

دار التكافل
Dar Al Takaful



Premium Islamic Insurance التأمين الإسلامي الأمثل



SUSTAINABILITY REPORT 2020



H.H Sheikh Khalifa Bin Zayed Al Nayhan

President of the United Arab Emirates and Ruler of Abu Dhabi



H.H Sheikh Mohammed Bin Rashid Al Maktoum

Vice President of the United Arab Emirates,
Prime Minister and Ruler of Dubai

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, G8, G9, G10

Reporting Scope

This is the inaugural 2020 Sustainability Report for Dar Al Takaful, which covers the period between the 1st of January to the 31st of December 2020, unless stated otherwise.

Dar Al Takaful PJSC was incorporated as a public joint stock company established in July 2008. The Company carries out general takaful, retakaful and investments in accordance with the teachings of Islamic Shari'a and within the provisions of UAE Federal Law no. 6 of 2007 relating to takaful companies and takaful agents and the Memorandum and Articles of Association of the Company. The Company's headquarters is currently at the Offices 1 at Once Central, Level 4, Dubai World Trade Centre, P.O. Box 48883, Dubai – UAE.

At 31st of December 2020, the Company had the following subsidiaries that it fully owned:

NOOR TAKAFUL FAMILY PJSC

Family takaful and
retakaful activities

NOOR TAKAFUL GENERAL PJSC

General takaful and
retakaful activities

AUTO CREW WORKSHOP LLC

Auto mechanical
repairing workshop

Dar Al Takaful has been listed on the Dubai Financial Market since August 2008 and has an authorized capital of AED 150 million. The Company operates through its headquarters in Dubai, along with three branches in Dubai, Sharjah and Abu Dhabi. All the branches fall within the scope of this report.

The Company has acquired in July 2020 Noor Takaful General and Noor Takaful Family (listed above as subsidiaries). Both subsidiaries also fall within the scope of this report. As for the third subsidiary, Auto Crew Workshop LLC, although effectively legally owned by the Company, it does not fall within the scope of this report as it has no operational activities.

We take operational control as the boundary for reporting, unless stated otherwise.

Basis Of Preparation

This report has been prepared in accordance with the GRI Standards (GRI): Core Option, as well as with the Dubai Financial Market's (DFM) ESG metrics. In addition, the report outlines Dar Al Takaful's alignment with the UAE Vision 2021, as well as the United Nations Sustainable Development Goals.

This inaugural report was issued in June 2021. It is expected that all subsequent reports will be issued within 90 days of the end of our fiscal year (which would fall on the 31st of March) or before our Annual General Meeting, whichever comes first.

External Assurance

The content of this report has been reviewed and validated by Dar Al Takaful's internal audit function.

All financial figures extracted from our financial statements have been independently audited by internationally recognized audit firms. Our annual audited financial statements can be found on our website.

Forward-Looking Statements

It is important to note that forward-looking statements involve uncertainty given the many external factors that could impact the environment in which the Company is operating.

The Company 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 these forward-looking statements.

Communication & Feedback

References to the GRI Standards and DFM ESG disclosures are found on the top part of each corresponding section. The GRI content index, which forms an integral part of Sustainability Reports is prepared in accordance with the GRI Standards and included on page 57. The index is also inclusive of DFM's ESG disclosures.

For any feedback about this report, please contact:

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A MESSAGE FROM OUR CEO

I GRI 102-14

A Call for Common Action

It is neither the size of a company, nor its industry classification or its years of establishment that define whether ESG reporting and integration is required. Rather, it is a company's will to better manage emerging risks and benefit from transitional opportunities that defines such action, which goes hand in hand with working for the well-being of one's employees and for fulfilling clients' needs and expectations.

ESG reporting and integration is about remaining competitive and creating sustainable stakeholder value, as well as about being a business force for good.

COVID-19 has undoubtedly demonstrated the interconnectivity of the world, as well as its vulnerability from human action. The pandemic respected no boundaries. Similarly, climate change, along with other environmental and social factors also know no borders. Taking greenhouse gases as an example, any individual or company's polluting activities cause gases that trap heat in the atmosphere. These gases remain confined for different amounts of time, and long enough to become well-mixed and long-lived, with their concentrations evenly spreading across the entire atmosphere.

Protecting our planet, caring for its people, and seeking prosperity, are three interconnected factors that can only be achieved through collective action. Businesses can neither prosper in failed societies nor in a world where natural resources are being depleted.

The UAE was one of the first countries in the region to have ratified the Paris Climate Agreement. The agreement calls for the mitigation of greenhouse gas emissions and to adapt to prospective climate change. To fulfil such commitment, the UAE has established a national policy framework, which include a nationwide climate change adaptation program, among others. It is therefore crucial for companies to follow through and align their efforts with those of the Government to combat all environmental-related risks.

Although continuously evolving, the frameworks, studies, and research related to climate change, as well as other environmental and social related factors are readily available, and plenty to equip companies with the necessary tools for urgent collective action.

Whether it would be risks of increased humidity, warmer weather, higher sea levels, intense rainfalls or other extreme events, the UAE is prone to climate-related trends that will impact its different economic sectors. These would include construction, tourism, manufacturing, retail, transport, and farming & fishing, among others. It is therefore crucial for the insurance sector to form a deep understanding about these risks and how they may impact their current and potential clients as well as their underwriting activity. Moreover, insurance companies are also investors and have a fiduciary duty towards their shareholders to ensure that they are thoroughly analysing all risks that may impact the value of their investments, which would clearly include ESG risks.

“

PROTECTING OUR PLANET, CARING FOR ITS PEOPLE, AND SEEKING PROSPERITY, ARE THREE INTERCONNECTED FACTORS THAT CAN ONLY BE ACHIEVED THROUGH COLLECTIVE ACTION. BUSINESSES CAN NEITHER PROSPER IN FAILED SOCIETIES NOR IN A WORLD WHERE NATURAL RESOURCES ARE BEING DEPLETED.

”

Above being said, this is not only about risk adaptation and mitigation, but also about benefiting from a promising transitional opportunity. The shift to a more sustainable economy, requires innovation, new technologies, and skilled human capital. In addition, such shift can only take place with a sustainable insurance sector that can protect and power the shift to a more resilient and sustainable world.

Insurance companies through their evolving offerings can play a significant role in the way societies can adapt to climate-related risks as well as overall resilience. In addition, they are well placed to meet the evolving clients' needs as sustainable practices become a key differentiating factor within the industry.

With this in mind, I eagerly present to you our inaugural Sustainability Report which reflects our progress along our sustainability journey and measures our impact on ESG-related factors. We will look to ensure our reports are always aligned with best-practices and evolving to include relevant and decision-useful data to help us efficiently manage our progress to a Sustainable Dar Al Takaful.

RAJESH SETHI
Chief Executive Officer



OUR PURPOSE

I GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-9, GRI 102-10, GRI 102-12, GRI 102-13, GRI 102-16, G5

Our Vision

Protection and peace of mind

Our Mission

To offer the most innovative ethical insurance solutions and build a culture of excellence

Values

Our core values were derived through the mutual consensus of our employees, our board and our practices

Ethics | Passion | Quality | Agility | Empathy

About Dar Takaful

Dar Al Takaful was established in 2008 and over the past 13 years has developed to become the House of Takaful in the region.

In 2020, the Company's total assets crossed the AED1 billion threshold while its total equity increased 14% to reach AED 145.4 million.

Shari'ah compliance and ethics are at the heart of our business model. As such the company is focused on a mission to provide protection and deliver peace of mind. Our long-term strategy is to deliver growth and enhance stakeholder value by means of instilling a culture of innovation and excellence.

We offer a broad range of Takaful general and customized Islamic insurance products and services to individuals, families, and companies in the UAE.

Our main business segments include general, family life, and medical insurance which formed around 25%, 35%, and 40% of our total contributions in 2020, respectively.

Dar al Takaful is a member of the Emirates Insurance Association.

Key 2020 Event

Despite the challenging operational and economic circumstances brought on by COVID-19, we successfully completed the acquisition of Noor Takaful Family & Noor Takaful General ('Noor Takaful'), two leading takaful sister companies, established in 2009. Noor Takaful offers a comprehensive range of general, medical, and family takaful solutions. The company was the third largest takaful operator in the UAE with a gross written contribution of AED554 million in 2019.

The strategic acquisition of Noor Takaful General and Noor Takaful Family in July 2020 has brought us a step closer to becoming a leading Takaful provider in the region. As a result, this has diversified the range of products and solutions that we offer to our clients and scaled up our market share.

The acquisition brought about changes in most of our Board of Directors which gave the company a new vision and strategic direction, thereby further strengthening our business model and ambition to become the leading Takaful providers in the region.

Our Products & Solutions

PERSONAL SEGMENT	CORPORATE SEGMENT	SME SEGMENT
<ul style="list-style-type: none"> • Medical • Car • Home • Travel • Board • Family (life) 	<ul style="list-style-type: none"> • Engineering • Property • Marine • General Accident • Liability • Family • Medical • Fleet 	<ul style="list-style-type: none"> • SME General Takaful • SME Medical • SME Fleet • SME Family

SME Segment

Small and mid-size enterprises (SMEs) are the heart of the economy, they breathe life into the sectors in which they exist and combined are the largest employer. Simultaneously, such companies are founded and led by entrepreneurs, and risk taking is an integral part of their journey. Without insurance, it would be difficult for them to reach their aspirations and create the successful stories that ignite hope in everyone’s heart and mind.

We are proud to serve this segment of the market, but more importantly to serve them with ethics. We are keen on providing them with a customized service and be a positive catalyst to their aspirations and growth.

We offer a comprehensive set of Takaful solutions to SMEs to ensure that they enjoy better protection while receiving value for money.

Growth Through Digital Innovation

Innovation forms an integral part of our culture and growth plan. It is by means of operational efficiency and providing full-service accessibility to our clients at their own comfort and preferred timing that we will be able to lead and contribute towards the growth of the Takaful sector in the region.

ISO 9001:2015 Standard Certified

Noor Takaful is ISO 9001:2015 Standard Certified. Such compliance refers to a quality management system used by an organization to demonstrate they provide high quality services and/or products that consistently meet client and regulatory requirements.

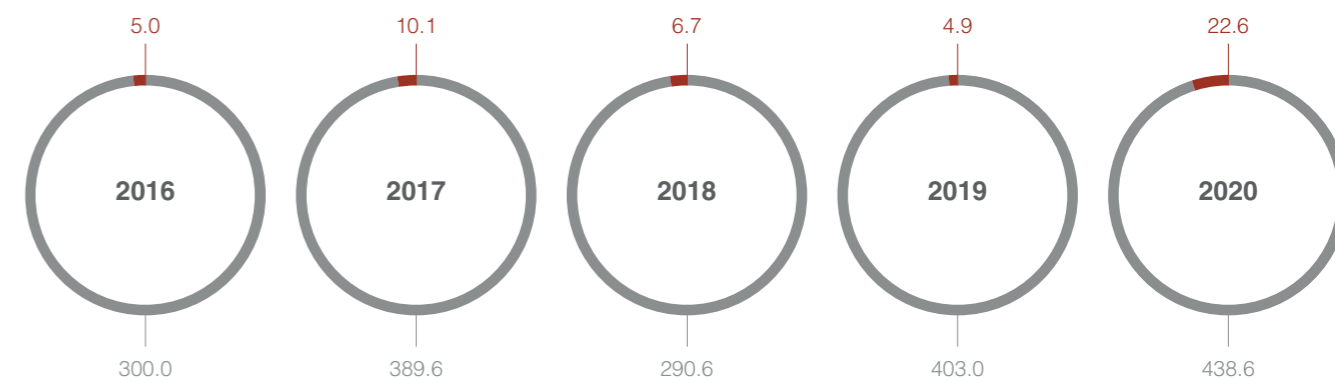
Dar Al Takaful’s Financial Rating

Our Company has a Financial Strength Rating of B (fair), with a Stable outlook and a long-term issuer credit rating of “bb” with a positive outlook, from AM BEST.

2020 Awards & Recognition Program

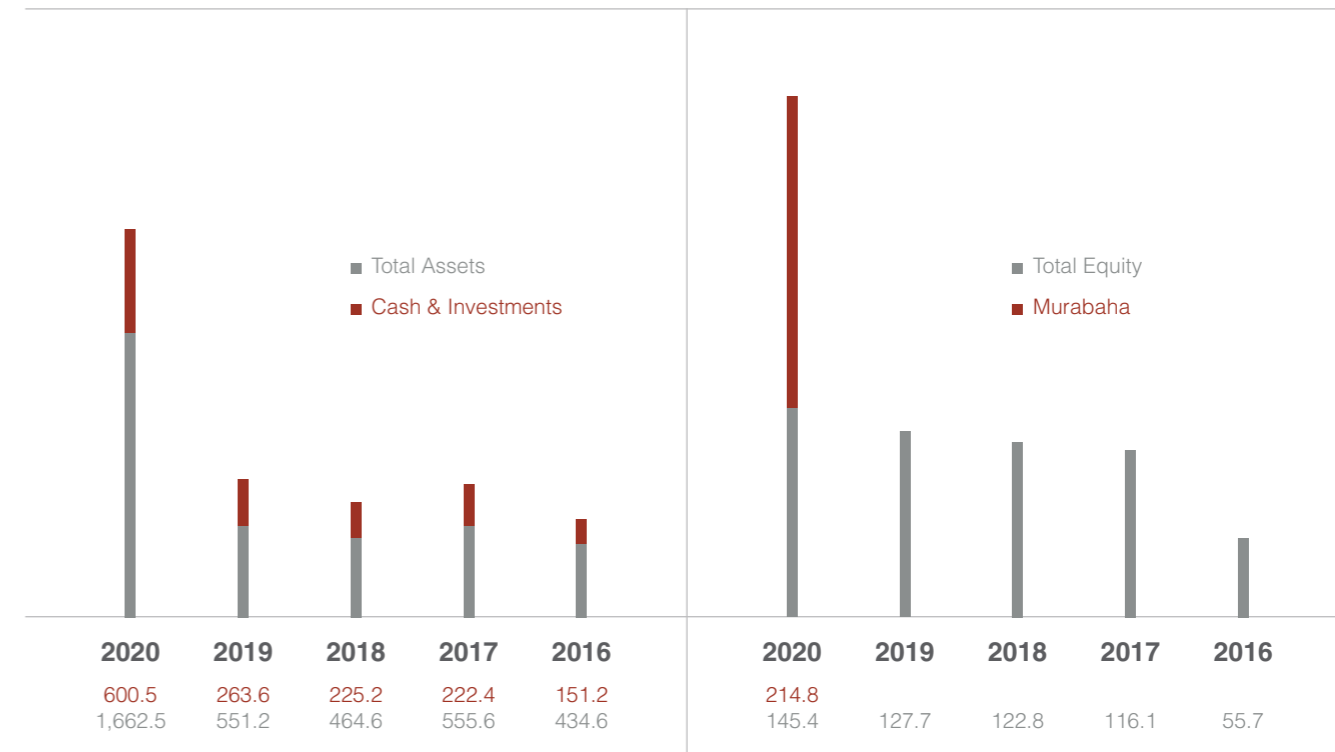
- ‘Best General Takaful Provider UAE 2020’ at the Global Banking & Finance Awards
- ‘Insurance Brand of the Year’ award by Global Banking and Finance Review
- ‘Gold Award’ in the Financial Services category at International Business Excellence Awards
- ‘Best Customised Islamic Insurance Provider’ at the 2020 UAE Business Awards
- ‘Best Takaful Provider’ at the MEA Finance Awards 2020

Key Financial Highlights



REVENUE & NET PROFIT (in AED million)

■ Net Profit ■ Gross Contribution



TOTAL ASSETS & LIQUIDITY (in AED million)

TOTAL CAPITALIZATION (in AED million)

OUR RESPONSE TO COVID-19

COVID-19 unexpectedly and harshly hit the world around January 2020 and has had severe consequences on world economies. It is estimated that around USD 3.94 trillion was lost in economic input, in 2020 alone. The impact of the pandemic remains looming large on company's agendas especially as we see new strains and waves of the virus hitting different parts of the world.

The UAE's economy was also impacted, especially during the early lockdown period. Yet, the Government with its various relevant bodies, and at the top of them, the frontline workers and the healthcare system in general, rapidly rose to the occasion and set a precedent of a unified set of policies and infrastructure across the country that controlled the spread of the virus and led to the UAE being one of the safest countries in the world.

As part of its response to the virus, the Government accelerated mass testing, drive-through screening, while also successfully completing the fastest inoculation campaign in the world. More specifically, as of the beginning of June 2021, the UAE's national vaccination campaign had reached close to 85% of the total eligible population.

Additional important financial measures were also introduced to revive the local economy. Notably, the Central Bank of the UAE launched an AED 100 billion comprehensive Economic Support Scheme for retail and corporate customers affected by COVID-19. As for the Abu Dhabi Executive Council, it announced an economic stimulus package which includes allocating AED 3 billion to the SME Credit Guarantee Scheme, while the Dubai Government launched an AED 1.5 billion economic stimulus package which seeks to enhance liquidity and reduce the impact of the current economic situation.



Dar Al Takaful's Response

The wellbeing of our employees was the main priority for our Company upon the official declaration of COVID-19 being a global pandemic. Ensuring the wellbeing of our human capital meant safeguarding their health and safety while implementing the right measures to boost their motivation and productivity during a challenging period for all.

We set from the beginning a very clear work-from-home policy to secure the safety and reassurance of our employees and their families. We also ensured that we continue providing an uninterrupted service and cater to the needs and concerns of our clients.

Office supplies, such as laptops, screens, printers, and phones were delivered at the doorstep of all our employees, existing and new. Through this initiative, our Company guaranteed no employees had to step into the office and ensured all the necessary resources were provided to our remote workers to set up an effective workspace at home and perform their job duties successfully.

Workplace health and safety regulations are paramount to the well-being of the employees and the company. A company operating with a strong health and safety culture can boost staff morale and productivity.

Since the breakout of the pandemic, Dar Al Takaful took multiple steps to curb the spread of the virus including conducting regular sanitization of workstations and office buildings, establishing a clear and frequent line of communication with all our staff members for health and safety purposes. In addition, we encouraged and supported all our staff to get vaccinated.

A special COVID-19 leave was granted to all employees that got infected by the virus, additional to the annual leave benefits offered. In addition, we also supported these employees financially to ease the burden on them and improve their physical and mental wellbeing.

Other measures applied by our company included the development and distribution of a COVID-19 information pack. This document follows Dubai Health Authority's standard protocols and covers all aspects of COVID-19 policies and procedures. Such measure helped ensure the safety of our workforce and their families, along with our ability to continue to meet our business commitments. Moreover, a COVID-19 response team was also put in place.

Finally, as for financial related measures, we donated an amount of AED75,000 to the Community Solidarity Fund against COVID-19 which aims to support the UAE efforts to fight the virus. In addition, and as a responsible UAE corporation, we made sure that no salary or benefit cuts were made and that there were no COVID-19 related layoffs.

OUR SUSTAINABILITY MANAGEMENT

I GRI 102-20, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47, E8, E9

Our Approach To Sustainability

The Takaful & ESG Overlap

Takaful is strictly based on strong ethics and applies the values of fairness and transparency. Moreover, Takaful promotes stakeholder value creation as well as environmental stewardship, both of which form the very essence of Sustainable Development.

Takaful insurance is a participatory form of insurance whereby clients are insured but also act as insurers as they contribute to a risk pool. Such risk pool is managed by the operator whose ultimate objective is to create value to all stakeholders.

From an investor's perspective, Takaful operators link deposits and investments to real underlying assets, which enhances the investment portfolio's risk profile, and decreases potential volatility. As a further layer of safety, Takaful operators invest according to Shari'ah principles which promotes social well-being.

The above resonates and overlaps perfectly well with sustainability and ESG, as a result, creating a clear path for Takaful operators to swiftly progress along their sustainability journey.

With that in mind, our approach to sustainability is that of relevance and comprehensiveness. We look to apply sustainability and ESG as it specifically pertains to the insurance sector while ensuring that we cover all facets of our operation. This will result in Dar Takaful maximizing its impact on and contribution to a more sustainable UAE Economy.



Sustainability Oversight

As part of our NTDAT Hive initiative, the **Noor Care House**, formed in 2020 and consisting of representatives from different departments, is responsible for creating and monitoring sustainability-related initiatives in the Company. Such team has allowed us to further organize ourselves, engage our senior staff on sustainability-related matters, and most importantly to combine internal efforts to progress along our sustainability journey

So far, such initiatives are discussed and decided upon at committee and managerial level, while keeping our Board of Directors abreast of the main performed actions.

Going forward, we will look to further enhance our sustainability efforts, by introducing a sustainability and ESG firm-wide framework that will clearly guide our actions in that regard. Such framework will be initiated and discussed at the Board level and will be implemented at the committee level.

Sustainable Workplace

Companies must lead by example, which is a trait implanted in Dar Al Takaful's values. Hence our starting point must include ensuring that our own workplace is sustainable. This would include the following:

- Decarbonize our operation by means of shifting to a circular workplace
- Continuously work to improve the society's well-being including those of our employees, clients, and the community
- Put in place a robust ESG governance system that establishes responsibilities, transparency, and accountability

We have already made important strides in that regard which is discussed throughout the report.

Sustainable Insurance

Providing sustainable insurance is a necessity to remain competitive to retain and grow our client base and become the leading Takaful operation in the region. More specifically, consumers are becoming more environmentally aware and conscious which is increasingly becoming apparent in their actions and needs. This requires that forward-looking insurance companies remain close to their clients and create the necessary products and solutions not only to keep up with their needs but also help them shape these needs towards a more sustainable world.

Shari'ah Investing with an ESG Lens

As an institutional investor, we must consider ESG factors when analysing and making investment decisions. Environmental, Social, and Governance factors are bringing about new risks as well as opportunities that are reshaping the investment world. Investing through an ESG lens is not only a must to protect the value of our investments but also to contribute to greening the financial system and as a result financing the shift to sustainable development.

The above calls for Dar Al Takaful's investment operation to have an ESG framework that will enhance its investment decision making

Our Commitment to the UAE Vision 2021 and the Sustainable Development Goals

The UAE Vision 2021

The UAE Vision 2021 was launched, in 2010, by H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. The Vision aims to make the UAE among the best countries in the world by the Golden Jubilee of the Union.

To put the Vision into action, six National Priorities were created, representing the key focus sectors of the government up to 2021.

The six National Priorities include:

- World-Class Healthcare
- Competitive Knowledge Economy
- Safe Public and Fair Judiciary
- Cohesive Society and Preserved identity
- Sustainable Environment and Infrastructure
- First-Rate Education System

The Sustainable Development Goals

In 2015, all United Nations Member States adopted the 2030 Agenda for Sustainable Development which provides a shared blueprint for peace and prosperity for people and the planet. The key element of the 2030 Agenda lies in its 17 Sustainable Development Goals.

The 17 Sustainable Development Goals (SDGs or Global Goals) are an urgent call for action around a common set of objectives that define global sustainable development priorities. The aim of the Global Goals is to create a life of dignity and opportunity for all and can only be accomplished through a global partnership inclusive of governments, corporations, civil society, academia, and others.

Mapping the Vision 2021 with the SDGs:

The below map illustrates the alignment between the UAE Vision's six National Priorities and the UN Sustainable Development Goals, this alignment was performed by the Committee on SDGs, a UAE government entity established in 2017 tasked with ensuring the UAE's development agenda is aligned with the SDGs and directly contributes to them.



Dar Al Takaful's Approach

Our approach towards the UAE Vision 2021 and the SDGs is that of relevance. We have applied a focused approach to our alignment to ensure that we make the greatest impact. When selecting and referring to those SDGs that are relevant to the insurance industry (along with their key messages), we have relied on a study conducted by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), a German development agency which published a special report aligning the insurance industry with the SDGs ("Inclusive insurance and the Sustainable Development Goals – How insurance contributes to the 2030 Agenda for Sustainable Development").

Below is a representation of our alignment with both initiatives in order of priority:



MAJOR FOCUS

These are the Priorities and Goals to which Dar Al Takaful directly impacts, and therefore to which the Company most contributes, they relate to our business model and the services we offer:

UAE Vision 2021	Alignment	Global Goals
<p>Priority 1 World-Class Healthcare:</p> <p>The UAE aims to become among the best countries in the world in terms of quality of healthcare</p>	<ul style="list-style-type: none"> Insurance and social protection can play complementary roles to cover a range of household health care costs Insurance improves healthcare seeking behaviour 	<p>SDG3 Good Health and Well-Being:</p> <p>Ensure healthy lives and promote well-being for all, at all ages</p>
<p>Priority 2 Competitive Knowledge Economy:</p> <p>The UAE aims for a knowledge-based and highly productive economy. One that is sustainable, diversified and harnesses full potential of human capital</p>	<ul style="list-style-type: none"> Insurance protects assets, thereby unlocking loans and other funds for investments (including for micro-, and small-to-medium size enterprises) Insurance frees companies' private funds for productive investment Insurance supports the development of companies by protecting them from losses due to risks related to business, natural disasters, or other catastrophes 	<p>SDG8 Decent Work and Economic Growth:</p> <p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>

COMMITMENT		
<p>These are increasingly becoming a major focus and represent key opportunities and impacts:</p>		
UAE Vision 2021	Alignment	Global Goals
<p>Priority 2 Cohesive Society and Preserved Identity:</p> <p>The UAE Vision 2021 National Agenda strives to preserve a cohesive society proud of its identity and sense of belonging quality of healthcare</p> <p>Priority 3 Sustainable Environment and Infrastructure:</p> <p>The UAE Government wants to ensure sustainable development while preserving the environment, and to achieve a perfect balance between economic and social development</p>	<ul style="list-style-type: none"> Insurance provides a safety net for those using it, preventing families from falling (back) into poverty after experiencing a shock Insurance provides an economic protection mechanism for all Insurance sustains other development efforts There are gender differences in risks faced by women and men Insurance protects women from the financial impact of losing family members, helping women to retain their homes, sustain their businesses, continue education of their children, and generally maintain the financial stability of their household Insurance mitigates the effects of extreme weather events, thereby strengthening climate change resilience Insurance complements and strengthens other climate change coping efforts Catastrophe insurance protects a variety of stakeholders, from companies and infrastructure to the most vulnerable 	<p>SDG1 No Poverty:</p> <p>End poverty in all its forms everywhere</p> <p>SDG5 Gender Equality:</p> <p>Achieve gender equality and empower all women and girls</p> <p>SDG13 Climate Action:</p> <p>Take urgent action to combat climate change and its impact</p>

UNDERLYING		
<p>The underlying Priorities & SDGs are by default linked to our efforts in contributing to sustainable development:</p>		
UAE Vision 2021	Alignment	Global Goals
<p>Priority 5 First-Rate Education System:</p> <p>Education is a fundamental element for the development of a nation and the best investment in its youth</p> <p>Priority 6 Safe Public and Fair Judiciary</p> <p>The UAE Vision 2021 National Agenda aims for the UAE to be the safest place in the world</p>	<p>It is only by means of partnerships and through business ethics that we will be able to create value to all stakeholders and contribute to sustainable development.</p>	<p>SDG16 Peace, Justice and Strong Institutions:</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>SDG17 Partnerships for the Goals:</p> <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

As part of the continuous progress we seek to demonstrate in our next sustainable reports, we will gradually look to include specific KPIs to validate and monitor our impact on the mentioned relevant SDGs, with a focus on those we impact directly. We will also work to align our CSR activities accordingly.

Our Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Engaging with our stakeholders lies at the core of our corporate strategy and is a fundamental contributor to our long-term success. More specifically, such engagement is important to understanding the priorities and expectations of our stakeholders which serve as a key input to an ESG framework that is impactful.

Our inaugural sustainability report is based on our company's existing engagement methods. The analysis of available material enables us to understand the interests of our key stakeholder groups and prioritize them according to the assessment conducted.

We have used the AA100 Stakeholder Engagement Standards Framework to select and prioritize our list of stakeholders. The following criteria were applied:

- **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

Our engagement strategy will be continuously reviewed and improved allowing us to update our material sustainability or ESG-related topics whenever relevant.

Our key stakeholder groups are listed below. Please refer to the Appendices for the details related to our existing engagement methods:



*Includes: Securities & Commodities Authority, Central Bank, Dubai Financial Market, Dubai Health Authority, Abu Dhabi Health Authority, Ministry of Finance, Ministry of Economy

Materiality Assessment

In order to assess the economic, environmental, social and governance matters that are key to our long-term success, we have considered both internal and external factors and conducted a materiality assessment that captures the importance of various sustainability topics based on our business impact and our stakeholders' inputs.

Business Impact:

To build an understanding about our sustainability impact, we have conducted a comprehensive peer analysis and studied global trends affecting the industry. The final list of topics was then prioritized based on the expertise of our business leaders and in alignment with our company's strategic focus, operational processes, and impact.

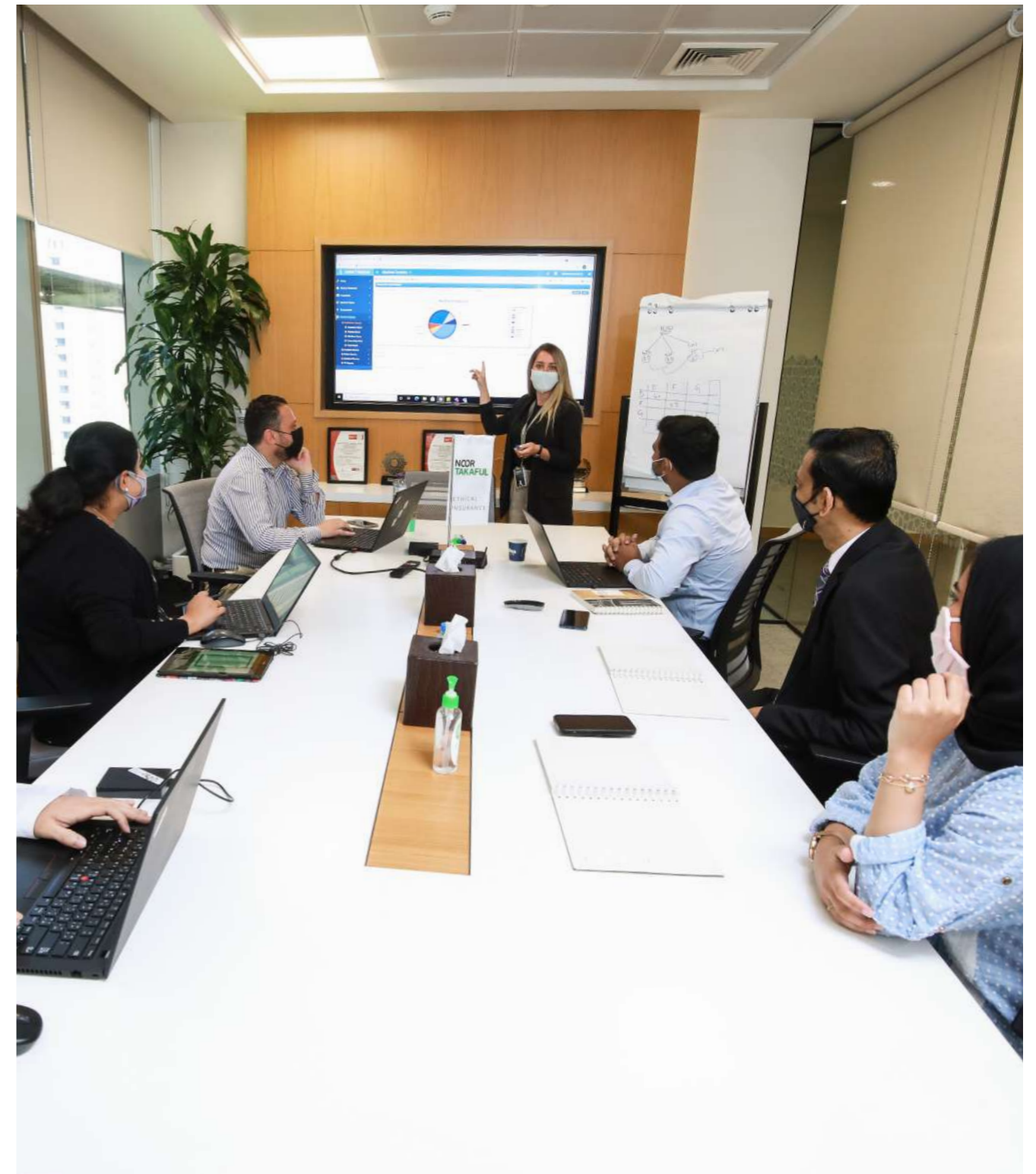
Stakeholder Inputs:

Based on our existing methods of stakeholder engagement, we have assessed those topics that would be of most interest to our stakeholders and ranked them accordingly.

The below table lists the material topics that came out as a result of the above outlined stakeholder engagement and materiality assessment exercise. The table also includes the alignment of each material topic with its corresponding GRI disclosures and Dubai Financial Market ESG metrics. We have illustrated through a materiality matrix where our material topics would fall within the spectrum of priorities for both the company and our stakeholders. The matrix can be found in the Appendices.

In subsequent reports, we will look to engage with our key stakeholders on sustainability and ESG specific topics. We will plot such input into our materiality matrix and update our list of material topics where applicable.

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING DFM DISCLOSURE
1	Financial Performance	GRI 201 – Economic Performance	N/A
2	Customer Trust	GRI 418 – Customer Privacy	G7: Data Privacy
3	Ethical Business	GRI 417- Marketing & Labelling	N/A
4	Innovation & Digitalization	N/A	N/A
5	Happy Workplace	GRI 401 – Employment	S3: Employee Turnover
6	Equal Opportunity	GRI 405 – Diversity & Equal Opportunity	S2: Gender Pay Ratio S4: Gender Diversity
7	Learning & Development	GRI 404 – Training and Education	N/A
8	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
9	Emiratization	N/A	S11: Nationalization
10	Community	N/A	S12: Community Investment



FOSTERING A GREAT WORKPLACE

GRI 102-8, GRI 102-16, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-3, GRI 405-1, GRI 405-2, GRI 418-1, S2, S3, S4, S5, S6, S11, S12

Employee Welfare & Engagement

Valuable Employment

As a knowledge-based company, our success is based on our employees' performance, which reflects their qualifications, their skills and experience.

It is our duty as an employer to hire the right talents for the right positions, and to ensure our employees are working in an environment that fosters engagement, learning, and achievement.

Most important of all, we believe in 'Happiness at Work'; happiness at work is directly linked to success at work. Our aim is to have happy employees with a positive outlook and brilliant at formulating innovative solutions.

To achieve the above, we have in place a clear strategy to improve employee happiness, based on two primary objectives the first being (1) to promote a fun and positive work environment for our employees, and the second (2) to empower them by increasing their motivation and doing the necessary to boost their happiness.

Our strategy is based on the below listed six pillars:

1. Make our employees feel valued

2. Be attentive and listening to our employees' needs

3. Create the right work life balance

4. Encourage and help our employees to learn and grow in their specialties

5. Appreciate our employees and the work they do

6. Encourage a team spirit

The first step begins with our ability to attract and retain top talent. To that end, we have in place a structured and effective **Talent Acquisition Strategy** in line with our business goals. Our strategy is supported by our Talent Acquisition Policy and certifies that the right approach and hiring methods are followed to ensure long-term success. The strategy spans the complete process of talent acquisition and management and includes procedures in relation to recruitment (internal, external and international), internships, job posting, job offer, probations amongst others.

Moreover, we have put in place several measures and processes including a comprehensive induction program to ensure our new joiners are warmly welcomed, swiftly feel they belong to the Dar Al Takaful family, and are able to be productive from the get-go.

Other engagement initiatives are thoroughly designed and include team building activities, monthly staff meetings, and giving the possibility for employees to join diverse club houses within the company to promote work-life balance, health awareness, and engaged & motivated employees. More specifically, our **NTDAT Hive Club**, comprised of four different Houses, offers our employees the opportunity to interact and be involved in various activities:

SPORTS HOUSE

Responsible for sports activities, encouraging fitness and health amongst the employees as well as outside-office interactions.

Mission: To build a culture of engagement, socializing and teamwork at the field with our diverse team.

Vision: To gather teams of same sports interest and build activities which connect us.

CARE HOUSE

Responsible for the company's corporate social responsibility, taking care of the employees and serving the society.

Mission: Serve the society and bring people together to build hope, trust and lasting changes in other's lives.

Vision: To leave a sustainable and compassionate world for our next generations

EVENTS HOUSE

Responsible for all national and international events, employee fun activities, and virtual games.

Mission: To design and carry out innovative events that meet our employees' needs and desires.

Vision: To create inspiring events and entertainment experiences for all employees.

HEALTH HOUSE

Responsible for the wellbeing of the employees as well as health and wellness awareness in the Company.

Mission: To inspire hope and contribute to health and well-being. Wellness for all: Spiritual, emotional, intellectual, physical, social, environmental, financial health.

Vision: To provide an unparalleled experience as the most trusted partner for health care.

In order to receive feedback and understand our own progress as a company in fostering a valuable employment, we have also designed an **online employee happiness survey** to which employees respond anonymously.

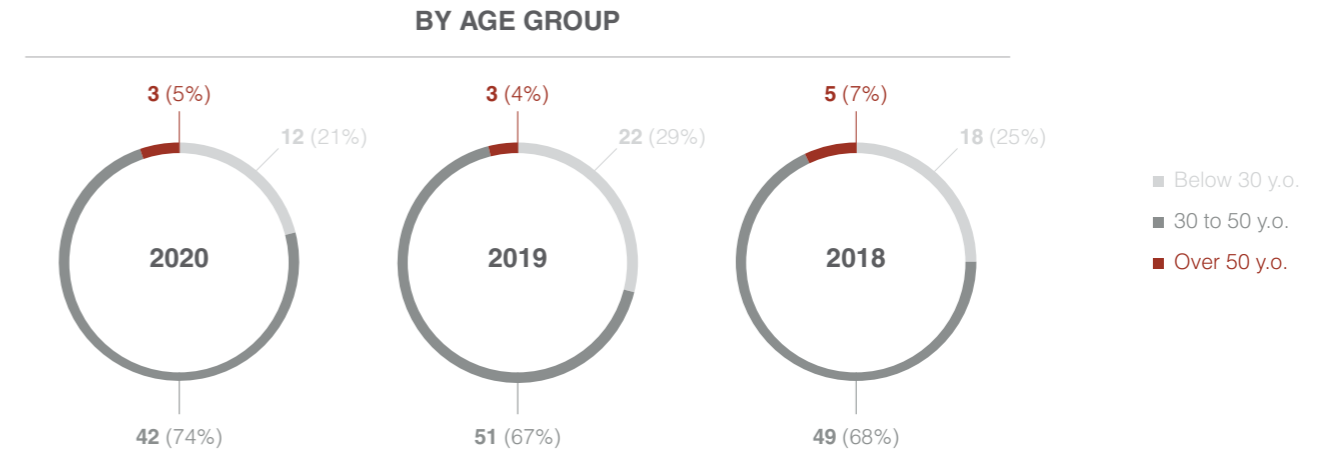
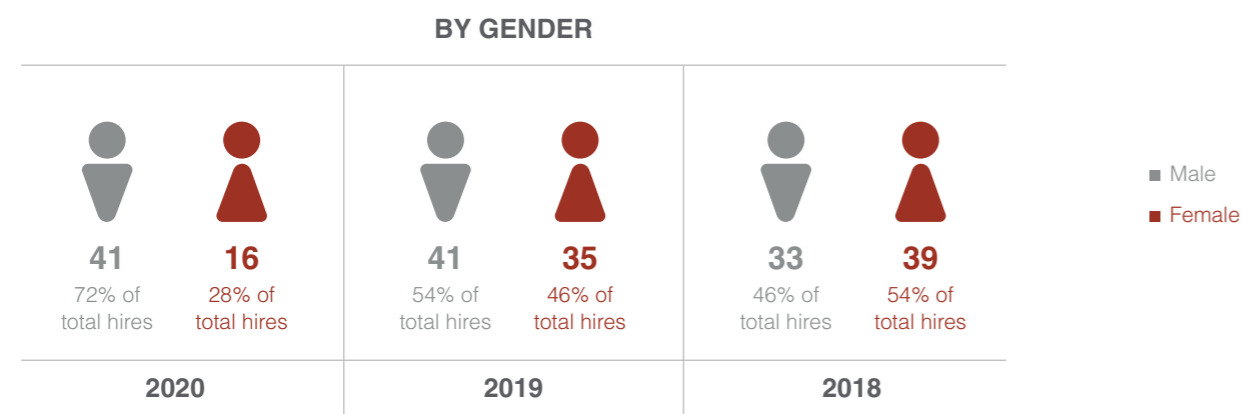
Finally, to show appreciation to all the hard work and achievements that our employees are continuously demonstrating, we have in place a **Reward and Recognition policy and programme** that recognizes on a monthly, quarterly, and yearly basis our high performing employees. Some of these awards would include:

- **Spotlight:** a monthly award provided by line managers for those employees that report to them for extra work done,
- **High Five:** a monthly award provided from one department to another to recognize cross-departmental support,
- **Health Ambassador of the Year:** awarded to the employee with the lowest sick-leave record.
- **Long-Service Awards:** designed to recognize and value the contribution of employees who have worked in the company for a long time period
- **Scholar of the Year:** a quarterly award designed to encourage and award employees with a progressive attitude, and for actively engaging in Learning and Development activities via LinkedIn Learning
- **Brand Ambassador:** a monthly award designed to encourage and recognize the efforts of our employees for promoting the Company's brand via their personal social media accounts
- **Hall of Fame:** an annual award provided to exemplary employees with outstanding achievements and consistent performance in line with the Company's values throughout the year

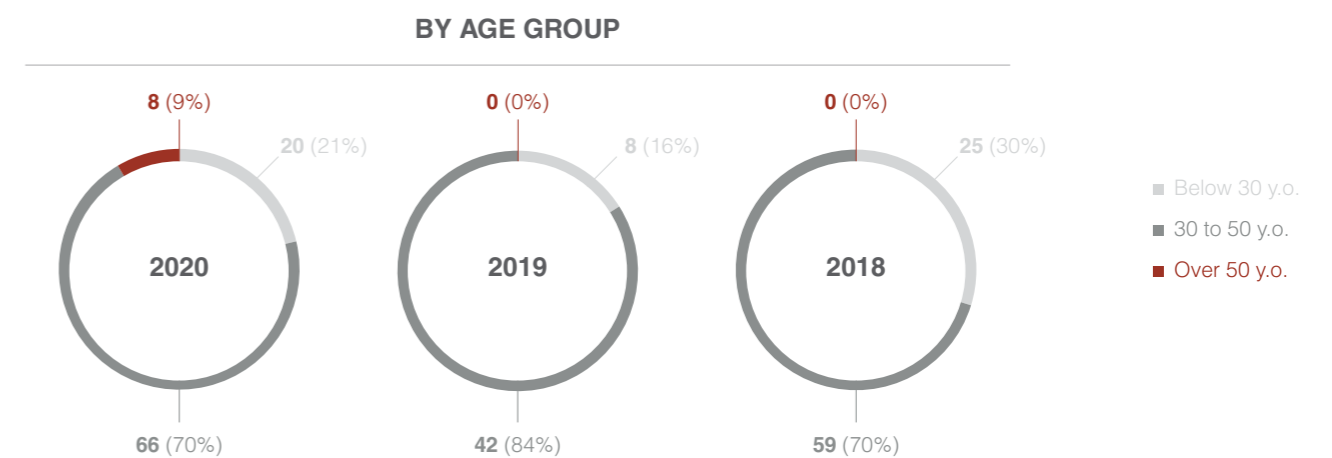
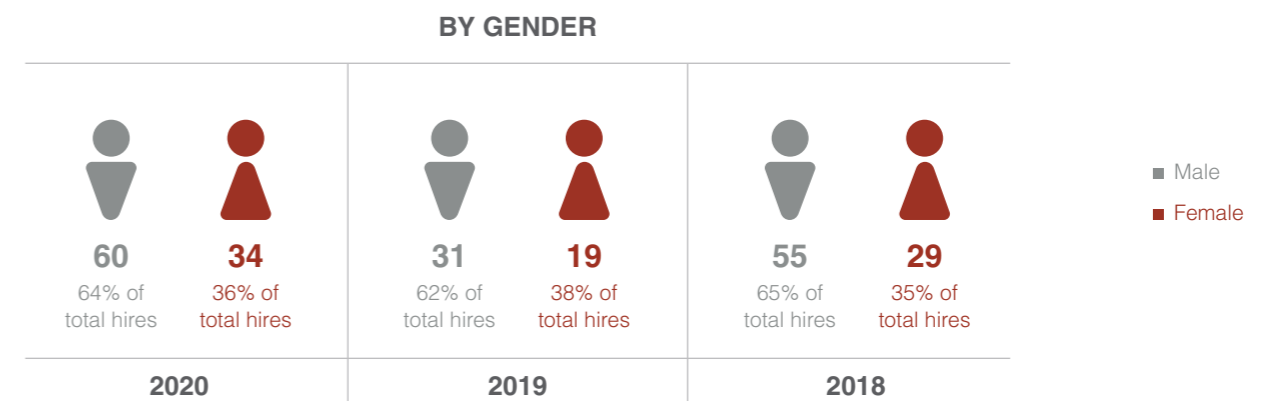
Below we list various employment related KPIs. We must indicate that the year 2020 was special given the transaction that took place with Dar Al Takaful acquiring Noor Takaful. Such large transaction by nature causes significant employment-related activity which may lead to slightly more volatile numbers than normal, especially for what regards the turnover rate, which was 36% in 2020.

Employment KPIs

NEW HIRES



EMPLOYEES THAT LEFT



TOTAL TURNOVER RATE



Diversity & Inclusion

We are proud of our diverse workforce and inclusive environment. In fact, diversity & inclusion is a core value at Dar Al Takaful and a key contributor to business success. Whether it is gender, multi-generations, different nationalities or other diverse traits, they all shape Dar Al Takaful's character and future.

We currently have 259 employees, 93% of which are employed on permanent contracts and 35% of which are female. Our workforce is composed of 23 different nationalities.

In addition, we have in place a robust Code of Conduct the main purpose of which is to ensure our employees have written guidelines describing the expected ethical behavior by all.

The Code of Conduct emphasizes on encouraging diversity and respect which entails acceptance and respect of individual differences including gender, religion, race, ethnicity, physical abilities, age, socio-economic status, or other.

“ THE COMPANY HAS ZERO TOLERANCE FOR DISCRIMINATION, HARASSMENT OR INTIMIDATION.

We have also instilled as part of our Code the promotion of sustainability, the contribution to communities, as well as respecting human rights.



Total Employees

TOTAL 2020:



BY EMPLOYMENT CONTRACT

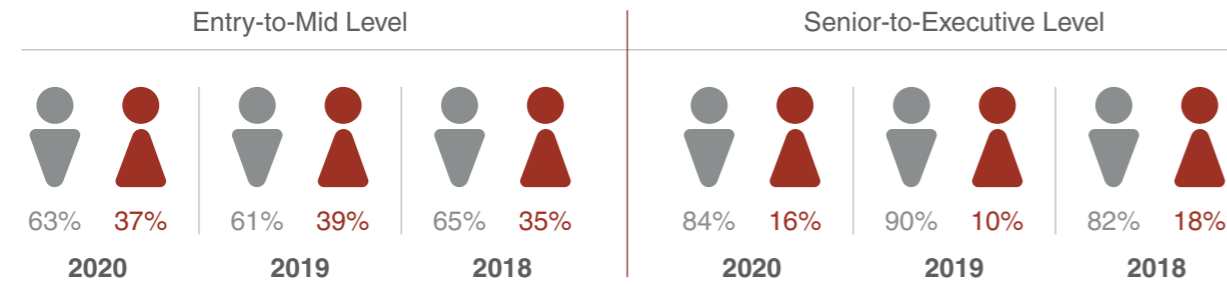
	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Permanent Contract	150	91	197	107	201	100
Temporary Contract	12	6	4	5	1	2

BY EMPLOYMENT TYPE

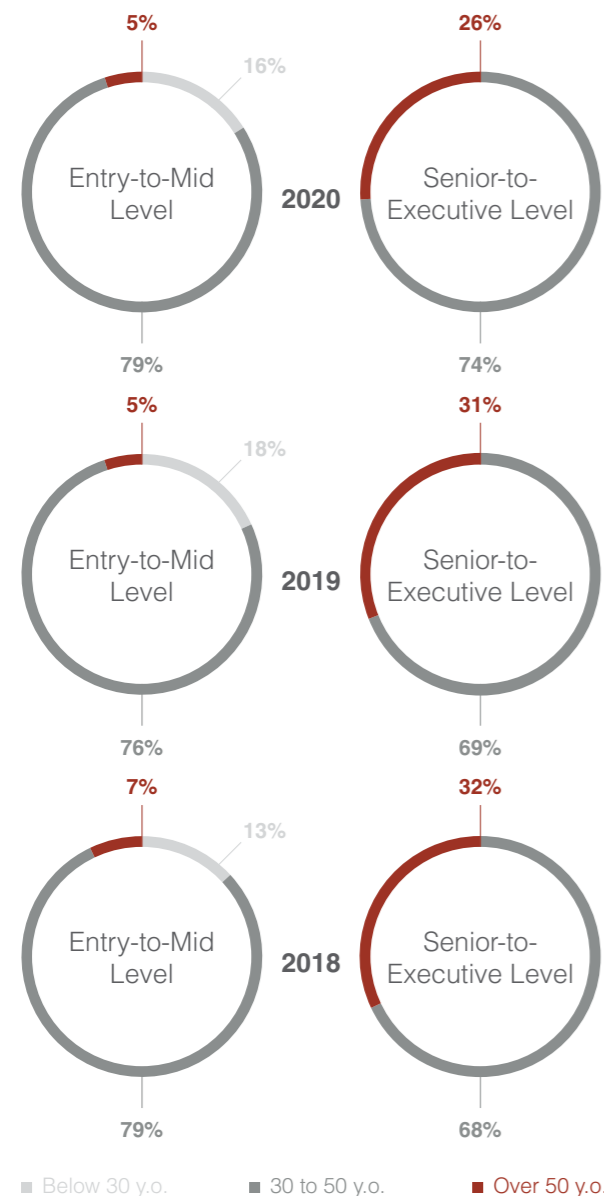
	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Full-Time Contract	168	91	201	112	202	102
Part-Time Contract	0	0	0	0	0	0

Employee Diversity

BY GENDER:



BY AGE GROUP:



Total Nationalities



Learning and Development

Foster a Culture of Learning

Developing our talent is a strategic element to our HR strategy and is a duty that we have towards the great individuals that entrust us with their career development paths. Moreover, learning reflects positively on our services and differentiates us from other solutions providers.

More specifically, we offer continuous learning opportunities to our employees, some of which are internal and others organized with the help of third parties. In addition, some of our trainings are mandatory while others are selective based on performance.

Below are some of the learning experiences we offer our employees:

- Dar Al Takaful partnered with the **Emirates Institute for Banking and Financial Studies (EIBFS)** whose annual training plan is uploaded online to give access to all employees,
- **Diverse internal training** is offered and organized by different departments. Subject matters include Shari'ah training, risk and compliance, training, operational risk management, and other,
- **Mandatory 3-day** sessions on cyber security awareness,
- **University Partnership with Skyline University College** to provide quality trainings and education to our employees, such as internship opportunities, degree and certification programs, scholarship fund, sponsorship for collaborative projects amongst others,
- We also offer **internal customized training** allowing our high performers to progress and prepare for the next step or promotion in their careers with us,
- We also offer **Third-party specialized training** for specialized courses through external consultants,
- **Insurance Authority Training** to provide courses and trainings in various certifications such as financial crime and CII delivered by the regulators.

Finally, we have provided access to all our employees to LinkedIn Learning. We have purchased a license that offers the possibility for any employee on a voluntary basis to learn about any subject-matter that may be of interest to them, be it in relation to their work or other.

We do encourage learning and award those with the most hours with certificates presented by the CEO.

Fair Performance Review Structure

We follow a fair and transparent performance review process and ensure to consistently engage our employees throughout. More specifically, we ask our employees to initially set their own goals, and discuss them with their line managers early on during the year. All goals are matched with specific KPIs. We encourage our employees to have unofficial regular reviews but ensure that this is officially done twice a year. The mid-year review offers our employees with the opportunity to assess how much has been achieved and discuss such results with the line manager. This session provides a good understand for our employees about where they stand in relation to their set goals and KPIs. Should the employee not be on track, we ensure to place him/her in a performance improvement program that allows them to overcome any challenges they may be facing.

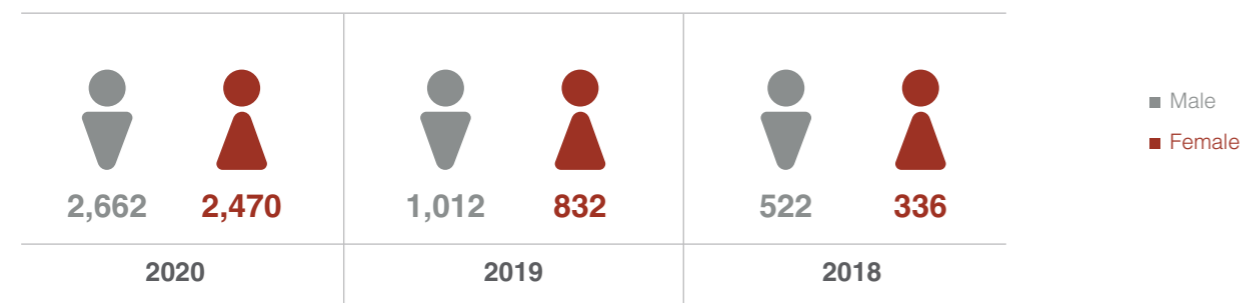
Our end-of-year reviews serve to set a rating for each employee. This is done after three different levels of discussions, the first being the employee self-assessing her/his results, then the line manager discussing such results and finally the function head which closes the process.

Finally, we ensure that our employees can optimize their use of the process by ensuring they learn about all its different steps through dedicated workshops that we organize throughout the year as well as through a handbook that is distributed to all employees.

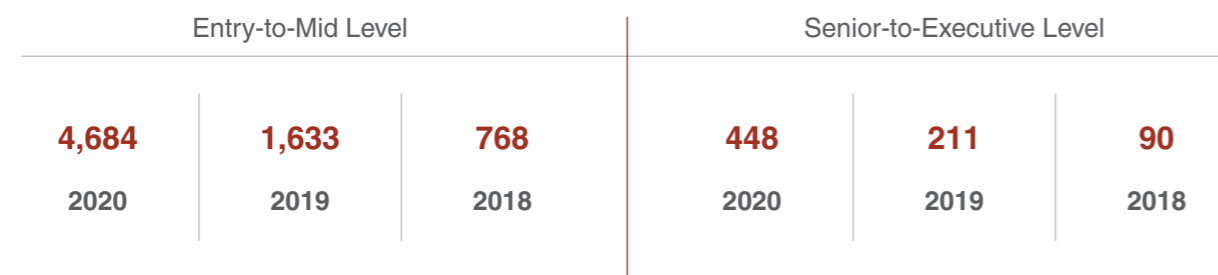
100% OF OUR ELIGIBLE EMPLOYEES GO THROUGH THEIR PERFORMANCE REVIEWS EVERY YEAR.

Learning & Development KPIs

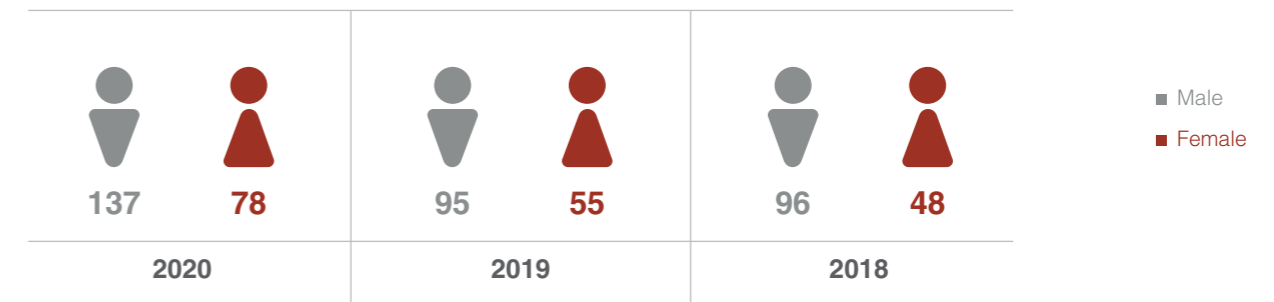
AVERAGE NUMBER OF TRAINING HOURS



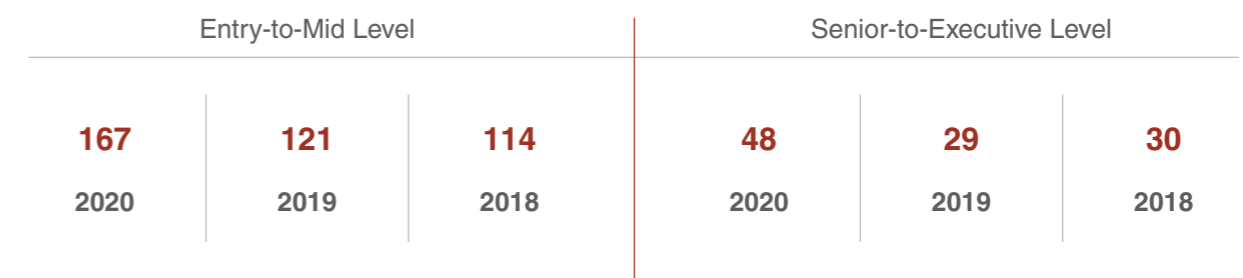
AVERAGE NUMBER OF TRAINING HOURS



NUMBER OF EMPLOYEES THAT RECEIVED PERFORMANCE AND CAREER REVIEW



NUMBER OF EMPLOYEES THAT RECEIVED PERFORMANCE AND CAREER REVIEW



Emiratization

Emiratization is an initiative by the government of the UAE to employ its citizens in a meaningful and efficient manner, particularly in the private sector. Moreover, Emiratization forms an integral part of the UAE Vision 2021.

The Ministry of Human Resources and Emiratization (MoHRE) is the governmental entity dedicated to driving this initiative. In fact, the MoHRE imposes on private sector employers a quota system, whereby a company with more than 100 employees is obliged to recruit a certain minimum number of Emiratis.

Although we have consistently achieved our Emiratization points, for Dar Al Takaful, Emiratization is neither about filling a gap nor about a point system but rather about employing capable and talented Emiratis with the potential to grow within and become leaders in the insurance sector. What matter to us is to engage with the right UAE talents and ensure their retention.

In order to achieve the above, our Company has in place a clear Emiratization strategy which aims to attract, develop, engage and retain UAE national talents. One of the earliest elements of the strategy is implementing attraction programs to ensure the right UAE National talents are welcomed to our Company.

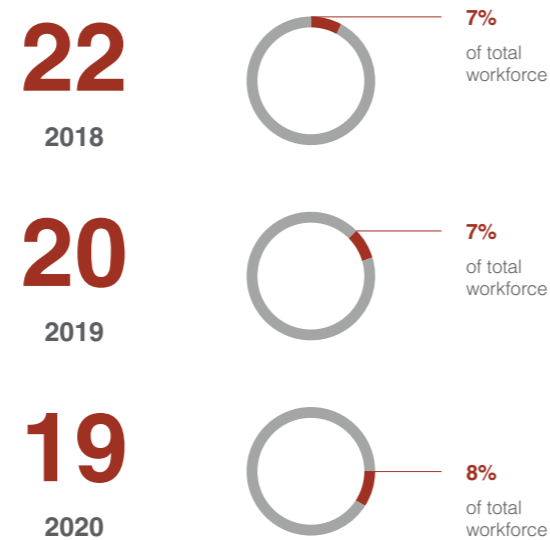
Some of these programs include:

- 1. Summer Training Program:** a 3-months summer program through which the Company offers learning opportunities on the insurance industry to widen the academic prospects of the candidates and assess their future employment possibilities.
- 2. Work Placement Program:** an 8-week program offering work placement opportunities to a maximum of six UAE National students, as part of their curriculum and graduation requirements
- 3. Graduate Program (with the Emirates Institute for Banking and Financial Studies):** This program is 3-week long and enables graduates to gain deep insight about the insurance sector, our Company and the solutions we offer,
- 4. Special Programs:** A recently launched special extensive training for UAE nationals,
- 5. Ajyal Program:** Fresh graduates are hired and placed in a 12-month rotational program to support them in reaching their full potential. Upon completion, they may join the department they find to be best fitting,
- 6. Shadowing Program:** This program consists of 10 interns that shadow different departments, and are given the possibility to work for the company after their graduation,
- 7. Partnership with the Insurance Authority:** This partnership is specific to developing Emirati Certified Internal Auditors (CIA)

Moreover, to engage with our Emirati trainees and employees, we conduct various relevant recognition, special leaves and similar events including:

- 1. Long service awards,** which are in place to show the company's appreciation to commitment,
- 2. Career Plan:** clear career path to reach managerial positions,
- 3. CEO participation:** we set up special meetings for Emirati employees with our CEO and the Emiratisation Manager
- 4. UAE Team Building Activities:** to enhance culture sharing and promote the Nation's heritage
- 5. UAE National Days Celebrations,** such as National Day, Flag Day and Emirati Women's Day
- 6. Special Leaves** are offered to our Emirati employees to encourage them to pursue their interests while maintaining their relationship with us. Such leaves include Study Leave, Exam Leave and Sports Leave.

Total UAE National Employees



Serving The Community

As a UAE responsible company, we are committed to the community's welfare and seek to be an active corporate citizen.

We had invested around AED 154,000 in 2020 in the community mainly in relation to participating in the '10 million meals' donation campaign, the purpose of which is to raise money to provide meals, food items and parcels for the disadvantaged individuals and families, thereby combating world hunger and malnutrition.

In addition to the above, we also participated in Dubai Health Authority's 'Humanitarian Case' to insure unfortunate people. Finally, we have collaborated with the UAE Ministry of Education to launch an initiative and initially support 40,000 UAE students through Education Uninterrupted, a nationwide fundraising campaign that tackles the impact of the COVID-19 pandemic on the education of children in the UAE.

Other initiatives from previous years included donations for the Kerala Flooding through the Red Cross, as well as the purchase of clothes to unfortunate kids (in 2018 and 2019), and generous donations to help support brave cancer combatants at Rashid Hospital and Al Jalila Foundation.

Community Investment



We believe that serving the community and involving our employees accordingly creates a positive corporate environment where employees feel even more engaged and strengthens their connection with their peers and the Company itself.

PROTECTING OUR CUSTOMERS' TRUST

| GRI 417-2, GRI 417-3, GRI 418-1, G7

Customer Satisfaction

We strive not only to meet our clients' expectations but to continuously exceed it. At Dar Al Takaful, our objective is to always provide our clients with a superior experience, which can only be achieved if we remain dedicated, close to our clients and listen to their evolving needs.

Our clients and their needs are at the heart of everything we do at Dar Al Takaful. It is only by offering them a personalized service and quality products that we will be able to maintain their trust.

Our Client's Voice

To ensure customer centricity, we have set up a high-quality customer centre that caters to all our clients' needs and provides them with a voice through which we can consistently track their thoughts towards our offering. The centre is operated by highly trained employees that follow a strict code of conduct and work to achieve clear KPIs with the aim to create a best-in-class centre.

We provide our clients with three different direct channels of communication with our customer centre, including email, phone, and WhatsApp. We have 17 highly trained staff that serve our clients and ensure their needs are being attended to. We make sure to give the possibility for our clients to voice their satisfaction about their experience after every interaction. This would be through a scoring rating system via WhatsApp, an email template as well as regular quality monitoring for phone interactions. In fact, to ensure a high-quality service, we perform three quality monitoring calls for each agent per month.

Some of our main KPIs include responding to any client complaints with a maximum amount of three days, in addition to maintaining a client feedback score. We strive to provide our customer service staff with a continuous learning programme inclusive of access to LinkedIn learning as well as specialized training through both our internal training coordinator as well as through the Emirates Institute for Banking and Financial Studies.

Finally, we have in place a monthly recognition system through which we provide different certificates and awards. Such mechanism keeps our staff motivated and ensures they are recognized for their great efforts.

Innovation & Digitalization



The digitalization of our clients' journeys forms an integral part of ensuring client satisfaction. Accentuated by the pandemic, our digitalization plan aims to create seamless and comprehensive experience to our new and existing clients; it is about simplifying and improving their experience.

Our dedicated Strategy and Business Acceleration Department (SBAO) oversees our company's digital acceleration office. The objective of the latter is to facilitate and enable digitalization throughout the company. We look to assess every single process within our operation and identify how we can make them more efficient through digitalization.

Today, up to 80-90% of our policies and related approvals are processed online. Our Motor business line was the first to become fully digitalized back in 2018.

Digitalization not only enhances our clients' experience but also contributes to our efforts to decarbonize our operation.

Our dedicated department aims to shift towards a 100% paperless office. As part of such efforts, we have introduced DocuSign in 2020 allowing all signatures to be performed online. We have also upgraded our systems to allow sharing folders online. Finally, we have also archived all our paper documentation from the two previous years and have recycled all the hard copies.

Data Privacy and Information Security

Protecting our clients' privacy and data is a priority to Dar Al Takaful and a responsibility that we take very seriously. Information security forms an integral part of maintaining trustworthiness as a corporation and especially during the increase in digitalization and the use of online and application-related modes of communication and interaction.

Solid Infrastructure

All our data resides inside the UAE, on a cloud, and protected by multiple firewall layers. Moreover, to ensure security, we have segregated inbound and outbound traffic which are forced to use different routes. The two do not communicate.

Moreover, we isolate sensitive information from other types of information through an extra firewall layer.

Our systems, all equipped with anti-virus endpoints, are regularly tested and any identified irregularities are immediately rectified.

In order to limit any internal risks stemming from our own users, we continuously provide security training to all our employees and ensure that they are aware about all related risks and are equipped to securely navigate our systems.

Robust Information Security and Data Management Policy

We have in place an IT policy that uses best-practice data governance that we rigorously follow. The policy is in full compliance with the NESIA, Insurance Authority and AML regulation in terms of data protection, retention and record keeping.

Conforming with our IT policy is part of all employees' duty of confidentiality towards our clients and their private information.

Moreover, we ensure that sensitive data is only used when needed and for specified purposes and that it is always secure. The Company adopts physical, technical, and organizational measures to ensure the security of personal data, including the prevention of alteration, loss, damage, and unauthorized processing or access

Customer-related KPIs

CUSTOMER PRIVACY

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

MARKETING AND LABELLING

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

CARING FOR THE 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

Climate change is one of the most pressing issues of our time. We must contribute to the decarbonization of the UAE's economy and contribute to the Government's efforts in reaching the targets set in its 'Second Nationally Determined Contribution' which calls for a reduction of 23.5% in GHG emission for the year 2030 (relative to 'business-as-usual' scenario emission in 2030 at about 310 million tonnes). It is every corporation's duty to do what it can to contribute to limiting global warming and being a responsible environmental steward.

We will look to have a clear environmental framework through which we shall gradually neutralize our impact on the environment and be at the lead of such initiatives within our sector.

In that regard, we are proud signatories to the **Dubai Declaration of financial institutions in the UAE on Sustainable Finance**. Through this declaration, all signatories commit to endorse the UAE government's commitment to the Paris Climate Agreement and the Sustainable Development Goals.

More specifically, the Declaration calls on signatories, among others matters to:

- Manage and improve their direct and indirect environmental and social performance,
- Provide insurance to the projects, businesses and customers with sustainable purposes as well as support the growth of a successful SME sector,
- Consider ESG risk in the institution's risk management processes,
- Promote CSR and sustainability within the institution,
- Reduce environmental footprint.

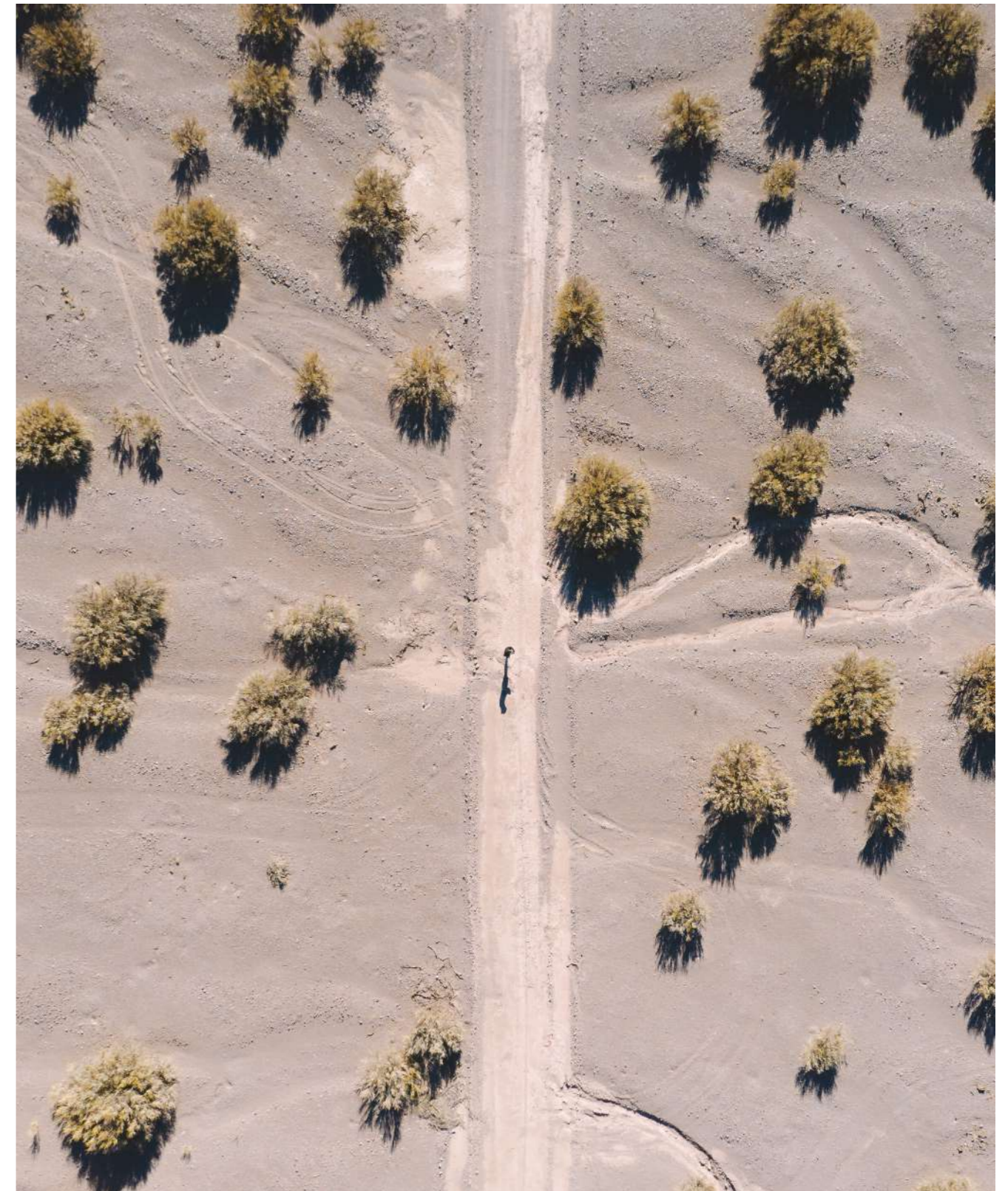
Our Environmental Priorities

Our main environmental priority as an insurance company is climate change. We must lower our carbon footprint and contribute to the UAE's decarbonization efforts. As such, this report will allow us to measure our impact on the environment through our energy consumption and emissions computations. Such measurement is the steppingstone to analysing our impact on the environment and putting in place the necessary strategy to minimize it and eventually neutralize it.

Our current on-going activities in that regard include:

- The reduction of our energy consumption,
- Reducing/restricting use of non-biodegradable materials,
- Increase use of recycled/ recyclable material,
- Promote SMEs and not-for-profit organizations,
- Raise environmental stewardship awareness.

We will look to develop a clear sustainability framework through which we will include a set of objectives and KPIs that we will aim to achieve and on which we will continuously report through our Sustainability Reports.



Our Impact

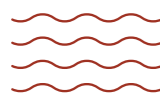
Our On-Going Initiatives

We have focused below on one of our primary environmental initiatives which led to our company having recycled a total of 1,147 kgs of document and paper in 2020. Such initiative resulted in the following¹:



19.5

TREES were saved from being cut and turned into wood pulp



68,820

LITERS of water were saved from being used



2.90m³

of saved landfill space



258

kWh of **ELECTRICITY** saved

¹Source: US Environmental Protection Agency



2020 Sustainability-Related Awards

- Noor Takaful was granted a certificate of appreciation, by the Dubai Chamber Centre for Responsible Business, for its contribution to the Dubai Chamber Sustainability Network
- Winners of the International Business Excellence Award (Financial Services Category)

Measuring our GHG emissions

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' and seek to account for 100% of our GHG emissions from operations over which our company has control.

We have used the operational control option which is defined as accounting for those GHG emissions generated by all entities whereby the Company or any of its subsidiaries have the full authority to introduce and implement its operating policies.

As for our reporting scope, we have accounted for our Scope 1 and 2 computations. We shall look to continuously enhance our GHG emissions reporting and mainly to introduce, in subsequent reports, the major elements of our scope 3 emissions.

In relation to our reporting boundary, we have included our headquarters as well as all our branches. That being said, for all Noor Takaful branches, we have included their energy consumption since July 2020, (as opposed to the beginning of the year), given that the acquisition took place then.

Energy Consumption

2020 ENERGY CONSUMPTION IN GJ

Direct Energy (Fuel) **345.10**



Indirect Energy (Electricity) **1,326.31**



Total Energy Consumption
1,671.41

2020 ENERGY INTENSITY IN GJ PER EMPLOYEE

Direct Energy (Fuel) **1.33**



Indirect Energy (Electricity) **5.12**



Energy Intensity
6.45

GHG Emissions

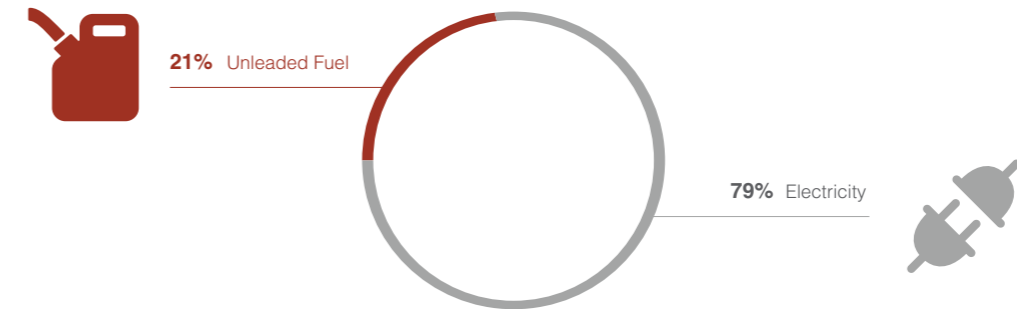
2020 TOTAL GHG EMISSIONS (MT CO2 E)

Direct Energy – Scope 1 emissions	21.88
Indirect Energy – Scope 2 emissions	153.93
Total Emissions	175.80

2020 GHG EMISSIONS INTENSITY MT CO2 E PER EMPLOYEE

Direct Energy – Scope 1	0.08
Indirect Energy – Scope 2	0.59
Total Emissions Intensity	0.67

2020 Energy Mix



Water Consumption

2020 WATER CONSUMPTION IN M3



Total Water Consumption
480.00



Water Consumption per Employee
1.85

ETHICAL GOVERNANCE

I GRI 102-5, GRI 102-11, GRI 102-16, GRI 102-18, GRI 405-1, G1, G2

Ethical Governance is about having strong ethical values within a company's processes, procedures, and offering. Corporate Governance instils in companies a system of accountability and influences the way they operate. With good corporate governance in place, companies can be managed sustainably, can reach their objectives, and create value to all stakeholders. Benefits would include efficient processes, controlling risk, ensuring compliance with regulations, and that all stakeholders' interests are being met.

When adding the element of ethics into a corporate governance structure, a company instils ethical values and conducts in its DNA, thereby enhancing its reputation, and building sustainable value over the short, medium and long-term.

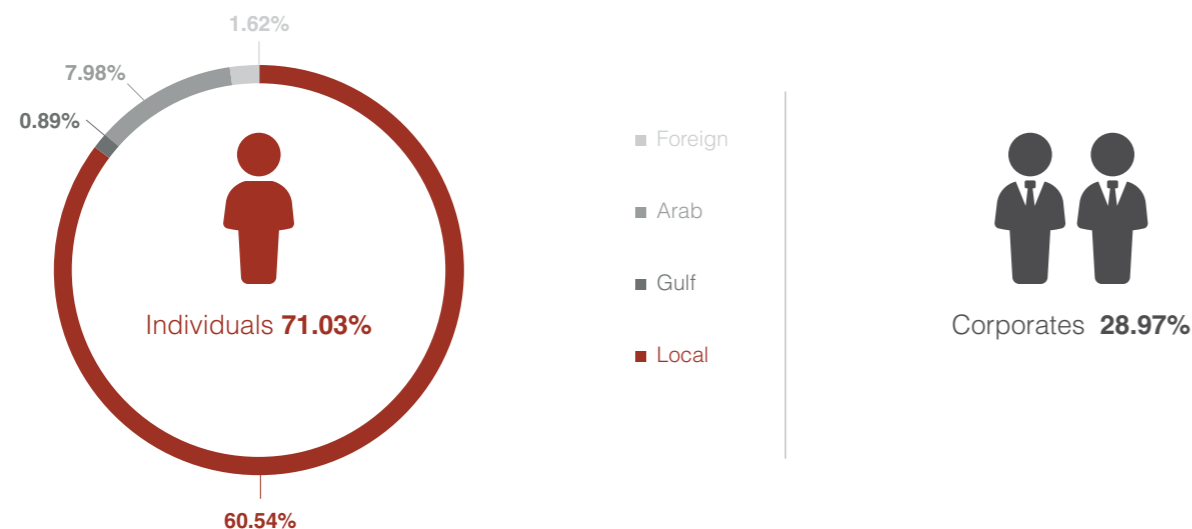
The practice of Takaful promotes universal ethical values and hence is an enabler of transparency, fairness, and shared value which form the basis of Dar Al Takaful's corporate governance structure.

Corporate Structure

Ownership Structure

We have a significantly large base of 1,601 shareholders rich in diversity and size. That being said, the majority of our shares, or 61.80% are held through a total of 8 shareholders.

SHAREHOLDER CLASSIFICATION



Internal Control & Compliance

Board of Directors Structure

Our board of directors is composed of reputable individuals with a successful business and leadership track record. Our board members have high-level skills, competencies and the experience required to provide our company with the necessary strategic direction and to protect all stakeholders' interests.

We currently have seven members on the board of directors, all of which are non-executive and independent. In addition, we are proud to be one of the few UAE listed corporations with a woman presence on the board of directors for four years now.

We have in place four committees that were established to strengthen our corporate governance structure by providing the necessary support to the board and by applying rigorous control on all key facets of our operation. More specifically, the committees include an audit committee, a remuneration committee, a risk committee, an investment committee, and insider trading follow-up & supervision committee.

It is only through a robust compliance culture that a company can build customer trust. Being in compliance means being in conformity with the set rules and regulations determined by the law through the regulators. A company with a strong compliance culture offers its employees the ability to conduct their work with confidence and is a primary element that invites customers to remain with the company that they associate with trustworthiness.

Dar Al Takaful has in place a strong internal control and compliance system that follows a strict set of rules and procedures ensuring that the company is consistently in line with the applicable legislations and to protect the company's assets and stakeholders from any depletion in value due to regulatory matters. Should there be incidents of non-compliance, the internal control department swiftly suggests an action plan, and upon management and board approval, when necessary, executes the corrective measures.

The company regularly updates its policies and procedures to ensure they reflect all applicable legislations. More specifically, in 2020, the company reviewed and updated the following key policies:

- 1 The charter of duties of the Members of the Board and all Board committees
- 2 Enterprise Risk Management Framework
- 3 Internal Audit Management Framework
- 4 Compliance and Anti-Money Laundering Management Framework
- 5 Disclosure and Transparency Policy
- 6 Whistleblowing Policy
- 7 Conflict of Interest Policy

At the forefront of our compliance function is the Anti-Money Laundering and combating the financing of terrorism policy and procedures which is essential for the prevention of our employees and clients from being misused for money laundering, financing terrorism or other financial crimes.

In that regard, Dar Al Takaful has adopted a risk-based approach to identify, assess, understand and mitigate the ML/FT risks. Risk is assessed during the initial phase of the establishment of the business relationship and/or during the onboarding process. Below is a list of the risk factors that are considered when conducting the said assessment:

- Client risk
- Service/product risk
- Industry risk
- Geographical/jurisdiction risk
- Delivery channel risk
- Transaction risk

The document sets clear processes and procedures to be followed, as well as outlines the AML training requirements to ensure understanding and applicability of the policy. More specifically, we provide education and training for all staff in relation to AML/CFT matters at least on an annual basis. Moreover, we introduce a test element to the training with a minimum required pass rate so as to ensure the attention and engagement of all our employees.

Fraud Prevention and Anti-Bribery & Anti-Corruption Policy

This policy forms an integral part of our corporate governance. Dar Al Takaful stands for ethical business behaviour which by default is a force against bribery and corruption. As such, we are committed to combatting such behaviour within our company and to instil the necessary controls and procedures to detect any potential risks. In other words, Dar Al Takaful has zero tolerance for fraudulent or dishonest conduct.

Based on the above, all our employees are responsible to report any suspicious activity that may have come to their attention, and accordingly all reported incidents are thoroughly investigated.

In order to ensure we establish the right internal environment that would encourage early detection of such risks by means of prompt reporting, we have introduced a Whistleblower policy. While we ask our employees to report employment-related concerns through regular channels (e.g., line manager, compliance, HR, etc.), we have established an independent manager reporting line called Al Amanah for all sensitive matters. Through such hotline, an employee can report any issue of incident anonymously via email or phone.

Finally, all employees who report concerns in good faith will be protected from any dismissal, or any other form of detriment.



Risk Management

The risk management function within an insurance company is essential in identifying potential risks and applying the necessary mitigating measures to protect the company and all its stakeholders.

Risk management oversight is done by our Risk Management Committee which in turn directly reports to the board. Some of the committee's duties include defining our company's risk profile and appetite, developing the necessary risk management strategy and policies, and ensuring their proper implementation.

As such, we have in place a robust risk management policy to ensure that each potential risk is managed efficiently to maximize possible opportunities and minimize any adverse effects.

The risk management department is responsible for ensuring the said policy is updated and approved by management and the risk management committee.

The primary objective of our risk management framework is to communicate an unified commitment to risk management as well as formalize consistent processes to managing such risk. In addition, it emphasizes on the importance of identifying and assessing all possible risks and treating them by assigning different departmental responsibilities based on the type of risk.

We regularly review and monitor the implementation and effectiveness of all our policies including our risk management policy and related processes. In addition, whenever there are regulatory changes, we perform a gap analysis and update our policies accordingly.

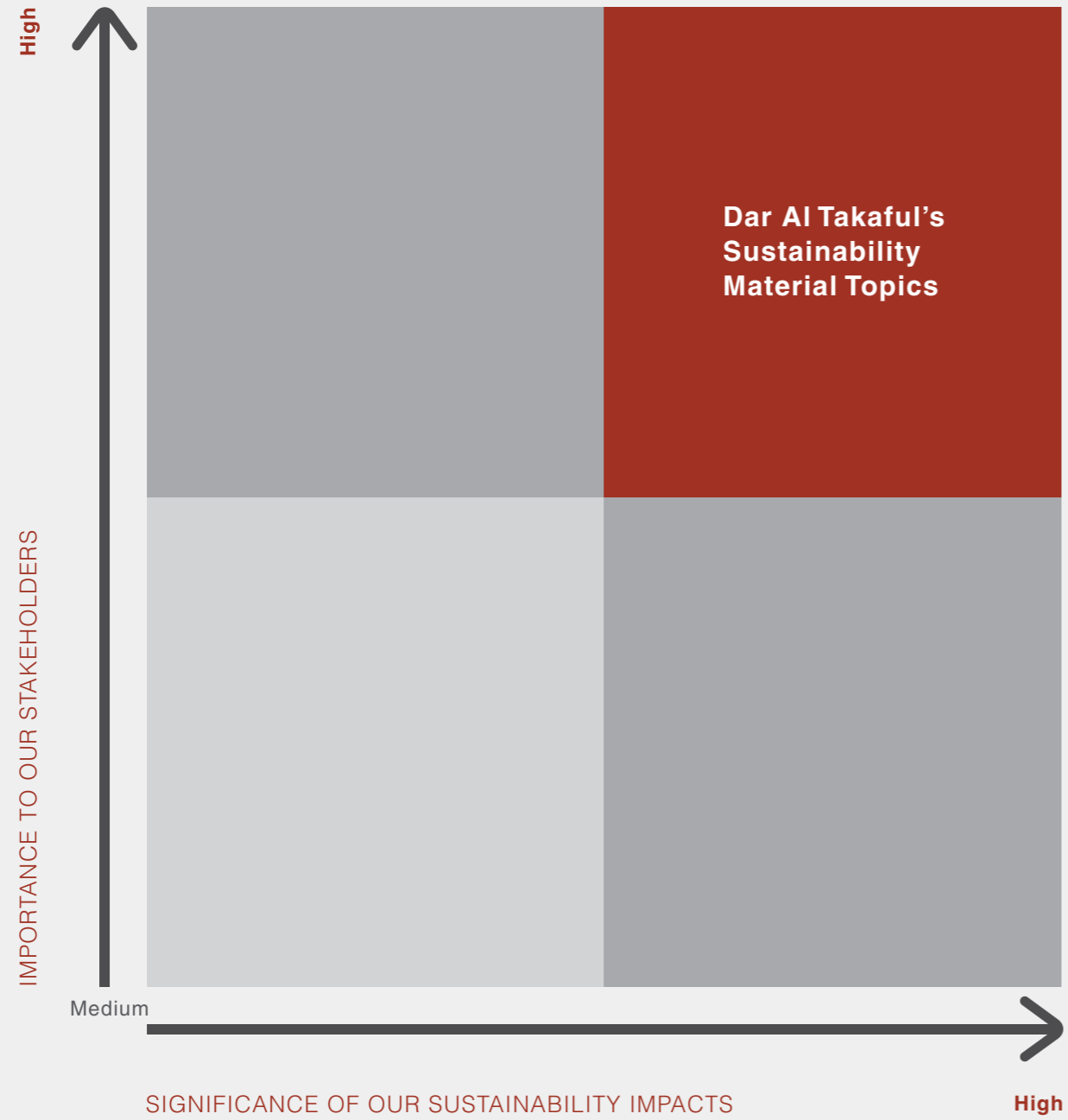
Finally, we also ensure to instil the appropriate risk management culture across Dar Al Takaful, primarily by means of regularly conducting specialized trainings based on the sensitive functions. Such training is done at least three times a year.

APPENDICES

Stakeholder Engagement Outcome (GRI 102-40, GRI 102-44)

Key Stakeholders	Existing Methods Of Engagement
Customers	<ul style="list-style-type: none"> • Website • Marketing Material • Social Media • Online Reviews • Customer Care Centre • Insurance Authority/Central Bank complaint portal
Management & Employees	<ul style="list-style-type: none"> • Training & Development Programs • Company Events • Company Internal Announcements • Performance Appraisals • Rewards & Recognition Programs • Exit Interviews
Shareholders	<ul style="list-style-type: none"> • Regular Communication • Annual General Meeting • Corporate Regulatory Disclosures
Government (Securities & Commodities Authority, Central Bank, Dubai Financial Market, Dubai Health Authority, Abu Dhabi Health Authority, Ministry Of Finance, Ministry Of Economy)	<ul style="list-style-type: none"> • Regular interactions through reporting requirements • Regular interactions for new regulatory requirements • Webinars
Business Partner (Reinsurers, TPAs, Brokers)	<ul style="list-style-type: none"> • Regular interaction related to business coordination, development, and agreement renewal
Rating Agencies	<ul style="list-style-type: none"> • Yearly interaction when conducting rating review
Community	<ul style="list-style-type: none"> • Local community-related initiatives • Sponsorships and donations • Volunteering activities

Materiality Matrix (GRI 102-47)



GRI & DFM Content Index (GRI 102-55)

General Disclosures				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
Organizational profile				
102-1	Name of the organization		4, 10	
102-2	Activities, brands, products, and services		10	
102-3	Location of headquarters		4	
102-4	Location of operations		4	
102-5	Ownership and legal form		4, 50	
102-6	Markets served		10	
102-7	Scale of the organization		10	
102-8	Information on employees and other workers	S4: Gender Diversity S5: Temporary Worker Ratio	28	
102-9	Supply Chain	G5: Supplier Code of Conduct	10	
102-10	Significant changes to the organization and its supply chain		10	
102-11	Precautionary Principle or approach		50	
102-12	External initiatives		10	
102-13	Membership of associations		10	
Strategy				
102-14	Statement from senior decision-maker		8	

GRI & DFM Content Index (GRI 102-55)

General Disclosures				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
Ethics & Integrity				
102-16	Describe your organization's values, principles, standards and norms of behavior		10, 28, 50	
Governance				
102-18	Governance structure	G1: Board Diversity G2: Board Independence	50	
102-20	Executive-level responsibility for economic, environmental, and social topics	E8, E9: Environmental Oversight	16, 44	
Stakeholder Engagement				
102-40	List of stakeholder groups		16	
102-41	Collective bargaining agreements	G4: Collective Bargaining		Not applicable for companies operating in UAE
102-42	Identifying and selecting stakeholders		16	
102-43	Approach to stakeholder engagement		16	
102-44	Key topics and concerns raised		16	
Reporting Practice				
102-45	Entities included in the consolidated financial statements		4	
102-46	Defining report content and topic boundaries	G8: Sustainability Reporting G9: Disclosure Practices	4	
102-47	List of material topics		16	
102-48	Restatements of information		4	
102-49	Changes in reporting		4	
102-50	Reporting period		4	

GRI & DFM Content Index (GRI 102-55)

General Disclosures				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
Reporting Practice				
102-51	Date of the most recent report		4	
102-52	Reporting cycle		4	
102-53	Contact point for questions regarding the report		4	
102-54	Claims of reporting in accordance with the GRI standards		4	
102-55	GRI content index		57	
102-56	External assurance	G10: External Assurance	4	
Material Topics				
GRI Disclosure	Content	DFM 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		10,16	
103-2	The management approach and its components		10,16	
103-3	Evaluation of the management approach		10,16	
GRI 201 Topic Specific				
201-1	Direct economic value generated and distributed		Refer to our 2020 Annual Report pages 32-47	

GRI & DFM Content Index (GRI 102-55)

Material Topics				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 44	
103-2	The management approach and its components		16, 44	
103-3	Evaluation of the management approach	E7: Environmental Operations	16, 44	
GRI 302 Topic Specific				
302-1	Energy consumption within the organization	E3: Energy Usage	44	
		E5: Energy Mix		
		E6: Water Usage		
302-3	Energy intensity	E4: Energy Intensity	44	
GRI 305: Emissions 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 44	
103-2	The management approach and its components		16, 44	
103-3	Evaluation of the management approach		16, 44	
GRI 305 Topic Specific				
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	44	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	44	
305-4	GHG emissions intensity	E2: Emissions Intensity	44	

GRI & DFM Content Index (GRI 102-55)

Material Topics				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 28	
103-2	The management approach and its components		16, 28	
103-3	Evaluation of the management approach		16, 28	
GRI 401 Topic Specific				
401-1	New employee hires and employee turnover	S3: Employee Turnover	28	
401-2	Benefits provided to full-time employees that are not provided to part-time employees		28	
GRI 404: Training & Education 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 28	
103-2	The management approach and its components		16, 28	
103-3	Evaluation of the management approach		16, 28	
GRI 404 Topic Specific				
404-1	Average hours of training per year per employee		28	
404-3	Percentage of employees receiving regular performance and career development reviews		28	

GRI & DFM Content Index (GRI 102-55)

Material Topics				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
GRI 400: Social Standard Series				
GRI 405: Diversity and Equal Opportunity 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 28	
103-2	The management approach and its components		16, 28	
103-3	Evaluation of the management approach		16, 28	
GRI 405 Topic Specific				
405-1	Diversity of governance bodies and employees	S4: Gender Diversity	28, 50	
		S6: Non-Discrimination		
405-2	Ratio of basic salary and remuneration of women to men	S2: Gender Pay Ratio	28	
GRI 417: Marketing & Labelling 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 40	
103-2	The management approach and its components		40	
103-3	Evaluation of the management approach		40	
GRI 417 Topic Specific				
417-2	Incidents of non-compliance concerning product and service information and labeling		40	
417-3	Incidents of non-compliance concerning marketing communications		40	

GRI & DFM Content Index (GRI 102-55)

Material Topics				
GRI Disclosure	Content	DFM Disclosure	Reference Page	Notes
GRI 400: Social Standard Series				
GRI 418: Customer Privacy 2016				
GRI 103 Management Approach				
103-1	Explanation of the material topic and its boundary		16, 40	
103-2	The management approach and its components		40	
103-3	Evaluation of the management approach		40	
GRI 418 Topic Specific				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	40	

GRI & DFM Content Index (GRI 102-55)

Additional DFM disclosures			
Dfm Disclosure	Content	Reference Page	Notes
Environmental			
E10	Climate Risk Mitigation Total amount invested, annually, in climate-related infrastructure, resilience, and product development	Not Available	We will be including this metric in our Environmental Policy
Social			
S1	CEO Pay Ratio Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation Does your company report this metric in regulatory filings?	Not Available Yes	The CEO's salary along with that of the executive team is currently disclosed in our Corporate Governance Report
S6	Non-Discrimination Does your company follow a sexual harassment and/or non-discrimination policy?	Yes	Non- Discrimination is covered in our Code of Conduct and HR Policies
S7	Injury Rate Percentage: Frequency of injury events relative to total workforce time	N/A	The industry in which we operate is not prone to injuries
S8	Global Health & Safety Does your company follow an occupational health and/or global health & safety policy?	N/A	Our HR Policies include Health & Safety clauses
S9	Child & Forced Labor Does your company follow a child and/or forced labor policy? If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	N/A N/A	We are in full support of combating child and/or forced labor, this risk is less applicable to the insurance sector
S10	Human Rights Does your company follow a human rights policy? If yes, does your human rights policy also cover suppliers and vendors?	Yes N/A	Our Code of Conduct and HR Policies include Human Rights clauses
S11	Nationalisation Percentage of national employees Direct and indirect local job creation	38 38	
S12	Community Investment Amount invested in the community, as a percentage of company revenues	39	
Governance			
G3	Incentivized Pay Are executives formally incentivized to perform on sustainability?	No	This will be considered as part of our Sustainability Strategy
G6	Ethics & Anti-Corruption Does your company follow an Ethics and/or Anti-Corruption policy? If yes, what percentage of your workforce has formally certified its compliance with the policy	Yes 100%	Ethics and Anti-Corruption is part of our Code of Conduct and HR Policies

