



SUSTAINABILITY REPORT 2022

Sharjah Insurance

Prepared by AJMS Global Consulting



ABOUT THIS REPORT

REPORTING SCOPE

This Sustainability Report for Sharjah Insurance Company P.S.C., covers the period between the 1st of January to the 31st of December 2022, unless stated otherwise.

Sharjah Insurance Company P.S.C. is incorporated as a public shareholding company by an Amiri Decree issued by His Highness, The Ruler of Sharjah on 8 March 1970. The Company is subject to the regulations of UAE Federal Law No. 6 of 2007 and is registered with the U.A.E. Federal Ministry of Economy under Registration No.12. Sharjah Insurance is listed on the Abu Dhabi Securities Exchange since October 2005.

The Company operates through its head office in Sharjah and has a branch in each of the Emirates of Sharjah, Dubai and Ajman. The address of the Company's registered office is 1st & 2nd floor at Al Raha Tower, Corniche Al Mamsar, Al Khan, P.O. Box 792, Sharjah – United Arab Emirates. All branches fall within the scope of this report.

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

BASIS OF PREPARATION

This report has been prepared in accordance with the revised set of universal Global Reporting Initiative (GRI) Standards, and takes into consideration the Abu Dhabi Stock Exchange's (ADX) ESG metrics. In addition, the report provides a preliminary outline of the Company's alignment with the United Nations 17 Sustainable Development Goals, UAE Vision 2030, and UAE Net Zero 2050.

This Sustainability Report which reflects our 2022 fiscal year is issued before our Annual General Meeting (AGM) and is part of our Integrated Report which is inclusive of our financial results, Corporate Governance Report, among other reporting elements.

EXTERNAL ASSURANCE

The content of this Report has been reviewed and validated by the Company's internal audit function.

COMMUNICATION & FEEDBACK

A content index is included at the end of the Report which outlines all the applied GRI and ADX disclosures.

For any queries or feedback about this report, please contact: arun.suresh@shjins.ae

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LETTER FROM OUR GENERAL MANAGER

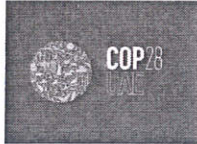
In the last 12 months, Sharjah Insurance has made significant sustainable progress built on the passion of our employees and in partnership with our clients. Regardless of the ongoing uncertainty in the world today, sustainability continues to be the core of our business strategy and decision-making with the aim of accelerating a more accurate understanding of the physical risks of climate change on assets, our team's partnership with clients to create impactful, tech-enabled tools in an authentic and supported environment.

We remain committed to the course of contributing to the Sustainable Development Goals (SDGs) and meeting our annual sustainability targets and long-term goals through our client work, operations and broader collaborations, and increased focus on those areas where we want to aim higher: increasing diversity, equity, equality and inclusion in our workforce among others.

We are proud to be an early adopter of the Global Reporting Initiative (GRI) revised Universal Standards.

This Sustainability Report 2022 serves as our communication on sustainability progress – an annual disclosure to stakeholders on progress made in implementing actions, programs and initiatives to uphold the ideals of people, planet and profit

OUR COMMITMENT TO A SUCCESSFUL COP28 AND BEYOND



As the UAE starts the countdown to the next UN climate conference – Conference of the Parties (COP28) in 2023, we feel a notable sense of urgency, purpose and realism to increase our efforts on sustainable activities, as the conference will be a significant moment being that it marks the first global stock-take – a comprehensive assessment of the progress against the goals of the Paris Agreement.

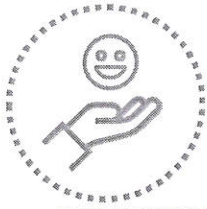
As a result, we are evolving to strengthen our sustainability initiatives and internal programs in order to accommodate futuristic changes necessary to make the UAE more sustainable now and beyond, even as the country seeks to make 2023 a year of sustainability.

Souhil Garouge,

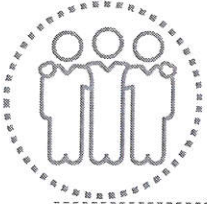
General Manager



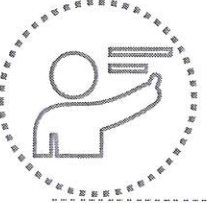
2022 HIGHLIGHTS



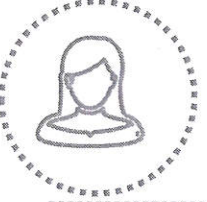
0 Customer complaints



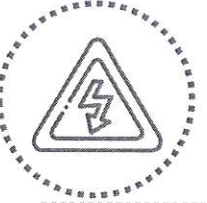
15% Emiratization rate



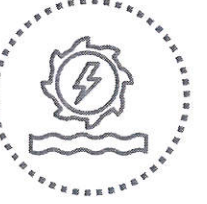
100% of our employees went through training on AML and due diligence



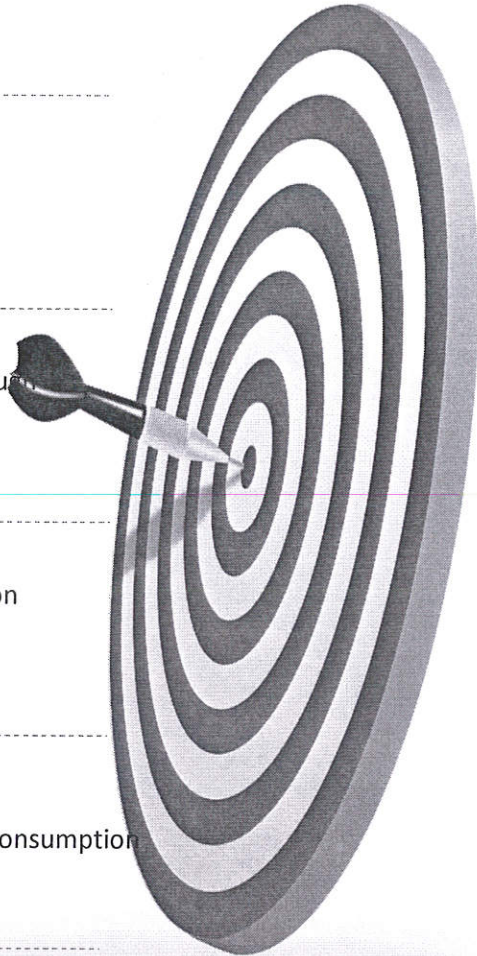
3% Increase in women representation in our workforce



10% Reduction in our total energy consumption



23% Reduction in our total water consumption



WHO WE ARE AND WHAT WE DO

(GRI 2-1, GRI 2-6, GRI 2-28, GRI 201-1, G4)

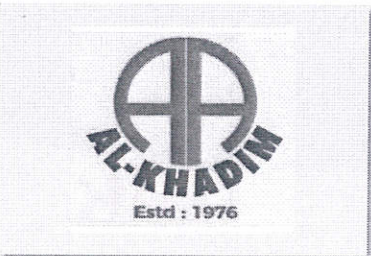
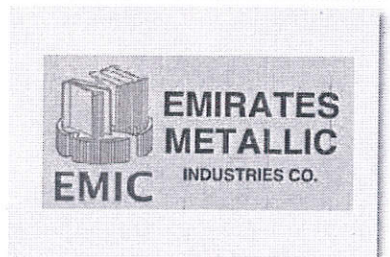
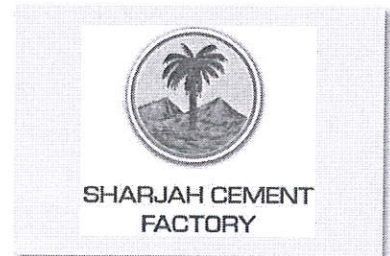
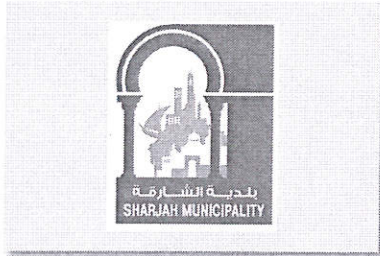
Sharjah Insurance Company was established in 1970 and is the first insurance company established in the UAE. We have been listed on the Abu Dhabi Securities Exchange since 2005 with a capital of AED 150,000,000 and a market capitalization of AED 225,000,000 as at end of 2022.

We have endeavored to provide a combination of quality and affordable insurance products and services through our visionary leadership, our employees' professional competence and continued dedication to our clients. We service government entities, corporates, and individuals.

Our Company offers its clients comprehensive insurance solutions to meet their needs and gain their trust. We offer our services through our four branches in Ajman, Sharjah, Dubai and our Head Office in Sharjah.

MAJOR CLIENTS

Our team of professionals with international and local experience ensure to cater for the needs of our clients and provide them with quality service supported by efficient and timely claims management.



OUR VISION

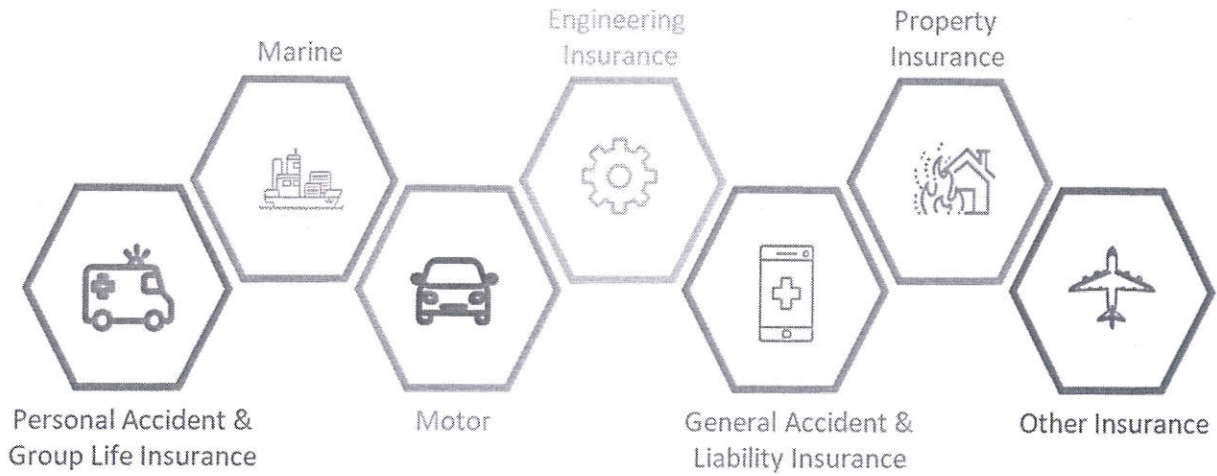
A leading insurance company in the region with the potential to offer a vivid range of quality products and services to our customers and to produce highest returns to our shareholders.

OUR MISSION

We are committed to the highest standards of ethics and integrity. We are responsible to our customers, to our employees, to the societies we serve in the UAE. We do not take professional or ethical shortcuts to achieve targets but our interactions with the society must reflect high standards of professionalism in the insurance industry.

MAIN BUSINESS SEGMENTS

Our main corporate offering forming the bulk of our underwriting activities falls under three segments, the first being motor insurance, the second general insurance (non-motor), and the third related to group life.



BUSINESS STRATEGY

The Company's strategic focus has been on providing quality insurance. As such, we have a conservative approach and focus on providing premium insurance and building a quality portfolio. In turn, this ensures that we deliver on all our promises as we build a long-term relationship with all our stakeholders and maximize returns.

Sharjah Insurance encourages solutions to cater for tomorrow's climate as part of its strategy to ensure the viability of an ethical transition to climate resilience and net zero emissions. Our strategy is reviewed regularly by the management committee to ensure alignment with global and local standards to meet sustainability needs.

SUSTAINABILITY IN OUR BUSINESS

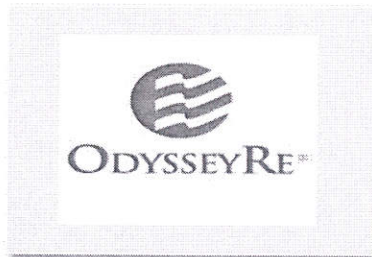
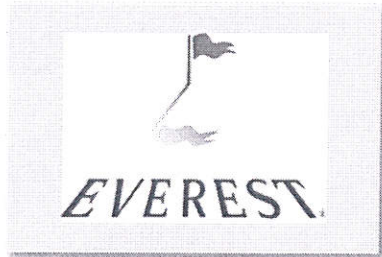
Integrating sustainability considerations into our insurance business means that we are better placed to manage risks and opportunities to support sustainable development. We add value through effective dialogue with stakeholders and aim to share our expertise on risk mitigation to the insurance sector.

Sharjah Insurance has the expertise in insuring both individuals and businesses against risks as we are constantly improving our tools to identify and manage risks and support our customers. We provide emerging consumers with affordable and effective insurance solutions, while being committed to closing the protection gap and providing access to affordable insurance solutions to support lower income groups.

BEST BREED PARTNERS

As a testament to our strong reputation and track record, we have built solid partnerships with some of the world's most reliable reinsurance companies allowing us to provide optimum insurance protection to our clients. Moreover, such agreements have been based on favorable terms and conditions, again, due to the Company embodying business quality and excellence.

Some of our major Reinsurer partners include:



Sharjah Insurance is a member of the Emirates Insurance Association:



FINANCIAL HIGHLIGHTS

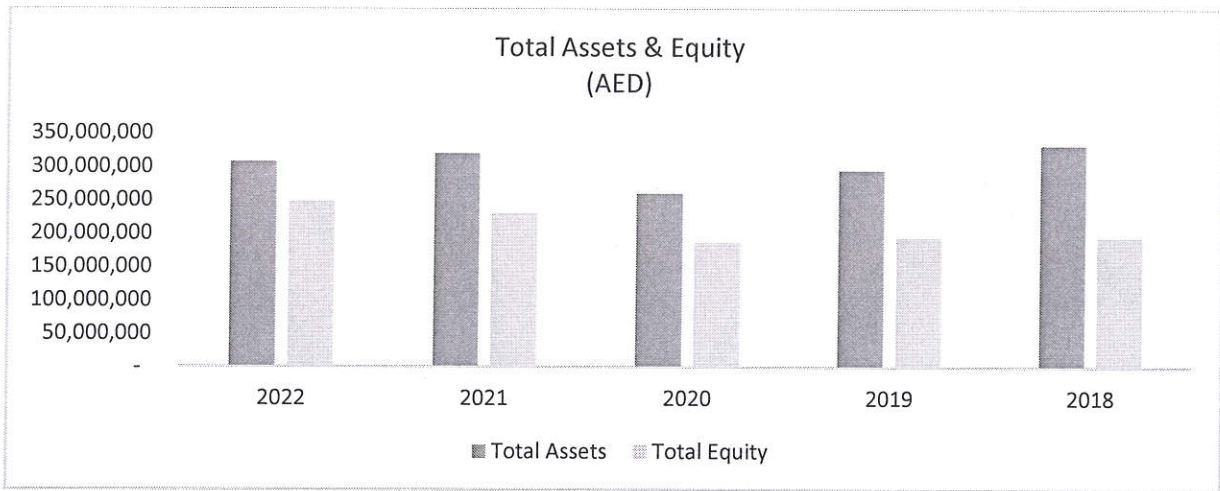


Figure 1: Total Asset & Equity

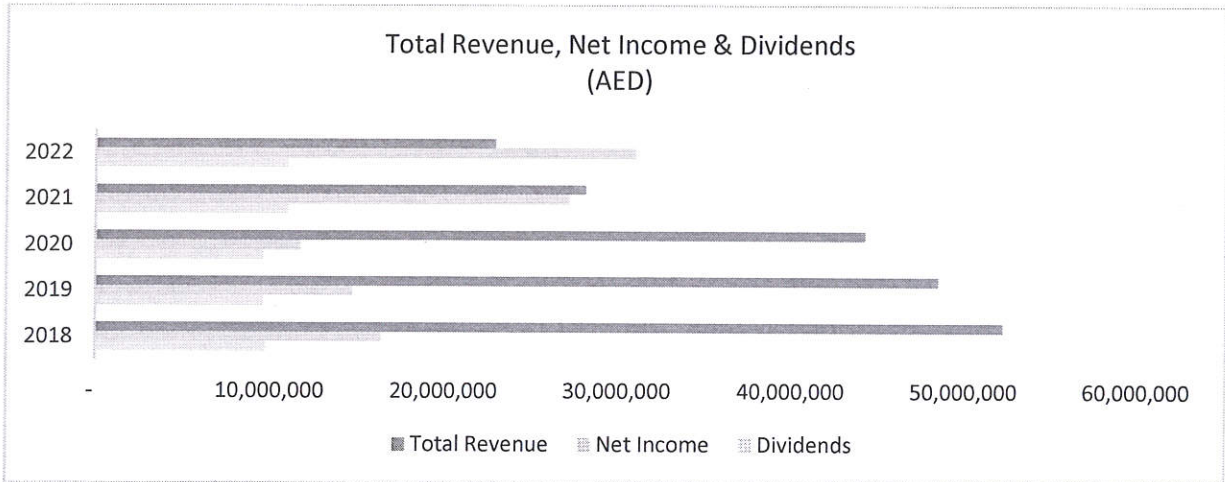


Figure 2: Revenue, Net Income & Dividends

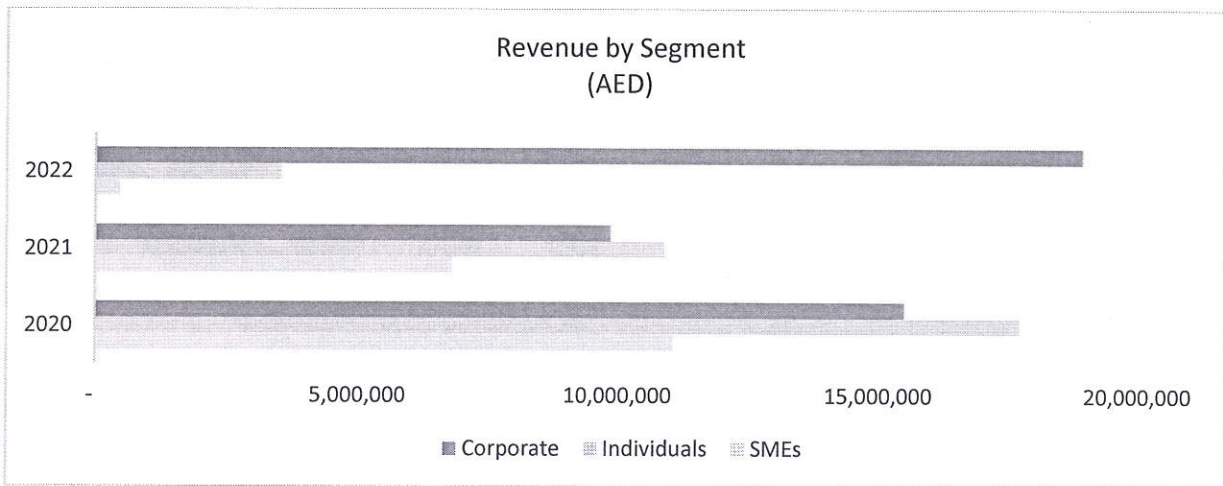


Figure 3: Revenue by segment

CUSTOMER & COMMUNITY RELATIONS

(GRI 417-2, GRI 417-3, GRI 418-1, G6, S11, S12)

Our clients' satisfaction is the compass that leads all our corporate actions. We strive not only to meet their expectations but to exceed them and build a relationship based on trust and business excellence.

We look to always remain close to our clients, most of which are leaders in their respective industries, and to maintain an open channel of communication to develop a thorough understanding about their needs and always provide them with customized and responsible advice.

In just a year, our sales windows: Injazat Khalidya, Aljazzat Tawjeeh and Sharjah Municipality has drawn us closer to our customers and enhanced community relations through direct contact. We are focused on adding more producers in our head office and across branches in addition to dealing with more insurance brokers to increase our growth and market coverage.

BUSINESS ETHICS

Ethical business conduct is essential to the success and sustainability of the Company. We conduct business with uncompromising honesty and integrity, adhering to laws, regulations, our mission and expect everyone at Sharjah Insurance to comply accordingly.

Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. All our employees are held responsible for compliance to our principles of ethics and honesty through our corporate mission.

We have taken conscious steps to foster transparency in the Company. These steps include:

- Our open-office-doors policy
- Using a collaborative task and project management tool
- Encouraging the self-honesty of the officers at all levels

MARKETING AND LABELLING (2022)

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

Table 1: Marketing and Labelling


DIGITALIZATION & DATA PRIVACY

Globally, businesses face market and investor pressure to optimize operational performance, and to achieve this, companies pursue innovation and new value-creation opportunities through digital transformation.

Our extensive experience and expertise position us to support our clients in their transition. We are making a significant investment in our digital strategy as it is a core element of our business strategy. Our investments in digitalization are on two fronts:


Digital Products

Innovating to respond to evolving client needs and enhancing our client's experience, efficiency, competitiveness and profitability.


Technology Enablement

Ensuring a modern and scalable infrastructure to support evolving work patterns, and enable our core processes used to deliver work to clients.

Digitalization

We have been working diligently to create the necessary infrastructure to digitalize our processes. Now, we have equipped our website with a specialized portal and payment gateway to provide a comprehensive online service and giving the possibility for our clients to be served at their comfort.

Furthermore, we are currently accelerating the development of our mobile application that will further enhance our digitalized offering and allow our clients to access our services at any time and from anywhere.

Data Protection and Privacy

Client privacy and data security is at the core of our strategy to ensure the confidentiality, integrity, protection and responsible use of information. We have an effective IT policy in place, and our IT department has implemented the NESI compliance system which is a derivative of the ISO 27001.

The IT policy's primary purpose is to protect the integrity of the Company's information systems and its users against any unauthorized or improper actions, and to investigate possible use of those facilities in violation of Company rules or policies.

The policy along with its processes is designed to protect data and ensure it is not lost and can be recovered in the event of an equipment failure, intentional destruction, or disaster. Our server is placed at our headquarters with a disaster recovery server in Dubai with Etisalat, the Country's largest telecom provider. We have a 15-minute data mirroring process, linked with a daily back up of all data. Moreover, we physically transport our data on a weekly basis to a safe location.

Our 24/7 Log Monitoring ensures for higher security.

Our monitoring system is centralized to ensure efficiency. Given the increase in the method of remote working, we provide our employees with access to our operational system via a multi-factor authentication process which is function-based.

CUSTOMER PRIVACY (2022)

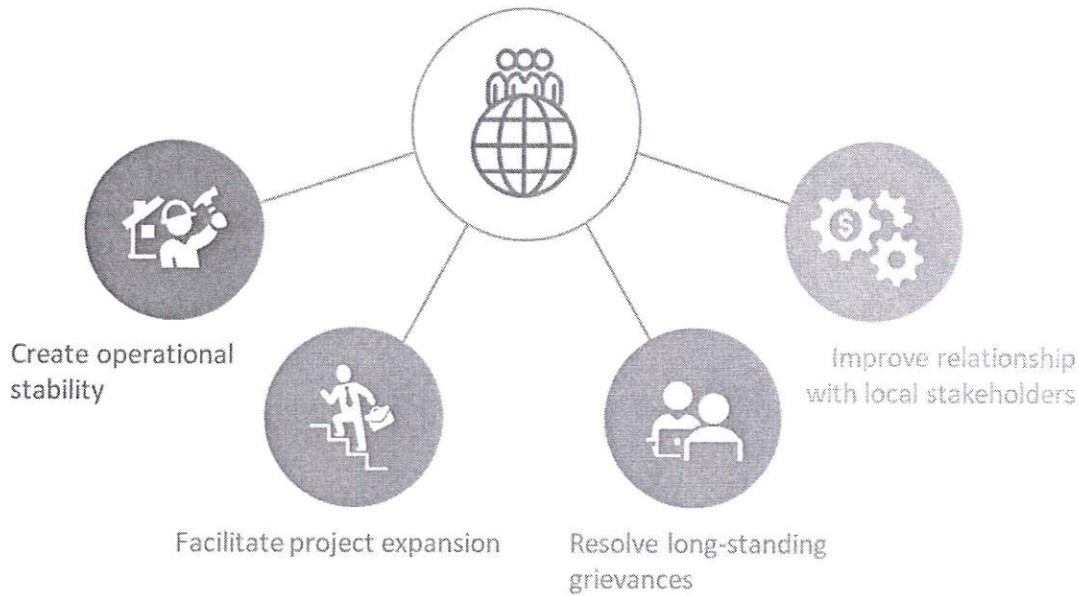
Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Number of complaints received from outside parties and substantiated by the organization	ZERO
Number of complaints from regulatory bodies	ZERO
Number of identified leaks, thefts, or losses of customer data	ZERO
Customer Complaints Resolution	
Total number of customer complaints received	ZERO
Total number of customer complaints resolved	ZERO
Average turnaround time for complaints resolution	ZERO

Table 2: Customer Privacy

COMMUNITY RELATIONS

At Sharjah Insurance, we understand the role of engagement as an effective and meaningful tool in community relations to address sustainability concerns as the need to magnify real-world impact on systemic issues such as climate change places new emphasis on collaborations.

We are in the process of developing our community relations program to show our commitment to managing our community relations in a collaborative, informed, proactive and sustainable manner.



Community Investments

In addition to core funding and programs undertaken by us, we encourage our employees to make a difference in their communities through local actions to help people and planet. We report our community investments as voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the Company.

Our voluntary donations and investment of funds where target beneficiaries are external to us include;

- Contributions to charities
- Funds to support community infrastructure
- Direct costs of social programs, including educational events

Our cash contributions to the community total a combined **AED 173,500** (2019 – 2022)

Emiratization

With respect to the Emiratization initiative of the UAE’s National Agenda, we have shown continuous support in meeting, and exceeding the requirement for insurance companies. Last year, we set an in-house target to increase Emiratization rate to 15%, which we have achieved.

We take our responsibility towards the Emiratization initiative very seriously and aim to further increase our commitment to the initiative. UAE Nationals in our Company currently form 15% of our total workforce which represents a 15.4% increase from last year (13%: 2021).

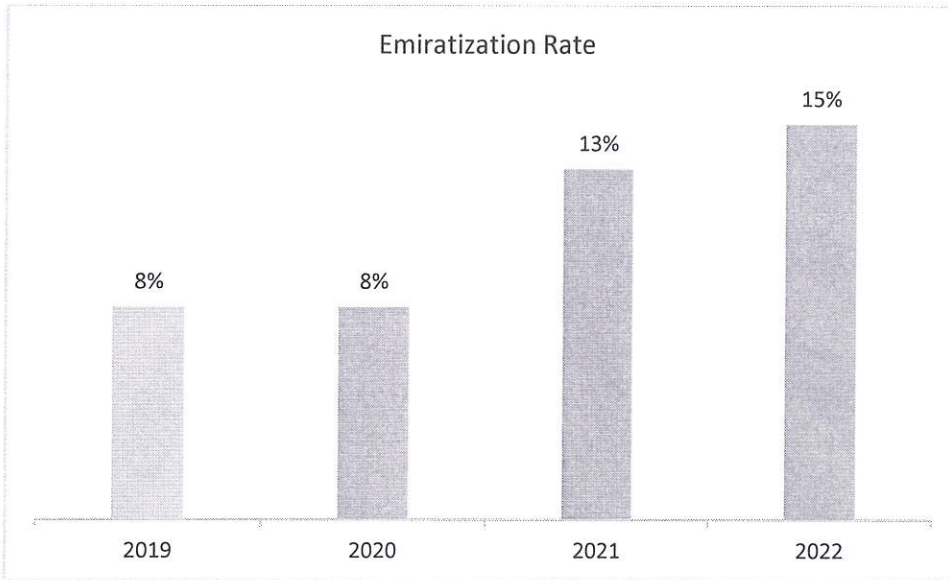


Figure 4: Emiratization Rate

OUR HUMAN CAPITAL

(GRI 2-7, GRI 401-1, GRI 404-2, GRI 404-3, GRI 405-1, S2, S3, S4, S5, S6)

We understand that the capability of a company is primarily measured through its human capital thus, we have in place a proper hiring strategy that would attract the right individuals for the right positions as well as ensure development of employees' skills and progress in their careers.

Sharjah Insurance fosters a culture and working environment where people and performance matter and where everyone's voice count. We have a strong stance concerning gender equality, diversity & inclusion (D&I), training and development, and employee engagement.

We show our commitment to ensure gender neutral working environment for our employees by utilizing Gender Inclusive Language in all the speech and writing such that bias or discrimination towards a particular sex or social gender is not in place.






Training and developing our people are a key differentiator for us, and largely encouraged in response to the evolving external context.

To deliver our purpose, drive long term business success, and become a truly customer-centric organization, we understand the importance of attracting, retaining and engaging with talented candidates and employees.

DIVERSITY, EQUITY & INCLUSION

We currently have 48 talented employees, all on permanent and full-time basis. Moreover, women representation in the workforce amounts to 33%, a 3% increase from 2021. Our efforts to achieve a balanced environment for our female employees is seen as 5 out of the 10 new hires in our Company in 2022 were female.

We are committed in ensuring a gender-neutral working environment through a variety of action points.

-  We focus on diversity during our recruitment process
-  We create fair compensation and promotion procedures
-  We offer flexible and supportive employee benefits
-  We conduct diversity and inclusion training program
-  We hold managers accountable

of our overall approach to diversity, equity and inclusion, we are continuing to focus on the composition of our workforce, and develop more meaningful ways to demonstrate workforce representation.

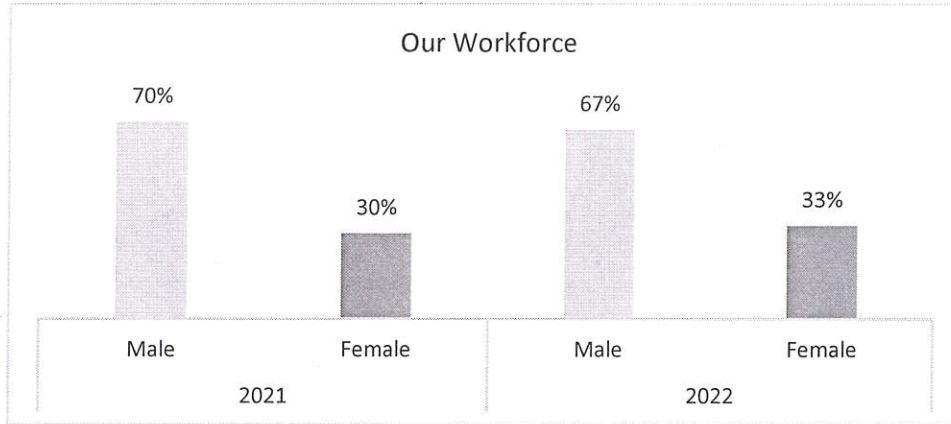


Figure 5: Our Workforce

HR related KPIs (2022)

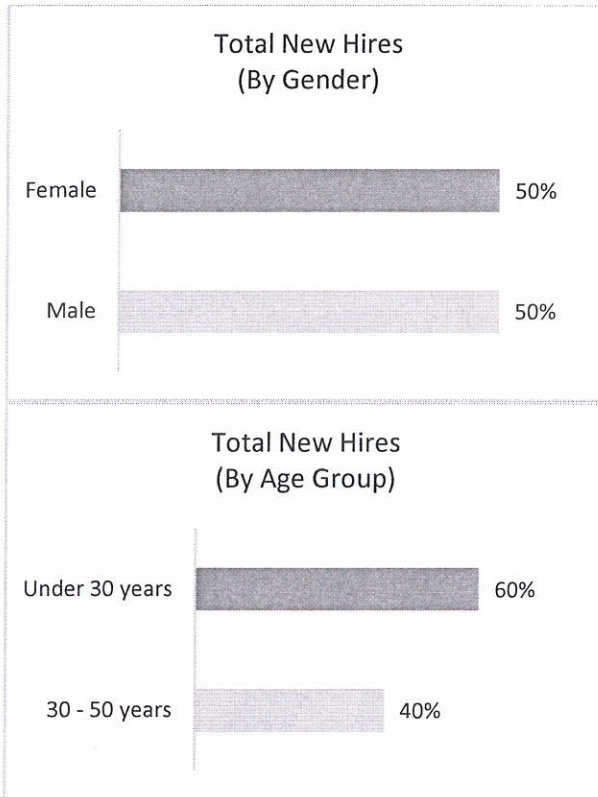


Figure 6: Total New Hires (by gender and age group)

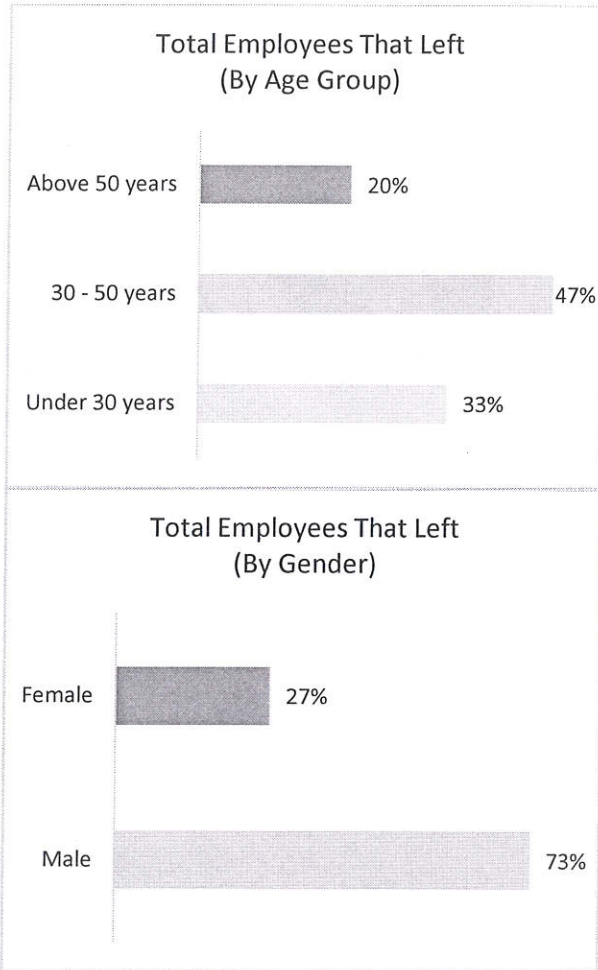


Figure 7: Total Employees That Left (by age group and gender)

OUR CULTURE OF LEARNING

We are committed to creating a culture of learning within our Company whereby all employees can develop their skills and knowledge and work towards advancing in their careers.

In 2022, all of our employees went through a fully sponsored customer-centric training and were certified on AML and Due diligence as a means to always improve our service.

The training related to Anti-Money Laundering (AML) is mandatory for all employees with the aim of increasing employees' awareness and exposure on the subject matter.

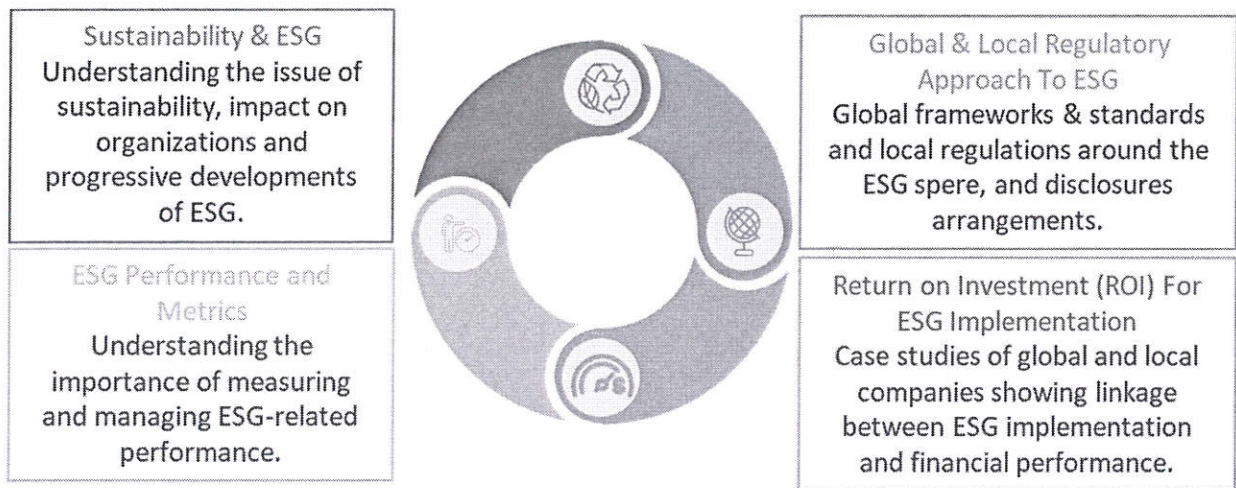
We have in place a fair appraisal system whereby all employees go through a quarterly review. The process begins with our employees providing their own reviews on their performance before it is assessed and discussed with their direct supervisors. The final phase is a discussion with the General Manager after which a rating is put in place which the Human Resource department relies on for bonus as well as promotion decisions.

TRAINING ON SUSTAINABILITY

We are committed to ensuring that all our employees are well knowledgeable on sustainable practices and its implications in the insurance sector. We are aware that employee education in sustainability is the way to make effective headway in sustainability because it provides the factual knowledge to make informed decisions as well as cultivate behavior change.

Our Company is devoted in developing a sustainability training program for all employees in the coming years with the aim of enhancing sustainability competence and professional development.

Our sustainability training program will focus on key areas including;



REDUCING OUR CARBON FOOTPRINT

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

We aim to enable the journey to net-zero for our own operations, our investees, and for our insurance customers, making us an insurance partner for the net-zero transformation the different industries and customers need to make.

Our carbon approach is an integral part of our business, hence, we committed to net-zero GHG emissions by 2050, and working on setting long-term climate targets across our operations and business lines in line with the Paris Agreement.

We have used the GHG Protocol as a guide to compute our GHG emissions and will seek to account for 100% of the GHG emissions from operations over which our Company has control (using the operational approach).

In 2022, we recorded a degree of progress in our carbon footprint reduction journey, and will continue to revamp our activities and operations to further show our commitment to making the environment safe.

In relation to our reporting boundary, we have included our headquarters as well as our branches.

Energy consumption

TOTAL ENERGY CONSUMPTION IN GJ

	2022	2021	2020
Total Direct Energy Consumption			
Fuel Consumption (Scope 1)	25,200	20,400	19,200
Total Indirect Energy Consumption			
Electricity Consumption (Scope 2)	68,311	88,800	83,472
Total Energy Consumption	93,511	102,672	109,200

Table 3: Total Energy Consumption in GJ

ENERGY INTENSITY (GJ/EMPLOYEE)

	2022	2021	2020
Direct Energy Intensity (Scope 1)	525	384.9	320
Indirect Energy Intensity (Scope 2)	1423.2	1675.5	1391.2
Total Energy Intensity per Employee	1948.2	2060.4	1711.2

Table 4: Energy Intensity (GJ/Employee)

GHG Emissions

TOTAL GHG EMISSIONS (MT CO2e)

	2022	2021	2020
Direct (Scope 1)	95.9	77.7	73.1
Indirect (Scope 2)	82.0	106.7	100.3
Total GHG Emissions	177.9	184.4	173.4

Table 5: Total GHG Emissions (MT CO2e)

GHG EMISSIONS INTENSITY (MT CO2e/EMPLOYEE)

	2022	2021	2020
Direct (Scope 1)	2.0	1.5	1.2
Indirect (Scope 2)	1.7	2.0	1.7
Total GHG Emissions Intensity per Employee	3.7	3.5	2.9

Table 6: GHG Emissions (MT CO2e)

Energy Mix

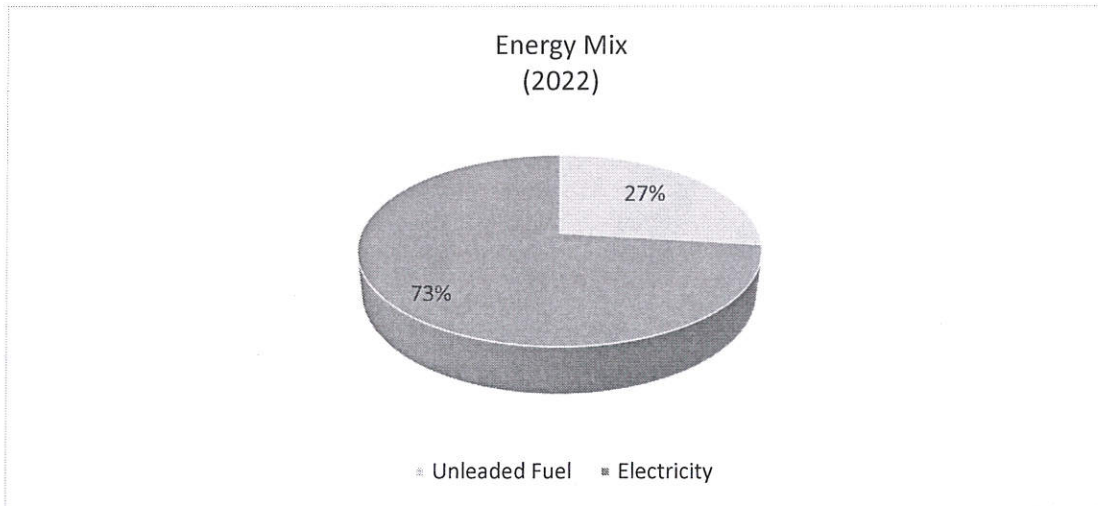


Figure 8: Energy Mix

Water Consumption

WATER CONSUMPTION IN M3

	2022	2021	2020
Total Water Consumption	1710	2220	2086.8
Water Consumption per Employee	35.6	41.9	34.8

Table 7: Water Consumption in m3

GOVERNANCE, COMPLIANCE & RISK

(GRI 2-9, GRI 2-12, GRI 2-14, GRI 2-19, GRI 2-21, GRI 2-27, GRI 205-1, GRI 205-2, GRI 405-1, G1, G2)

BOARD & OWNERSHIP STRUCTURE

At Sharjah Insurance, we believe in transparent governance, are constantly reviewing our approach to have in place a robust corporate governance system with the primary aim of protecting our stakeholders' interests and ensuring that shared value is created.

Our board is composed of highly reputable individuals and families with a long track record of success and prosperity. More specifically, we have 7 board members, with majority of the board comprising of independent members – (57%:2022).

Name	Position	Nationality	Type of Membership
Ahmed Mohamed Hamad Almidfa	Chairman	UAE	Non- Executive
Marwan Jassim Sulaiman AlSarkal	Vice - Chairman	UAE	Independent
Ali Salim Abdelrahman Hamad Al Midfa	Member	UAE	Non – Executive
Salim Mohamed Abdalla Ahmed Al khayal	Member	UAE	Independent
Arwa Mohamed Sultan Alowais	Member	UAE	Independent
Ahmad Salem Abdullah Salem Al Hosani	Member	UAE	Executive

19

Obaid Mohammed Obaid Alzaabi

Member

UAE

Independent

In 2022, we had one woman on the Board of Directors and Internal Audit Committee.

There are 4 committees that support and report to the board, these include an Executive Committee, an Audit Committee, a Nomination & Remuneration Committee, and a Follow-Up & Supervision Committee on the insiders' transactions.

As for our ownership structure, 100% of our Company's shares are owned by nationals, while our largest 4 shareholders own just below 60% of the Company.

INTERNAL CONTROL

The responsibility of the Company's executive directors includes the selection and application of the appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in circumstances. Also, the executive directors are responsible for such internal control to ensure that the report is free from material misstatements due to error or fraud.

We have implemented rigorous policies and procedures related to the internal control function. Such policies were drafted in accordance with international frameworks.

COMPLIANCE

Sharjah Insurance has in place a robust compliance function with a primary purpose of ensuring that we are following all applicable regulations related to Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT). In addition, we have drafted a policy to protect Sharjah Insurance from any such activities.

The purpose of the policy is to effectively implement the key principles of AML/CFT laws and regulations, in line with the Central Bank's directions. Furthermore, the policy documents the framework we have in place while it also lists the responsibilities of our employees as well as the reporting requirements.

The policy outlines the key Know-Your-Customer (KYC) as well as the due diligence principles along with other similar processes such as screening, and transaction monitoring.

Most of our employees (primarily front line and end line including the internal auditors and the general manager) are all AML/CFT trained. All transactions conducted by our underwriters cannot be finalized unless it is signed off by the compliance department.

REMUNERATION

We have a remuneration policy established to ensure that the remuneration arrangements help recruit, motivate, and retain the highest governance body members, senior executives, and other employees.

We report our total annual CEO's compensation as part of regulatory requirement, hence, the ratio of CEO's total compensation to median full time equivalent total compensation of all employees excluding the CEO is 3.2.

Our remuneration policy includes formally incentivizing the Company executives to perform on sustainability as we envision to manage our impact on the economy, environment and people.

RISK MANAGEMENT

We are committed to the UNEP-FI Principles for Sustainable Insurance and work so that our risk exposure is mostly indirect through the risk Sharjah Insurance carries for its insured clients. We incorporate strong sustainability risk management throughout our operations.

The primary factors we have identified for our operations include customer and counterparty risk, product, jurisdictional and delivery channel risks. In addition, we have developed a risk assessment model that provides an overall risk rating covering each risk category.

Our risk reduction strategy protects us from adverse events that could result in losses, in addition to enhancing our operational efficiency and supports our growth.

UAE AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations Members States adopted the 17 Sustainable Development Goals, with their 169 targets, as a call for action for all stakeholders to contribute to the transition to sustainable development.

It encompasses ending poverty and hunger, providing access to education and healthcare, or protecting the planet, as all efforts must be exerted for the achievement of the Sustainable Development Goals by the set deadline (2030). We must ensure that future generations can also meet their needs, live in dignity, and reach their aspirations.

Although initially drafted for governments, the 17 Sustainable Development Goals serve as a compass to all stakeholders, including corporations, civil society, and academia as to where their efforts should lie, and how they can all collaborate for that same objective.

Below are the **17 Global Goals**:

 **SUSTAINABLE DEVELOPMENT GOALS**



Figure 9: 17 Sustainable Development Goals

THE SDGs IN THE UAE

While the UAE has defined a path towards sustainable development internally, the UAE recognizes the 2030 Agenda as a roadmap to a brighter future for all and stands firm on its pledge of ‘leaving no one behind’. The UAE acknowledges the importance of building on existing relationships, and focusing on creating new ones to enhance data collection and monitoring of the goals.

Whilst the UAE policies are evidence-based, moving forward, institutions are required to continuously adapt to meet the greater demands of the 2030 development paradigm.

Furthermore, ensuring broad involvement and engagement in the goals is important to ensure implementation levels are at par with its contemporaries. The SDGs are a great tool used to strengthen collaboration among all relevant sectors.

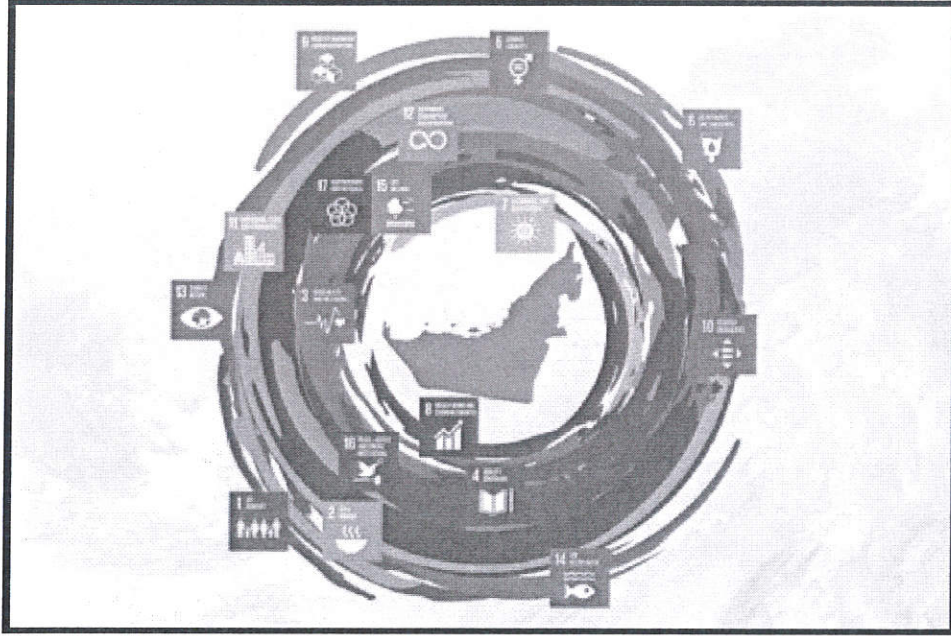



Figure 10: The UAE SDGs logo

RELEVANCE TO SHARJAH INSURANCE

As a UAE insurance company, we primarily and directly impact the National Priority related to World-Class Healthcare which in turn is aligned with Sustainable Development Goal 3 – Good Health and Well-being.

<p>World Class Healthcare</p> <p>Sharjah Insurance contributes to the healthcare system as the UAE aims to become among the best countries in the world in terms of quality of healthcare.</p>		<p>Good Health and Wellbeing (SDG 3)</p> <p>We ensure healthy lives and promote well-being, as insurance can play complementary roles to cover a range of household health care costs.</p>
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STAKEHOLDER ENGAGEMENT & MATERIALITY

(GRI 2-29, 3-1, 3-2, 3-3)

STAKEHOLDER ENGAGEMENT

Stakeholder engagement and collaboration is crucial in understanding our impacts. For this report, we have opted to make use of our existing engagement methods to extract the material sustainability and ESG-related topics which are relevant to us and on which we have reported.

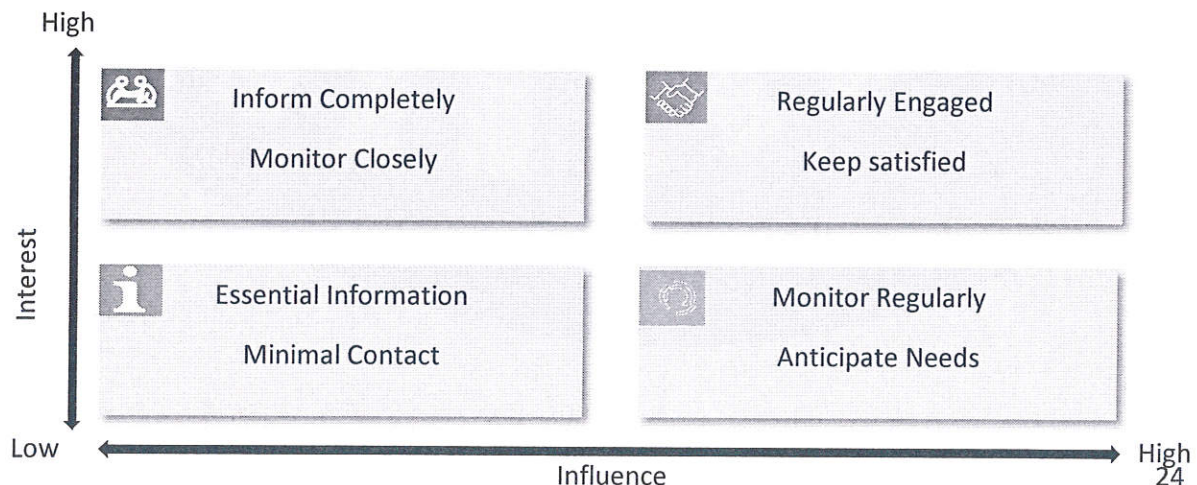
The process required that we identify our key stakeholders, those that have an impact on our Company, and then to review and analyze existing engagement methods to extract a list of key sustainability material topics.

Below we list both our key stakeholder groups along with current engagement methods:

Key Groups	Stakeholder	Why Engagement Is Important	How We Engage
Investors		We engage with investors to communicate our sustainability strategy and performance, to enable them to make informed decisions about their investments, and to understand their expectations of our business.	Annual General Meetings Dialogues Website Corporate Regulatory Disclosures Sustainability Report, Non-financial supplement, Analyst Presentation
Customers		Feedback from customers helps improve our products, services, and processes and ensures we offer easy and adaptable solutions.	Customer Surveys Website Customer Reviews Marketing Material Insurance Authority/Central Bank Social Media
Employees		Listening and responding to our employees' views, ideas and concerns shapes our strategy, values and workplace while enabling Allianz to generate long-term value.	Annual Performance Reviews Exit Interviews Internal Announcements Company Events Regular Meetings BOD Meetings and Related Committees
Society		Engaging with civil society, governments and institutions helps us to drive positive change and contribute to effective regulation and multi-stakeholder partnerships.	Partnerships for Civic Engagement Direct Engagement (E-mails & Meetings) Local Forums Panel Discussions & Roundtables Foundations, Donations & Volunteering

Table 8: Engagement methods with key stakeholders

For stakeholder engagement, our company divides its stakeholders based on interest and influence.



OUR MATERIALITY APPROACH

To make a positive impact on society, we need to understand and respond to the changing context in which we operate. Our materiality assessment helps us ensure that we focus on risks, opportunities and issues that matter most to our key stakeholders, and which have the ability to influence decision-making.

Our most recent assessment was carried based on the revised GRI Standards 2021 requirements, which has enabled us to stay on top of trends and align our approach, reporting and strategy with most important sustainability issues.

The diagram below portrays the 3-steps process we took to reach our current list of material topics.

MATERIAL ASSESSMENT PROCESS

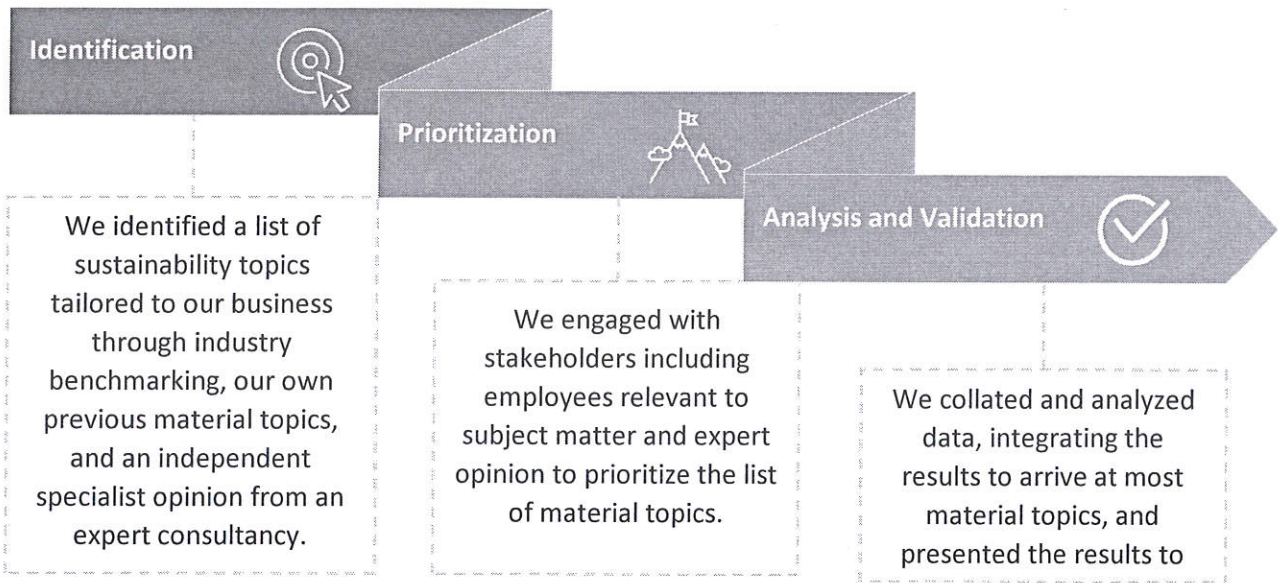


Figure 11: Our materiality process

The finalized list is then matched with the corresponding GRI disclosures as well as ADX ESG metrics:

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING ADX DISCLOSURE	CORRESPONDING SDGs
1	Valuable Employment	GRI 401 - Employment	S3: Employee Turnover	SDG 8: Decent Work & Economic Growth
2	Diversity & Inclusion	GRI 405 – Diversity & Equal Opportunity	S2: Gender Pay Ratio S4: Gender Diversity G1: Board Diversity	SDG 5: Gender Equality
3	Data Protection	GRI 418 – Customer Privacy	G6: Data Privacy	SDG 16: Peace, Justice & Strong Institutions
4	Financial Performance	GRI 201 – Economic Performance	N/A	SDG 8: Decent Work & Economic Growth



5	Business Ethics	GRI 417 – Marketing & Labelling	N/A	SDG 16: Peace, Justice & Strong Institutions
6	Environmental Stewardship	GRI 302 – Energy GRI 303 – Water & Effluents 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	SDG 6: Clean Water & Sanitation SDG 7: Affordable & Clean Energy SDG 12: Responsible Consumption & Production SDG 13: Climate Action
7	Digitalization	N/A	N/A	SDG 9: Industry, Innovation & Infrastructure

Table 9: Corresponding GRI, ADX and SDGs disclosures

GRI & ADX CONTENT INDEX

GENERAL DISCLOSURES				
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE PAGE	
Organizational Details				
2 – 1	Name of the organization		2,6	
2 – 6	Activities, brands, products, and services		6	
2 – 1	Location of headquarters		2	
2 – 1	Location of operations		2,6	
2 – 1	Ownership and legal form		2,18	
2 – 1	Markets served		6	
2 – 1	Scale of the organization		6,14	
2 – 7,8	Information on employees and other workers	S4: Gender Diversity S5: Temporary Worker Ratio	14	
2 – 6	Supply Chain	G4: Supplier Code of Conduct	6	
2 – 6	Significant changes to the organization and its supply chain		14	
2 – 28	Membership of associations		6	
Strategy				
2 – 22	Statement from senior decision maker		4	
Ethics & Integrity				

2 – 23	Describe your organization's values, principles, standards and norms of behavior		6,14,18	
Governance				
2 – 9	Governance structure	G1: Board Diversity	18	
		G2: Board Independence		
Stakeholder Engagement				
2 – 29	List of stakeholder groups		22	
2 – 30	Collective bargaining agreements			<i>Not applicable for companies operating in UAE</i>
2 – 29	Identifying and selecting stakeholders		22	
2 – 29	Approach to stakeholder engagement		22	
2 – 26	Key topics and concerns raised		22	
Reporting Practice				
2 – 2	Entities included in the consolidated financial statements		2	
2 – 2	Defining report content and topic boundaries	G7: Sustainability Reporting	2	
		G8: Disclosure Practices		
3 – 2	List of material topics		22	
3 – 1	Process to determine material topics		22	
2 – 4	Restatements of information		2	
2 – 4	Changes in reporting		2	
2 – 3	Reporting period		2	
2 – 3	Date of the most recent report		2	
2 – 3	Reporting cycle		2	
2 – 3	Contact point for questions regarding the report		2	
1 – F2021	Claims of reporting in accordance with the GRI standards		2	
1 – F2021	GRI content index		25	
2 – 5	External assurance	G9: External Assurance	2	
MATERIAL TOPICS				
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
Management Approach				

2 – 23	Policy commitments		6,22	
2 – 24	Embedding policy commitments		6	
GRI 201 Topic Specific				
201 – 1	Direct economic value generated and distributed		Refer to our 2022 audited financial statements	
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
Management Approach				
2 – 23	Policy commitment	E8, E9: Environmental Oversight	16,22	
2 – 24	Embedding policy commitments	E7: Environmental Operations	16	
GRI 302 Topic Specific				
302 – 1	Energy consumption within the organization	E3: Energy Usage E5: Energy Mix E6: Water Usage	16	
302 – 2	Energy intensity	E4: Energy Intensity	16	
GRI 305: Emissions 2016				
Management Approach				
2 – 23	Policy commitment		16,22	
2 – 24	Embedding policy commitment	E8, E9: Environmental Oversight	16	
GRI 305 Topic Specific				
305 – 1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	16	
305 – 2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	16	
305 – 4	GHG emissions intensity	E2: Emissions Intensity	16	
GRI 400: Social Standard Series				
GRI 401: Employment 2016				
Management Approach				
2 – 23	Policy commitment		14,22	
2 – 24	Embedding policy commitment		14	
GRI 401 Topic Specific				
401 – 1	New employee hires and employee turnover	S3: Employee Turnover	14	

401 – 2	Benefits provided to full -time employees that are not provided to part -time employees		14	
GRI 405: Diversity and Equal Opportunity 2016				
Management Approach				
2 – 23	Policy commitment		14,22	
2 – 24	Embedding policy commitment		14	
GRI 405 Topic Specific				
405 – 1	Diversity of governance bodies and employees	S4: Gender Diversity S6: Non-Discrimination S2: Gender Pay Ratio	14, 18	
GRI 417: Marketing & Labelling 2016				
Management Approach				
2 – 23	Policy commitment		10,22	
2 – 24	Embedding policy commitment		10	
GRI 417 Topic Specific				
417 – 2	Incidents of non-compliance concerning product and service information and labeling		10	
417 – 3	Incidents of non-compliance concerning marketing communications		10	
GRI 418: Customer Privacy 2016				
Management Approach				
2 – 23	Policy commitment		10,22	
2 – 24	Embedding policy commitment		10	
GRI 418 Topic Specific				
418 – 1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G6: Data Privacy	10	

Table 10: GRI and ADX content index

Additional ADX disclosures			
ADX DISCLOSURE	CONTENT	REFERENCE PAGE	NOTES
Environmental			
E10	Climate Risk Mitigation Total amount invested, annually, in climate-related infrastructure, resilience, and product development	12	<i>Cumulative community investments included</i>
Social			
	CEO Pay Ratio Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	19	<i>The CEO's salary along with that of the executive team is currently disclosed in</i>
S1	Does your company report this metric in regulatory filings?	Yes	



			<i>our Corporate Governance Report</i>
	Non-Discrimination		
S6	Does your company follow a sexual harassment and/or non-discrimination policy?	Yes	<i>Our Code of Conduct includes Non-Discrimination clause</i>
S7	Injury Rate		
	Percentage: Frequency of injury events relative to total workforce time	-	<i>The industry in which we operate is not prone to injuries</i>
	Global Health & Safety		
S8	Does your company follow an occupational health and/or global health & safety policy?	-	<i>While the Health & Safety of our employees are a priority, we consider such risks to be minimal within the Insurance sector</i>
	Child & Forced Labor		
S9	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	-	<i>We are in full support of combating child and/or forced labor, this risk is less applicable to the insurance sector</i>
	Human Rights		
S10	Does your company follow a human rights policy? If yes, does your human rights policy also cover suppliers and vendors?	Yes -	<i>Our Code of Conduct includes Human Rights clauses</i>
	Nationalization		
S11	Percentage of national employees	13	<i>Recorded growth in Emiratization</i>
	Direct and indirect local job creation	13	
	Community Investment		
S12	Amount invested in the community, as a percentage of company revenues		
	Governance		
	Incentivized Pay		
G3	Are executives formally incentivized to perform on sustainability?	Yes	
	Ethics & Anti-Corruption		
G5	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%	<i>Our Code of Conduct includes Ethics clauses</i>

Table 11: Additional ADX disclosures