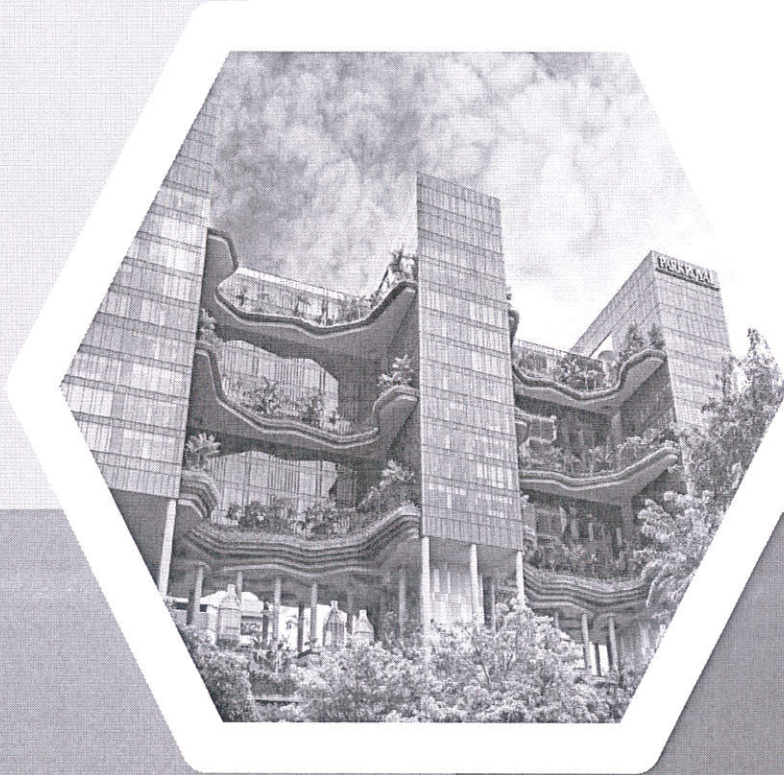


Sustainability Report



2023

Sharjah Insurance





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 2023, 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 2023 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 comprehensive index of content is provided at the end of this report, detailing all the applied GRI and ADX disclosures.

For any queries or feedback regarding this report, please reach out to us at a.alkobaitri@shjins.ae



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LETTER FROM OUR GENERAL MANAGER

I am pleased to present Sharjah Insurance's Sustainability Report for 2023, which reflects our unwavering commitment to operating our business in a socially, ethically, and environmentally responsible manner. Our approach to Environmental, Social, and Governance (ESG) factors has evolved significantly over the past year, and we are dedicated to integrating sustainable development into our core business practices.

Building on the foundation laid in previous years, we have continued to prioritize diversity, equity, and inclusion across the company. We recognize that a culture of diversity not only fosters innovation but also strengthens our ability to serve the diverse needs of our customers and communities. This commitment is aligned with our mission to be responsible to our customers, employees, and the societies we serve in the UAE. Furthermore, we have reinforced our strong ethical culture by integrating ESG into our investment analysis and decision-making processes.

In addition, we have implemented an environmental management tool to collect data and further improve our energy efficiency, reduce emissions, conserve water, and minimize waste. These efforts are essential in strengthening the environmental pillar of our ESG framework.

As an early adopter of the Global Reporting Initiative (GRI) Universal Standards, we recognize the importance of transparency and accountability in our sustainability efforts.

Exceeding annual sustainability targets and achieving significant progress on long-term goals through client work, operations, and collaborations marks a year of success. Recognizing the need for continuous improvement, we're actively driving greater diversity, equity, and inclusion within our workforce.

As we look towards the future, contributing to the Sustainable Development Goals (SDGs), we are evolving to strengthen our sustainability initiatives and internal programs to accommodate the necessary changes to make Sharjah Insurance more sustainable.

We believe that sustainability is not just a responsibility, but an opportunity to create a better world for future generations. We remain committed to this cause and look forward to continuing our sustainability journey with you.

Souhil Garouge

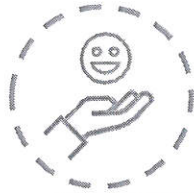
General Manager



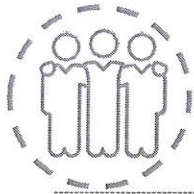
شركة الشارقة للتأمين ش.م.ع.
المكتب الرئيسي
Head Office
Sharjah Insurance Co. P.S.C.



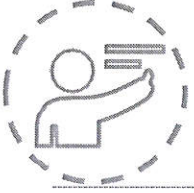
2023 KEY HIGHLIGHTS



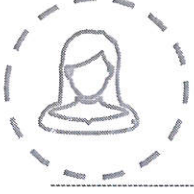
0 Customer Complaints



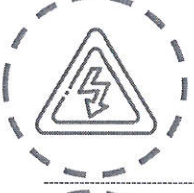
21.6% Emiratization rate



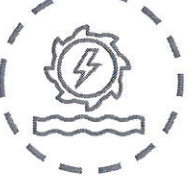
69% of our employees went through
Culture of learning program



39% Female Employees



8% reduction in our total energy consumption



9.5% 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)

With a venerable history spanning over five decades in the insurance sector, Sharjah Insurance Company is the first insurance company established in the UAE. Listed on the Abu Dhabi Securities Exchange in 2005 with an initial capital of AED 150 million, the company has steadily grown its market capitalization and reached up to AED 202.5 million by the end of 2023.

A combination of quality and affordable insurance products and services has been provided by us through visionary leadership, professional competence of our employees, and continued dedication to our clients. Our services cover Government entities, corporates, and individuals.

Our Company offers its clients comprehensive insurance solutions to meet their needs and gain trust. We offer services through our head office in Sharjah, and three branches including Ajman, Sharjah, and Dubai.

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 UAE. We do not take professional or ethical shortcuts to achieve targets but our interactions with the society must reflect the high standards of professionalism in the Insurance industry.

Major Clients

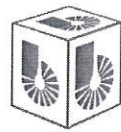
Our team of professionals with international and local experience ensure to cater for the needs of our clients and provide them with quality service supported by efficient and timely claims management.



هيئة كهرباء ومياه الشارقة
Sharjah Electricity & Water Authority



SHARJAH CEMENT &
INDUSTRIAL DEVELOPMENT



bin ghalib
GROUP OF COMPANIES

AUS | الجامعة الأميركية في الشارقة
American University of Sharjah



شركة
AL_S AHL REAL ESTATE
السهل العقارية



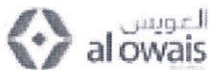
مصرف الشارقة الإسلامي
Sharjah Islamic Bank



EMIC



بنك أم القيوين
NBQ



National
Contracting



مجموعة الحساوي
ALHASAWI GROUP



Main Business Segments

By encompassing personal, commercial, and industrial aspects, Sharjah Insurance delivers a comprehensive range of insurance services. This ensures that we meet the diverse needs of our clients and offers comprehensive coverage for both individuals and businesses.

Table 1: Our Products

Our Services	
Personal Accident & Group Life Insurance-	Including Personal Accident Insurance and Group life Insurance.
Marine	Marine Cargo Insurance, Marine Hull Insurance.
Motor	Comprehensive Insurance, Third Party Liability Insurance.
Engineering Insurance	Contractor's Plant & Machinery All Risk Insurance, Machinery Breakdown Insurance, Contractor's All Risks Insurance, Erection All Risks Insurance Electronic Equipment Insurance (EEI), Deterioration of Stock in Cold Storage.
General Accident & Liability Insurance	Workmen's Compensation Insurance, Employers Liability Insurance, Money Insurance, Fidelity Guarantee Insurance, Glass Insurance.
Property Insurance	Property related all risk Insurance.
Other Insurance	Travel Insurance, Banker's Blanket Bond Insurance, Professional Indemnity Insurance, Products Liability Insurance, Home Insurance.

Business Strategy

By emphasizing premium coverage and a robust portfolio, company focus on delivering high quality insurance service with a conservative approach that underscores our dedication to fulfilling the promises, fostering enduring relationships with stakeholders, and maximizing returns. Sharjah Insurance proactively promotes innovative solutions and supports sustainable business practices addressing future climate challenges, as part of the strategic approach towards an ethical transition to climate resilience and achieving net-zero emissions. Ongoing assessments conducted by the management committee ensure alignment with both global and local sustainability standards.

The company's strategic framework for sustainable business practices:

- ❖ Evaluate business models that foster transformative change
- ❖ Recognizing the significance of collaborative engagement and how business can be a catalyst for system level change



- ❖ Influence management, leadership and other key stakeholders as to competitive advantages of being a purpose driven approach
- ❖ Determine how individuals can become purpose-driven leaders in our company

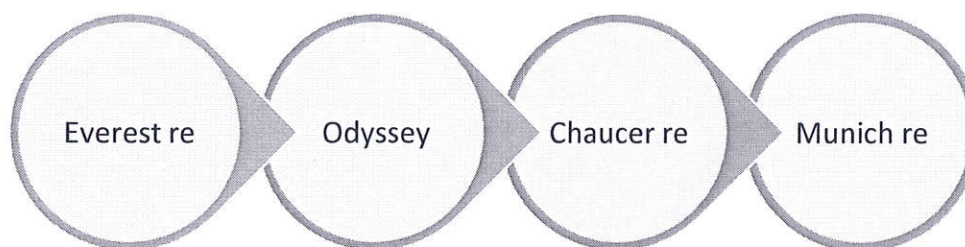
Sustainability in Our Business

As an insurance company, our commitment to sustainability is ingrained in our core values by integrating sustainability into our operations, engaging with stakeholders, managing risks, and seizing opportunities that support Sustainable Development Goals (SDGs).

Sharjah Insurance, our extensive experience in providing comprehensive insurance coverage for individuals and business is supported by continual improvement of risk identification and management tools. Further, contributing to societal resilience and inclusive growth, our dedication extends to serving emerging consumers with affordable and tailored insurance solutions.

Strategic Reinsurance Alliances

Robust partnerships with world's most reliable reinsurance companies empower us in offering optimum insurance coverage to our clients which underscores the company's commitment to upholding standards of business quality and excellence and provides a strong reputation within insurance sector. Our key reinsurance partners are:





Financial Highlights

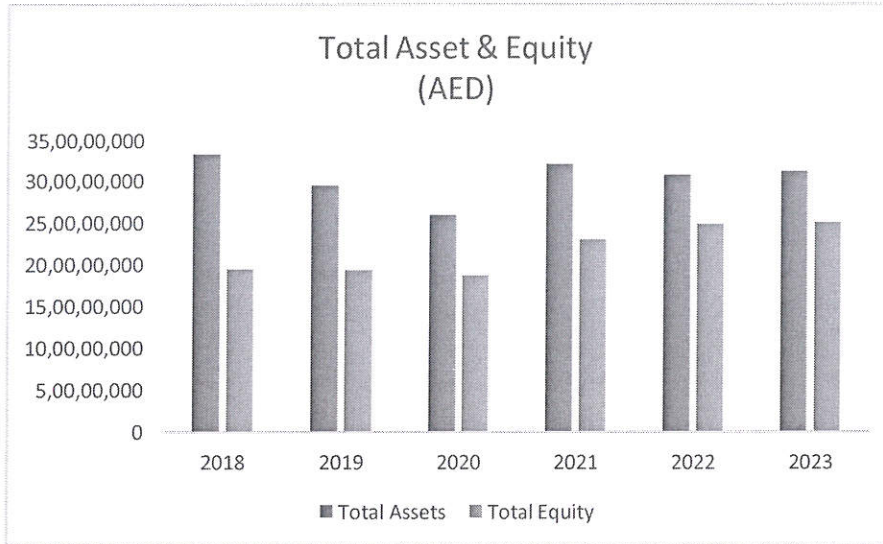


Figure 1: Total Asset & Equity

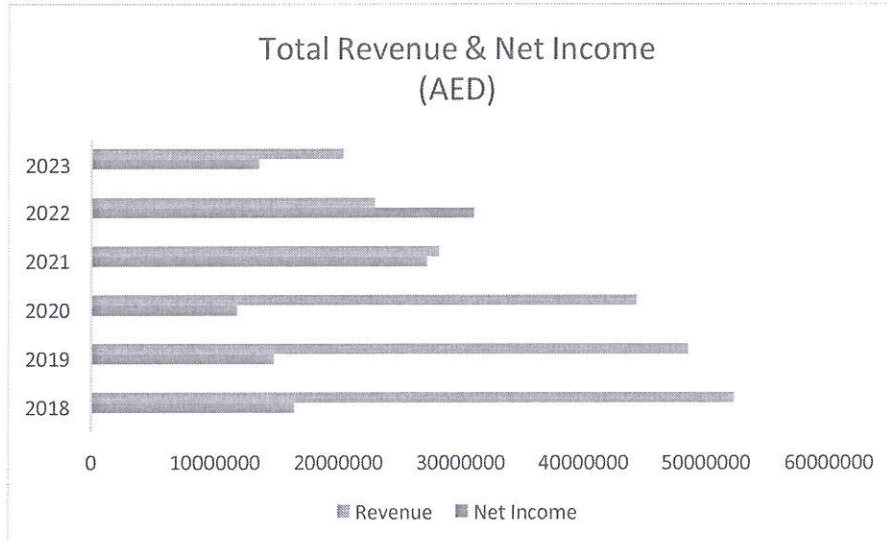


Figure 2: Revenue & Net Income

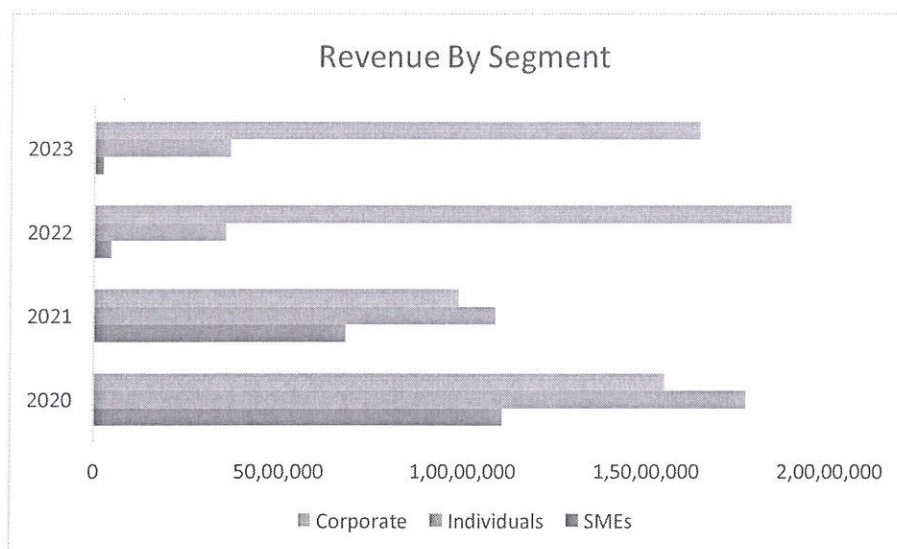


Figure 3: Revenue by Segment

CUSTOMER & COMMUNITY RELATIONS

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

Ensuring client satisfaction is at the core of our corporate values. We are committed to not only meeting but exceeding our clients' expectations, fostering trust-based relationships, and achieving business excellence. Prioritizing close connections with our clients, many of whom hold leadership positions in their respective industries, and maintaining open lines of communication enables us to understand the needs, consistently providing responsible advice. In the past year, our sales windows at Injazat Khalidya, Aljazzat Tawjeeh, and the Sharjah Municipality have facilitated direct engagement with customers, strengthening community relations.

Looking ahead, our focus remains on expanding producer network at both the Sharjah head office and branch levels aiming to broaden collaboration with insurance brokers to enhance market coverage and overall growth. These actions highlight the company's commitment to providing exceptional service and enhancing our presence within the insurance industry.

Business Ethics

The company recognizes that ethical business conduct is crucial for both its success and long-term sustainability. To enhance transparency within the company, deliberate measures have been implemented including an open office door policy, utilization of collaborative task and project management tools, and encouragement of self-honesty among employees at all hierarchical levels. Every individual within the organization engages in multiple business activities complies with unwavering honesty and integrity, aligning with laws, regulations, and company's mission.



Our commitment to combating bribery and corruption is deeply ingrained in our operational framework, reflected in key systems and programs. All employees bear the responsibility of upholding ethical standards and commitment to honesty as outlined in the corporate mission.

Marketing and Labelling (2023)

Table 2: Marketing and Labelling

Marketing & Labelling		
Labelling	Incidence of non-compliance concerning product and service information and labelling	
	Number of incidents of noncompliance with regulations resulting in a warning, fine or penalty	0
	Number of incidents of non-compliance with voluntary codes	0
Marketing	Incidence of non-compliance concerning marketing communications	
	Number of incidents of non-compliance with regulations resulting in a warning, fine or penalty	0
	Number of incidents of non-compliance with voluntary codes	0

Digitalization & Data Privacy

In the contemporary digital era, the company is actively responding to the demands of digitalization, aligning its strategies with client expectations, and making substantial investment in technology to ensure long-term sustainability and competitiveness, which underscores the company's commitment to optimize the operational performance.

Our digitalization investments are twofold:

Digital Products

Our commitment lies in continuous innovation and responsiveness to ever-changing client requirements. We prioritize enhancing their experience, efficiency, competitiveness, and profitability.

Technology Enablement

We go beyond to guarantee a contemporary & scalable infrastructure that accommodates evolving work patterns. This encompasses empowering the core processes crucial for delivering work to our clients.



Digitalization

As a leading insurance company, considerable efforts have been dedicated to establishing the foundation for digitalizing operations. At present, our website features a customized portal and secure payment gateway, ensuring clients a holistic online service experience. Additionally, designing mobile applications offers enhanced convenience and accessibility to our valuable clients accessing services from any location.

Data Protection and Privacy

Ensuring the security and privacy of our clients' data, a strong IT policy has been implemented in place, backed by compliance systems like NESAC, which adhere to ISO 27001 standards. IT policy is designed to protect our information systems and users from unauthorized activities. It allows us to investigate any breaches promptly. Additionally, our procedures ensure data integrity and facilitate recovery in case of equipment failures or disasters.

To further fortify our data protection measures, servers are strategically located, with a primary server housed at our headquarters and a disaster recovery server situated in Dubai, managed by Etisalat, the leading telecom provider in the country. A stringent data mirroring process is maintained, ensuring real-time redundancy, supplemented by daily backups and weekly physical transfers to secure offsite locations.

Recognizing the evolving landscape of remote work, proactive steps have been taken to enhance the security of our operational systems. A 24/7 log monitoring system enables us to detect and respond swiftly to any suspicious activities or security breaches, thereby minimizing potential risks to our data and systems. Additionally, a multifactor authentication process for remote access has been implemented, providing an extra layer of security for our employees when accessing sensitive information or systems remotely.

Furthermore, to mitigate inherent risks and enhance our resilience, we have migrated our call manager service to the cloud. This strategic move not only reduces the exposure to potential vulnerabilities but also ensures seamless access to critical communication services, regardless of location or circumstances.

Customer Privacy (2023)

Table 3: Customer Privacy

Customer Privacy	2023
Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Number of complaints received from outside parties and substantiated by the organization	0
Number of complaints from regulatory bodies	1
Number of identified leaks, thefts, or losses of customer data	0
Customer Complaints Resolution	
Total no. of customer complaints received	0

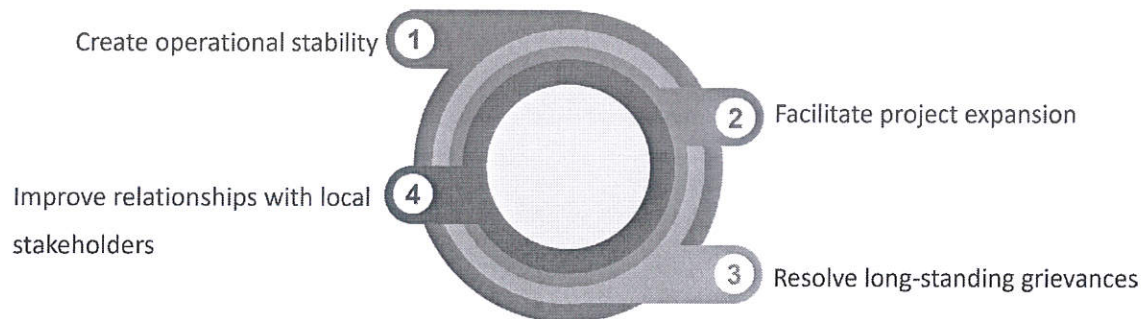


Total no. of customer complaints resolved	0
Average turnaround time for complaints resolution	0

Community Relations

Sharjah Insurance recognizes the importance of active community involvement in addressing societal challenges and creating positive change. Therefore, the company is developing a community relation program, focused on collaboration with community, integrating their feedback, and creating impactful action. By partnering with local organizations and initiatives, the aim is to better understand community needs and contribute to social and environmental betterment. Our cash contributions to the community totaled AED 173,500 for the period spanning 2019 to 2023. The commitment to community investment is reflected in various initiatives, including charitable contributions, infrastructure investments, and direct support for social programs. The financial commitment demonstrates ongoing dedication to creating lasting value in the communities served.

Our approach isn't just about giving money or sponsoring events. It's about being part of the community and integrating their concerns into how our business is done. By doing so, we not only help ourselves grow, but we also contribute to the overall wellbeing of society.



Emiratization

Company is deeply committed to actively promoting the inclusion of Emiratis by ensuring significant representation within our team. Our goal in the previous year was to reach a 20 % Emiratization rate within our staff, we successfully achieved this target with 21.60% Emiratization rate recognizing its significance for the country's development and prosperity. Moving forward, our commitment remain contributing to the development of a robust and skilled local workforce in the UAE.

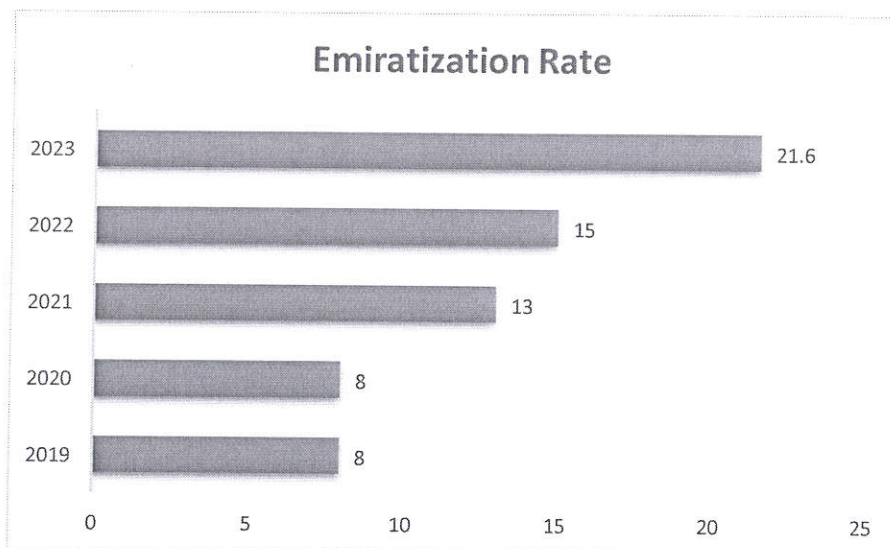


Figure 4: Emiratization Rate

OUR HUMAN CAPITAL

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

Recognizing that employees play a pivotal role in our success, a meticulous hiring strategy has been implemented for recruiting individuals for right positions prioritizing the development of employees' skills and advancement in careers, which underscores our commitment beyond the recruitment phase, encompassing a dedicated focus on training and development to adapt to the evolving global landscape.

Our strong stance on gender equality, diversity and inclusion (D&I), training and development, and employee engagement reflects our commitment to fostering a diverse and inclusive workplace where both people and performance are considered significant. Incorporating gender inclusive language in all communication ensures a gender-neutral working environment and eliminates biases or discrimination based on gender or social identity.

Diversity, Equity & Inclusion

Currently, Sharjah Insurance maintains a workforce of 51 employees, with a notable 39 % representation of female employees. It is noteworthy that the proportion of female employees has demonstrated a consistent increase year after year.

To reinforce transparency and equity, we have instituted a comprehensive appraisal system that involves quarterly reviews, wherein employees conduct self-assessments, followed by evaluations and discussions with direct supervisors.



Following are the points that company taking towards Diversity, Equity and Inclusion (DEI):

- 1- Diversity Focus in Recruitment: The company places a deliberate focus on diversity during the recruitment process, recognizing the importance of building a diverse and inclusive workforce.
- 2- Fair Compensation and Promotion Procedures: The implementation of fair compensation and promotion procedures ensures an equitable and unbiased approach, reinforcing the company's commitment to DEI principles.
- 3- Flexible and Supportive Employee Benefits: The company provides flexible and supportive employee benefits, acknowledging the diverse needs of workforce and promoting an inclusive environment.
- 4- Diversity and Inclusion Training Program: To further enhance awareness and understanding, the company conducts a diversity and inclusion training program, fostering an inclusive workplace culture.
- 5- Hold managers accountable: To set a standard for leadership responsibility in guiding diversity initiatives across the company.
- 6- Build an inclusive company culture: It involves integrating diversity and inclusion principles into the company's core values and daily operations.

Safe & Healthy Working Environment

- ❖ 7- Complying workplace with safety regulations (by collaboratively developing and implementing health and safety programs)
- ❖ 8- Foster awareness and hazard identification in the workplace
- ❖ 9- Ensure that employees are equipped with the necessary information, training, and supervision to perform their duty safely
- ❖ 10- Uphold best practices across all stages and areas of work
- ❖ 11- Mitigate workplace stress and promote employee well-being by encouraging regular breaks



HR related KPIs (2023)

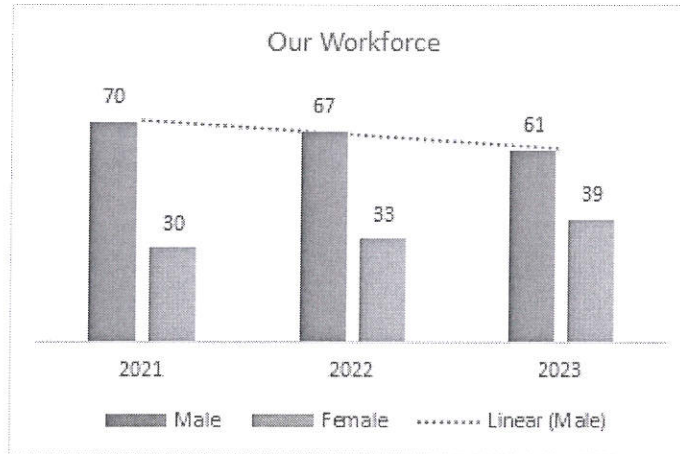


Figure 5: Our Workforce

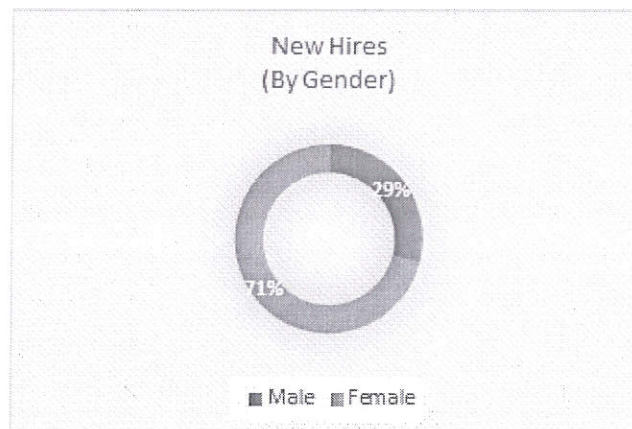


Figure 6: Total New Hires (by gender)

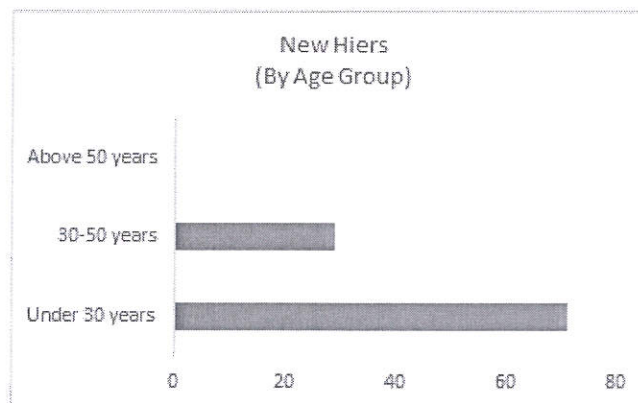


Figure 7: Total New Hires (by age group)

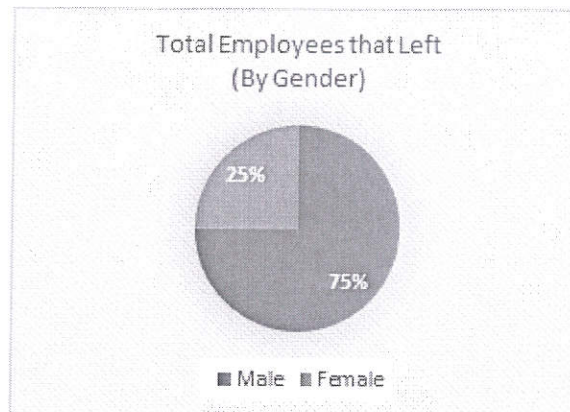


Figure 8: Total Employees That Left (by gender)

Our Culture of Learning

Company commits a culture of continuous learning and professional development among its employees considering strategic, and comprehensive approach aligned with industry standards and regulations reflecting a commitment to excellence and continuous improvement.

The comprehensive training initiatives outlined in the text are likely to have a positive impact on employee skill development, knowledge enhancement, and career progression. By investing in diverse courses, the company aims to equip its workforce with the necessary tools to navigate both technical challenges and personal and professional growth and the overall success of our company.

Category of courses:





Training on Sustainability

Ensuring comprehensive knowledge of sustainable practices and their implications in the insurance sector is a core commitment for our organization. Recognizing that employee education is pivotal in making substantive progress in sustainability, we understand that providing factual knowledge equips individuals to make informed decisions and fosters behaviour change.

In line with this commitment, our company is dedicated to developing a sustainability training program for all employees in the upcoming years aiming to empower with the knowledge and skills necessary to navigate the complex landscape of sustainability in the insurance sector, which underscores our dedication to fostering a workforce that not only understands the importance of sustainability but actively contributes to its integration within our organizational framework.

The focus of our sustainability training program will encompass key areas, including:

- Gaining a profound understanding of sustainability issues, their impact on the organization, and staying abreast of progressive developments in Environmental, Social, and Governance (ESG) practices.
- Emphasizing the significance of measuring and managing ESG-related performance to ensure a holistic approach to sustainability.
- Exploring global frameworks, standards, and local regulations surrounding the ESG sphere, along with insights into disclosure arrangements.
- Drawing insights from case studies of both global and local companies to demonstrate the linkage between effective ESG implementation and financial performance.

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)

Our commitment extends to facilitating the path to net-zero emissions for not only our internal operations but also for our investees and insurance customers, positioning us as a pivotal insurance partner in the collective journey towards net-zero transformation across diverse industries.

To make the commitment of achieving net-zero greenhouse gas (GHG) emission by 2050, aligning with the objectives of the Paris Agreement, we are actively working on establishing long-term climate targets that span our operations and business lines. We consistently decrease the consumption of non-environmentally friendly resources. Our commitment extends to accounting for 100 % of GHG emissions within our operational control. Regarding reporting boundaries, our inclusive approach encompasses not only our headquarters but also extends to all branches, ensuring a comprehensive assessment of our environmental impact.



Significantly, a positive trend is evident in both total energy consumption and total greenhouse gas (GHG) emissions, emphasizing our dedication to enhancing energy efficiency and mitigating environmental impact.

Energy consumption

Table 4: Total Energy Consumption in GJ

Energy Consumption (In GJ)	2023	2022	2021	2020
Total Direct Energy Consumption Fuel Consumption (Scope 1)	26,221.00	25200	20400	19200
Total Indirect Energy Consumption Electricity Consumption (Scope 2)	59,748.58	68311	88800	83,472.00
Total Energy Consumption	85,969.58	93,511.00	1,09,200.00	1,02,672.00

Table 4: Energy Intensity (GJ/Employee)

Energy Intensity (GJ/Employee)	2023	2022	2021	2020
Direct Energy Intensity (Scope 1)	514.14	525	384.9	320
Indirect Energy Intensity (Scope 2)	1171.54	1423.2	1675.5	1391.2
Total Energy Intensity per Employee	1685.69	1948.2	2060.4	1711.2

GHG Emissions

Table 6: Total GHG Emissions (MT CO₂e)

GHG Emissions (MT CO ₂ e)	2023	2022	2021	2020
Direct (Scope 1)	1817.12	1746.36	1413.72	1330.56
Indirect (Scope 2)	6706.83	7667.97	9967.88	9369.81
Total GHG Emissions	8523.95	9414.33	11381.60	10700.37

Table 7: GHG Emissions Intensity (MT CO₂e/Employee)

GHG Emissions Intensity (MT CO ₂ e/Employee)	2023	2022	2021	2020
Direct (Scope 1)	35.63	36.38	26.67	22.18
Indirect (Scope 2)	131.51	159.75	188.07	156.16
Total GHG Emission Intensity per Employee	167.14	196.13	214.75	178.34



Energy Mix

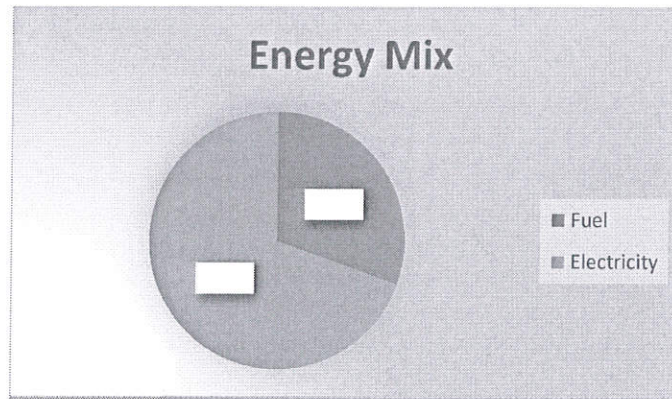


Figure 9: Energy Mix

Water Consumption

Table 8: Water Consumption in m3

Water Consumption in M3	2023
Total Water Consumption	27.23
Water Consumption per Employee	0.53

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

Transparent governance holds paramount importance at Sharjah Insurance. Our dedication lies in the continuous evaluation and enhancement of our corporate governance framework. This commitment is geared towards safeguarding the interests of our stakeholders and fostering the creation of shared values.

Table 9: Board of Directors

Board of Directors			
Name	Position	Nationality	Type of membership
Ahmed Mohamed Hamad Almidfa	Chairman	UAE	Non-executive
Ali Salim Abdelrahman Hamad Al Midfa	Member	UAE	Independent



Ahmed Obaid Yousuf Alqaseer Buali	Member	UAE	Independent
Salim Mohamed Abdalla Ahmed Al khayyal	Member	UAE	Non-executive
Arwa Mohamed Sultan Alowais	Member	UAE	Independent
Ahmad Salem Abdullah Salem Al Hosani	Vice Chairman	UAE	Non-executive
Obaid Mohammed Obaid Alzaabi	Member	UAE	Independent

Currently, our board consists of seven members, with a majority being independent (four out of seven).

It is noteworthy that our board management includes a female director, demonstrating our commitment to diversity and inclusivity.

Supporting the board functions, there are four specialized committees: the Executive Committee, the Audit Committee, the Nomination & Remuneration Committee, and the Follow-Up & Supervision Committee on insiders' transactions.

In terms of ownership structure, Sharjah Insurance maintains a robust national ownership base, with 100% of the company's shares held by nationals. Notably, our largest four shareholders collectively hold just under 60% of the company, reflecting balanced ownership distribution. This structure underscores our commitment to accountability, transparency, and responsible corporate stewardship.

Internal Control

Responsibility for selecting and applying suitable methods of sustainability reporting, along with making reasonable assumptions and estimations related to individual sustainability disclosures, lies with the Company's executive directors. Moreover, their responsibility includes the implementation of internal controls to protect the report from substantial misstatements arising due to error or fraudulent activities.

To ensure the integrity of our reporting processes, Sharjah Insurance has established stringent policies and procedures governing internal controls. These protocols have been meticulously crafted in alignment with internationally recognized frameworks.

Compliance

With a primary focus on ensuring compliance with relevant Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) regulations, Sharjah Insurance has established a robust compliance function and formulated a comprehensive policy aimed at safeguarding against illicit activities, structured to effectively implement the core principles outlined by the



Central Bank. The policy serves as a documented framework outlining the responsibilities of employees and the reporting requirements. Key aspects covered in the policy include Know-Your-Customer (KYC) principles, due diligence processes, screening procedures, and transaction monitoring protocols.

To reinforce compliance efforts, most employees, particularly those in front-line and end-line roles, including internal auditors and the general manager, undergo AML/CFT training. Additionally, transactions conducted by underwriters require approval from the compliance department before finalization, ensuring stringent oversight and adherence to regulatory standards.

Remuneration

Established to recruit, motivate, and retain members of the highest governance body, senior executives, and other employees, our remuneration policy is designed with a primary objective of ensuring effective remuneration arrangements. In compliance with regulatory requirements, the total annual CEO's compensation, inclusive of all bonus payments, is reported, resulting ratio of CEO's total compensation to the median employee salary stands at 9.5. Furthermore, our remuneration policy is strategically designed to formally incentivize company executives to prioritize sustainability performance, aligning with our commitment to managing our impact on the economy, environment, and society.

Risk Management

Dedicated to upholding the UNEP-FI Principles for Sustainable Insurance and incorporating robust sustainable risk practices throughout our operations, Sharjah Insurance ensures that our risk exposure is primarily indirect through the risk carried for our insured clients. Additionally, to provide an overarching risk rating, we have developed a comprehensive risk assessment model.

Our risk reduction strategy is strategically designed to achieve dual objectives: mitigating the likelihood of adverse events leading to losses and concurrently enhancing operational efficiency. This strategic approach not only fortifies our resilience against potential risks but also actively supports our trajectory for growth that exemplifies our steadfast commitment to sustainable business practices.

Identified key factors within our comprehensive risk management approach include:

- ❖ Customer and counterparty risk
- ❖ Product risk
- ❖ Jurisdictional risk
- ❖ Delivery channel risk



SUSTAINABLE DEVELOPMENT GOALS

Adoption of the 17 Sustainable Development Goals (SDGs) with their 169 targets by United Nations Member States marked a pivotal moment, signaling a collective call to action for all stakeholders to contribute to the transition to sustainable development.

Encompassing a wide range of aspirations, the SDGs address critical issues such as ending poverty and hunger, ensuring access to education and healthcare, and protecting the planet. It is imperative that concerted efforts are made to achieve these goals by the set deadline of 2030.

While initially intended for governments, the Sustainable Development Goals serve as a guiding compass for all stakeholders, including corporations, civil society, and academia, providing a roadmap delineating where collective efforts should be directed and how collaboration across sectors can be leveraged to achieve common objectives. By aligning actions with the SDGs, stakeholders can contribute meaningfully to advancing sustainable development and creating a better world for all.

Below are the 17 Global Goals:





The SDGs in the UAE

Moving towards sustainable development, the UAE has internalized the principles of the 2030 Agenda, viewing them as a roadmap to a brighter future for all. Embracing the pledge of 'leaving no one behind', the UAE is committed to ensuring that the benefits of development are shared equitably across society.

Recognizing the significance of robust data collection and monitoring, the UAE places a strong emphasis on fostering both existing and new partnerships. These collaborations are essential for enhancing the effectiveness of data collection efforts and monitoring progress towards achieving the SDGs.

While the UAE's policies are firmly grounded in evidence-based approaches, there is a recognition of the need for institutions to continually evolve and adapt to meet the evolving demands of the 2030 development paradigm. This adaptability is crucial for effectively addressing emerging challenges and seizing new opportunities.

Relevance to Sharjah Insurance

Contributing significantly to the healthcare system aligns with the UAE's vision to rank among the top countries globally in healthcare quality. Our insurance offerings play a crucial role in facilitating access to quality healthcare services for individuals and families nationwide, ensuring they receive the best possible medical care when needed.

Aligned with Sustainable Development Goal 3, our commitment extends to promoting good health and well-being among our policyholders. Through the provision of comprehensive insurance coverage, we actively contribute to ensuring healthy lives and promoting well-being within our community. This commitment reflects our efforts to support the achievement of SDG 3, fostering a healthier and more resilient society through our contributions to the healthcare landscape.



STAKEHOLDER ENGAGEMENT & MATERIALITY

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

Stakeholder Engagement

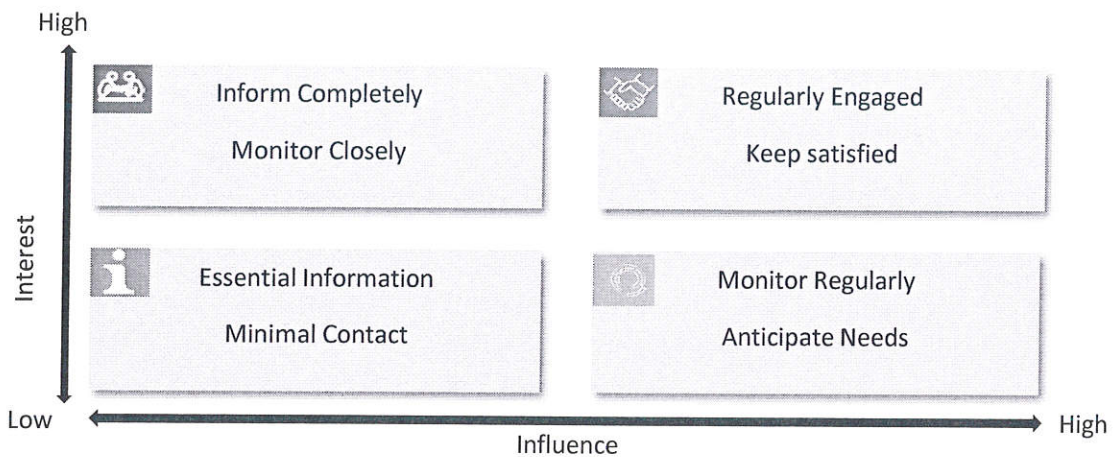
Ensuring effective stakeholder engagement and collaboration is pivotal to comprehending our impacts. In compiling this report, we have adapted our current engagement methods to extract pertinent sustainability and ESG-related topics on which we have reported. The process involved identifying our key stakeholders who significantly influence our company, followed by thorough review and analysis of existing engagement methods. We provide a list of our key stakeholder groups along with the current methods of engagement:

Table 10: Engagement methods with key stakeholders

Key Stakeholder Groups	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



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



Our Materiality Approach

To contribute positively to society, it is imperative to comprehend and adapt to the evolving operational landscape. Our materiality assessment ensures our attention is directed towards risks, opportunities, and issues that hold the greatest significance for our key stakeholders and possess the potential to impact decision-making.

Conducted in accordance with the updated GRI Standards 2021 requirements, our most recent assessment enables us to remain on top of trends and align our approach, reporting, and strategy with the most critical sustainability issues.

The diagram presented below illustrates the three-step process we employed to finalize our current list of material topics.



Material Assessment Process

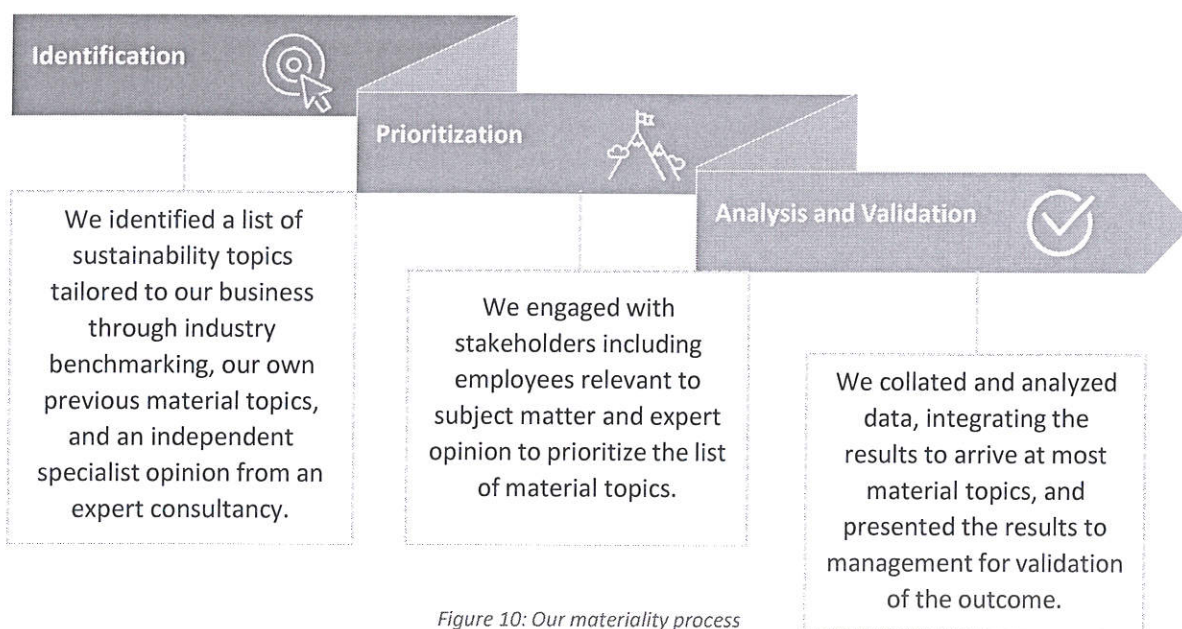


Figure 10: Our materiality process

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

Table 11: Corresponding GRI, ADX and SDGs disclosures

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

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		2,21	
2 – 1	Markets served		6	
2 – 1	Scale of the organization		6,17	
2 – 7,8	Information on employees and other workers	S4: Gender Diversity S5: Temporary Worker Ratio	17	
2 – 6	Supply Chain	G4: Supplier Code of Conduct	6	
2 – 6	Significant changes to the organization and its supply chain		15	



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		6,15,21	
Governance				
2 – 9	Governance structure	G1: Board Diversity	21	
		G2: Board Independence		
Stakeholder Engagement				
2 – 29	List of stakeholder groups		26	
2 – 30	Collective bargaining agreements			<i>Not applicable for companies operating in UAE</i>
2 – 29	Identifying and selecting stakeholders		26	
2 – 29	Approach to stakeholder engagement		27	
2 – 26	Key topics and concerns raised		26	
Reporting Practice				
2 – 2	Entities included in the consolidated financial statements		2	
2 – 2	Defining report content and topic boundaries	G7: Sustainability Reporting G8: Disclosure Practices	2	
3 – 2	List of material topics		28	
3 – 1	Process to determine material topics		28	
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		29	
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		6,25	
2 – 24	Embedding policy commitments		6	
GRI 201 Topic Specific				
201 – 1	Direct economic value generated and distributed			Refer to our 2023 audited financial statements
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
Management Approach				
2 – 23	Policy commitment	E8, E9: Environmental Oversight	19,25	
2 – 24	Embedding policy commitments	E7: Environmental Operations	19	
GRI 302 Topic Specific				
302 – 1	Energy consumption within the organization	E3: Energy Usage E5: Energy Mix E6: Water Usage	19	
302 – 2	Energy intensity	E4: Energy Intensity	19	
GRI 305: Emissions 2016				
Management Approach				
2 – 23	Policy commitment		19,25	
2 – 24	Embedding policy commitment	E8, E9: Environmental Oversight	19	



GRI 305 Topic Specific				
305 – 1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	19	
305 – 2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	19	
305 – 4	GHG emissions intensity	E2: Emissions Intensity	19	
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		15,25	
2 – 24	Embedding policy commitment		15	
GRI 405 Topic Specific				
405 – 1	Diversity of governance bodies and employees	S4: Gender Diversity S6: Non-Discrimination S2: Gender Pay Ratio	15, 17	
GRI 417: Marketing & Labelling 2016				
Management Approach				
2 – 23	Policy commitment		12,25	
2 – 24	Embedding policy commitment		12	
GRI 417 Topic Specific				
417 – 2	Incidents of non-compliance concerning product and service information and labeling		12	
417 – 3	Incidents of non-compliance concerning marketing communications		12	
GRI 418: Customer Privacy 2016				
Management Approach				
2 – 23	Policy commitment		11,25	



2 – 24	Embedding policy commitment		11,12
GRI 418 Topic Specific			
418 – 1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G6: Data Privacy	12,13

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	14	<i>Cumulative community investments included</i>
Social			
CEO Pay Ratio			
S1	Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	23	<i>The CEO's salary along with that of the executive team is currently disclosed in our Corporate Governance Report</i>
	Does your company report this metric in regulatory filings?	Yes	
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>
Injury Rate			
S7	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</i>



			<i>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 Direct and indirect local job creation	15 15	<i>Recorded growth in Emiratization</i>
	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>