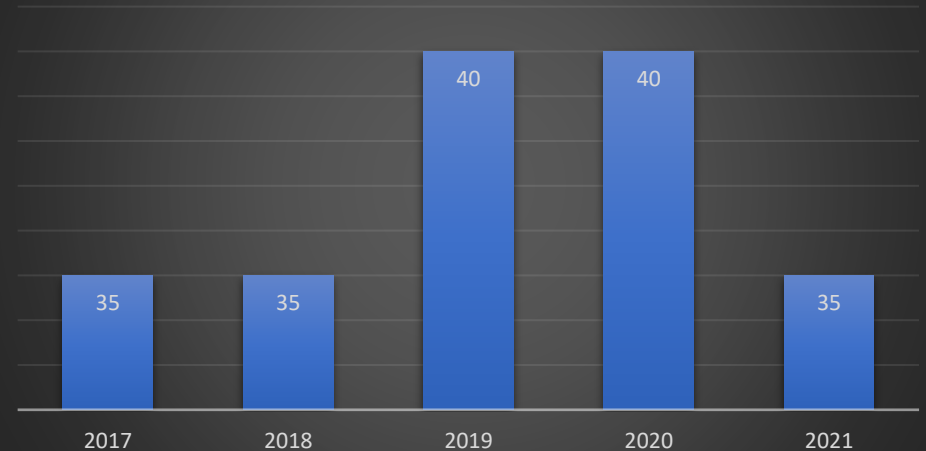


Our Shareholders

Our Shareholding



Dividend History



Ser.	Shareholder Classification	Shareholding (%)			
		Individuals	Corporations	Governments	Total
1	Local	60.28	39.72	-	100
2	Arabic	-	-	-	
3	Foreign	-	-	-	
	Total	60.28	39.72	-	100

About This Report

We are pleased to present our sustainability report 2021. 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 2021 to 31 December 2021.

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 2021 ESG Reporting Boundary and Limitations

The 2021 ESG report builds on the reporting baseline formed in the previous report. 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.

About This Report

ALIGNMENT WITH THE ADX ESG GUIDE:

Wherever feasible, ADIC has aligned with the ESG reporting disclosures set out in the guidelines produced by Abu Dhabi Securities Exchange (ADX). These guidelines emphasize on 31 specific indicators under environmental, social and governance topics which are deemed essential for reporting by the Sustainable Stock Exchange Initiative and the World Federation of Exchange. As the company's experience and expertise in sustainability reporting grows, it aims to meet as many as possible indicators relevant for an insurance company.

In order to ensure improved sustainability performance, ADIC is adopting a proactive approach to integrate ESG into various aspects of our business. This integration will encompass our core operations (underwriting, claims), corporate governance, risk management, strategies and reporting. ADIC is reviewing and focusing on the SDGs earmarked by the United Nations so we can have the desired impact via our service offering, business operations and investments. Applicable and relevant SDGs are referenced in different parts of this report.



About This Report

In order to undertake the materiality assessment, we have identified/documentated sustainability factors/framework:

Climate Change



- Supporting green products, reducing paper usage, promoting ecological sustainability
- Efficient use of Water & Energy, waste recycling;

Digitalization



- Implementation of Online portals for Brokers, Service Providers;
- Implementation of Mobile Application;

Data Privacy



- Robust Security Management System;
- Periodic reviews by External IT consultants;

Governance



- Sound governance framework and presence of governance Board Committees/functions;
- Code of Conduct , Whistle blower policy to ensure Ethical business practices;
- Robust compliance framework in place

Customer Satisfaction



- Long lasting relationship with most of customer;
- Review of feedback to measure Customer Happiness;

Shareholders



- Timely publication of financial information;
- Consistent increase in Shareholder's Equity;

Training & Development



- Inhouse and External training for employees;

Social Responsibility



- Organized Covid-19 booster dose for employees, family and friends;
- Apprenticeship programs to provide on job training to new graduates;

Diversity & Inclusion



- Ensuring balanced Ethnic Diversity;
- Pricing of products does not discriminate based on gender or nationalities;
- Equal Opportunity Employer



ESG –Stakeholders Collaboration & Priorities

Investor/ Shareholder:

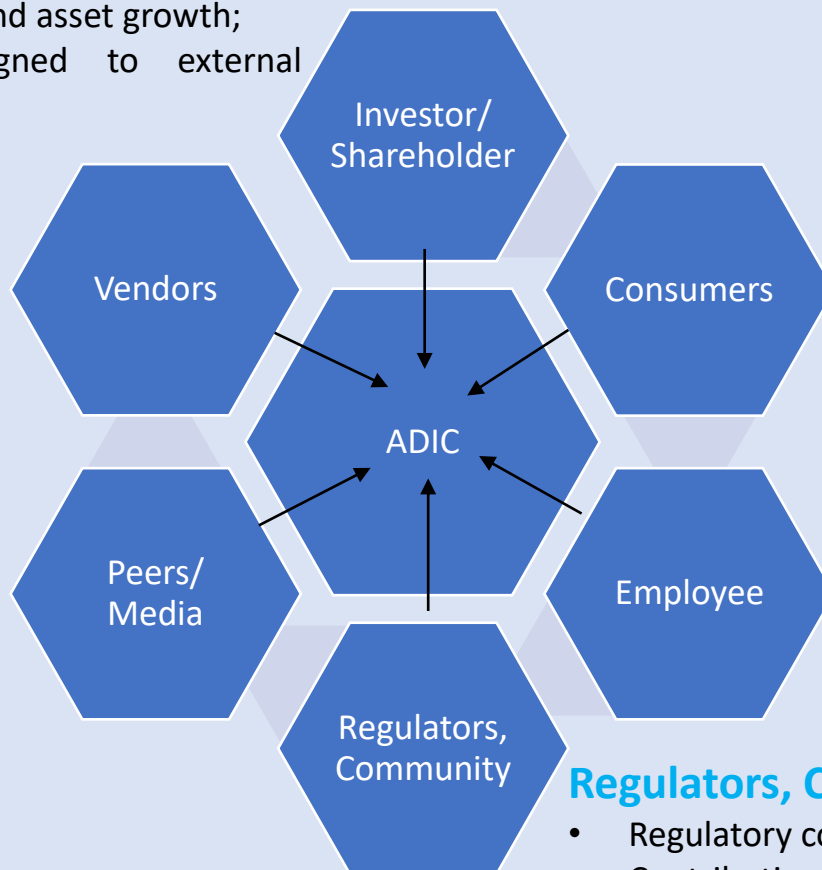
- Early adoption of global best practices;
- Steady net income and asset growth;
- ESG reporting aligned to external frameworks

Vendors:

- Ethical business practices;
- Business growth
- Timely settlement of dues;
- Fair and transparent dealings

Peers/ Media:

- Clear and effective communication Transparency;
- Exchange of information;



Consumer:

- Effective and Friendly Customer Service;
- Enhanced use of technology and improved access to insurance services;
- Protection of Policyholder’s right;

Employee:

- Safe and friendly working environment;
- Workforce diversity, including among senior executives;
- Training and development, work-life balance;

Regulators, Community:

- Regulatory compliance and transparency;
- Contribution to the national economy;
- Job creation and stability;

ESG –Stakeholders Collaboration & Priorities

Materiality assessment was conducted to apprehend stakeholders’ expectations and identify key ESG risks. We intend to continue our interaction with the key stakeholders to assess the relevancy of these material items. The following table shows whether the materiality topics are of low (○), medium (●) or major/high (●) importance to our different stakeholder groups:

PARTICULARS	WITHIN THE COMPANY		OUTSIDE THE COMPANY			
	MANAGEMENT	EMPLOYEES	CUSTOMERS	GOVERNMENT	PARTNERS/VENDORS	INVESTORS
GOVERNANCE, COMPLIANCE AND ETHICS	●	●	●	●	●	●
REGULATORY MANAGEMENT COMPLIANCE	●	●	●	●	●	●
BUSINESS ETHICS	●	●	●	●	●	●
BUSINESS CONTINUITY AND RISK MANAGEMENT	●	●	●	●	●	●
PRIVACY AND SECURITY	●	●	●	●	●	●
TRANSPARENCY	●	●	●	●	●	●
RESPONSIBLE INVESTMENT	●	●	●	●	○	●
FINANCIAL PERFORMANCE	●	●	●	○	●	●
FINANCIAL INCLUSION	●	●	●	●	●	●
DIGITISATION AND INNOVATION	●	●	●	○	●	●
APPROPRIATE PRICING	●	●	●	●	●	●
CUSTOMER ENGAGEMENT AND SATISFACTION	●	●	●	●	●	●
EMIRATISATION	●	●	●	●	●	●
DIVERSITY AND GENDER EQUALITY	●	●	●	●	○	○
TRAINING AND DEVELOPMENT	●	●	●	●	●	○

Governance



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.

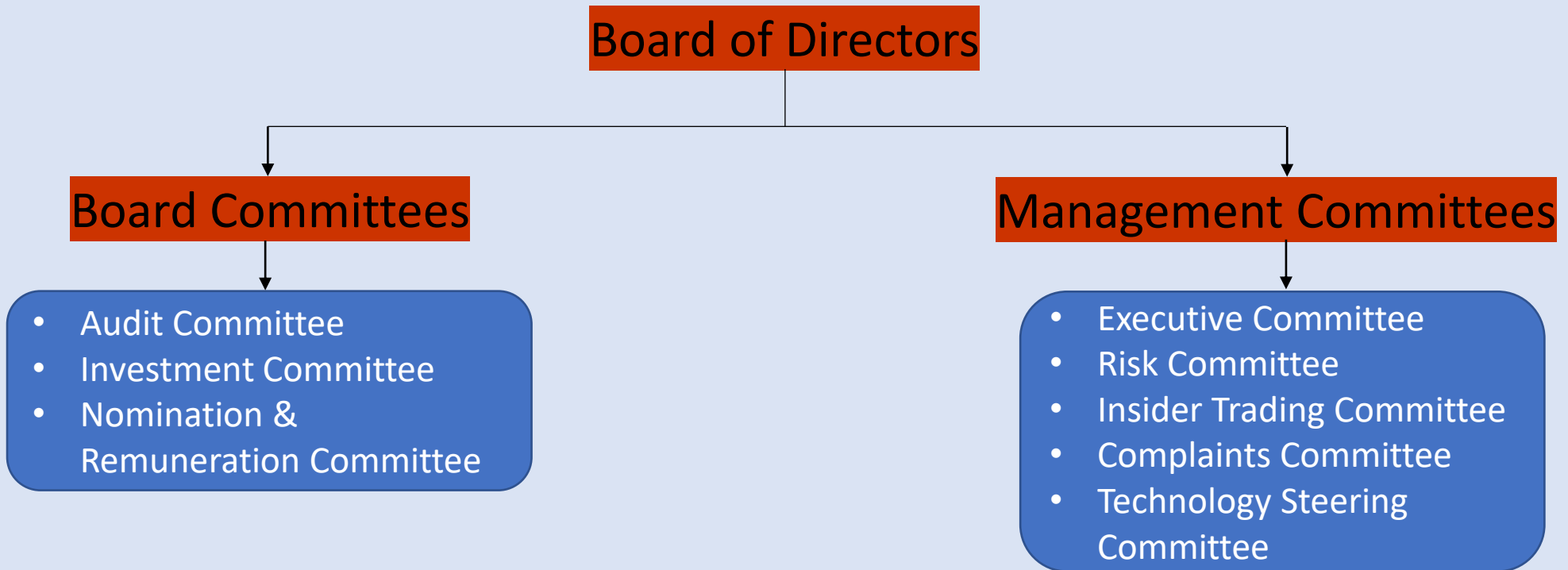
Accordingly we have adopted and implemented a complete corporate governance framework that fulfills all applicable laws and regulations while also being in line with international best practices. This corporate governance framework is designed to ensure that ADIC has a culture of consistency, responsibility,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

Further details on our Corporate Governance should be read in conjunction with separate Corporate Governance Report published by us (link to Corporate Governance Report 2021: <https://www.aldfafrainsurance.ae/investors-relation/corporate-governance/>)

Governance Framework

- Al Dhafra Insurance Co. commenced in 2010 a pro-active review of its corporate governance framework and has adopted extensive corporate governance guidelines in the Corporate Governance Manual in line with the principles set out in the Ministerial Resolution "Based on the decision of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide.
- Company is committed to the highest level of corporate governance, and has derived its values from a system which integrates ethics, corporate integrity and leading compliant practices. Transparency, fairness, disclosure and accountability have been central to the working of the company, its management and Board of Directors (hereafter referred to as 'the Board'). Indeed, the company's commitment to good Corporate Governance practices predates the laws and mandates of the Securities and Commodities Authority (SCA).
- The Boards' role is to represent the shareholders and is accountable to them for creating and delivering value through the effective governance of the business. Once appointed, every director shall disclose to the Company the nature of relations he has with other listed companies, including positions, investments and other significant obligations through signing a Declaration of Independence Form.

Governance Framework



• Investor Relations:

- ADIC also has an investor relations department, which maintains relationships with its shareholders and incorporates their opinions into the decision-making process. This ensures that the business is open to thoughts from those who have vested interests in its growth and profitability.

Governance Guideline

- **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 (11 meetings) in 2021, and the attendance for each of the meeting has been displayed in the corporate governance report 2021.
- Board biographies are disclosed in details in the governance report.
- Board members are elected at least every 3 years.

- **Audit Committee:**

- The audit committee consists of 3 members and all are 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 independent.

Governance Guideline

- **Remuneration Committee:**

- The remuneration committee consists of 3 members and all are 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 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 Guideline

- **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 Guideline

- **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.
- 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.

Governance Guideline

- **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.

- **Company Conflict of Interest and Disclosure Policy:**

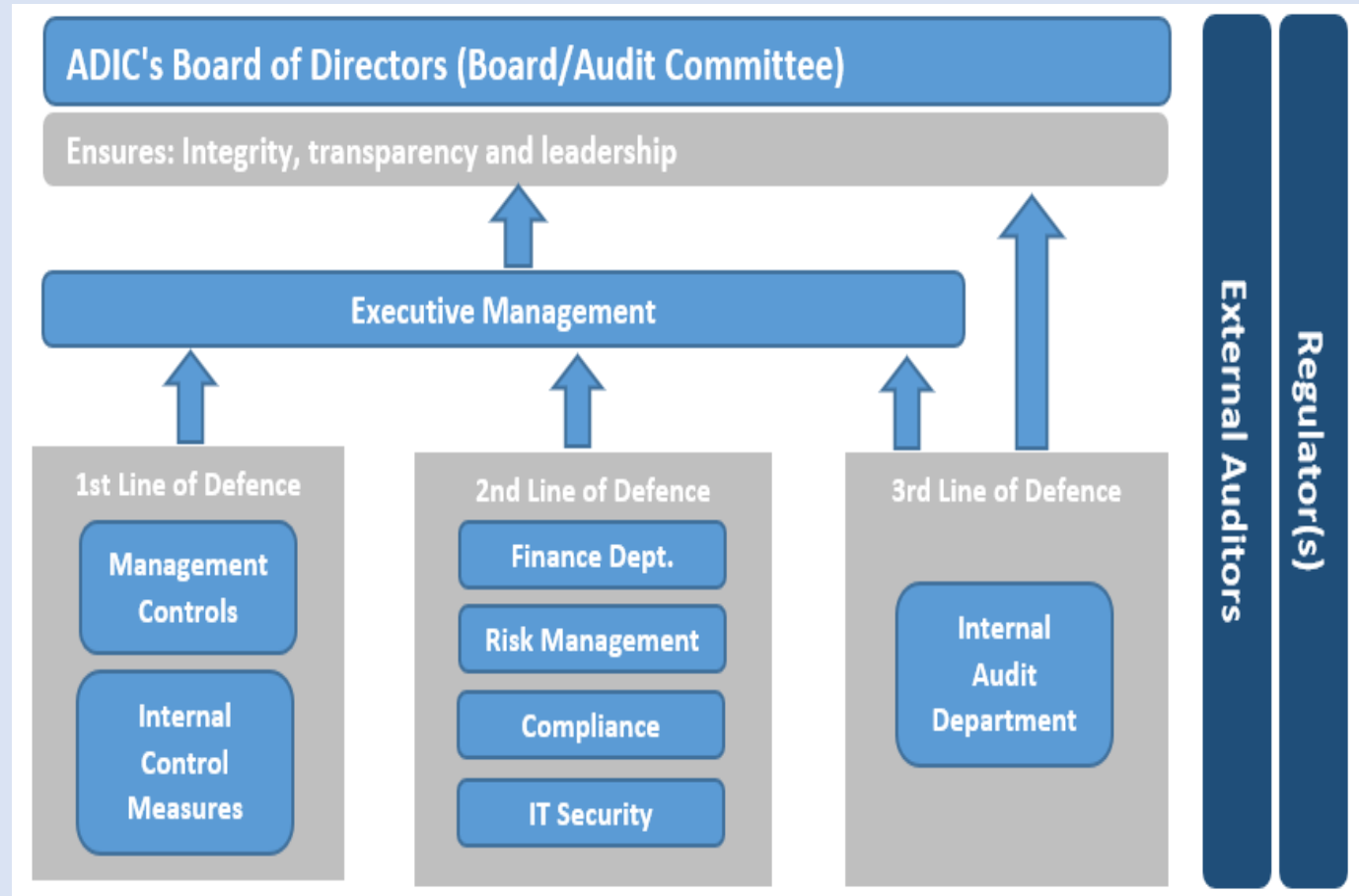
- In practicing their duties, the Board and the employees should be fully aware of, and clearly understand all applicable laws, rules, and regulations in order that they can comply with them at all circumstances. Any advantages that may be presented to the employees', opportunities for monetary and non-monetary benefits in addition to the normal compensation arrangement paid by the Company should be in line with the conflict of interest policy. Therefore, the employees should accomplish their tasks with the principles of integrity, fairness, and in conformity to the professional standards

Governance Model

Our Control Environment:

“ADIC follows and believes in “three line of defence” governance model”

ADIC has established key control functions to monitor, consult and report on key governance and operational risks. Clear charters and reporting lines are defined to ensure transparency and independence.



Governance Model

First Line of Defence:

relates to the management of risks at the points where they arise. These activities are carried out by persons who take on risks on behalf of the Company. Risk management at this level consists of appropriate checks and controls, incorporated in the relevant procedures and the guidelines that are set by the Executive Committee with the assistance of the RMF.

Second Line of Defence:

concerns the risk management activities that are carried out by the RMF and the important supporting operations. Specifically, the RMF is responsible for the preparation, maintenance and periodic review of this Policy, as well as for the continuous monitoring of compliance with its policies and procedures.

The Actuarial Function in its advisory capacity provides technical expertise to both the 1st and 2nd Line of Defence.

Third Line of Defence:

concerns the activities of Internal Audit that through its work provides an independent assurance to the BoD, on the performance and effectiveness of the risk management systems within the Company. The Internal Audit conducts regular internal audits of the procedures applied for managing all types of risks and their effectiveness, the results of these audits are summarized in reports submitted to the BoD, through the Audit Committee, and to the Senior Management.

External Assurance:

assurance from external independent bodies such as the external auditors and other external bodies. External bodies may not have the existing familiarity with the organization that an internal audit function has, but they can bring a new and valuable perspective. Additionally, their outsider status is clearly visible to third parties, so that they can not only be independent but be seen to be independent.

Governance – Control Pillars

Whistleblower Mechanism:

A whistleblower mechanism is in place to receive anonymous tips or complaints pertaining to potential fraud or compliance violations. ADIC has a dedicated email address, monitored by the Compliance Officer, where any fraud or wrong doing witnessed can be reported anonymously by anyone affiliated with the organisation. The information relayed is then handled in a confidential manner by the Compliance Department.

Internal Audit:

Independent internal audits are conducted by third party vendors to undertake critical review of business operations, risk management and overall compliance environment within the organisation. The internal audit findings are directly communicated by the compliance department to the Audit Committee.

Risk Management:

ADIC recognizes the importance of having efficient and effective enterprise risk management systems in place. The goal of the Company's risk management process is to ensure that the operations that expose it to risk are consistent with its strategy, business objectives and risk philosophy, while maintaining an appropriate risk/reward balance and enhancing stakeholder value. ADIC intends to identify and integrate ESG concerns into risk management and underwriting practices.

Compliance:

Compliance function reviews the regulatory compliances and assesses the Compliance status to achieve complete adherence. Based on the ESG policy and reporting requirements, compliance function will ensure review of ESG compliance requirements.



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 Integrated Report published on company's website. (<https://www.aldfafrainsurance.ae/investors-relation/>)

Employees – Our Partners

ADIC’s work environment and practices support employees by making sure that they possess and develop essential skills to serve our stakeholders. The primary goals of ADIC’s Human Resource strategy are to attract and retain best talents, promote diversity and equality. While employee well-being remains our key focus, we encourage and foster sustainable work culture, work-life balance and overall health of staff.



SDG 3
Good Health & Well-Being



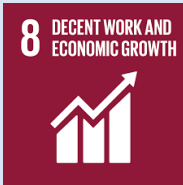
SDG 4
Quality Education



SDG 10
Reduced Inequalities



SDG 5
Gender Equality



SDG 8
Decent Work & Economic Growth

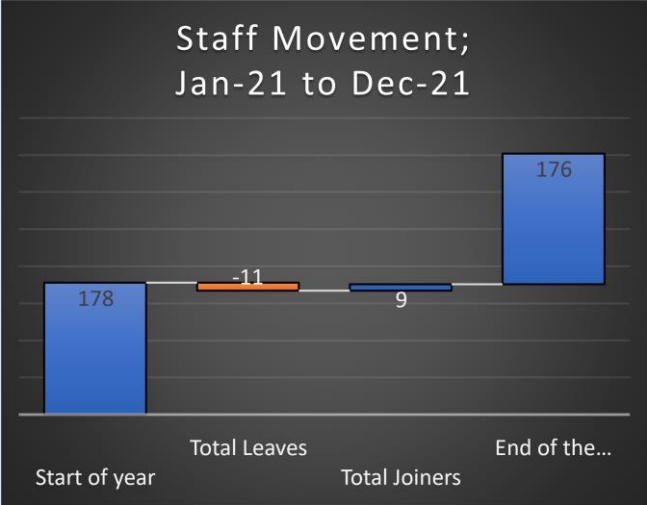
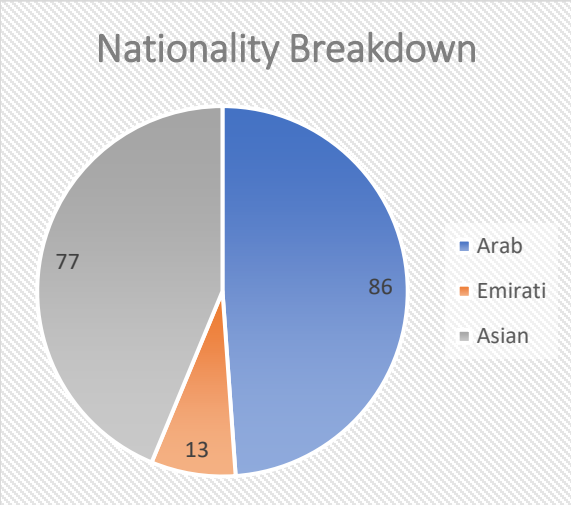
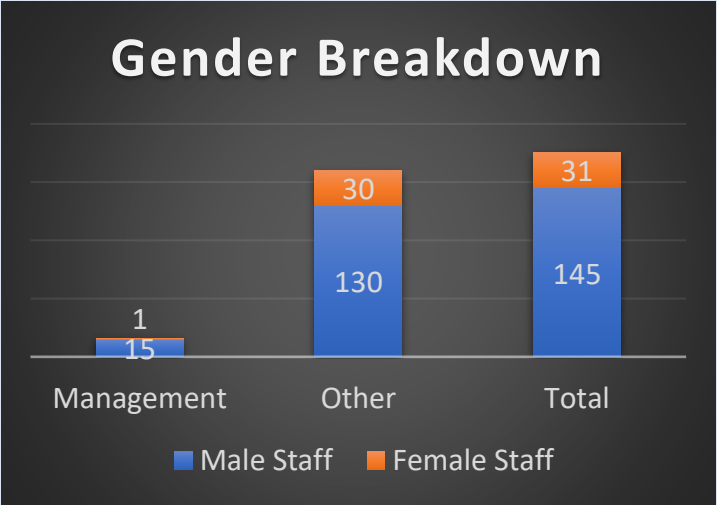


Our Workforce, Diversity & Composition

ADIC believes that investing in employees and their wellbeing is a core responsibility as an employer, which will in turn lead to increased productivity and profitability.

As a company operating in the diverse country of the UAE, which is home to people from over 200 nationalities, ADIC places diversity and inclusion on a high pedestal. Working towards creating a workplace where everyone can thrive, ADIC is currently focused on:

- Gender equality,
- Emiratization,
- training and development,
- benefits provision and wellbeing.



Social- Linking with ADX Guidelines



Good Health & Well-Being:

- The overall Pandemic situation improved during the year, still in order to ensure good health & Well Being of its employees, ADIC followed a two shift approach in its efforts to protect its employees.
- ADIC also provided with Vaccination camps as well as camp for Booster Dose.
- ADIC performed regular Sterilization program to ensure the premises are safe for its Customers, Tenants and Employees.
- ADIC has made it mandatory for all its employees to maintain a Green pass on the Al-Hosn app to enter the office premises.
- Employees were provided with health supplies such as masks and sanitizers to enhance their safety in the persistent pandemic situation.
- No serious work related employee health incidents were reported in 2021.



Quality Education:

- ADIC encourage its employees to take part in conferences arranged by different organizations to enhance the knowledge and keep up to date with the current changes.
- ADIC also encourages its 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.

Social- Linking with ADX Guidelines



Gender Equality:

- ADIC believes in gender equality and opportunities are provided solely based on merit and not gender.
- 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
- ADIC endeavors to create a working environment where women feel safe, seen and empowered.
- ADIC 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.
- Women currently makes up 18% of the workforce.



Decent Work & Economic Growth:

- 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.
- The management team is also always easily accessible for all the employees to guide them and help them in work.
- ADIC will not participate in child or forced labour and will not engage with any vendors/partners who does make use of the vulnerable to obtain economic advantage.

Social- Linking with ADX Guidelines



Decent Work & Economic Growth: Nationalization:

- The company has made specific reference to promote Emiratization in its Corporate Governance Report 2021 and website. We commit to Emiratization and offers nationals opportunities for employment, training and career development.
- The company has 7% UAE nationals working with various departments.
- The Central Bank of the UAE sets targets for Emiratization, which ADIC achieved in 2021.
- ADIC is able to train and develop UAE nationals and support them in their careers with various training opportunities and mentoring.



Reduced Inequalities:

- ADIC does not discriminate against any religion, sex, language or ethnicity.
- This is clearly captured in the Human resources manual of the company.
- ADIC will not participate in child or forced labor and will not engage with any vendors/partners who does make use of the vulnerable to obtain economic advantage.
- ADIC also follows a clear salary and wages policy on the basis of competence and experience and does not discriminate based on caste, creed, color, sex.

Social Responsibility

- **Responsible Customer Relation:**

- Our approach to customer stewardship is a transparent and fair treatment of our customers right from enquiring about our services to the selection of suitable insurance products and the fair and timely settlement of their insurance claims.
- Our customers have always been at the heart of everything we do, and ensuring their continuous satisfaction and meeting their expectations is pivotal to our growth and success.
- 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.

- **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.
- Periodic independent IT audit is also performed at regular intervals to ensure that no major risk exists or if any risk is identified than remedial actions are implemented.

Social Responsibility

- **Responsible Supply Chain:**

- We seek to ensure our procurement processes are performed responsibly and that our supply chain is managed in consideration of environmental, social and ethical standards.
- Our customers have always been at the heart of everything we do, and ensuring their continuous satisfaction and meeting their expectations is pivotal to our growth and success.
- Al Dhafra has deployed limited measures to ensure responsible relationships with suppliers.
 - Procurement from Local Suppliers: Al Dhafra has a system in place to source locally whenever it is feasible, supporting and contributing to the development of UAE economy
 - Minimum three competitive quotes are obtained for all insurance and non-insurance related expenses.
 - Major expenditures are evaluated and negotiated with suppliers at committee level.
 - All the suppliers need to pass through the ADIC checklist before empanelment which takes into account ESG factors.



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.

Our Efforts

We acknowledge the importance of minimizing the impact of our operations on environment. ADIC continues to monitor its environmental footprint and implement energy efficiency measures. The following prioritizes our efforts:



- Increased digitalization and process automation to reduce the use of papers, color print outs are minimized, back-to-back print-outs are encouraged.
- Replacing high energy consuming lights with energy efficient LED lights.
- Reduce our carbon footprint, manage the amount of waste produced from our operations.
- Constant monitoring of our CO2 emissions, power utilization and water consumption.

Environment Priorities

ADIC being a responsible entity is very thoughtful of its impact on the society and environment. SDGs identify our environmental priorities. Hence, we understand that major issues like climate change and its effect should remain our focal point. Insurers being a critical part of the value chain can play an extremely important role in making a positive impact on environment.

Our environmental goals and priorities are aligned with the UAE Vision to position UAE as a low carbon economy.



SDG 6
Clean Water & Sanitation



SDG 12
Responsible Consumption & Production



SDG 9
Industry, Innovation & Infrastructure



SDG 13
Climate Action



Environment- Linking with ADX Guidelines



Responsible Consumption and Production:

- ADIC aims at replacing the existing lighting with automatic lights, which operate by sensing the movement, in common areas in the office building
- ADIC's business-related emissions decreased due to operations being conducted remotely and given travel restrictions.
- Paper is a large source of waste in the insurance industry, due to the heavy reliance on paper documents such as paper forms and agreements. ADIC is combating this waste generation by digitalizing many of its paper-based activities, and by environmentally friendly shredding.
- We have resorted to intra mails and DMS scanning and archiving mechanism to reduce the printing and thereby reducing the use of paper.



Clean Water & Sanitation:

- ADIC 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.

Environment- Linking with ADX Guidelines



Climate Action:

- In 2021, ADIC business related emissions increased as the operation were conducted from office. During 2021, the vehicles owned consumed 11,197 liters of petrol. An average consumption of 7 liters/100 km them corresponds to $7 \text{ l} \times 2392 \text{ g/l/100 (per km)} = 167 \text{ g CO}_2/\text{km}$. The total emission for petrol for the company is therefore estimated at 18 TCO₂E.
- The waste majorly consists of non hazardous waste out which some portions are recycled while other is disposed off as per the guidelines.



Industry Innovation & Infrastructure:

- ADIC work towards achieving sustainable products and services and constantly looks for ways to achieve the same.
- ADIC works 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.
- ADIC has also launched a mobile application in its effort to provide more sustainable ways of performing business operations.

Future Sustainability Approach

Our Approach:

- The company shall be committed to prepare this report annually.
- Our sustainability approach does not 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.



Future Sustainability Approach

To help us in our approach to achieve sustainability ADIC shall consider the following in integrating ESG principles in business decisions. This includes:

- Work together with governments, regulators and other key stakeholders in the industry and community to promote ESG initiatives.
- Embed in decision making ESG issues relevant to insurance business, committed to responsible underwriting.
- Accountability and transparency in regularly disclosing the progress in implementing the principles.
- Work together with clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.
- Drive claims management in line with ESG principles.
- Consider ESG based exclusions in Insurance and corporate policies.

FEEDBACK.

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

Al Dhafra Insurance Co. PSC

 www.aldhafrainsurance.ae

 971 2 6949 444