



AAIC 2024 ESG Report

ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE REPORT

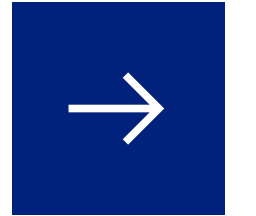


شركة العين الأهلية للتأمين
Al Ain Ahlia Insurance Company

ESGSUSTAINABILITY2024



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Since 1975

ABOUT THE REPORT



We are delighted to present our Company Sustainability Report for the year 2024. In this report, we intend to demonstrate AAIC's commitment to sustainable development and progress. Also, we would like to express our support for ADX's initiative to drive sustainability and the Abu Dhabi Economic Vision for the upcoming years. Through all of its activities in the insurance space, this report highlights AAIC's national and global efforts to adopt sustainable operations. In this report, the AAIC strives to demonstrate the highest levels of integrity and competency.



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INTRODUCTION



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Environment



Social



Governance



COMPANY OVERVIEW

Al Ain Ahlia Insurance Company (PSC) always strives and seeks to maintain the pioneering approach in sustainability and to ensure its integration with the company's business and assure its application at all levels in accordance with the instructions of the Concerned Authorities, in addition to encourage the concerned and relevant parties to follow the approved mechanisms for creating added value in sustainability through the various fields of the company's businesses

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Al Ain Ahlia Insurance Company exerts vigorous and deliberate efforts to develop the sustainability culture and create a state of comprehensive, integrated and transparent dialogue towards consolidating the sustainability principle.

Issuing the Sustainability Report of 2024 is a continuation of the efforts and initiatives of Abu Dhabi Securities Exchange with the specialized Authorities in the State for adopting, supporting and promoting the best sustainability practices in Public Joint Stock Companies in accordance with the environmental, social standards ESG and in line with the Governance Guide issued by the Decision of His Excellency the Chairman of the Board of Directors of the Securities and Commodities Authority No. (3 / R.M of 2020) regarding the Governance Guide for Public Joint Stock Companies Governance Instructions and Standards for Insurance Companies Issued by Circular No. 24 of 2022 of the Central Bank



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EXECUTIVE SUMMARY

Al Ain Ahlia Insurance Company was established in Abu Dhabi under Law No. 18 of 1975 and registered as No. 3 in the Insurance Companies Register at the UAE Central Bank – Insurance Sector. Approximately 20% of the company's shares are owned by the Abu Dhabi government, represented by Mamoura Diversified Global Holding, fully owned by Mubadala Investment Company. The company began underwriting in 1976 with a paid-up capital of AED 5,000,000.

The shareholders of Al Ain Ahlia Insurance are well-known UAE nationals, with the Abu Dhabi government holding the largest share of the equity. As a result, the company benefits from the privilege of underwriting governmental and related businesses in Abu Dhabi, as detailed in Circular No. (21) dated 06/12/1975 issued by the Executive Council of the Emirate of Abu Dhabi.

The current paid-up capital of the company is AED 150,000,000, with general reserves amounting to AED 600,000,000, technical reserves amounting to AED 75,000,000, and total assets of AED 3 billion.

The company is ranked among the leading insurance companies in the region, having established excellent relationships with global markets. It enjoys top-tier security and undertakes all classes of business, including energy, property, and casualty, across a wide range of areas in Abu Dhabi and abroad.

The company is renowned for its meticulous underwriting philosophy and has gained an excellent reputation for executing profitable businesses and maintaining strong relationships with reinsurance providers worldwide.



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MISSION

To provide financial security and protection to customers through quality insurance products with a focus on providing excellent personal service, claims handling and diligent underwriting of risks.

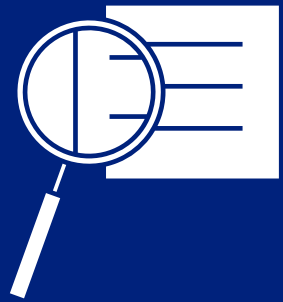
VISION

To experience increased growth and set industry standards of excellence. We aim to exceed customer expectations through continuous innovation and become the nation's first choice for insurance services



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OUR OBJECTIVE



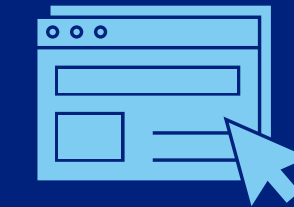
The efforts of Al Ain Ahlia Insurance Company are always focused on maintaining its pioneering role through its permanent and continuous cooperation with all Insurance Companies operating, within the Insurance Market in the State or companies that operate in the rest of the regional, Arab & international markets.



The company also seeks the optimal application of the governance rules and compliance with the laws, regulations and decisions issued by the concerned Authorities, particularly the UAE Central Bank, the Securities and Commodities Authority and Abu Dhabi Securities Exchange.



The company also seeks to strength the teamwork between the various Insurance Companies in the State through its continuous cooperation in the Emirates Insurance Association.



The company was keen during the year 2024 to provide a healthy and safe work environment



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GOVERNANCE

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COMPANY'S BOARD OF DIRECTORS & CEO



**H.E. Mohamed Jouan
Rashed Albadi Aldhaheri
Chairman**

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**H.E. Khaled Mohamed
Jouan Albadi Aldhaheri
Vice Chairman**

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**H.E. Ghaith Hammel
Khadim Alghaith Alqubaisi
Board Member**



**H.E. Saeed Ahmed OmranAlmazroui
Board Member**



**H.E. Saif Ahmed Al Mehairbi
Board Member**



**H.E. Abdulla Mubarak Abdulla
Aldarmaki
Board Member**



**H.E. Shaikha Nasser
Moahmed Al Nowais
Board Member**



**H.E. Mohammed Mazhar Hamadeh
CEO**



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INDEPENDENCE OF THE BOARD OF DIRECTORS

The company's Board of Directors consists of seven members who are citizens of the United Arab Emirates. Most of them are independents.

There is a complete separation between the Board of Directors and the executive management of the company, as the Chairman and the members of the Board do not engage in or perform any executive management functions.

The Board of Directors has an independent Secretary, who is not a member of the Board and is not affiliated with the executive management. The Secretary is appointed by the Board of Directors and reports directly to the Board, ensuring complete independence and supporting the Secretary in performing their duties with utmost impartiality.



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GOVERNANCE AND INSTITUTIONAL DISCIPLINE RULES

1 In 2024, the company has updated its articles of association to be in accordance with the provisions of the Companies Law and its amendments. The new article association allow The minimum requirement for women's representation on the Board of Directors was achieved with one seat from a female UAE national with experience in the business and insurance sector.

2 The General Assembly of the Company appoints an independent auditor who presents his report and financial statements independently in the meetings of the shareholders and the Board of Directors. They are disclosed according to the rules and principles followed and applied to the Public Joint Stock Companies

3 The company follows and applies the Corporate Governance Rules for Public Joint Stock Companies

4 The Audit Committee, the Nomination and Remuneration Committee and the Risk Committee emanate from the Board of Directors of the Company

5 The company has a specialized Internal Audit Department that is directly headed by the Audit Committee and the Board of Directors

6 In line with the updated Governance rules, the company has reviewed its policies, especially the policy of nominations and remuneration, and AML policy and procedures

7 The Company's governance policy and rules are frequently updated to take into account evolving regulatory requirements, challenges, technologies, global events, and stakeholder expectations

8 The company's and management's strategic plans for the next few years will focus on improving the working environment in all its offices and branches throughout the UAE

9 The Company will focus on exploring any social initiatives that will be valuable to the local community.

10 The company discloses its General Assembly meetings and core and essential events when they occur



WHISTLEBLOWER POLICY



01

Following the updated Governance Regulations, AAIC implemented a Whistleblower Policy that provides employees, contractors, and stakeholders with the opportunity to report concerns or suspicions of unethical or illegal activities without fear of retaliation.

02

A culture of integrity is promoted within the Company through the promotion of transparency, accountability, and a culture of integrity.



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OUR RATINGS



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In-Country Value (ICV) Certificate
Rating: 67.30%

Al Ain Ahlia Insurance Company participated in the National In Country Value Program (ICV) aims to enable the Ministry of Industry & Advanced Technology to improve the performance and sustainability of the industrial sector. We are always proud to keep up the latest industry trends to boost the domestic economy



S&P A-

According to S&P global rating Al Ain Ahlia Insurance Company is among the top performers in the UAE insurance market continues its efforts to expand and diversify its portfolio in the UAE and wider Middle East.



Moody's A3 Rating

Al Ain Ahlia Insurance Company's financial strength rating reflects the company's strong market position and brand, as top five insurer in the UAE insurance market.



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PRESERVING VALUES & PROMOTING INNOVATION

Our vision in Al Ain Ahlia Insurance Company as a pioneering national company has always guided to exert efforts in sustainability by embodying the values of cooperation, love, harmony and development that characterize the United Arab Emirates Society and the established values that also form the foundations on which all our activities are based

Our initiatives in the company started from investing in our employees and enhancing their insurance and practical knowledge, and through our fruitful and transparent cooperation with all our customers, which allowed enhancing the experience, setting solid rules and building a strong reputation in the customer service field and meeting their requests and requirements.

The Company has followed an approach to encourage innovation, promote the principle of entrepreneurship, and apply best practices that are socially and environmentally responsible.





AUDIT & COMPLIANCE

ESG SUSTAINABILITY 2024





AUDITING PROCEDURES

By conducting an internal audit of the internal divisions and internal departments based on the annual plan, the internal audit identifies the risks and their significance. Through the internal audit reports, the internal audit function makes recommendations for risk management that are discussed with the audit and senior management committee. Moreover, Further, our data is analyzed and detailed reports are generated.



RISK MANAGEMENT

Ensuring that AAIC remains resilient and adaptable to environmental, social, and governance (ESG) challenges while driving long-term value for stakeholders by embedding sustainability considerations into our risk management framework.



OBJECTIVES OF GOVERNANCE & COMPLIANCE

- The governance and compliance function.
- ESG risk integration in a comprehensive manner.
- Employee Training and Capacity Building.
- A transparent reporting processes.
- The importance of stakeholder engagement
- Resilience to climate change.
- The concept of social inclusion.
- Sustainable and green product innovation.
- The collaborative approach.
- The continuous improvement processes



COMPLIANCE MANAGEMENT

01 KEY ELEMENTS

AAIC is committed to complying with all applicable environmental regulations because we recognize our responsibility to protect the environment. By utilizing responsible management practices and continuous improvement, AAIC aim to minimize our environmental impact



02 KEY ELEMENTS

The company and the management strategic plans for the coming years are on focus of better healthy working environment in the all offices and branches across UAE

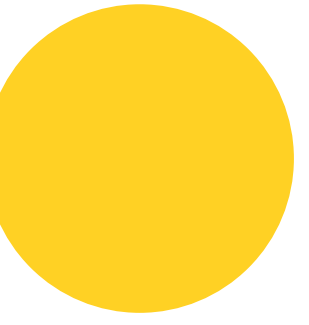




SOCIALLY RESPONSIBLE

ESG SUSTAINABILITY 2024





OUR SUSTAINABILITY APPROACH 01

Our sustainability approach does not always stop evolving, which allows us to continue to reinforce our responsibility, supervise our various capital flows and understand the interlinkages between what is best, in addition to our support in consolidating a comprehensive and integrated approach towards its various groups in terms of the decision-making and practices, and keeping our concentration focused on creating value in the short, medium and long term



02

This report represents an important part of our relentless efforts to open and transparent communication with relevant and concerned parties internally and externally, as well as being part of our internal measures to monitor operations and ensure full harmony between our operations and practices on the one hand, and our strategic vision on the other hand

03

The company is committed to prepare the financial statements in accordance with the International Financial Reporting Standards (IFRS 17) approved by the International Accounting Standards Board (IASB) and to publish them in accordance with the Regulatory Requirements of the Securities and Commodities Authority in the United Arab Emirates.



CORPORATE SOCIAL RESPONSIBILITY

01

The company abides by its social responsibility by balancing its main businesses with the needs of the society, in which the company operates, and undertaking the management of social responsibility permanently.

02

The company has undertaken many initiatives, including providing financial or moral support to specific groups of society and providing contributions in some community activities.

03

The company also participated in the launching session of special label standards for gender balance for the Private Sector, which was the outcome of the Government Accelerator Team



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DONATION OR CHARITY



AAIC consider that the donations and charity are playing an important role in corporate social responsibility and individual philanthropy. This is done by channeling resources towards social, environmental, educational, and health-related causes. As a result, AAIC participates in a wide variety of social activities and supports throughout the year.



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TREE PLANTATION

Participated in the Tree planting event hosted by Emirates Environmental Group in Ras Al Khaimah on 17/12/2024 in support of environmental conservation to make positive impact on our environment



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HUMAN RESOURCE

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ELECTRONIC SYSTEM & REMOTELY WORKING

- 01 The company developed its electronic systems and prepared the modern electronic system for the work of the specialized Departments and the connection between them. It speeds up the production process and handling claims
- 02 The company has prepared modern electronic applications for selling insurance policies through computers and mobile devices, in order to facilitate payment and obtaining the document electronically, quickly and safely
- 03 The company applies and follows the highest standards in electronic security and data protection in a confidential and effective manner
- 04 According to the procedures followed, the work environment in the company is now ready to work remotely when needed.
- 05 Through implementing the electronic systems, the work environment in the company has become compatible with the global trends, especially the adoption of the green environment system and the reduction of paper consumption in order to preserve a clean and sustainable environment

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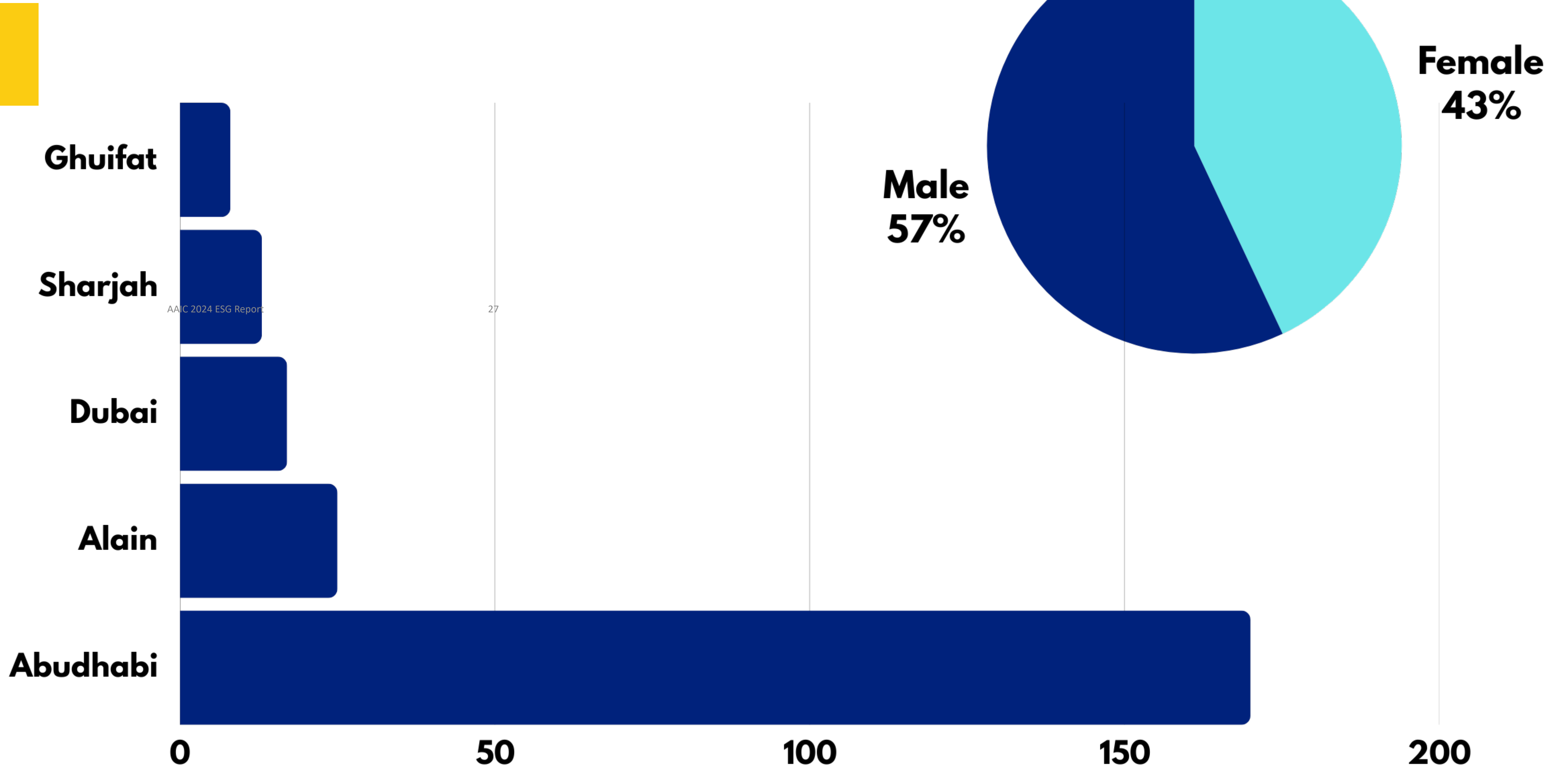
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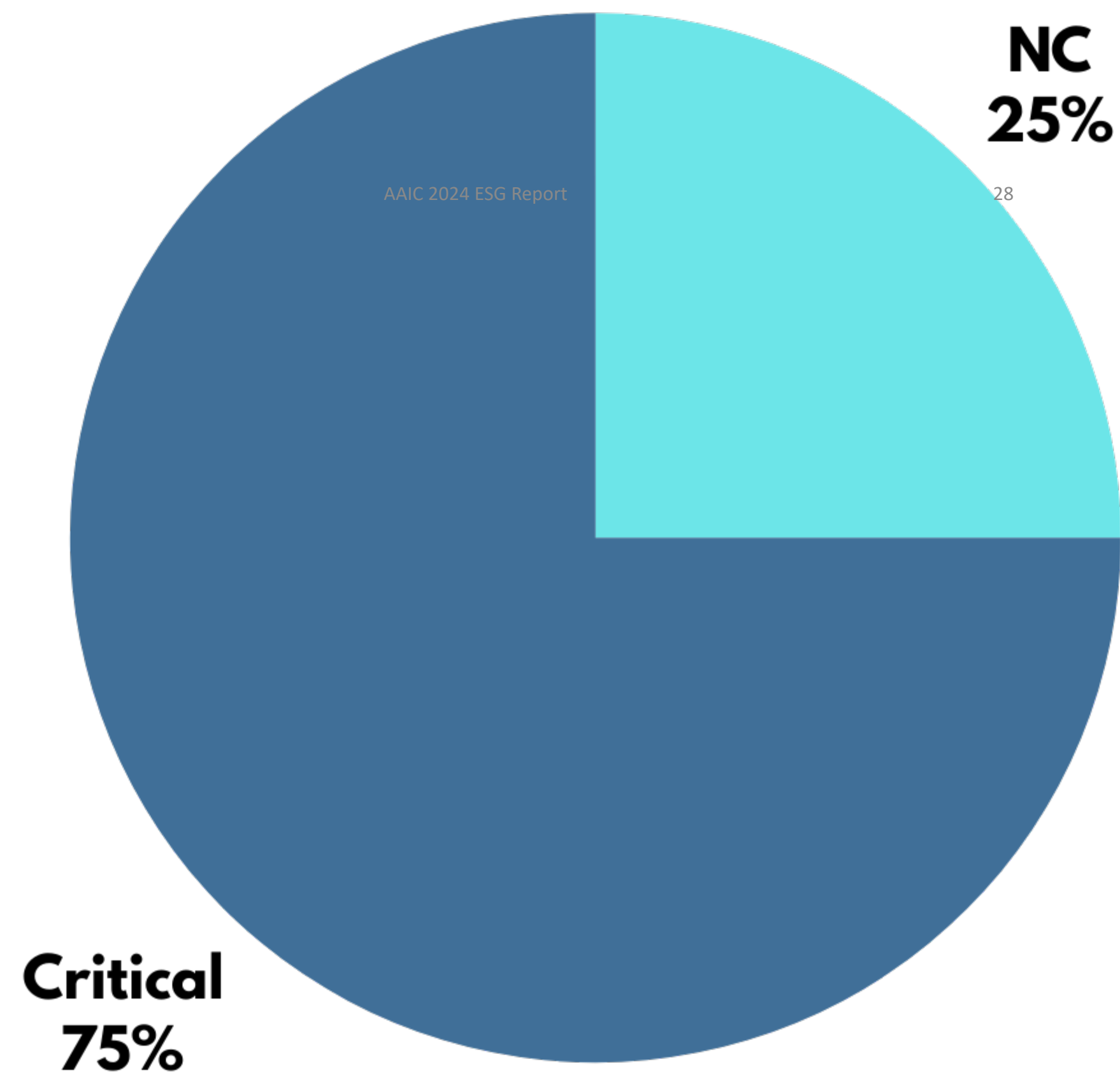
WORK FORCE PROFILE



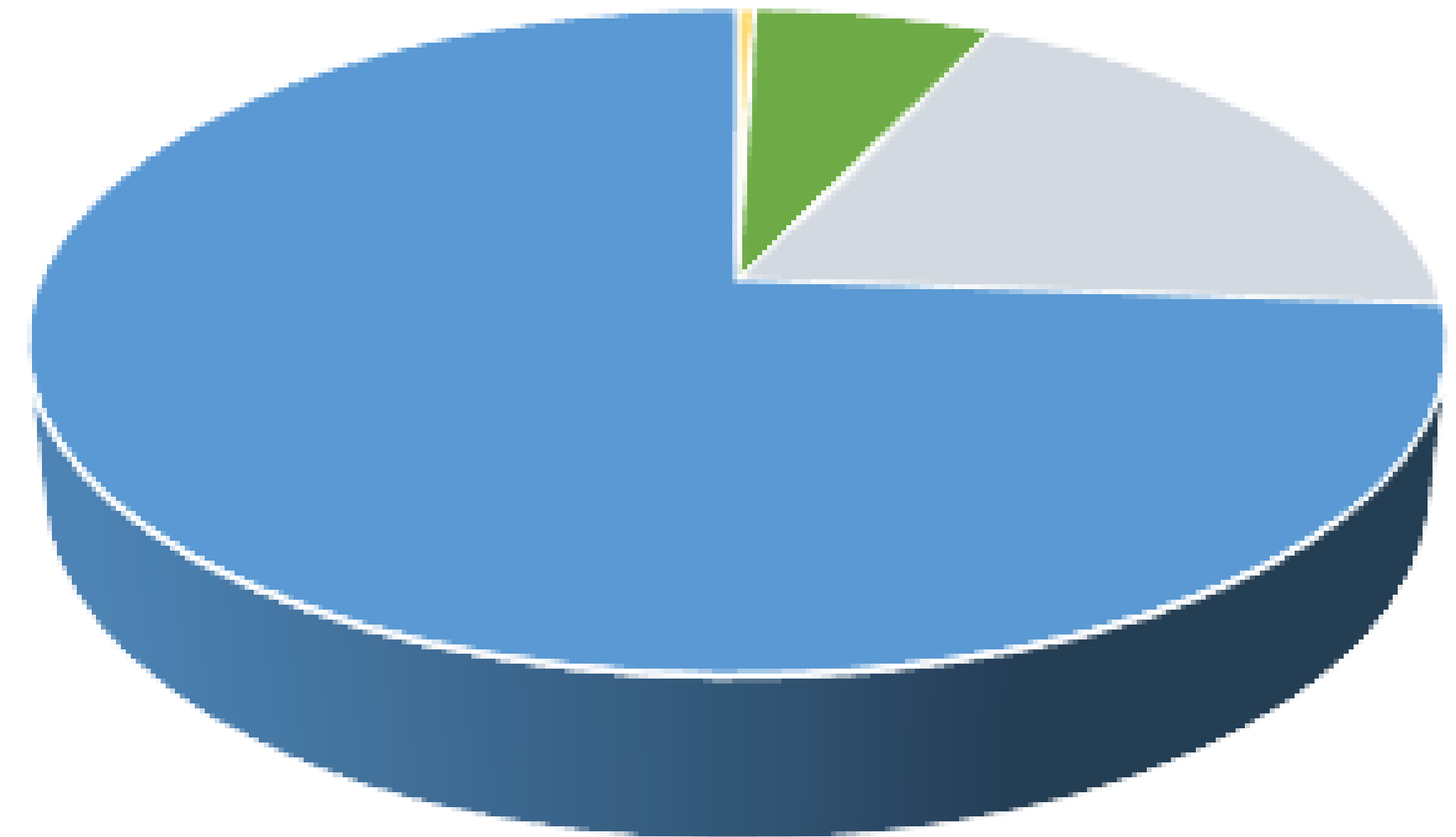
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WORK FORCE PROFILE

JOB CRITICALITY



JOB TYPE



Top MGMT

MM

JRLM

NM



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EMPLOYEE BENEFITS



01 COMMITMENT WITH OUR PEOPLE

We believe that our employees are our greatest asset and that by fostering a positive and supportive work environment, we can enable them to reach their full potential. We offer training programs, workshops, and mentorship initiatives to help our employees enhance their skills and knowledge. Additionally, we prioritize the well-being and work-life balance of our employees. We understand that a happy and healthy workforce is more productive and engaged. Therefore, we offer flexible work arrangements. Furthermore, open communication and transparency are integral to our commitment with our employees

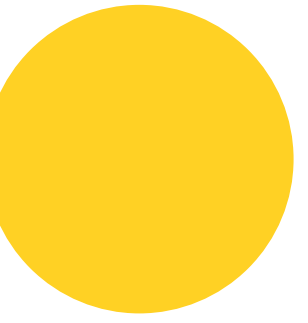
02 TRAINING & DEVELOPMENT

Our T&D policy aims to enhance employee skills and knowledge, promote career growth, and support the overall growth and success of our company, and it applies to all employees of AAIC. It covers various aspects of training and development, including orientation, job-specific training, professional development, continuous learning opportunities and training with EIF



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AL AIN AHLIA ROLE IN EMIRATIZATION 2024



Emiratization is a strategic initiative that aims to increase the participation of Emiratis in the workforce of the UAE. During the year 2024 we have recruited 11 UAE nationals which brings our UAE national percentage to 20%.

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01 To implement the Emiratization we at Al Ain Ahlia Insurance Company has always been at the forefront for the development of UAE Nationals by designing, implementing and monitoring efficient, talented UAE Nationals for their future development

02 There was a drastic improvement in the recruitment of UAE nationals during the year 2024 when compared to 2023.



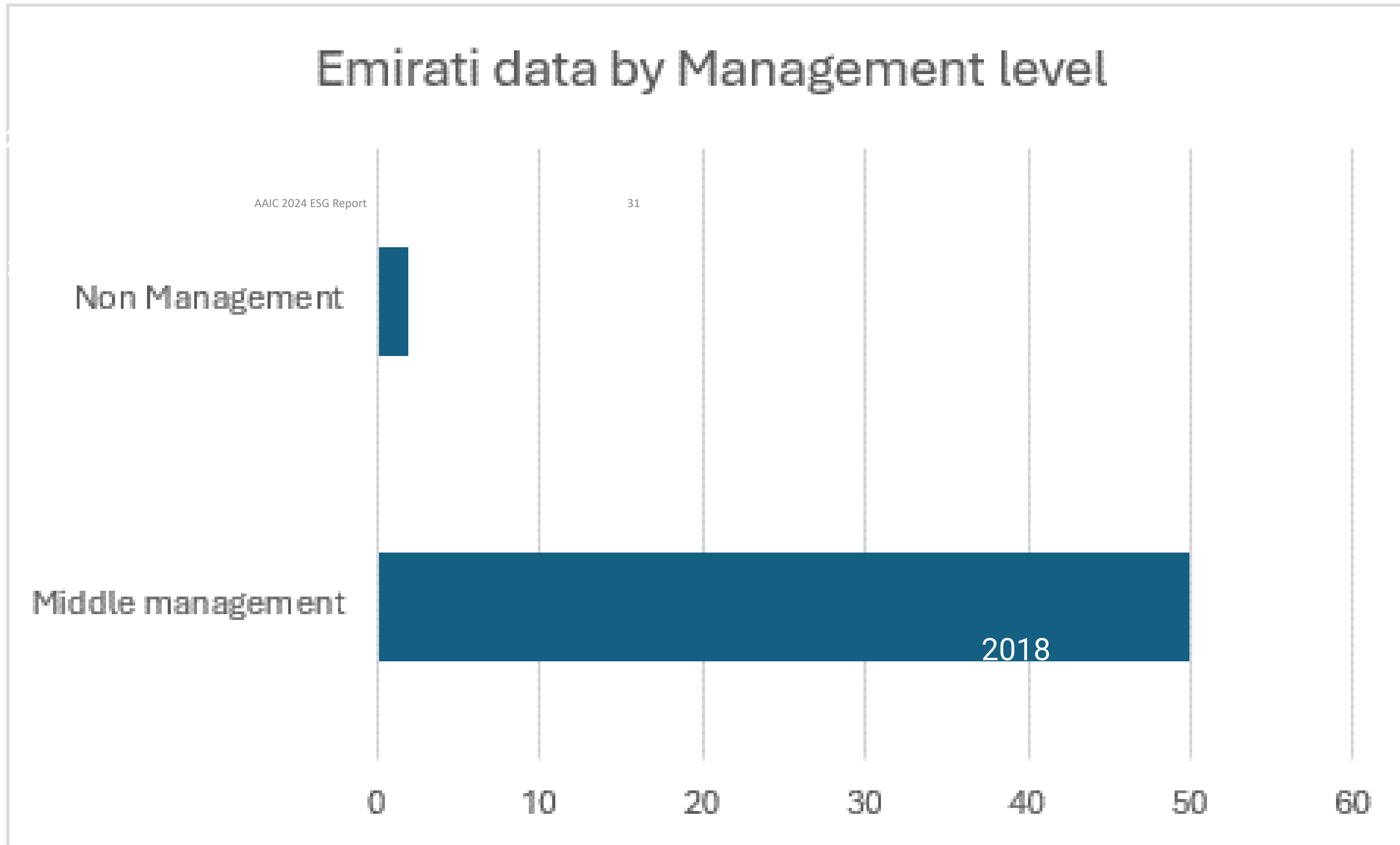
03 Our company has achieved the Emiratisation rate, of 20% during the year 2024, and we achieved more than the targeted point given by the CBUAE. We have achieved more than our recruitment point target of 10 points, and we achieved 11. Our Emiratization target of UAE National % (by 2026) is 31%.



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EMIRATI WORK FORCE PROFILE

Management level	Number
Middle management	50
Non-Management	2



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TRAININGS AT ALAIN AHLIA INSURANCE

TRAINING PROGRAMS

As part of its training program, AAIC developed the skills and knowledge of its employees in technical and general areas through in-house training programs or through outside resource providers.

Furthermore, the Company supports local employees through continuous training and development progress through a tactical human resources development plan

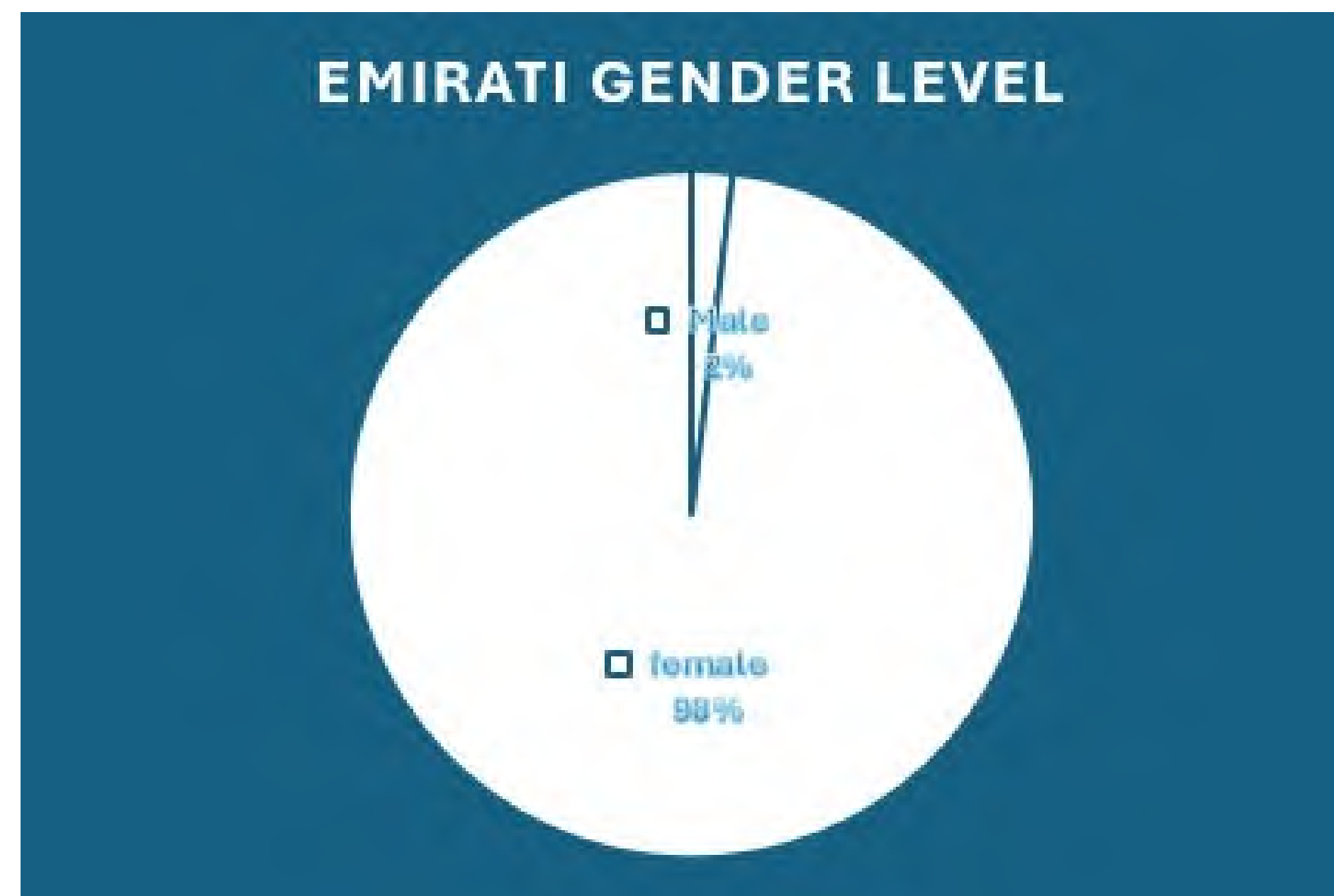
TRAININGS CONDUCTED

- Cybersecurity Awareness
- Risk Management in Insurance
- Anti Money Laundering for Insurance - Focused Lecture Series
- Anti Money Laundering in Insurance Laws & Best Practices
- Introduction to Ethical Hacking and Penetration Testing - Simulation

TRAINING OF UAE NATIONALS

Department / Branch Managers identifies the need of training of UAE nationals based on their recommendation. all UAE nationals were send for the training through EIBFS , During the year 2024, we have achieved the operational target point more than required (218 out of 150).

One of the UAE national has been nominated by the company to study for ICA certificate in Anti Money Laundering with 12 month Associate Membership



Gender	Number
Male	1
Female	51



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AVERAGE SALARIES BETWEEN MEN AND WOMEN:

The company follows a clear approach to the salary and wages policy on the basis of competence and experience in accordance with unified standards for both men and women.

SOCIAL DIVERSITY BETWEEN THE GENDERS

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The company is characterized by the social diversity between the genders and equating the percentage of male or female workers in various senior, medium and ordinary jobs



EMIRATISATION

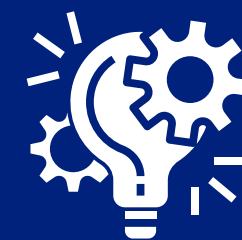
Emiratization is a government initiative designed to encourage UAE nationals to work in all sectors including the private sector. Al Ain Ahlia Insurance is one of the insurance companies in the UAE that is dedicated to the supporting efforts to increase Emiratization rates and working towards in attaining the required ratios as part of Cabinet Resolution No. (5) on the implementation of the Emiratization Strategy in the insurance and banking industries.



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PERFORMANCE APPRAISALS

All employees are evaluated by their concerned Managers in a fair and respectful way , as per our policy Performance evaluation provide a valuable opportunity for managers and employees to engage in open and honest discussions about performance. By providing feedback, setting goals, and offering support, managers can help employees grow and achieve their full potential. It is crucial for both parties to maintain a collaborative and constructive mindset throughout the evaluation process



POLICIES AND PROCEDURES

We have a well defined policies and procedures



EMPLOYEE ENGAGEMENT ACTIVITIES

Such as: (Volunteer activities, Health Camps, Blood Donations, awareness campaigns, employee wellbeing sessions)



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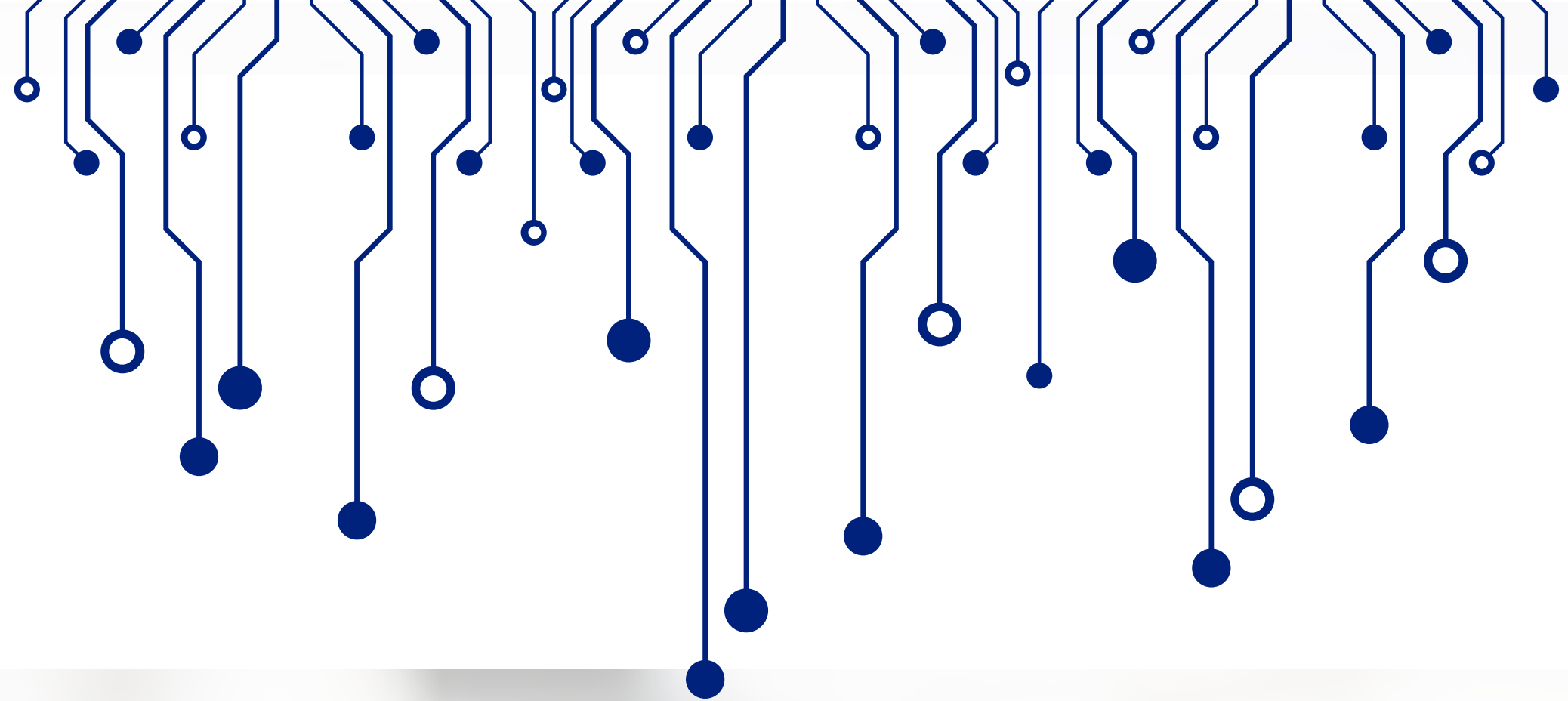
FUNDAMENTALS OF CYBER

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INFORMATION TECHNOLOGY



DATA PRIVACY & ETHICS



Al Ain Ahlia Insurance Company has 12 important points, which are Data Protection Policies. Maintaining data privacy and ethics in business is essential to protect individuals' rights and trust, comply with regulations, and uphold a positive reputation.



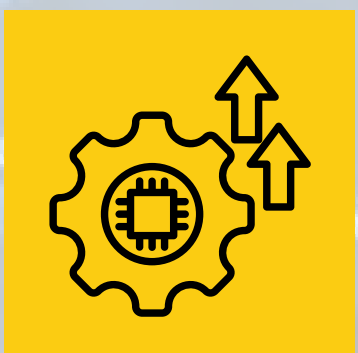
INFORMATION SECURITY

Al Ain Ahlia Insurance Company to protect sensitive data, guarantee compliance with laws, and foster trust with consumers and stakeholders, businesses must maintain information security. we Complete information security policies and procedures that define security standards, guidelines, and best practices have been developed and implemented

CYBER SECURITY & RISK



Al Ain Ahlia Insurance Company is maintaining cybersecurity and managing cyber risks are crucial for businesses in the present digital world. We developed the following procedures and methods to lower our cyber security risk in order to manage cybersecurity effectively and reduce risks for our businesses



TECHNOLOGY ADVANCEMENT

Al Ain Ahlia Insurance Company For businesses to remain competitive, increase efficiency, and satisfy customer expectations, technology improvement is essential. it is essential to regularly assess and update our technology roadmap in order to maintain innovation and competitiveness



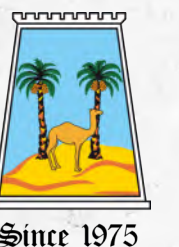
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DIGITALIZATION

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PRODUCT ORIENTATION

01 DIGITALIZATION

Al Ain Ahlia Insurance Company adoption and adaptation of digital technologies and tactics on a continuous basis in order to promote innovation, efficiency, and competitiveness is the maintenance of digital transformation in business. Maintain the adaptability of our digital transformation strategy to account for shifting business priorities and technological trends.

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02 INNOVATION

Al Ain Ahlia Insurance Company maintaining company innovation is critical for being competitive, driving growth, and adjusting to changing market conditions. Develop a well-defined innovation strategy that corresponds with your company goals and objectives and ensure that senior leadership actively supports and advocates innovation activities. Employees have been given the freedom to originate and explore creative ideas.

03 CUSTOMER'S PRIORITY

Al Ain Ahlia Insurance Company is maintaining a customer-centric approach in business is crucial for building strong customer relationships, fostering loyalty, and ensuring long-term success. Map out the customer journey to understand their interactions with our business from the first touchpoint to post-purchase, use these metrics to assess the effectiveness of our customer-centric efforts.



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ENVIRONMENTAL IMPACT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE STANDARDS



01 EFFICIENT ENERGY USE

Based on the company's keenness on optimal use of energy and saving consumption in all fields in a manner that would have a good impact on the environment and health, the company, at the level of the General Administration or Branches, replaced lamps and lighting tools with modern types of low consumption, which was reflected in saving the consumption value and energy bills in addition to reducing emissions.

Efficiency initiatives implemented as follows :

- Turning off all the applications at the end of the day, turning off the displays when not in use & sleep mode, etc.
- Implement LED bulbs
- Filter fixed in all the taps
- Regular maintenance of Air conditioners & electrical equipment with AMC contracts



02 WATER CONSERVATION

The company has monitored the water consumption and replaced some water distribution devices with modern types that work on the principle of reducing consumption in a manner that would be positively reflected on the environment and public safety



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03 : WASTE MANAGEMENT

We at AAIC are committed to reducing the environmental impact of our waste and effluent management. Across all our offices and branches, a comprehensive waste management system has been implemented.

04 : PAPERLESS ENVIRONMENTAL AND DIGITALIZATION:

⁴¹ AAIC recognizes that using sustainable forestry paper, recycled paper, or exploring alternative materials can mitigate the impact of paper on the environment if paper is necessary for your business, and the future, technology advancements such as cloud storage, e-signatures, and efficient document management systems will further reduce the need for paper.

05 PROCUREMENT POLICY

AAIC implemented this policy in order to outline the approach and guidelines that should be followed when procuring goods and services, and to ensure that value for money, transparency, and compliance with applicable laws and regulations are met



THANK YOU

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