



SUSTAINABILITY REPORT 2020

AL-BUHAIRA NATIONAL INSURANCE CO.

ABOUT THIS REPORT

(GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-45, GRI 102-46, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56, G7, G8, G9)

We are pleased to share with you our inaugural Sustainability Report for the fiscal year 2020. Our reporting has been prepared according to the UAE Securities & Commodities Authority's (SCA) requirements and in line with the Abu Dhabi Securities Exchange's (ADX) ESG Disclosure Guidance. Our report is also aligned with the Sustainable Development Goals as well as the UAE Vision 2021.

REPORTING SCOPE

This is the inaugural Sustainability Report for Al Buhaira National Insurance Company P.S.C. (ABNIC) which covers the period between the 1st of January until the 31st of December 2020, unless stated otherwise.

Al Buhaira National Insurance Company is incorporated as a public shareholding company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16th of May 1978 and was listed on the Abu Dhabi Securities Exchange on the 16th of February 2005. The Company is subject to the regulations of the UAE Federal Law No. 6 of 2007 and is registered in the Insurance Companies register of the Insurance Authority under number 15.

The Company operates through its headquarters in Al Buhaira Tower, Khalid Lagoon, Buhaira Corniche, P.O. Box 6000, Sharjah, UAE, as well as through its 8 branches in Sharjah, Dubai (2), Abu Dhabi, Ajman, Al Ain, Fujairah, and Khorfakkan. All the company's branches fall within the scope of this report.

BASIS OF PREPARATION

This report has been prepared in accordance with the GRI Standards (GRI): Core Option and is aligned with ADX's ESG metrics. In addition, the report outlines ABNIC's alignment with the United Nations Sustainable Development Goals, as well as the UAE Vision 2021.

This report has been issued in June 2021. It is expected that for subsequent years we will be issuing our report in tandem with our Annual General Meeting and will form an integral part of our Integrated Report.

EXTERNAL ASSURANCE

The financial figures, extracted from our financial statements, have been independently audited by an internationally recognized audit firm. Our audited financial statements can be found on our website or that of ADX's.

FORWARD LOOKING STATEMENT

Forward-looking statements involve uncertainty given the many external factors that could impact the environment in which ABNIC is operating.

ABNIC holds no obligation to publicly update or revise its forward-looking statements throughout the coming fiscal year except as required by applicable

laws and regulations. It is therefore not within the scope of our internal audit team to form an opinion on any mentioned forward-looking statements.

DISCLOSURES REFERENCES & FEEDBACK

References to the GRI standards and ADX ESG metrics are found next to each section title. In addition, a content index is included at the end of the report which outlines all the GRI and ADX disclosures on which ABNIC has reported.

For any comments, questions, or feedback about this report, please contact the following email: abnich@albuha.com

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LETTER FROM OUR GENERAL MANAGER

(GRI 102-14)

Dear Stakeholders,

It gives me a great pleasure to share with you our Inaugural 2020 Sustainability Report. This report brings to life our sustainability journey on which we are looking forward to steadily and efficiently progress with enthusiasm.

ESG performance has become an integral part of those essential inputs used to assess and rate companies and analyse their ability to create sustainable value.

The concept of Sustainable Development was officially established during the 1980s in the famous "Our Common Future" Brundtland Report published by the United Nations. Yet, sustainable development related topics have been in discussion for many decades back.

We have seen, in the last period, an important acceleration of sustainable development related initiatives which are, thankfully, permanently transitioning our world into a sustainable path. As of June 2021, 137 countries have committed to carbon neutrality, and more will follow in the next couple of years. Similarly, at least 21% of the world's 2,000 largest public companies have committed to meet net zero targets by specific deadlines.

What cannot be measured, cannot be managed. ESG reporting is crucial for the transition to a sustainable world, as it is only by means of assessing one's impact on economic and ESG-related metrics that a plan can be set to manage such impact and ensure a positive contribution to the well-being of our planet and its people.

There are two primary misconceptions related to Sustainable Development that must be clarified, the first is a path to sustainable development where financial or economic performance as secondary, and the other is sustainable development is only about ensuring a better environment.

Sustainable development is about our Planet, People, and Prosperity. All three are interlinked. A corporation, for instance, cannot prosper in a world where natural resources are diminishing, and where society is failing. Similarly, prosperity is integral to society as it enables people to pursue opportunities they desire and build a future for their

families and friends. At our Company, ABNIC, we believe in the generation of long-term returns while protecting the environment and contributing to social progress.

The environment is indeed a very crucial aspect of sustainable development. In fact, climate change and the loss of biodiversity are two of the most pressing issues of our time. Corporations must take urgent action to tackle all these environmental issues. Yet, they must equally report on and manage the 'S' in ESG that pertains to society's well-being which is inclusive of employees, customers, and the community.

This report has allowed us to start quantifying our impact on those ESG topics that are of importance to our industry and our Company. We shall endeavour to improve our ESG reporting while also gradually introducing measures to neutralize our negative ESG-related impacts while emphasizing on the positive ones.

We welcome any feedback on our report and look forward to engaging with all our stakeholders on sustainability-related topics with the aim to enhance our journey.

Nader T. Qaddumi
General Manager

BUSINESS PROFILE

(GRI 102-1, GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-10, GRI 102-12, GRI 102-13, GRI 102-16)

Al Buhaira National Insurance Company was established in 1978 and is a leading insurance provider in the UAE. The company has a paid-up capital of AED 250 million and was listed on the Abu Dhabi Securities Exchange in 2005. ABNIC has a market capitalization of AED 427,500,000¹.

ABNIC's proven track record, strong financial position, and seasoned executive management places it as one of the UAE's leading insurers and a pioneer in shaping the industry. In addition, the loyalty of its valued customers and the strong business relationships it has developed with its business partners, including its internationally recognized reinsurers, are some of the key reasons for its success.

The Company operates through its 9 branches across the UAE and is synonymous with reliability and quality. Moreover, ABNIC understands the needs of its customers which allows it to provide a customized and quality service. The company places innovation at the forefront of its growth plan as it looks to enhance its customers' experience with the aim of exceeding their expectations.

ABNIC's main objective is to provide business excellence by means of responding to customer requests, quickly & accurately resolving claims, and committing to investing in new technologies to provide a seamless customer service.

Vision

To be the preferred insurance provider in the region

Mission

To provide the right insurance services coupled with integrated solutions that meet customer needs

Values

Our values are integrated in our shield:

Security **Honesty** **Integrity** **Excellence** **Leadership** **Dependability**

Why ABNIC

- Hassle-free claim process
- Quality service since 1978
- High liquidity, financial resilience and strong capital
- Awarded by the Insurance Authority
- Unique, progressive insurance solutions
- A wide range of covers to suit client's insurance needs
- 24/7 medical claims support centre
- Digital services to enhance overall experience

¹ As of December 2020

ABNIC is keen on consistently providing a fast and effective service to its customers. The company regularly revises and refines its offerings based on market trends and customer feedback. In that regard, the company underwrites a broad range of personal and commercial insurance with a focus on general insurance, particularly medical and motor which combined form around 75% of the company's underwriting revenues. The company's product portfolio includes 7 products within its personal lines and over 10 products within its commercial one, including the following:

PERSONAL LINES:

- Motor Insurance
- Medical Insurance
- Home Insurance
- Travel Insurance
- Life Insurance
- Jet Ski Insurance
- Yacht Insurance

COMMERCIAL LINES:

- Group Medical Insurance
- Group Life Insurance
- Motor Fleet Insurance
- Aviation Insurance
- Marine Cargo Insurance
- Marine Hull Insurance

PROPERTY:

- Property all Risks Insurance
- Hotel Comprehensive Insurance

LIABILITY LINES:

- Product Liability
- Directors' and Officers' Liability
- Public Liability
- Employees Liability and Workers' Compensation
- Medical Malpractice
- Professional Indemnity

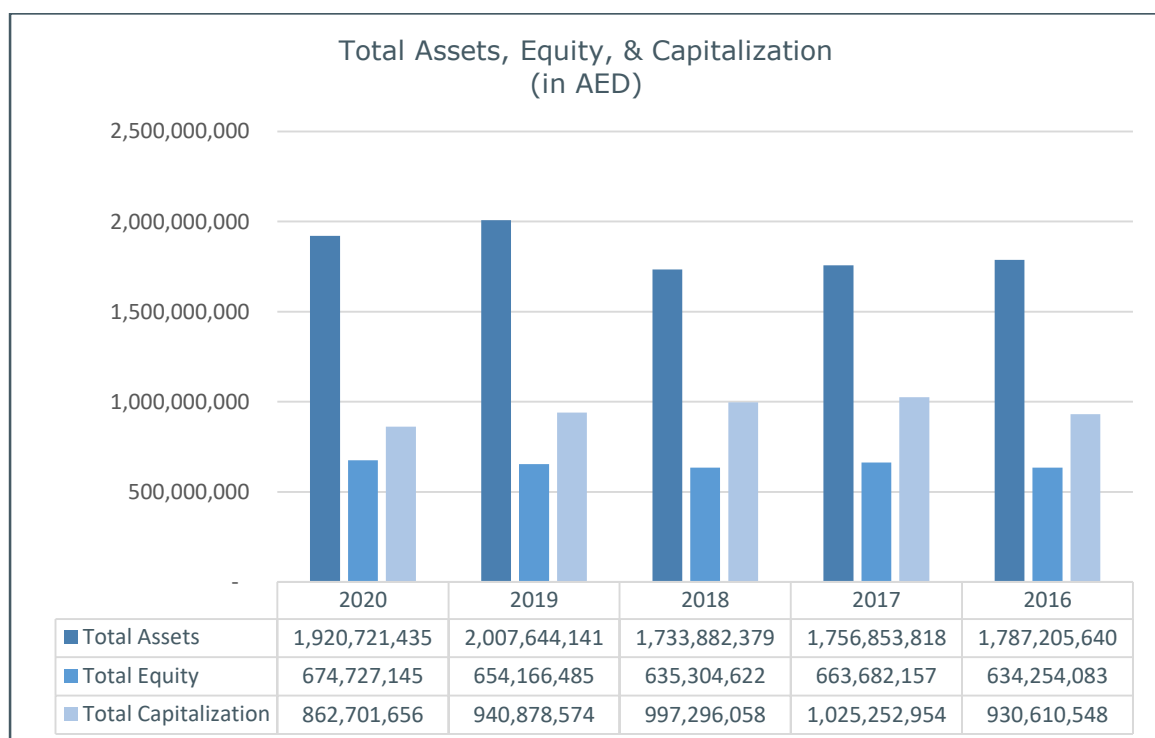
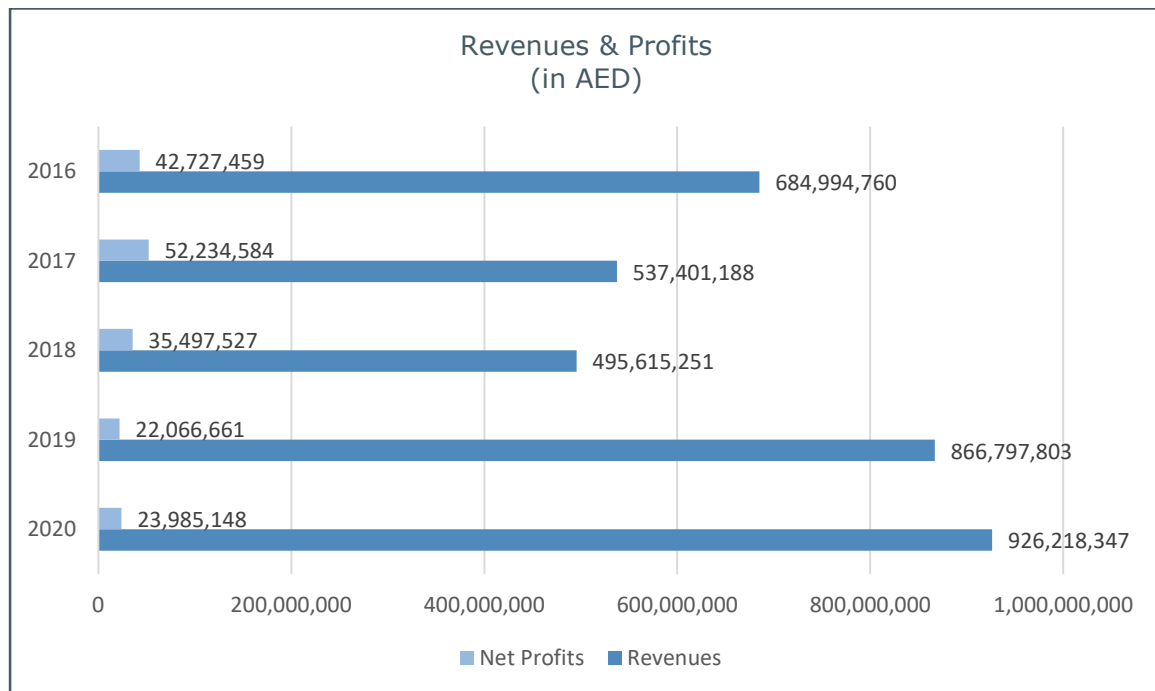
ENGINEERING LINES:

- Contractor's All Risks
- Erection All Risks
- Contractor's Plant & Machinery
- Machinery Breakdown
- Electronic Equipment
- Boiler and Pressure Plant
- Deterioration of Stock
- Banker's Blanket
- Fidelity Guarantee
- Money Insurance
- Personal Accident
- Jeweller's Block

Financial Highlights

Financial strength enables ABNIC to sustain any external economic shocks and therefore to always deliver on its promises to its stakeholders and be a reliable source of stability.

Despite the challenging COVID-19 pandemic which unexpectedly hit the world in 2020, we were able to reach a new high in terms of revenues at AED 926 million. Our balance sheet remains solid with Total Assets just below AED 2 billion as well as a stable Shareholders' Equity at 674.73 million.



2020 Awards & Recognitions

As a testament to our business excellence, our strive for excellence and customer satisfaction has been recognised by the Insurance Authority. In 2020, ABNIC is a proud recipient of the below awards:

- **The most distinguished company in the percentage of domestic investments inside the Country** *by the Insurance Authority*
- **Customer Happiness Medal** *by the Insurance Authority*

2020 Memberships

ABNIC is a member of the Emirates Insurance Association.

Rating

S&P Global Ratings affirmed our Company a BB+ long-term issuer credit and insurer financial strength ratings.

As mentioned by the rating agency, the ratings" reflect Al Buhaira National's robust capital adequacy under the agency's internal capital model and its track record of positive operating performance, benefiting from both underwriting performance and investment income. The agency believes that the company's capital and earnings will not be materially affected by the pandemic and related market volatility."

COMMITMENT TO SUSTAINABILITY

(GRI 102-20, E8, E9)

The world is clearly in the mist of its transition to a more sustainable path. We are seeing several global and local initiatives in that regard which are driving governments, corporations, civil society, academia, consumers and others to become more aware about the crucial time-period in which we are living, and to feel the urgency to act now. Our actions during this decade will be playing a key role in shaping the planet's future and in limiting emerging environmental and societal risks. Be it fighting climate change or the rise in poverty, we need to act imminently, with harmony and solidarity to achieve all set objectives.

The Financial Services sector has an important role to play in financing the transition. Governments alone cannot finance the gap, and require a close collaboration with the private sector, and particularly the financial sector. Transitioning to a sustainable path requires new inventions, technologies, infrastructure, to mention a few. All these elements require financing to be mobilized. As an example, the world's estimated financial needs for achieving the Sustainable Development Goals (SDGs) are between \$5 trillion and \$7 trillion a year (the SDGs need to be achieved by 2030).

Insurance companies represent some of the largest institutional investors in the world and their investment decisions are an important factor in shaping and growing the sustainable finance world. As such, we have been witnessing various global initiatives related to intensifying efforts in aligning institutional investors with responsible investing. The latest initiative is related to the establishment of Net-Zero Insurance Alliance. Seven of the world's leading insurers and reinsurers are working together with the United Nations Environment Programme – Finance Initiative with the aim of accelerating the transition to a resilient, net-zero emissions economy, in line with the 1.5°C target of the Paris Agreement on Climate Change.

Above being said, insurance companies have an even larger role to play in the transition to sustainable development. They are providers of resilience, and act as a safety net for society. It is therefore crucial for them to be forward-looking and manage ESG-related risks and opportunities in a proper and responsible manner. More specifically, sustainable insurance aims to reduce emerging ESG risks, to develop innovative solutions and hence help businesses improve their performance.

What does that mean for Al Buhaira National Insurance Company?

ABNIC is committed to sustainability and to playing its role as a sustainable insurer and responsible investor.

As a priority, we will look to start by increasing internal awareness with our employees as well as external stakeholders including our customers, shareholders, and the community, among others.

Upon ensuring that all our stakeholders are aligned on the material ESG issues that our company should manage, we will embed sustainability in our governance

structure by establishing a sustainability committee that will oversee its proper integration into our company.

Such integration will principally include the following:

- Further enhancing the sustainability aspect of our workplace
- Further enhancing our ESG reporting process
- Assessing our real estate and other investments' carbon footprint
- Enhancing our ERM to add an ESG layer to it
- Equipping ourselves to introduce sustainability-related solutions

All the above will be done gradually and through a clear ESG framework, inclusive of specific KPIs, and action plan to be overseen by our upcoming sustainability committee and ultimately the Board of Directors.

STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

(GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47)

Stakeholder Engagement

We highly value our stakeholders' input in forming our material ESG topics. Engaging with our stakeholders ensures that we focus on what matters the most to our Company and it allows for alignment of thoughts and targets. Moreover, such engagement will further strengthen our relationship with our stakeholders.

Stakeholder engagement forms one of the main pillars of sustainability reporting. The exercise starts with **identifying who are the key stakeholders** which is done through an internal assessment that considers the below factors:

- *Dependency*: the degree to which the stakeholder's support is needed to achieve our strategic goals,
- *Influence*: The degree to which the stakeholder can influence operational performance,
- *Interest*: the degree to which the stakeholder can affect or be affected by our operations.

The next step is to **review and analyse existing stakeholder engagement methods** and extract elements that will be helpful to the report. This step involves identifying the existing engagement channels for each stakeholder category and assessing their outcome to gather an understanding of key sustainability-related interests.

The third and final step of the stakeholder engagement methodology we follow is to engage **with the key stakeholders** the result of which will allow us to form a prioritized list of material topics that will be used as an important input into our materiality matrix.

Our approach for this year's report is to rely on our company's existing stakeholder engagement methods from which we have gathered those material sustainability topics that are important to them and that impact their analysis towards our company.

Based on the above two first steps we have identified and grouped our key stakeholders in eight categories and have listed each group's existing methods of engagement:

KEY STAKEHOLDERS		EXISTING METHODS OF ENGAGEMENT
CUSTOMERS		<ul style="list-style-type: none"> • Website • Marketing Material • Social Media • Online Reviews • Suggestion or Complaint Platform: <ul style="list-style-type: none"> ○ Either directly to ABNIC ○ Or via the Central Bank's Website
MANAGEMENT & EMPLOYEES		<ul style="list-style-type: none"> • Employees Training & Development • Company Events • Company Internal Announcements • Performance Appraisals • Exit Interviews
SHAREHOLDERS		<ul style="list-style-type: none"> • Regular Communication • Annual General Meeting • Corporate Regulatory Disclosures
GOVERNMENT	Central Bank/Insurance Authority	<ul style="list-style-type: none"> • Regular Communication via reporting requirements and meetings • Frequent Announcements
	Securities & Commodities Authority	<ul style="list-style-type: none"> • Quarterly interaction for the submission of the financial results • Interactions by email for new regulatory requirements
	Abu Dhabi Securities Exchange	<ul style="list-style-type: none"> • Regular interaction through reporting requirements • Interactions through webinars • Frequent Announcements
BUSINESS PARTNER	Reinsurers	<ul style="list-style-type: none"> • Regular interaction related to business coordination, development, and agreement renewal
	TPAs	
	Brokers	
RATING AGENCIES		<ul style="list-style-type: none"> • Yearly interaction when conducting rating review
COMMUNITY		<ul style="list-style-type: none"> • Regular local community-related initiatives, donations, and volunteering activities

Materiality Assessment

Sustainability materiality assessment starts with a comprehensive list of ESG-related topics, followed by their prioritization, and ends with an internal validation of the outcome.

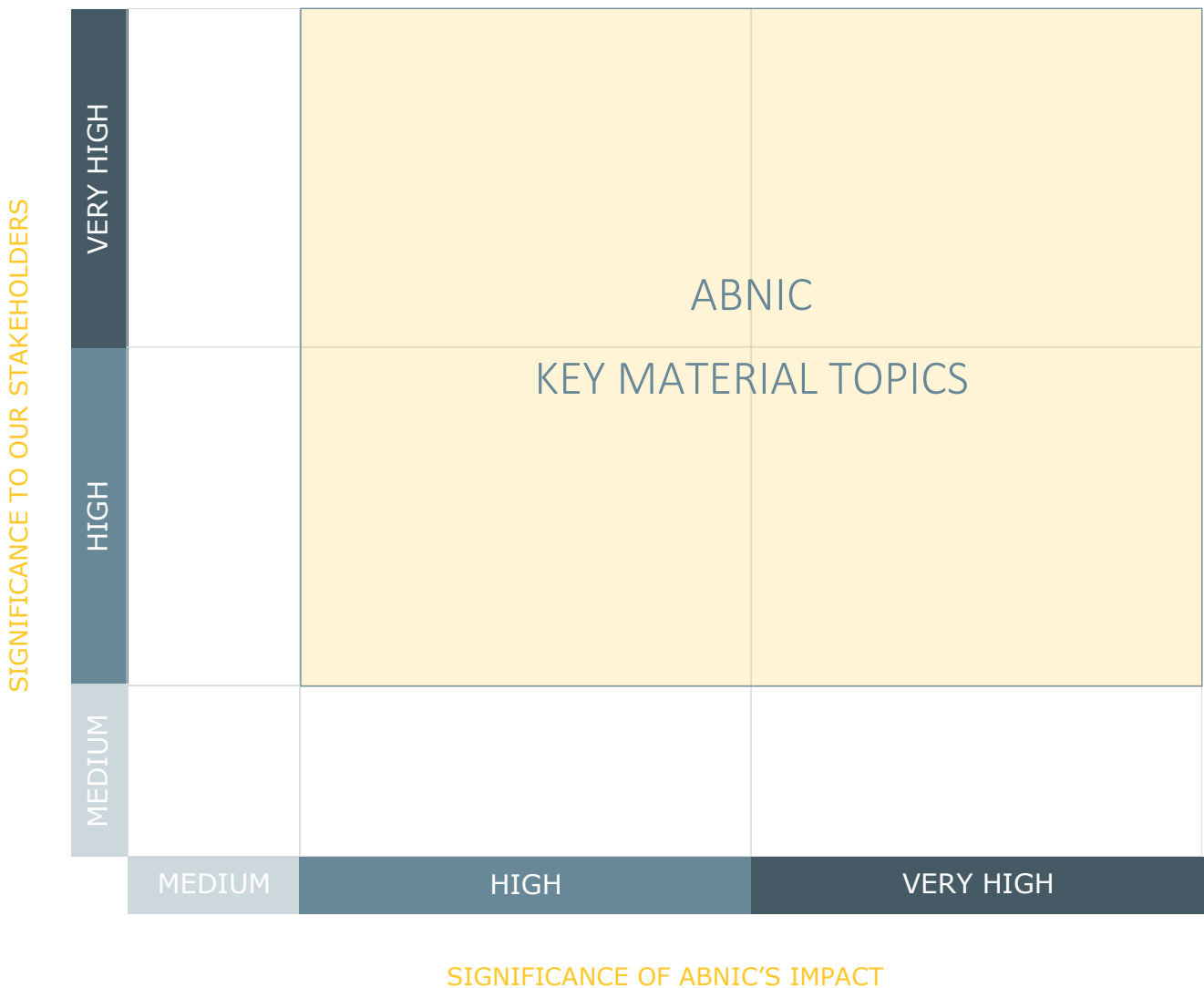
Topic Identification

In order to prepare our list of topics, we have assessed both internal and external factors to identify the sustainability issues that our business impacts and that are important to our stakeholders. Our assessment also includes conducting peer reviews, industry research and the use of publicly available data.

TOPIC PRIORITIZATION

Once we draft a list of comprehensive sustainability topics and extract from it those topics that are relevant to our company and industry, we conduct an assessment based on the existing engagement channels we have with our stakeholders and based on extensive internal discussions. The below matrix depicts how our chosen topics fall within the high priority area of both our stakeholders and our business.

In subsequent reports, we will be engaging with our stakeholders on sustainability specific topics which will enhance the outcome of our list and the entirety of our materiality assessment exercise.



VALIDATION

As demonstrated below, the list is then finalized and aligned with the chosen topics and their corresponding GRI disclosures as well as ADX matrix.

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING ADX DISCLOSURE
1	Financial Performance	GRI 201 – Economic Performance	N/A
2	Data Protection & Customer Privacy	GRI 418 – Customer Privacy	G6: Data Privacy
3	Ethics & Integrity	GRI 417- Marketing & Labelling	N/A
4	Digitalization	N/A	N/A
5	Employment Practices	GRI 401 – Employment	S3: Employee Turnover
6	Equal Opportunity, Diversity & Inclusion	GRI 405 – Diversity & Equal Opportunity	S2: Gender Pay Ratio S4: Gender Diversity
7	Environmental Impact & Sustainability Practices	GRI 302 – Energy GRI 305 – Emissions	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E6: Water Usage E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight E10: Climate Risk Mitigation
8	Emiratization	N/A	S11: Nationalization
9	Community	GRI 413 – Local Community	S12: Community Investment

ABNIC's VALUE CHAIN

(GRI 102-9, GRI 102-10, G4)

The following value chain map illustrates how ABNIC's various stakeholders and functions fit together:



CUSTOMERS

(GRI 417-2, GRI 417-3, GRI 418-1, G6)

Our customers' wellness stands at the core of our purpose and operation. Our successful journey which now spans 42 years is a testament to our reliability and quality service. We have always built a strong relationship with our customers based on trust and have continuously listened to their needs and responded with creating the necessary customized solutions.

In addition, we have put in place a quality customer service that is fast and effective to always respond to our customers' questions and concerns swiftly.

As a testament to the above, we were proudly awarded, in 2020, the Customer Happiness Medal. This medal was given to us by the Insurance Authority and demonstrates that our business model is based on our customers' happiness as we seek to dynamically respond to their needs.

Starting 2021, we will be implementing a systemized customer rating service in every branch allowing our customers to instantaneously describe how their experience went. Such rating survey will also be applied to all online users to cover the widest spectrum of feedback. This will form ABNIC's customer happiness meter which will further strengthen our customer service delivery.

Ethics & Integrity

We take pride in having serviced the UAE market for over 4 decades in the most ethical manner, keeping our customers' wellbeing at the forefront of our actions. Integrity forms an essential part of our corporate values and one of the main pillars on which we have built our legacy.

Operating with integrity is essential to building trusted relationships with all our stakeholders, to attracting talent to our company as well as gaining new customers.

We implement a rigorous Code of Business Conduct that we consider as being the most important piece of document in the company. It is the foundation on which all our business practices are conducted. This document extends not only to our employees but to all our stakeholders including our suppliers, vendors, contractors, and business partners.

The Code of Conduct covers various important subjects including conflict of interest, corruption, as well as confidentiality. To that end, all ABNIC employees have to consent, on an annual basis, to have read and fully understood an undertaking which covers confidentiality, data protection, among other important matters.

Relevant KPIs for 2020

MARKETING AND LABELLING (GRI – 417)	
Incidents of non-compliance concerning product and service information and labelling	
Number of incidents of non-compliance with regulations resulting in a warning, fine or penalty	ZERO
Number of incidents of non-compliance with voluntary codes	ZERO
Incidents of non-compliance concerning marketing communications	
Number of incidents of non-compliance with regulations resulting in a warning fine or penalty	ZERO
Number of incidents of non-compliance with voluntary codes	ZERO

Digitalization & Innovation

One of the most important elements in retaining customers and gaining new ones is to ensure a seamless service, one where customers can transact and communicate with the company at their comfort – anytime, anywhere.

We are committed to creating a differentiated service and experience for our customers and standing out as a leader in our industry in digital transformation.

In 2019, the Company launched a mobile application specific for the medical line of business. All our medical insureds are able to submit their claims as well as be reimbursed for any paid invoices through the application. All bills and other relevant attachments can be directly uploaded from their mobile phones onto the application.

In addition, we are currently working to expand such service for our motor insurance clients, to provide the capability to issue policies, renew them, and submit claims via mobile app and customer portals.

On the other hand, our brokers are already enjoying such digitalized service through a dedicated portal we have built for both their motor and medical policy needs (policies are issued systematically through the portal).

As for our internal operation, we will also be implementing an e-signature management system which will further enhance our offering and render our processes more efficient.

Privacy & Information Security

As part of our quest to exceed our customers' expectations, to ensure their wellness and to continuously strengthen the trust they have in us, we put an exceptional emphasis on protecting their privacy and personal information. By thoroughly and securely handling our customers' data, we can maintain our relationships with our customers and all stakeholders over the long-term which will directly contribute to creating sustainable value.

With digitalization and hyperconnectivity comes an increase in IT risks. As such, we have put in place vigorous measures to ensure that all data is protected, and that none are prone to unauthorized access or to misuse.

We have first ensured to hire the necessary IT staff with the necessary experience to handle such key function. We have been working tirelessly to ensure full compliance with all IT regulatory matters including NESAs.

NESA, the National Electronic Security Authority, is a government body tasked with protecting the UAE’s critical information infrastructure and improving national cyber security. The authority has published a set of standards that we strictly abide by.

As part of the above, the IT team has implemented protection measures using multifactor authentication, have recently installed new firewalls, updated the network and migrated to new advanced solutions. In addition, they regularly conduct system updates so as to ensure all data is secure and that there are no breaches.

The company is currently working on a specialized security system to prevent any data leakage while it is also looking to implement security monitoring solutions to track all activity 24/7 and identify breaches, if any, in real time. Both solutions should become live in 2021.

Relevant KPIs for 2020

CUSTOMER PRIVACY (GRI – 418)	
Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Number of complaints received from outside parties and substantiated by the organization	ZERO
Number of complaints from regulatory bodies	ZERO
Number of identified leaks, thefts, or losses of customer data	ZERO

EMPLOYEES

(GRI 102-8, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-3, GRI 405-1, S2, S3, S4, S5, S6)

ABNIC's objective of setting a leading example in corporate business excellence, and to consistently reach its objectives and spread customer wellness can only be achieved through the performance of our employees. They are the heart of the company, and it is their dedication, skills, and ambitions that have maintained our legacy of over 40 years of stability.

Talent Attraction and Retention

We expect to become a positive catalyst for our employees' career ambitions and progression. The wellness of all our **362 employees** is our priority.

We offer our employees a sense of stability through our successful track record, as well as our strong reputation and financial position.

We do not believe in the practice of giving a limited number of chances for our employees to progress but rather in giving a hand throughout their career to ensure they are able to reach their ambitions. We are the place for them to develop their skills, achieve their targets, and advance in their work.

This highly resonates with people who tend to appreciate and value such work environment. This is demonstrated through our **high retention rate of 88.40%**. It is not uncommon when walking through our corporate hallways to run into employees that have been with ABNIC for over 30 years. In fact, **our average employee number of years at ABNIC is 9 years and 3 months**.

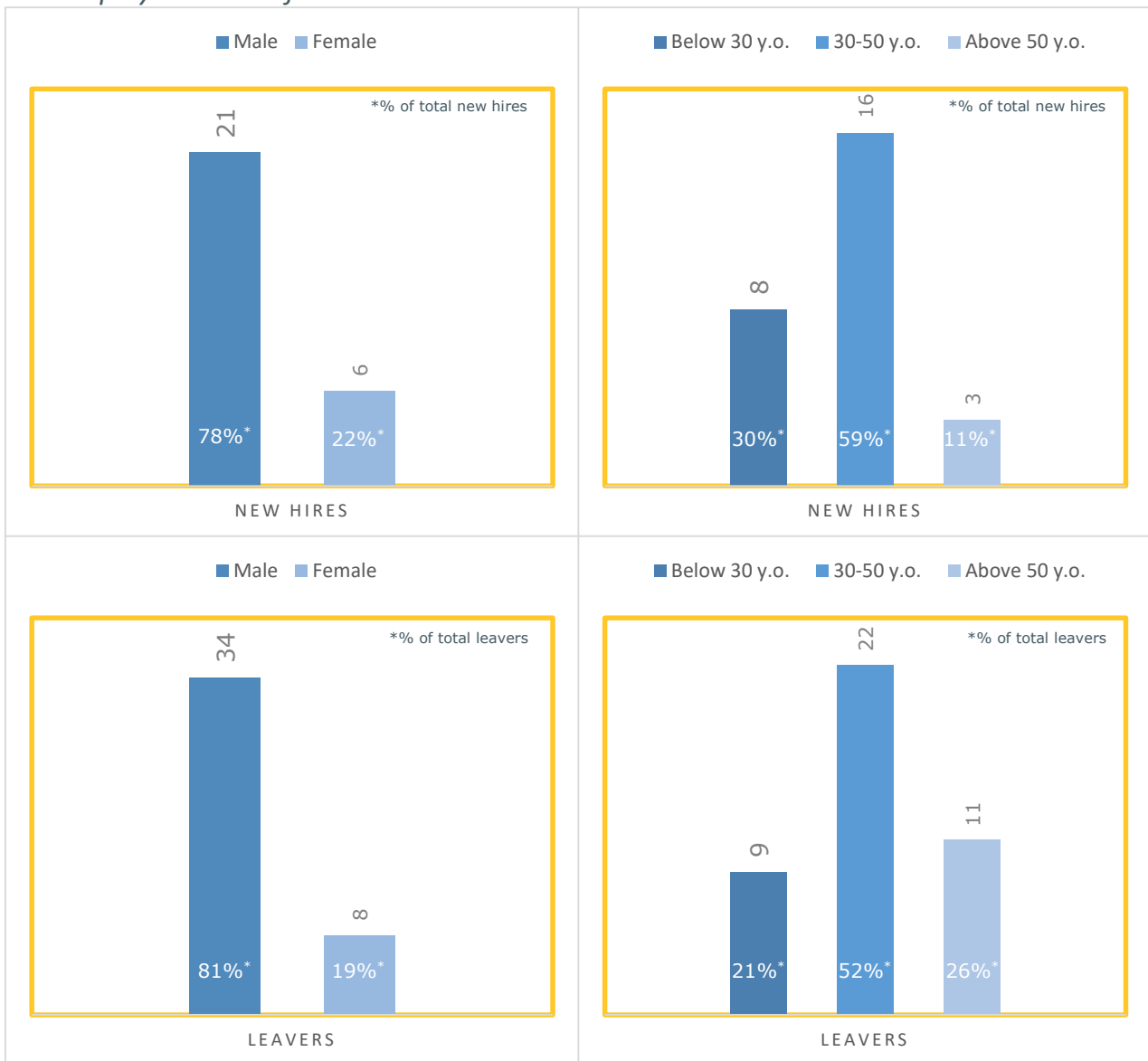
In addition, we also look to provide our employees with competitive offers. This would include above-average market rate salaries, other benefits such as annual ticket, medical & life insurance, and a bonus, while also giving our employees the option to participate in ABNIC's Provident Fund. Should they choose so, employees commit to transfer 5% of their salaries to the fund which gets automatically matched by ABNIC. This acts as an extra savings buffer in addition to the end of service indemnity that our employees are granted.

Moreover, we ensure to make our work environment evolve with the shifts that take place be it in our industry or in the general corporate world. As such, we have instilled as part of our work environment, flexibility and most importantly stability for those taking a special leave so they know that they can come back to their position and continue from where they left off.

Although we encourage all supervisors and managers to have an open channel of communication with all their team members, we do perform official reviews on a yearly basis which assists management in assessing performance and identifying bonuses.

88.40% EMPLOYEE RETENTION IN 2020

Employment KPIs for 2020



Diversity, Inclusion and Equality

The United Arab Emirates is home to a large number of nationalities. By nature, our company follows a similar diverse pattern represented by a workforce from **16 different nationalities**.

Moreover, **32% of our employees are women**, and most of which (**62%**) are **in mid-level positions**. Over the years, we have ensured to instil the proper HR processes to encourage a significant female presence amongst our workforce. We have been successful in maintaining a steady women representation rate of 32% per year, since 2018.

As such, we are committed to an inclusive, non-discriminatory, and equal opportunity work environment supported by clear policies and a fair work culture. In addition, all our policies have a clear governance structure which identifies responsibility and accountability.

16 DIFFERENT NATIONALITIES

Equal Opportunity Employer

ABNIC has established its commitment to equal opportunity in employment and career paths. In order to provide such equal opportunity, all career related decisions are based on merit, qualifications, and abilities.

In that regard, we make it clear that we do not discriminate in employment opportunities or practices based on race, colour, religion, sex, national origin, age, disability, ancestry, marital status, or any other characteristic.

Non-discrimination Policy

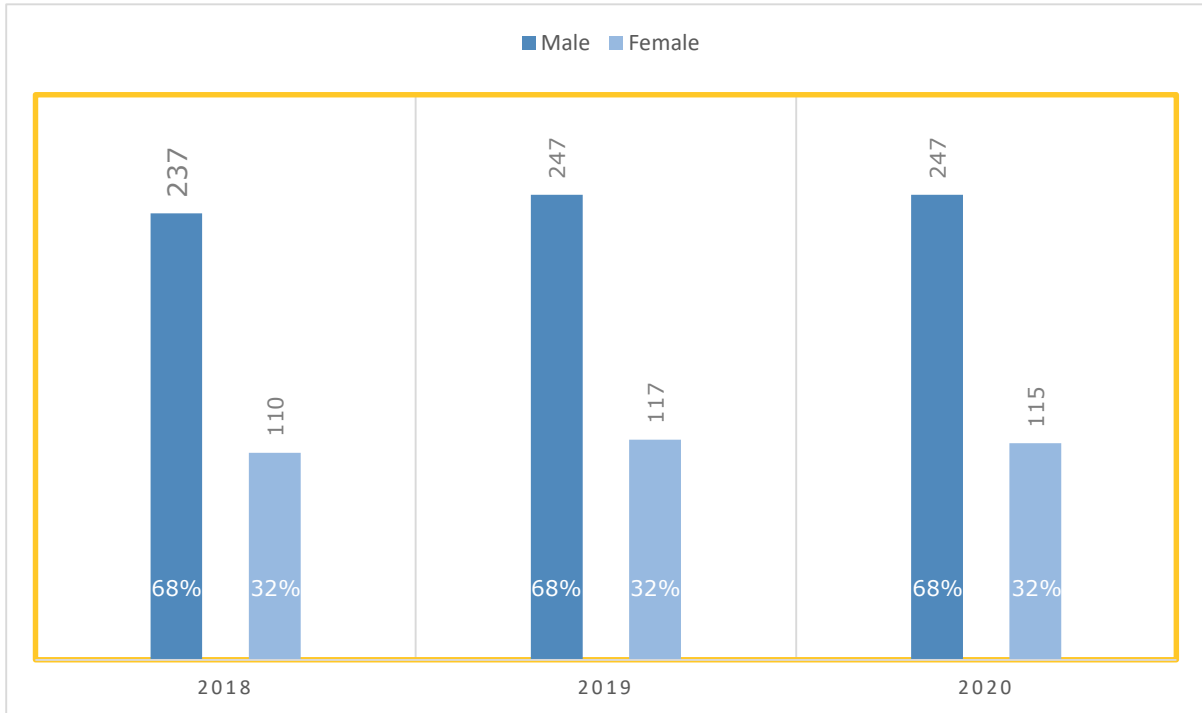
ABNIC does not condone any harassment of an employee by any personnel or vendor or other. Any employee who experiences or observes any harassment or discrimination is encouraged to report it to a supervisor or department head.

Whistleblowing Policy

We have developed a strict whistleblowing policy to allow our employees and others to disclose information that is related to unethical or illegal conduct without being penalized. The policy includes protecting the whistleblower from any detriment or discrimination. The policy provides a clear mechanism for reporting, investigating, and remedying any wrongdoing in the workplace.

In addition, we have published a form on our website allowing any employee to log in and submit an incident. This can be done anonymously so as to protect the identity of the whistleblower.

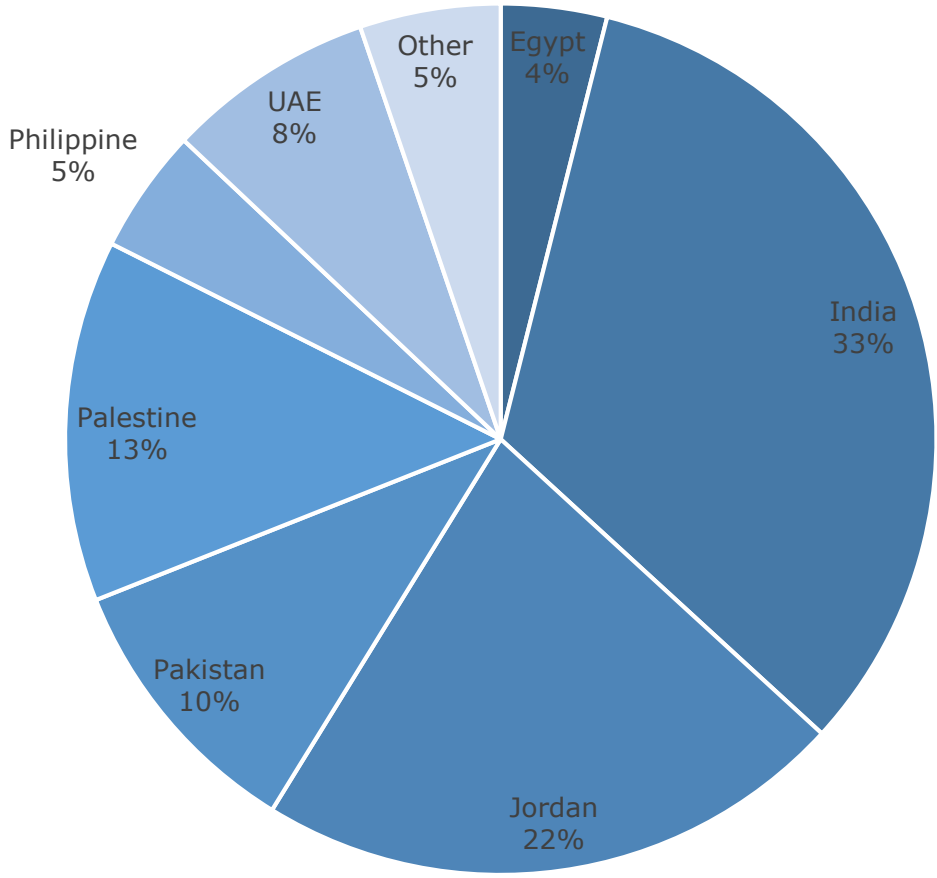
The below data illustrates our workforce composition (all our employees are on permanent and full-time basis):



WORKFORCE COMPOSITION BY GENDER (2020)					
Entry Level		Mid Level		Senior Level	
Male	Female	Male	Female	Male	Female
19%	11%	37%	20%	12%	1%

WORKFORCE COMPOSITION BY AGE GROUP (2020)					
Entry-to-Mid Level			Senior-to-Executive Level		
Below 30 y.o.	30- 50 y.o.	Over 50 y.o.	Below 30 y.o.	30- 50 y.o.	Over 50 y.o.
17%	58%	12%	0%	7%	6%

WORKFORCE COMPOSITION BY NATIONALITY (2020)



ENVIRONMENT

(GRI 102-20, GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4, E1, E2, E3, E4, E5, E6, E7, E8, E9)

Corporations have a crucial role to play in putting an end to the environmental degradation our world has witnessed in the past decades and to being an active force in pushing towards sustainable development.

As such, we take our environmental responsibility seriously and seek to act with urgency to decrease our carbon footprint and place environmental stewardship at the core of our strategy.

This report has allowed us to start forming an idea about where our environmental impact primarily lies which in turn will help us develop an effective strategy to manage and decrease our footprint.

Both, direct and indirect impacts need to be addressed. Our direct impact comes from our own operation. In this report, we outline our Scope 1 and 2 greenhouse gas emissions to identify our consumption patterns and the resulting emissions. The second form of impact we have is through our investment portfolio, which currently mainly lies in real estate. Given that we are the owners of three buildings in Sharjah, we must look to include the level of emissions they are generating to put a clear plan to decrease them. Our subsequent report will include the greenhouse gas emissions from all our buildings.

Decreasing paper consumption

As part of our quest to decrease our environmental impact, we have identified paper as potentially being the largest source of waste for our company. As a result, we have launched an initiative starting mid-2020 to significantly decrease our paper consumption.

More specifically, we have installed a printing management system which centralizes all data related to our printing pattern. Moreover, we have decreased the number of printers in the company to raise consciousness about only printing when necessary and worked on an extensive company-wide paper saving awareness campaign.

The objective of this initiative is to **(1)** Control and decrease our paper consumption and hence decrease our environmental impact in that regard, **(2)** to save on cost mainly from purchasing printers, ink, and paper, and finally **(3)** to be in line with our objective of improving our environmental stewardship.

Below are key 2020 KPIs reflecting the initiative:

**NUMBER OF
COMPANY-WIDE
PRINTERS REDUCED**

FROM
244
TO
158

**COST REDUCTION
PERCENTAGE**

27%*

**inclusive of consumables and
maintenance cost*

**NUMBER OF PAGES
SAVED**

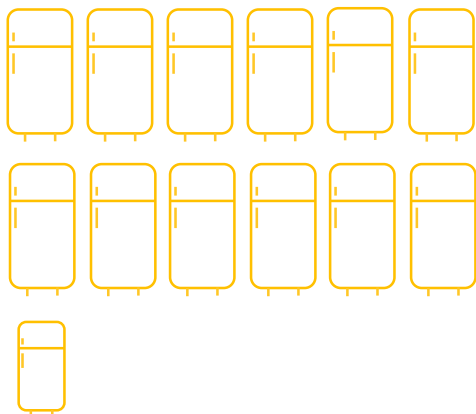
~75,000*

** these represent the number of
pages that were sent for printing
but then the request was deleted*

RESULTING IMPACT (over the paper's life cycle)



9.9
TREES SAVED



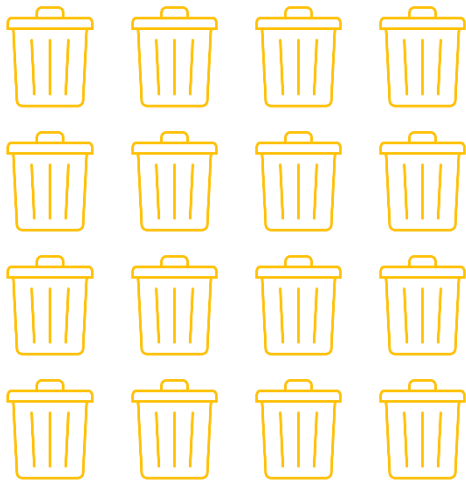
ENERGY SAVED WORTH
12.5 RESIDENTIAL
REFRIGERATORS/ YEAR



3,370kg of CO₂ SAVED, EQUIVALENT TO
0.7 CAR/YEAR



8,840 GALLONS of WATER SAVED,
EQUIVALENT TO
6.4 CLOTHES WASHERS/YEAR



487
POUNDS OF SOLID WASTE SAVED, OR
111
PEOPLE GENERATING SOLID WASTE/DAY

Environmental Governance

The reduction in paper consumption initiative decision was taken on a managerial level and implemented by the information technology department. Currently, environmental stewardship related discussions are held on a managerial level and implemented accordingly.

Going forward, we are looking to establish a sustainability committee that would be responsible for all sustainability and environmental related discussions and decisions. The committee will be responsible for eventually developing an ESG framework, to overseeing its implementation and monitoring its progress.

Based on the above, the Board of Directors will set the strategic direction that the committee will adopt. This means that sustainability and ESG related subject-matters will become an integral part of the Board agenda.

The Greenhouse Gas Protocol

We have used the GHG protocol as a guide to compute our GHG emissions and have set our organizational boundary according to the 'control approach'. As such, we seek to account for 100% of the GHG emissions from operations over which our company has control.

More specifically, we will be using the 'operational' control criteria as opposed to the 'financial' control one.

As for our reporting scope, we have opted this year to account for our Scope 1 and 2 computations. We will look to enhance our GHG emissions reporting in subsequent reports to include any refrigerants leakage in our Scope 1 emissions, while introducing elements of our Scope 3 emissions.

In addition, we will also include in the next report the GHG emissions generated from all the buildings within our real estate portfolio.

ENERGY CONSUMPTION IN GJ			
Direct Emissions – Fuel Consumption – Scope 1			
	2020	2019	2018
TOTAL	331.19	371.21	431.23

ENERGY CONSUMPTION IN GJ	
Indirect Emissions – Electricity Consumption – Scope 2	
	2020
TOTAL	498.03

TOTAL ENERGY CONSUMPTION IN GJ	
	2020
Total Direct Energy Consumption (Scope 1)	331.19
Total Indirect Energy Consumption (Scope 2)	498.03
Total Energy Consumption	829.22

ENERGY INTENSITY (GJ/EMPLOYEE)	
In GJ/Employee	2020
Direct Energy Intensity (Scope 1)	0.92
Indirect Energy Intensity (Scope 2)	1.38
Total Energy Intensity	2.3

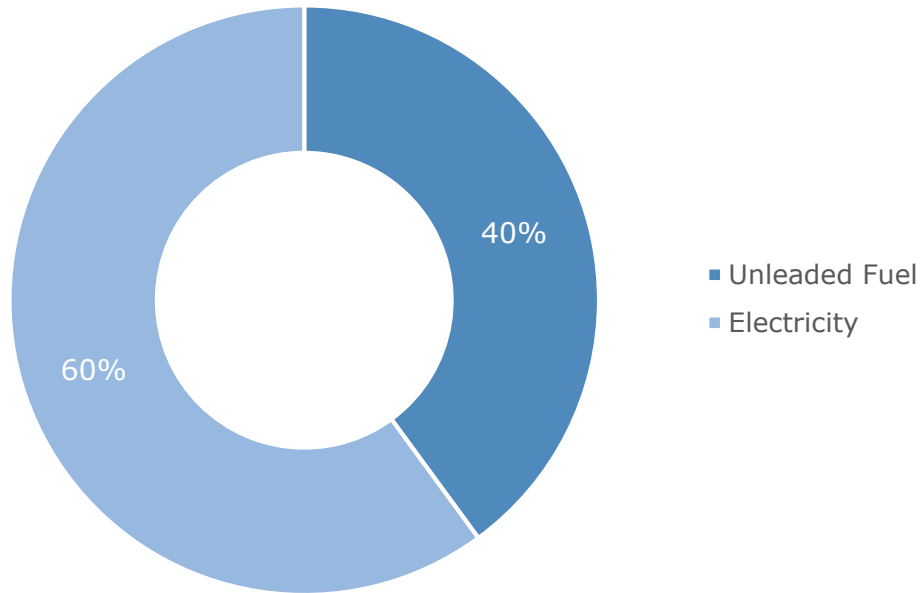
GHG EMISSIONS

TOTAL GHG EMISSIONS (MT CO₂ e)	
in MT CO ₂ e	2020
Direct (Scope 1)	21.00
Indirect (Scope 2)	58.10
Total GHG Emissions	79.10

GHG EMISSIONS INTENSITY (KG CO₂ e/EMPLOYEE)	
in KG CO ₂ e / Employee	2020

Direct (Scope 1)	58.00
Indirect (Scope 2)	58.10
Total GHG Emission Intensity per Employee	116.10

ENERGY MIX 2020



WATER CONSUMPTION 2020

WATER CONSUMPTION IN M³	
	2020
Total Water Consumption	563.06
Water Consumption per Employee	1.56

COMMUNITY

(S11, S12)

Commitment to the Local Community

As a UAE company we take our responsibility towards the community very seriously. We are committed to contributing to its welfare and to making such activities an integral part of our strategy.

An essential pillar to our contribution to the community is related to the Emiratization initiative led by the Ministry of Human Resources & Emiratization which seeks to continuously increase the participation of the national human resources in priority strategic sectors.

Such efforts are also encouraged by the Central Bank of the UAE which facilitates and sponsors various forms of training to allow nationals to improve their skills in specialized industries.

We are proud of our contribution in that regard and will continue on making our impact felt through our investment in local skills. More specifically, we have in the past three years invested **AED 2,263,100 in fees** for UAE nationals for qualification and training purposes (through the Emirates Insurance Association).

Type	2018	2019	2020
Total amount invested in the community (in AED)	486,737	866,786	909,577

In addition, in 2020 we had **28 total UAE national employees** forming around 8% of our workforce; out of which **93%** are **women** and **7%** are **men**. A further breakdown from the last three years is shown below:

	Number of UAE National Employees	% of Total Workforce
2020	28	7.73%
2019	20	5.49%
2018	16	4.61%

Community Affinity Schemes

ABNIC has signed on as a partner to two different initiatives providing benefits to military and police personnel, among others.

We are currently supporting '**Homat Al Watan**' (or 'homeland protectors') discount card which provides benefits to personnel and companies affiliated to the Ministry of Defence and UAE Armed Forces. This would include those currently serving as well as retirees and veterans.

We are also part of the "**Esaad Card**" affinity scheme. This card was launched in 2017 as a community initiative providing around 5,000 offers and privileges for various services to government staff. More than **99,000 individuals** benefit from the card.

GOVERNANCE

(GRI 102-5, GRI 102-11, GRI 102-16, GRI 102-18, GRI 102-20, GRI 405-1, G1, G2)

Corporate governance structures lead to the establishment of regulations, policies and processes which provide confidence to stakeholders and ensure their needs are attended to and their interests are balanced.

Corporate governance is the foundation of any sustainable business as it allows a company to manage its risks and limit, for instance, the occurrence of fraud or corruption; as a result, protecting the company's reputation and legacy.

ABNIC's Ownership Structure

Our Company is 48% owned by institutional investors and 52% by individuals, most of which are UAE nationals (80%). ABNIC is tightly held by a small number of 76 shareholders. Our 6 largest shareholders own 69% of the company's shares.

ABNIC's Board of Directors

Our company's board of directors is composed of 7 members, 6 of which are non-executive, and 4 of which are independent. The Board is composed of some of the most reputable UAE families which bring with them a long history and track record of building successful companies and leadership roles.

There are three primary committees that report to the board including the audit committee, nomination & remuneration committee, and the insiders' trading follow-up and supervision committee.

There is currently no female representation on the board of directors. During the last election round, no female member was nominated according to the prescribed procedures. That being said, during the next round of nomination, we shall proactively seek to include the presence of at least one woman on our board.

Internal Control System & Compliance

The Board of Directors is directly responsible for the internal control system. An internal control department follows rigorous processes to protect the company's assets and to instil in place the necessary preventive measures to avoid any undesirable events.

As for the company's compliance function, it ensures accountability towards our corporate policies and therefore plays an integral role in minimizing operational risk factors.

At the core of our compliance function is our compliance policy which sets out the framework to rigorously follow all regulatory requirements. The policy covers all departments and performs, over all functions, an assessment of systems, processes, and controls. The compliance policy emphasizes and ensures that the requirements of all the below authorities is fully and promptly attended to:

Authority

Compliance with ADX, ESCA and XBRL requirements

Compliance with UAE Insurance Authority requirements

Compliance with UAE Labour Laws

Compliance with UAE Federal Tax Authority Regulations

Compliance with DHA and HAAD

Compliance with UAE AML regulations

AML/CFT Policy

As a financial services sector company, we are susceptible to potential money laundering transactions which calls for a robust policy to protect the company and ensure we abide by the Central Bank's regulations in that regard.

We have drafted an Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) policy to ensure that the products and services of the company are not used to launder the proceeds of crime and that all employees are aware about their obligations and extremely well trained for that purpose.

The compliance department is responsible for putting together a strategy and program to continuously establish the necessary processes, train our employees accordingly, and monitor any potential risks.

Enterprise Risk Management

Insurance companies are faced with various layers of risk that they need to thoroughly review, limit, and mitigate. Below we outline the main aspects of our Enterprise Risk Management (ERM) framework, policy, and procedures. Going forward, we will look to add ESG factors into our risk management framework to manage these emerging risks.

ERM FRAMEWORK & POLICY

It is the Board of Directors and the management's responsibility to ensure that a rigorous ERM framework is in place and that risk management forms an integral part of the company's strategy.

Such ERM framework allows the company to identify potential risks and put in place the necessary processes to manage them according to the company's set risk appetite.

The company's risk management framework and processes follow the ISO 31000 standard and cover key areas of risk including underwriting, credit, market, liquidity, and operational.

The company faces, in the normal course of business, several risks that have the potential to deviate it from reaching its strategic objectives and set targets. Such risks must be managed in order to maximize potential opportunities and minimize the adverse effects of risk.

Our ERM policy impacts many facets of our company's operation including its capital base which it looks to monitor and protect from risks that could erode its value.

In addition, ABNIC, as an investor, has a specific investment policy statement that it strictly follows when deploying its capital. The ERM policy ensures that the company is investing as per its risk profile and return objectives.

Finally, thorough ERM implementation is a primary source of protecting the company's reputation and its brand image.

COVID-19 RESPONSE

The COVID-19 pandemic has had a devastating impact on governments, corporations, and civil society, which will persist for some time.

It is, therefore, crucial that we remain focused on combating its spread and most importantly that we protect our employees and customers, and extend such efforts to the community.

As soon as the strict lockdowns were put in place, we ensured to equip all our employees with the necessary logistics (e.g., laptops) to conduct their work safely from home. The IT team worked diligently to ensure all our employees have the necessary access to our systems to guarantee an uninterrupted service for our customers.

As the risks were waning down and as per the governmental directives, we began to return to work in shifts. We made sure that our offices are equipped from a logistical perspective to enforce social distancing, and a high level of hygiene. We accompanied such measures with an awareness campaign.

In addition, we organized for our employees a vaccination campaign and arranged with the Dubai Health Authority to provide access via direct appointments for all our employees.

Finally, as part of our corporate social responsibility, we participated in a COVID-19 relief measure. Upon renewal of the motor insurance policies, a discount of up to 50% on the minimum insurance premium was provided for workers in the medical sector, the army, the police, and the civil defence. The campaign was also extended to people of determination, the elderly or those over 60 years old, as well as any insurance applicant with a clean accident traffic record.

THE SUSTAINABLE DEVELOPMENT GOALS & ALIGNMENT WITH THE UAE VISION 2021

The 17 Sustainable Development Goals

The United Nations Agenda 2030, along with its 17 Sustainable Development Goals (SDGs) and 169 targets, represent a plan of action for People, Planet and Prosperity. More specifically, the Agenda 2030 is about ending poverty and hunger, providing healthcare and education access to all, and ensuring that “all human beings can fulfil their potential in dignity and equality and in a healthy environment.”

The 17 Sustainable Development Goals are meant to guide the world move irreversibly towards a sustainable path and serve as a compass for all stakeholders to act in harmony to reach the said objectives and goals.

The 17 Sustainable Development Goals are listed below:



The UAE National Committee on SDGs

The UAE played an important role in shaping the dialogue around the 17 Sustainable Development Goals which were adopted by all United Nations Member States in 2015.

Moreover, the UAE set up, in 2017, the National Committee on SDGs, tasked with ensuring that the UAE's development agenda is aligned with the SDGs and directly contributes to them.

Linking Global & Local Sustainability Initiatives

In 2010, the UAE government introduced the UAE Vision 2021 which aims to make the UAE among the best countries in the world by the Golden Jubilee of the Union. The Vision 2021 is composed of six National Priorities, which have been mapped against the 17 SDGs to ensure that they are aligned with and are directly contributing to these 17 Global Goals.

The UAE Vision 2021 Six National Priorities Include:

1. World Class Healthcare
2. Competitive Knowledge Economy
3. Safe Public and Fair Judiciary
4. Cohesive Society and Preserved Identity
5. First-Rate Education System
6. Sustainable Environment and Infrastructure

The Insurance Industry's Impact on the SDGs

Insurance offers resilience for corporations, individuals, and their families. It protects the society from unexpected shocks and serves as a safety net. As such, insurance companies play an essential role in the transition to sustainable development and provide the necessary cushion to minimize volatility and drawbacks along the way.

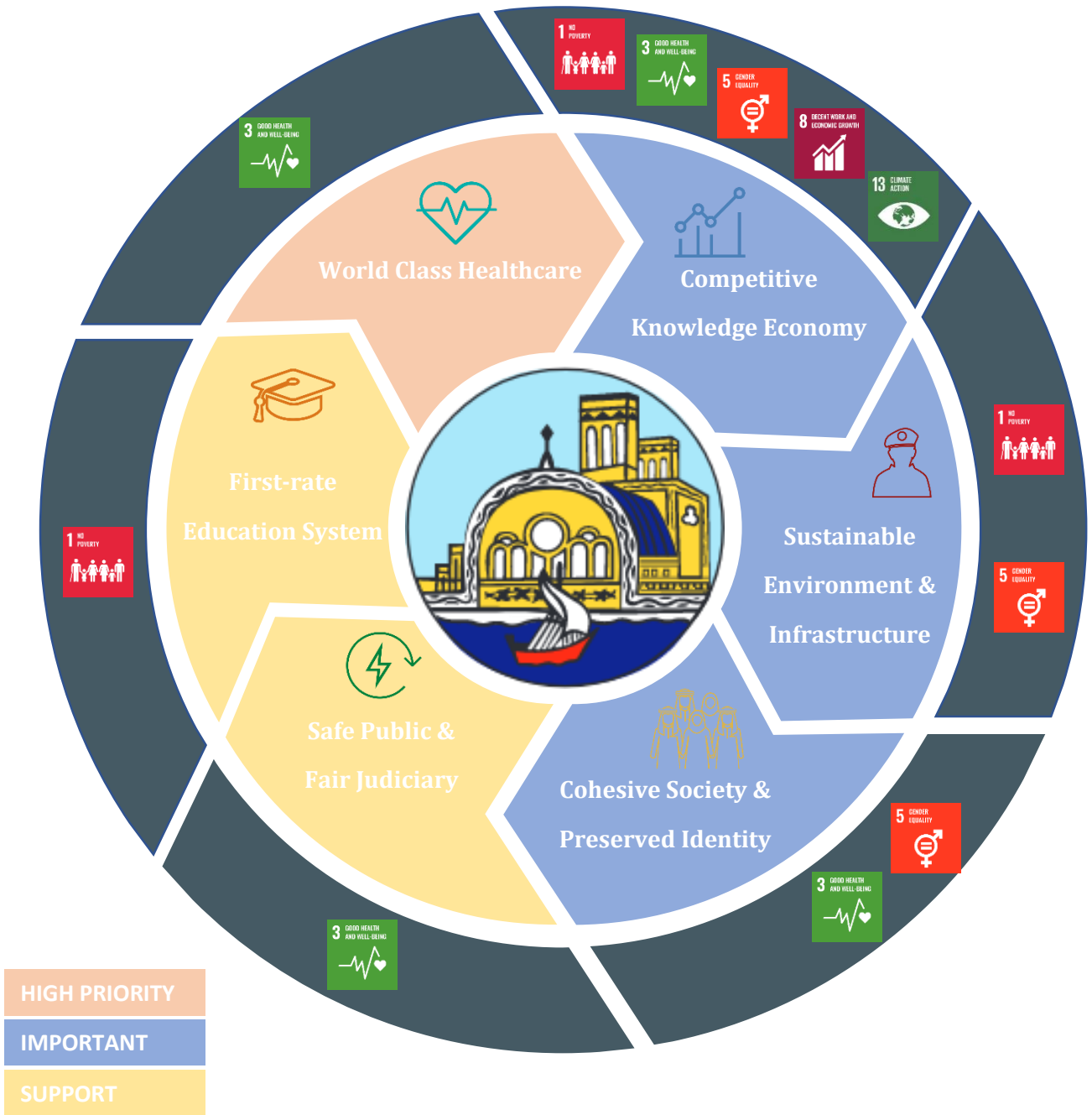
In addition, insurance companies represent some of the largest institutional investors in the world and therefore have a direct impact on financing the transition and greening the financial system.

ABNIC's Approach to the SDGs

Our approach to the 17 Sustainable Goals is that of relevance. Through extensive internal discussions and desk research, and following a thorough exercise of mapping out the various above initiatives which include **(1)** the 17 Sustainable Development Goals, **(2)** The UAE Vision 2021, as well as **(3)** the insurance sector's contribution to the SDGs, we came out with **5 essential sustainable development goals** that are relevant to our company, and that we can directly contribute to as well as impact.

We shall enhance our SDG reporting in subsequent reports to include specific KPIs related to our impact on the selected Sustainable Development Goals.

The below chart illustrates how the various initiatives align along with their relevance to our company:



As a result, ABNIC's relevant SDGs include:

HIGH PRIORITY



IMPORTANT



GRI & ADX INDEX

GENERAL DISCLOSURES				
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE PAGE	NOTES
Organizational profile				
102-1	Name of the organization		2,7	
102-2	Activities, brands, products, and services		7	
102-3	Location of headquarters		2	
102-4	Location of operations		2,7	
102-5	Ownership and legal form		2,33	
102-6	Markets served		7	
102-7	Scale of the organization		7	
102-8	Information on employees and other workers	S4: Gender Diversity S5: Temporary Worker Ratio	21	
102-9	Supply Chain	G4: Supplier Code of Conduct	17	
102-10	Significant changes to the organization and its supply chain		7,17	
102-11	Precautionary Principle or approach		33	
102-12	External initiatives		7	
102-13	Membership of associations		7	
Strategy				
102-14	Statement from senior decision-maker		5	
Ethics & Integrity				

102-16	Describe your organization's values, principles, standards and norms of behavior		7,33	
Governance				
102-18	Governance structure	G1: Board Diversity G2: Board Independence	33	
102-20*	Executive-level responsibility for economic, environmental, and social topics	E8, E9: Environmental Oversight	37,26,33	
Stakeholder Engagement				
102-40	List of stakeholder groups		13	
102-41	Collective bargaining agreements		<i>Not applicable for companies operating in UAE</i>	
102-42	Identifying and selecting stakeholders		13	
102-43	Approach to stakeholder engagement		13	
102-44	Key topics and concerns raised		13	
Reporting Practice				
102-45	Entities included in the consolidated financial statements		13	
102-46	Defining report content and topic boundaries	G7: Sustainability Reporting G8: Disclosure Practices	2	
102-47	List of material topics		13	
102-48	Restatements of information		2	

102-49	Changes in reporting		2	
102-50	Reporting period		2	
102-51	Date of the most recent report		2	
102-52	Reporting cycle		2	
102-53	Contact point for questions regarding the report		2	
102-54	Claims of reporting in accordance with the GRI standards		2	
102-55	GRI content index		40	
102-56	External assurance	G9: External Assurance	2	
MATERIAL TOPICS				
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE PAGE	NOTES
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		7,13,37	
103-2	The management approach and its components		7,37	
103-3	Evaluation of the management approach		7,37	
GRI 201 Topic Specific				
201-1	Direct economic value generated and distributed		Refer to our 2020 audited financial statements pages 7-11	
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,26,37	

103-2	The management approach and its components		26,37	
103-3	Evaluation of the management approach	E7: Environmental Operations	26,37	
GRI 302 Topic Specific				
302-1	Energy consumption within the organization	E3: Energy Usage	26	
		E5: Energy Mix		
		E6: Water Usage		
302-3	Energy intensity	E4: Energy Intensity	26	
GRI 305: Emissions 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,26,37	
103-2	The management approach and its components		26,37	
103-3	Evaluation of the management approach		26,37	
GRI 305 Topic Specific				
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	26	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	26	
305-4	GHG emissions intensity	E2: Emissions Intensity	26	
GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,21,37	
103-2	The management approach and its components		21,37	
103-3	Evaluation of the management approach		21,37	
GRI 401 Topic Specific				
401-1	New employee hires and employee turnover	S3: Employee Turnover	21	

401-2	Benefits provided to full-time employees that are not provided to part-time employees		21	
GRI 405: Diversity and Equal Opportunity 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,21,37	
103-2	The management approach and its components		21,37	
103-3	Evaluation of the management approach		21,37	
GRI 405 Topic Specific				
405-1	Diversity of governance bodies and employees	S4: Gender Diversity S6: Non-Discrimination	21,33	
405-2	Ratio of basic salary and remuneration of women to men	S2: Gender Pay Ratio	21	
GRI 417: Marketing & Labelling 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		13,18	
103-2	The management approach and its components		18	
103-3	Evaluation of the management approach		18	
GRI 417 Topic Specific				
417-2	Incidents of non-compliance concerning product and service information and labeling		18	
417-3	Incidents of non-compliance concerning marketing communications		18	
GRI 418: Customer Privacy 2016				
GRI 103 Management Approach				

103-1	Explanation of the material topic and its boundary		13,18	
103-2	The management approach and its components		18	
103-3	Evaluation of the management approach		18	
GRI 418 Topic Specific				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G6: Data Privacy	18	

Additional ADX disclosures			
ADX DISCLOSURE	CONTENT	REFERENCE PAGE	NOTES
Environmental			
E10	Climate Risk Mitigation		<i>Our future Environmental Policy will include this metric</i>
	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	<i>Not Available</i>	
Social			
S1	CEO Pay Ratio		<i>The CEO's salary along with that of the executive team is currently disclosed in our Corporate Governance Report</i>
	Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	<i>Not Available</i>	
	Does your company report this metric in regulatory filings?	<i>Not Available</i>	
S6	Non-Discrimination		<i>Non- Discrimination is covered in our HR Policies</i>
	Does your company follow a sexual harassment and/or non-discrimination policy?	<i>Yes</i>	
S7	Injury Rate		

	Percentage: Frequency of injury events relative to total workforce time	N/A	<i>The industry in which we operate is not prone to injuries</i>
S8	Global Health & Safety		<i>Our HR Policies include Health & Safety clauses</i>
	Does your company follow an occupational health and/or global health & safety policy?	N/A	
S9	Child & Forced Labor		<i>We are in full support of combating child and/or forced labor, this risk is less applicable to the Insurance Sector</i>
	Does your company follow a child and/or forced labor policy?	N/A	
	If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	N/A	
S10	Human Rights		<i>Our HR Policies include Human Rights clauses</i>
	Does your company follow a human rights policy?	Yes	
	If yes, does your human rights policy also cover suppliers and vendors?	N/A	
S11	Nationalisation		
	Percentage of national employees	31	
S12	Community Investment		
	Amount invested in the community, as a percentage of company revenues	31	
Governance			
G3	Incentivized Pay		<i>This will be considered as part of our Sustainability Strategy</i>
	Are executives formally incentivized to perform on sustainability?	No	
G5	Ethics & Anti-Corruption		<i>Ethics and Anti-Corruption is Policies</i>
	Does your company follow an Ethics and/or Anti-Corruption policy?	Yes	
	If yes, what percentage of your workforce has formally certified its compliance with the policy	100%	