

AL FUJAIRAH NATIONAL
INSURANCE COMPANY PJSC



2022

SUSTAINABILITY REPORT

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ABOUT THIS REPORT

We are pleased to present you the third sustainability report of 'Al Fujairah National Insurance Company' (AFNIC) for the year 2022. With over 40 successful years in the insurance value chain, AFNIC takes great pride in its transparent and ethically viable business model. Thus, through this report AFNIC seeks to further demonstrate its allegiance towards sustainable development practices using tangible and quantifiable measures aligning with the UN SDG 17, Abu Dhabi Economic Vision 2030, UAE Green Agenda 2015-2030 and UAE Centennial Plan 2071.

This report was constructed with reference to the ADX ESG Disclosure Guidance and Global Reporting Initiative (GRI) 'Core option' framework and include materials that are most important to our business and stakeholders.

The GRI content Index will be available at the end of this report in Appendix A.

AFNIC welcomes any feedback or inquiries relating to this report through any of the following channels:

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[AFNIC Sustainability Report 2021](#)

[AFNIC Sustainability Report 2020](#)

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

In this report, I am proud to present you with our efforts to achieve a sustainable business model, which has been the focal point of our success and growth. Our operations are aligned with the company's sustainability strategy to ensure creating shared value for all our stakeholders and achieving financial and operational profitability.

At AFNIC, we have been operating in the UAE since 1977 with success thanks to our progressively diversified operations. Our operations are aligned with the company's sustainability strategy to ensure creating shared value for all our stakeholders and achieving financial and operational profitability.

We monitor our sustainability performance in an effective way through the activities we conduct under the guidance of our Board of Directors. Our sustainability objectives are in line with the United Nations Sustainable Development Goals 2030, UAE Economic Vision 2030, UAE Green Agenda 2015-2030 and UAE Centennial Plan 2071.

That will not change going forward – we will continue to secure the future of our customers and society sustainably.

In 2022, we made significant efforts to conduct business responsibly and achieve sustainable growth.



We developed a sustainability framework to ensure that our operations are performed in a responsible manner. We continued to improve our recruitment processes and talent management to ensure that we always employ and retain the best talent to lead the company forward, while adhering to the principles of integrity, transparency and accountability.

Why do we consider this non-financial report so important? Because we believe that the more our efforts are recognized and the more transparent we are about our plans, the greater the chances of others being encouraged to consider adopting sustainable strategies.

Further, we believe that presenting such sustainability report will serve as catalyst for self-assessment and continued improvement in our sustainability journey.

Finally, I would like to express my gratitude to all our shareholders, customers, and employees for their loyalty and the trust they have placed in us. We will continue to grow our business and comply with the best governance practices and operate responsibly.

Sincerely Yours,

Antoine Maalouli

CEO – Al Fujairah National Co. PJSC

ABOUT AFNIC

For over four decades now, Al Fujairah National Insurance Co (AFNIC) is the only insurer in the United Arab Emirates that has its headquarters in Fujairah, situated in the Eastern part of the country. AFNIC serves a multitude of clients across a wide-spectrum of industries throughout the UAE.

Established in 1976, under the patronage of the Ruler of Fujairah, AFNIC is a Public Joint Stock Company, registered under the Federal Company Law, and Federal Insurance Law with the Government of Fujairah as the major Shareholders (with over 80% share).

AFNIC has a wide network of full-fledged branch offices spread throughout the UAE. It has an active presence in Abu Dhabi, Dubai, Sharjah, Dibba and Fujairah, offering all their services under one roof for the convenience of customers. Customers can also avail of AFNIC's products from the Insurance ATMs (a revolutionary concept – first-of-its-kind in the world), which is available at various Petrol Stations in Dubai.

The company underwrites all classes of Property and Casualty insurances, including Motor Vehicles and Marine Vessels, to Jet Aircrafts, Port Operators' Liability, Group Life, Medical, and much more – serving both individual and corporate clients.

AFNIC is supported by a panel of strong Reinsurance securities, and is backed with expertise of over 40 years.

'Leading Rating Agency Moody's has assigned Baa1 Rating (with stable outlook) to AFNIC, which endorses our strong position.



OUR CHARTER



Integrity 

Customer focus 

Respect 

Excellence 

Positive Attitude 

Honesty 

Professionalism 

Loyalty 

WHAT OUR VALUES MEAN TO US?

Integrity and Honesty is pivotal at AFNIC, we believe it has immense potential in building lasting trust and loyalty among customers, employees, investors and other stakeholders. Therefore, At AFNIC we recruit highly ethical individuals warranting them through thorough background check on their character prior to their employment.



Customer focus: Customers are our kings. They are the center of our decision-making. At AFNIC we always give prevalence to our customer's needs, wants, suggestions and try to resolve their grievances as soon as practically possible ensuring they do not face the same shortcoming in the future.



Professionalism, Positive Attitude, and Excellence: Being a business, our attitude, the way we carry ourselves and communicate with others determine our success and longevity in the market. We understand this and therefore; AFNICs vision of "being better than the best" translates through our highly professional and approachable work environment that fosters positive attitude along with the continuous improvement corporate strategies in place which helps us deliver our products and services with excellence.



Respect and Loyalty: Respect is integral for a healthy work environment. At AFNIC, we take dealing with respect sincerely and the tone is set at the top. Our leaders ensure everyone is treated with respect and is made to feel important on a regular basis, this creates a feeling of belongingness and thus builds loyalty among employees, which is reflected in our average organizational tenure being 9 years.



Our values determine our purpose and course of action. It paves ways for our strategies, policies and day-to-day work plan. Since inauguration, our values acted as a catalyst for AFNIC to sustain and thrive in the present market.

All of AFNICs values are intertwined to manifest its organizational culture that reinforces the company's broader goals and feeds into its everyday decision and work.

2022 KEY HIGHLIGHTS

PARTICULAR	2021	2022	% CHANGE / GROWTH
Net Profit (AED'M)	18.7	(14.5)	(178%)
Net Technical Profit (AED'M)	16.96	(9.83)	(158%)
Non-Motor Gross Premium (AED' M)	120.2	133.2	11%
Investment Profit (AED' M)	17.2	11.2	(35%)
EPS (AED)	14.04	(10.9)	(178%)
Total Premium Revenue (AED' M)	242	237.7	(2%)
Total % of Females in Workforce	39%	40%	1%
Total Local Investments (AED)	260,100	139,903	(46%)
Total Hours of Training Provided to Employees	3,978	2,745	(31%)

RECOGNITION

AFNIC

Proud insurers of 3.45 Billion Dubai Tram project in Dubai, in addition to various other landmark projects and properties in Dubai as well as in Fujairah.

Accorded the Excellence Award in Tolerance by the U.A.E Insurance Authority for our level of acceptance and high moral values.

Accorded The Outstanding Company in Social Responsibility Award by the U.A.E Insurance Authority for our continuous effort in supporting our community.

Accorded The Best Engagement in the Training and Emiratization Award by the Emirates Institute of Banking and Financial Studies for actively participating in upskilling employees and increasing diversity as well as Emiratization within AFNIC.



KEY EVENTS AND CONTRIBUTIONS

2020



Support the Ministry of Health –
Donation as COVID-19 support

West Asia Paralympic Federation -
Donation for purchase of wheelchairs.

Emirates Red Crescent: Lebanon - Relief
Support

Al Tareq Rehabilitation and Autism
Centre - Donation for care of People of
Determination

Rashid Center for People with
determination

Specialist center for children with
disabilities

The Emirates Society for parents care
& relief



2021



Al Tareq Rehabilitation and Autism
Centre - Donation for care of People of
Determination

West Asia Paralympic Federation -
Donation for sports for physically
challenged

Rashid Center for People with
determination

Donations for disabled at the
Khorfakkan Club

Donation to Emirates Association of the
Visually Impaired

Donations to Emirates Red Crescent

Donations to Hope Gate center for
Autism



2022



Donation to Al Hadaf Center for training
and rehabilitation of people with
determination

Donation to Omniyat people of
determination rehabilitation center for
purchase of wheelchairs

Financial support provided for
underprivileged persons

Sponsorship for Fujairah Bodybuilding
Championship 2022

Sponsorship for Arab International
Conference on Mineral Resources- Fujairah
Natural Resources Corporation

Sponsorship for Fujairah Social and
Cultural Association

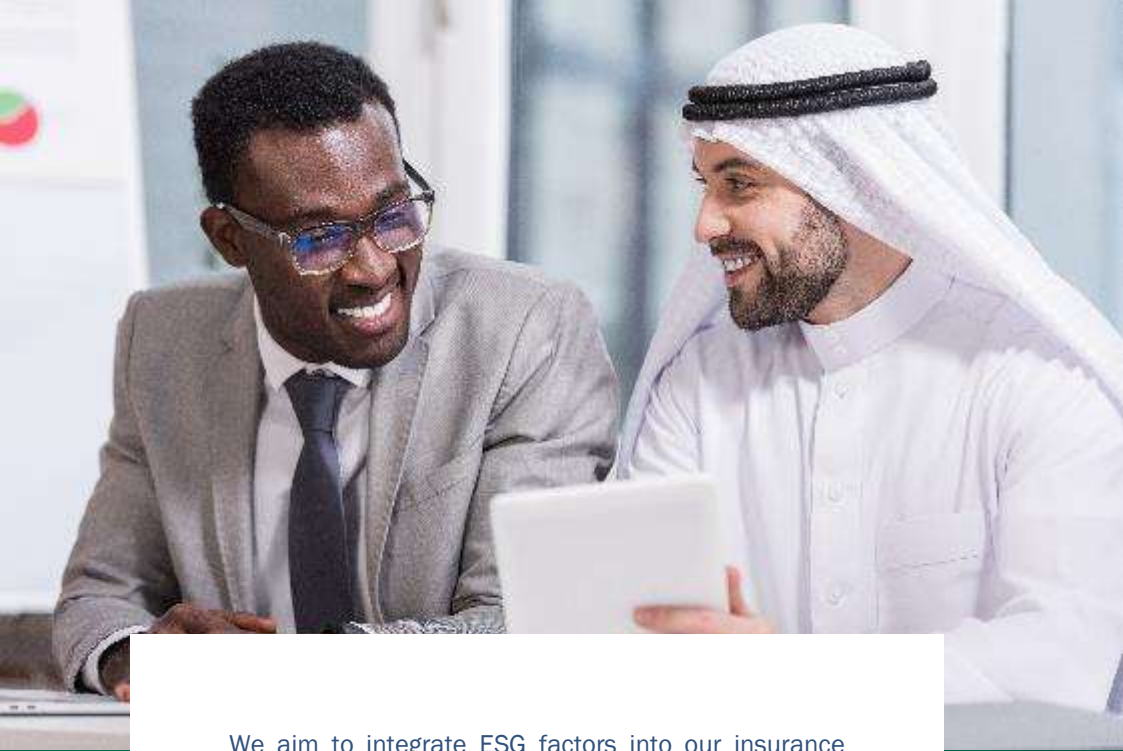
Donations to Indian and Egyptian Social
Clubs



SUSTAINABILITY AT AFNIC

Sustainability is at the core of AFNICs operations as it seeks to position itself as a reliable and trustworthy insurance company through the cultivation of a lean organizational structure that maximizes clients value generation, all while creating financial growth opportunities. AFNICs pursuit “To provide services beyond expectations with a will to go an extra mile” serves as an integral factor for all the community development activities it diligently engages in and are recognized for. AFNIC ensures that its daily operations and investment activities facilitates the Local and Global ESG plan.





OUR APPROACH TO SUSTAINABILITY

We aim to integrate ESG factors into our insurance and investment businesses. AFNIC's sustainability approach is guided by key pillars of sustainability like Corporate Integrity, Amplifying Economic Impacts, Operating Responsibly, having a Strong Workforce, maintaining and developing Valued Relationships, and Supporting Our Communities. We continuously strive to adopt programs and initiatives in line with the objectives earmarked under each pillar.

STAKEHOLDER ENGAGEMENT



Understanding our stakeholders concerns and expectations in today's dynamic risk landscape enables AFNIC to effectively communicate its business practices and corporate priorities. We engage with our key stakeholders that affect and are affected by our business through various communication channels and confirm that both our needs are met in a way that result in sustainable coexistence and prosperity. The identification and prioritization of our key stakeholder groups were made through several internal discussions and assessments, and are shown in the figure below:



STAKEHOLDER ENGAGEMENT MAP

Key Stakeholder groups	Needs & Expectations	Methods Of Engagement
Customers	<p>Innovative products/services Efficient and proactive customer service Multiple communication channels Competitive Pricing</p>	<p>Social media channels such as Twitter, Facebook, Instagram, LinkedIn, YouTube, WhatsApp 800 AFNIC (23642). Customer service Offices, 24/7 Call Center 800 AFNIC (23642). AFNICs official website (afnic.ae) to generate policy quotations for premium comparison.</p>
Shareholders and Investors	<p>Strong balance sheet and stable cash flow. Consistent dividend payment. Enhanced shareholder value through capital-gains. Pre-defined and managed risk profile. Well-grounded corporate governance framework.</p>	<p>Annual Report. Annual Corporate Governance Report. Annual general assembly meetings. Investor relations section on official website (afnic.ae)</p>
Workforce	<p>Training and development opportunities. Diversity at work. Timely payment of wages. Safe and healthy workspace. Empowerment and Pay equality. Work-life balance.</p>	<p>Regular Training and development Programs, Monthly meetings, Intranet (Employee portal), Employees Satisfaction Survey, Open door policy, Employees Suggestions Policy.</p>
Suppliers and Business Partners	<p>Timely credit payments, ethical business practice, fair and respectful treatment.</p>	<p>Working Practices policy. Trainings & Workshops, Events, Personal contacts.</p>
Local Community	<p>Charitable initiatives to help lesser privileged communities. Social initiatives to promote health, education, security, sports and culture. Partnerships with other organizations to address social and environmental issues.</p>	<p>Health and education campaigns, Participation and volunteering of employees, Donations to charitable causes, Sponsorships and internships to help young people</p>
Regulatory Authorities	<p>Compliance with laws and regulations. Transparency and disclosure. Customer protection.</p>	<p>Internal control system, Compliance Unit, External Audit</p>
Industry	<p>Expansion and growth opportunities. Managed risks.</p>	<p>Networking Events and Conferences, Collaborations, Personal Contacts</p>

MATERIALITY ANALYSIS

Dependent on our stakeholders' dialogues, present local and global market situation, we attempted to identify potential material issues existing and emerging in the insurance industry to manage their posed risks and seize opportunities.



MATERIALITY MATRIX

We have ranked the material issues we identified from the materiality assessment in the matrix below.

This matrix reflects our understanding of the significance of each material issue based on the influence on stakeholders and the impact on our business.

INFLUENCE ON STAKEHOLDERS ASSESSMENT AND DECISION



- IMPORTANT
- MORE IMPORTANT
- MOST IMPORTANT

SIGNIFICANCE OF IMPACT

MATERIAL ISSUE

01 Corporate Governance & Compliance	02 Data Privacy & Security
03 Innovation & Digitalization	04 Economic Value Generation
05 Customer Experience & Satisfaction	06 Ethics and Prevention of Corruption: AML / CFT
07 Risk Management & Fraud Prevention	08 Talent Acquisition, Development, & Retention
09 Human Capital	10 Diversity & Gender Equality
11 Employee Engagement	12 Corporate Citizenship
13 Health & Safety	14 Sustainable Supply Chain

SUSTAINABILITY FRAMEWORK



AFNICs sustainability framework outlines what sustainability means to AFNIC and addresses core areas and functions that add lasting value to the organization and the economy.

Sustainability in AFNIC is guided by six key pillars:

1. Being a Company with Integrity
2. Supporting Our Community
3. Enhancing Economic Impacts
4. Efficient Workforce and Motivated Culture
5. Developing Valuable Relationships
6. Operating Responsibly

All these relating areas are realized in our materiality topics discussed.

ALIGNMENT WITH GLOBAL ESG VISIONS

We align our sustainability efforts to national and international priorities such as UAE Vision 2030, UAE Green Agenda, UAE Centennial Plan 2071 and UN SDG 17.

Our sustainability plans and efforts support ambitious ESG goals such as tackling climate change and limiting environmental footprint, building sustainable relationship with our stakeholders, fostering safe and empowered workspace and integrating ESG issues in our business strategy to induce positive externality in the community, economy, and industry.



SUSTAINABLE DEVELOPMENT GOALS

ABU DHABI ECONOMIC VISION 2030

- Building an open, efficient, effective business environment
- Disciplined fiscal policy responsive to changing economic cycle
- Establishing financial market environment with manageable inflation
- Driving significant improvement in efficiency of labor market
- Developing resilient infrastructure capable of supporting anticipated economic growth
- Developing highly skilled, highly efficient workforce
- Enabling financial markets to be the key financiers of economic sectors and projects





GOVERNANCE, ECONOMIC AND FINANCIAL PERFORMANCE

A COMPANY WITH INTERGRITY

01

MATERIAL ISSUES COVERED

- Corporate Governance and Compliance
- Ethics and Prevention of Corruption: AML & CFT

02

ESG VISION COMPLIANCE

ABU DHABI ECONOMIC VISION 2030

- Building an open, efficient, effective, and business environment

UN SDG 17

- Peace, Justice, and Strong Institution
- Responsible Consumption and Productions



CORPORATE GOVERNANCE AND COMPLIANCE

AFNIC conducts its business with the utmost transparency, accountability and integrity. We aim to maintain the highest standards of corporate governance, and work continuously to eliminate any form of bribery, corruption, financial crime, while protecting human rights.

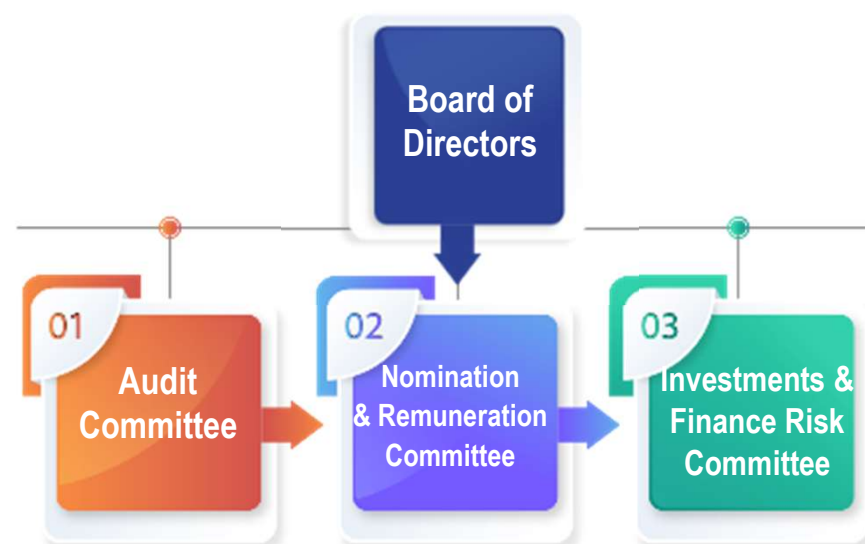
AFNIC demonstrates its responsibilities towards different stakeholders through its commitment to develop and enhance the company's transparency, and to raise the level of accountability across AFNIC's operations.

AFNIC operates through several transparency platforms such as the ADX disclosure website, and the www.afnic.ae website which articulates the company's information and disclosures as well as the Governance Report. AFNIC's Governance Report serves as the most important platform for transparency and brings governance to the attention of the public and enables shareholders to get acquainted with the company.

To ensure compliance and maintain the highest standards of governance, AFNIC's Board of Directors is governed by Corporate Governance Law and the company's Articles of Association.

The board is composed of 8 non-executive directors, including the Chairman, whereas, 7 of them are independent directors. During 2022, 5 board meetings were held with an attendance rate of 100% in all of them. The board members conduct an individual self-evaluation to identify areas in which they believe could add more value to their roles and responsibilities. Although there are currently no seats occupied by females on the Board of Directors of AFNIC, it is both encouraged and expected that female candidates will also apply for future board nominations.

BOARD OF DIRECTORS			
	2020	2021	2022
Percentage of Board seats occupied by independent directors	87.5%	87.5%	87.5%
Executive members of the Board of Directors	0	0	0
Non-executive members of the Board of Directors	8	8	8
Male members of the Board of Directors	8	8	8
Independent members of the Board of Directors	7	7	7
Non-independent members of the Board of Directors	1	1	1



AUDIT COMMITTEE



The Audit Committee consists of five non-executive members. Four of them are Independent Board Members with the exception of one non-independent member. The committee held four meetings during the year 2022.

The main duties of the committee are:

- Monitoring the integrity of the company financial statements and reports, and reviewing them.
- Complying with the laws of inclusion, disclosure and other legal requirements
- Coordination with the board, Executive Management and Chief Financial Officer in order to perform its functions.
- Reviewing the financial control systems, internal control and risk management in the company
- Considering the results of the main investigations in the internal control issues assigned to it by the Board or which are conducted with an initiative of the committee and by the approval of the Board.
- Ensuring the coordination between the internal auditor and the external auditor, ensuring the availability of resources necessary for the internal audit team and reviewing the effectiveness of such team.
- Reviewing the financial and accounting policies and procedures of the company.
- Reviewing the mission and work plan of the External Auditor and any substantial inquiries posed by the auditor to the management regarding the accounting registers, financial accounts or control systems and its refusal and approval to them.
- Monitoring the company compliance with the ethical code.

1

NOMINATION & REMUNERATION COMMITTEE



The Nomination and Remuneration committee has three members, all non-executive members of the Board, with one of them being a non-independent member.

The committee held one meeting during the year 2022.

The main duties of the committee are:

- Ensuring the independence of the independent members continuously
- Developing a policy for granting bonuses, benefits, incentives and salaries to the members of the board and the employees of the company and reviewing them annually.
- Identifying the company needs for the competencies at the executive senior management level and the employees, as well as the bases of choosing them.
- Developing a policy for the human resources and training in the company.

2

INVESTMENT & FINANCE RISK COMMITTEE



The Investment and Risk committee has four members with three non-executive members of the Board and one non-independent member.

The committee held one meeting in 2022.

The main duties of the committee are:

- To make sure that the company assets are various and distributed sufficiently, and enable the company to respond effectively to the various economic conditions including the developments in the real estate and financial markets.
- To evaluate the unusual conditions of market.
- To enable the company to maintain its assets to cover its technical provisions and other long term insurance liabilities.
- To conduct the suitable revision to evaluate the Credit worthiness for the stakeholder parties in which the company is facing great amount of transactions thereof.

3

Conducting business with integrity and honesty are indispensable values to AFNIC. AFNIC maintains the highest standards of business ethics and has strong anti-corruption policies. AFNIC has developed and adheres to many policies, including compliance with laws, conflict of interest, anti-bribery, confidentiality of information, and anti-money laundering.

AFNIC upholds the highest standards of human rights. We examine the possible impact of our business on human rights and strive to create a positive influence by eliminating risks. We do not accept any kind of child labor and forced labor, and respect basic human rights in our operations with suppliers and contractors.

ETHICS AND PREVENTION OF CORRUPTION: AML & CFT



Techniques to launder money and finance terrorism have been evolving rapidly in recent years. The international community has witnessed the use of increasingly sophisticated methods to move illicit funds through financial systems across the globe and has acknowledged the need for improved multilateral cooperation to fight these criminal activities.

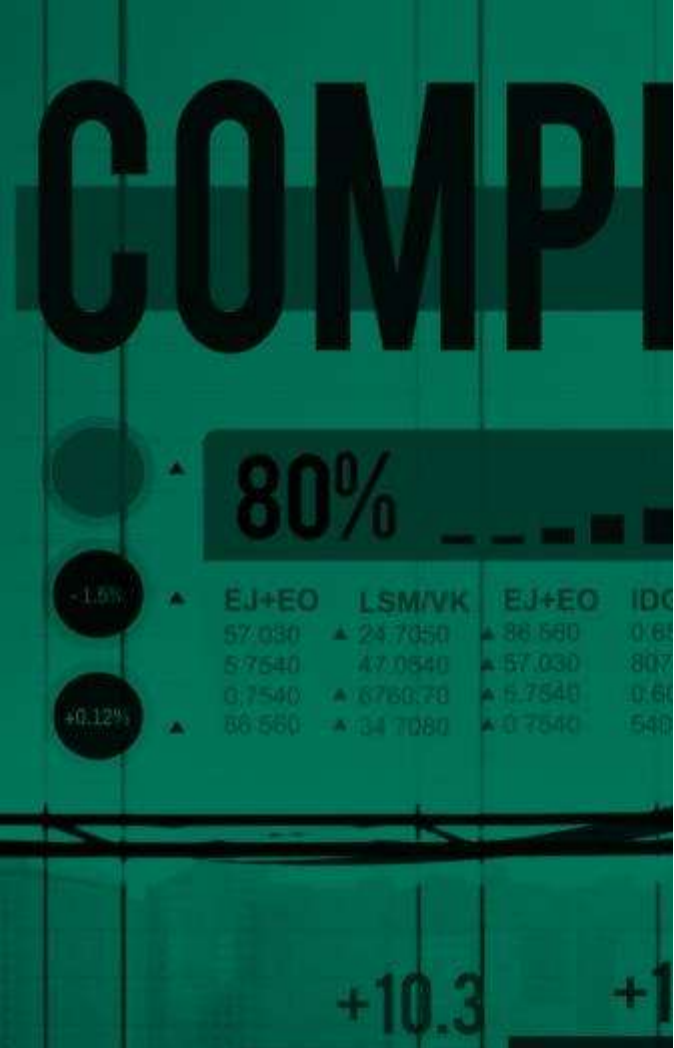
AFNIC and its branch offices are firmly committed to participate in international and national efforts to combat money laundering and the funding of terrorist activities and is committed to the highest standards of Anti Money Laundering & Combating Financing of Terrorism. AFNIC requires all its employees including senior management, to adhere to all regulations and standards to prevent use of its services and products for money laundering purposes and to safeguard the interest of its customers.

In pursuance of the above objectives, AFNIC fully complies with all government decisions and directives.

AFNIC assesses the risk of money laundering and financing terrorist groups at both individual and corporate level, which includes several factors and indicators, before contracting with any new client and following the same procedure with existing clients.

AFNIC has developed and adopted policies and procedures related to AML and CFT to effectively implement the key principles of AML/CFT laws and regulations, in line with the Central Bank of UAE, by educating its employees to act as the first line of defense in combating money laundering activities.

The aim of the policy is to document overall AML-CFT Compliance framework, staff responsibilities and reporting needed to maintain an effective AML-CFT program.



We have also implemented a risk-based Anti-Money Laundering ("AML") Compliance Program ("AML Program") designed to comply with AML laws and regulations in the UAE and other applicable laws and regulations relating to the prevention of money laundering and terrorist financing. The AML Program consists of, among other things:

- Money Laundering Reporting Officer who is responsible for coordinating and monitoring day to day compliance with the AML Program for the entire business – Head Office as well as branches.
- AML risk assessments at customer, product, service, Jurisdiction and Industry level.
- A system of internal controls designed to facilitate ongoing compliance with applicable AML laws and regulations.
- Know-Your-Customer standards including a Customer Identification Program and Customer Due Diligence procedures reasonably designed to identify and verify all customers and, where applicable, beneficial owners, source of funds and the nature and intended purpose of the business relationship, to the extent warranted by the risk of money laundering or terrorist financing or as required by regulation;
- Performance of additional due diligence on higher risk customers, including Legal arrangements & NPOs and those who are assessed to be politically exposed persons.
- Identification and reporting of suspicious activity to appropriate regulatory authorities in accordance with applicable laws.
- AML training for appropriate Staff.
- Independent audit and compliance testing functions to review and assess the Firm for compliance with the AML Program and applicable laws.
- Record keeping and reporting requirements, including those for cash transactions and records obtained pursuant to the Customer Identification Program, which are maintained for at least 5 years after the termination of a customer relationship.
- All the principles of KYC, CDD, EDD and other enhanced tools including screening and transaction monitoring of customers' transactions to ensure a robust process of Compliance is followed within the organization.



ENHANCING ECONOMIC IMPACTS

01

MATERIAL ISSUES COVERED:

- Economic Value Generation

02

ESG VISION COMPLIANCE:

ABU DHABI ECONOMIC VISION 2030

- Developing resilient infrastructure capable of supporting anticipated economic growth

UN SDG 17

- Decent Work and Economic Growth



ECONOMIC VALUE GENERATION



AFNIC is a valuable contributor to UAE's economy and aims the overall attainment and acceleration of the National and Global sustainable initiatives. In 2022, AFNIC indemnified individuals affected by flood in the northern emirates by providing complimentary STF coverage to all its comprehensive auto insurers. Following which increased the proportion of claims and incurred aggregate loss to AFNIC during the year. Nonetheless, we are gratified to have taken stance in mitigating the magnitude of losses caused by this economic calamity. This further demonstrates our keenness to serve the society and have sustainable exponential growth as one, In addition ensures our stakeholders that the company has adequate reserves to absorb losses, continue operations, and meet obligations in events of adverse market condition.

ECONOMIC PERFORMANCE

	2020	2021	2022
Revenue (AED '000)	268,070	242,013	261,970
Operating Costs (AED'000)	216,017	225,051	(10,841,718)
Operating Profits (AED'000)	52,052	16,961	(15,695,627)
Net profits attributable to shareholders (AED'000)	36,932	18,658	(11.80)
Earnings per Share (AED)	27.75	14.04	(10.9)

OUR PEOPLE



EFFICIENT WORKFORCE AND MOTIVATED CULTURE

01

MATERIAL ISSUES COVERED:

- Human Capital
- Talent Acquisition, Development, and Retention
- Employee Engagement
- Diversity and Gender Equality
- Health and Safety

02

ESG VISION COMPLIANCE:

ABU DHABI ECONOMIC VISION 2030

- Developing highly skilled and efficient workforce
- Driving significant improvement in the efficiency of the labor market

UN SDG 17

- Good Health and Well-being
- Quality Education
- Gender
- Equality
- Reduced Inequalities

UAE Green Agenda 2015-2030

- Competitive Knowledge
- Economy



PRODUCTIVITY

HUMAN CAPITAL

At AFNIC, we believe that our employees are one of the most valuable assets and a key facilitator to our success. Thus, we always seek to maintain a workplace that promotes diversity and inclusion and recognizes employees for good performance. AFNIC commits to build an exceptional workforce through attracting, developing, and retaining talented individuals, while increasing the rate of national employees in the workforce.

Human capital is perceived to have a relationship with economic growth, productivity, and profitability.

AFNIC recognizes the quality of Human Capital can be improved by investing in employees' training and education. The education, experience, skills, knowledge and abilities of employees have economic value for us and for the economy as a whole, thus making human capital critical to our success.



We provide our employees with training to enhance their skills, as well as a safe, healthy and inclusive work environment. AFNIC has various Human Resources policies and procedures in place like the Code of conduct and ethics that addresses human rights and non-discrimination strategies. The company vouches to provide a sympathetic work environment free of any kind of bullying or harassment. Transgression or breach of such orderly conduct will not be tolerated and result in disciplinary actions.

AFNIC workforce is a union of youth and wisdom. In 2022, the total workforce for AFNIC was 238 employees, with 24% of this workforce being between 20 and 30 years of age.

Moreover, 34 new employees were hired in AFNIC during 2022, among which 62% were between 20 and 30 years of age. New employees are provided with various orientation programs related to the implemented HR policies and health and safety measures. New employees are also provided with access to Employee portal on AFNIC intranet, which contains all relevant policies and procedures to facilitate them get more familiar with the company.

AFNIC has a maternity leave policy in place. A female staff member with at least one year of continuous service is eligible for 45 calendar days' maternity leave with full pay, while females with less than one year of continuous service are eligible to 45 calendar days with half pay. In addition, a parental leave for 5 days is available for both male and female staffs during a year with full pay.



AFNIC also takes a proactive stance in increasing Emiratization within the company while also maintaining a diverse work culture. In 2022, AFNIC received the Best Engagement Award for Training and Emiratization by the Emirates Institute of Banking and Financial Studies for its efforts towards continuous development in those sectors. Further, AFNIC is proudly registered with the “Wajehni” program by the Ministry of Human Resources and Emiratization, which provides Emirati students from colleges and universities with private sector internship and summer training opportunities. Our Emirati employees are well guided, supported, and overseen by AFNICs designated Emiratization Officer.

WORKFORCE OVERVIEW

	2020	2021	2022
Total Workforce	221	226	238
Full-time employees	221	226	238
Part-time employees	0	0	0
Senior Management Employees	26	26	26
Middle Management Employees	31	36	35
Non- Management Employees	164	164	117
Trainees & Sponsored Student	2	3	3

NEW HIRES WITH AGE & GENDER PROFILE

	2020	2021	2022
Total new employee hires	26	29	34
Age 20-30	11	8	21
Age 31-50	15	20	12
Age 51+	0	1	1
Male	16	17	17
Female	10	12	17
Employee Turnover	10.2%	11.8%	8%

TALENT ACQUISITION, DEVELOPMENT, AND RETENTION

AFNIC places a significant effort to focus on the development and growth of our workforce. We are committed to enhance the competencies and knowledge of our employees by offering them various training and development programs which are recognized as necessary for performing their current role and are in line with business requirements. These include specialized training courses as well as skill-based training courses.

We also have many recognition and motivational programs to enhance employees' skills and development of their knowledge and conduct annual appraisals in line with the employees' skills and abilities.

Additionally, we provide employees with a career development program that expedites their current job requirements and facilitates their future career goals.

Following the identification of training needs, the HR & Admin Department develops an annual training plan with inputs from the Department Managers, who are also responsible to support employees in identifying specific development needs and prioritizing them. The HR & Admin Department then recommends training and development budgets, sources appropriate training and development providers and organizes training and development programs.

SUMMARY OF TRAINING AND DEVELOPMENT COURSES FOR THE YEAR 2022

In 2022, a total of 509 attendees participated in 329 training sessions, which exceeds our total workforce, as each employee attended multiple courses.

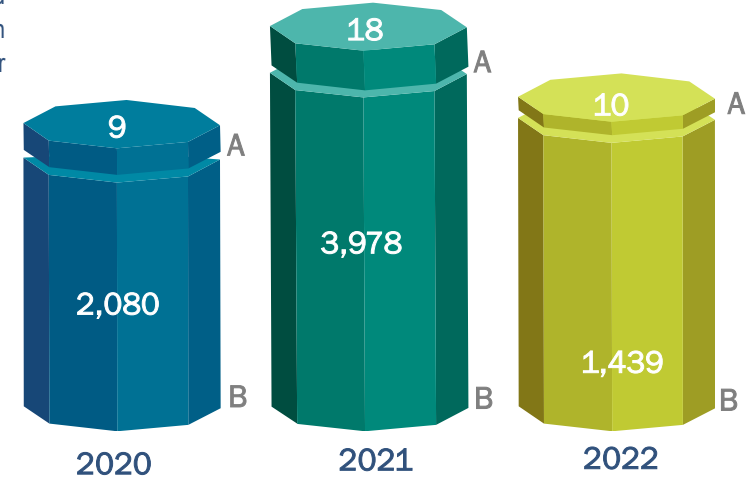
In 2022, AFNIC employees received a total of 1,439 hours of training with an average of 10 hours of training per employee.

Average training per employee(hours)

A

Total training hours delivered (hours)

B



SUMMARY OF TRAINING AND DEVELOPMENT COURSES FOR THE YEAR 2022

Course / Training Name	No. of Trainings	No. of attendees	Duration (Hours)
Technical Trainings relevant to Insurance Industry	33	64	214
Skills and Professional Development Trainings	244	348	914
Other Technical Trainings	20	24	105
Internal Company Trainings	12	18	97
Anti-Money Laundering & Related Trainings	20	55	109
TOTAL	329	509	1,439

EMPLOYEE ENGAGEMENT

We believe that engaging with our employees is fundamental to the growth and success of our company. Therefore, we have various processes and practices to ensure persistent engagement of our employees. Such practices include employee recognition awards, employee engagement surveys and annual performance reviews.

Employees are encouraged to contribute to the Company's future success and growth by engaging and submitting suggestions that result in business improvements through:

- Solving a problem
- Reducing costs
- Introducing innovative ideas on products and services
- Improving operations or operating procedures
- Enhancing customer service levels
- Improving health and safety standards
- Reducing waste of office supplies or other resources

PERFORMANCE REVIEWS

	2020	2021	2022
Number of employees who received a performance and career development review	221	226	238
Percentage of employees who received a performance and career development review	100%	100%	100%

All suggestions are reviewed by the management and appropriate suggestions are submitted to the CEO for approval and are linked to the Employee Recognition policy.

AFNIC encourages a performance based culture by recognizing and rewarding good performance. Therefore, a performance review process is conducted annually, to identify employee strengths, worries, and areas of development. This performance review is a two-way process in which the Manager and the employee contribute jointly to the performance discussion and the evaluation results are then used to determine performance bonuses or increments.

During 2022, all AFNIC employees received performance reviews, covering employees from all departments and sections of the organization.

DIVERSITY & GENDER EQUALITY



AFNIC recognizes the importance of embracing diversity and inclusion among our workforce. We constantly seek to build a workforce of various backgrounds and perspectives and consider candidates for employment regardless of gender, age, religion or disability. AFNIC team comprises of 24 nationalities. We also take stance to empower women to participate in all levels of business. In 2022, females comprised 40% of the reported total workforce and held 40% and 23% of middle management and senior management positions respectively. The gender pay gap lied at 0.93% during the year, which is one of the lowest in the industry and further depicts AFNICs strive towards gender equality.

At AFNIC, we encourage open communication and offer our people various feedback and input channels. For example, we have a whistle-blowing policy and a grievance mechanism that allows employees to speak up and raise their concerns.

WORKFORCE BY AGE AND GENDER

	2020	2021	2022
Employees age 20-30	27%	27%	56
Employees age 31-50	61%	61%	148
Employees age 50+	12%	12%	34
Male Employee	67%	60%	142
Female Employee	33%	40%	96
Female Employee in middle management	38%	44%	14
Female Employee in senior management	19%	19%	6
Total nationalities within AFNIC	-	-	24

HEALTH AND SAFETY

Improving the health and safety of our employees remains a high priority for us at AFNIC. Accordingly, we have implemented a set of standards to ensure the health and safety of employees.

Our Health and Safety policies and procedures help assure the safety of our offices and facilities. In addition, we organize awareness campaigns and provide secure working environments.

For managing health and safety standards, employees are expected to adhere to safety rules, exercise caution and take all reasonable steps to protect their own safety, as well as the safety of colleagues, customers and visitors. Employees are encouraged to raise any ideas, concerns or suggestions for improving health and safety standards with the relevant department.

Occupational injury and evacuation policies and procedures are also in place to manage safety risks and to compensate in the unfortunate event of any accident / injury, in accordance with the UAE labor laws.



In addition, emergency measures are also established such as first aid kits and trained first aid respondents in each location as well as measures related to emergency closure of workspace due to fire, earthquake, power failure etc.

With Coronavirus (Covid- 19) still prowling across the globe, AFNIC management, since the beginning of the pandemic, planned and implemented preventative actions to protect our employees and the community at large and ensure business continuity.

ONGOING MEASURES FOLLOWED BY AFNIC TO TACKLE COVID-19 IN 2022:

- 1- Modified / adjusted seats, furniture, and workstations to maintain social distancing of 2 feet between employees, where possible.
- 2- Encourage employees who have symptoms of COVID-19 or who have a sick family member at home with COVID-19 to notify their supervisor and stay home.
- 3- Regular in-person health checks (e.g., symptoms and/or temperature screening) of employees.
- 4- Increased the frequency of routine deep cleanings, with a focus on high-touch surfaces in the workplace, such as workstations, keyboards, telephones, handrails, and doorknobs to reduce the risk of people's exposure to the virus that causes COVID-19.
- 5- Conducted full Sanitizing treatment to all AFNIC locations.
- 6- Educate Employees and Supervisors about Steps They Can Take to Protect Themselves at Work.
- 7- Routine COVID-19 tests for all AFNIC Employees.
- 8- Adopted work from home strategy, when necessary.
- 9- Provide all branches & departments with Sanitizers, Masks and Gloves.
- 10- Provide Hygiene kits to customers and employees.
- 11- Arranged for vaccination with the health department for all AFNIC employees.
- 12- Developed special considerations for elevators such as using floor markings in elevator lobbies to maintain social distancing and limiting the number of people at any time.



We also have an Employee Data policy in place to safeguard confidential employee information collected fairly and lawfully with employees consent during the onboarding process. The information obtained are for administrative purposes and stored in compliance with the UAE regulations, HR and Admin best practices. Access to records in employee files are restricted to HR and Admin, concerned department manager the employee reports to and the CEO to exert a more rigorous control in protecting employee data.

Ensuring a safe and healthy work environment will always remain a priority at AFNIC.

CORPORATE SOCIAL RESPONSIBILITY



SUPPORTING OUR COMMUNITY



01

MATERIAL ISSUES COVERED:

- Corporate Citizenship

02

ESG VISION COMPLIANCE:

UAE CENTENNIAL	UN SDG 17	UAE Green Agenda 2015-2030
<ul style="list-style-type: none">• Happy and Cohesive Society	<ul style="list-style-type: none">• No poverty• Zero Hunger• Sustainable cities and communities	<ul style="list-style-type: none">• Social Development and Quality of Life

CORPORATE CITIZENSHIP

AFNIC is dedicated to supporting the prosperity of the communities where we operate by investing in initiatives aimed at enhancing people's well-being. At AFNIC, we believe that it is our responsibility and obligation to support communities and people who are facing various challenges including social, environmental, health and economic challenges. To do so, we are constantly seeking to expand our impact in communities and making a significant contribution to the society.

In 2022, AFNIC contributed a total of approximately AED 139,903 in 16 initiatives, which we launched, organized and participated in, to support local communities' development.

COMMUNITY INVESTMENT

	2020	2021	2022
Value of investment in local community (AED)	157,000	260,100	139,903
Number of initiatives taken for the society	19	26	16

AFNIC sponsorships and charitable donations made in the year 2022 were:

- 1- Donation to Al Hadaf Center for training and rehabilitation of people with determination
- 2- Charity and financial support provided for the underprivileged
- 3- Donation of wheelchairs to Omniyat People of Determination Rehabilitation Center
- 4- Sponsorship for Football Tournament to UAE Kerala Muslim Cultural Centre
- 5- Sponsorship for Ratha Yatra Event to International Society for Krishna Consciousness
- 6- Complimentary Motor Insurance policy provided to Fujairah International Marine Club
- 7- Donation to Indian School and cultural Club Kalba
- 8- Donation to Egyptian Club in Fujairah
- 9- Sponsorship for Fujairah Bodybuilding Championship 2022
- 10- Sponsorship for Arab International Conference on Mineral Resources
- 11- Sponsorship for Fujairah Social & Cultural Association
- 12- Sponsorship for India Festival
- 13- Sponsorship for Khorfakkan Club for the Disabled
- 14- Sponsorship for VishuSandhya Annual event
- 15- Sponsorship for celebrating UAE National Day - Kerala Muslim Cultural Centre
- 16- Provision of 10 complimentary Third-party motor policies to Zayed Radio for Quran

DONATIONS WITH RED CRESCENT

1



ORPHANS AID INITIATIVE COORDINATING WITH RED CRESCENT

2



RESPONSIBLE ACTIONS, RESPECTFUL RELATIONS



VALUING RELATIONSHIPS

01

MATERIAL ISSUES COVERED:

- Innovation and Digitization
- Data privacy and Security
- Customer Experience

02

ESG VISION COMPLIANCE:



UAE CENTENNIAL Plan 2071

- Happy and Cohesive Society

UN SDG 17

- Industry, Innovation, and Infrastructure
- Partnership for the goals

UAE Green Agenda 2015-2030

- Social Development and Quality of Life

INNOVATION AND DIGITIZATION

Technology has always been an essential part of AFNIC. AFNIC adopts modern technology and innovative concepts as part of its effort to achieve business excellence and sustainable growth.

Digital transformation is at the core of our strategy and encompasses a broad spectrum of initiatives, including new cloud-based products and services and the enhancement and development of our digital channels. Digital channels such as mobile apps, websites or customer portals will continue to play a major role for a better market reach and overall growth of our company.

AFNIC has prepared clear strategies to execute various initiatives, innovations and programs in the path of Digital Transformation. The company has an online insurance portal that enables customers to buy their desired insurance online, compare pricing, pay online, access customer support, and initiate claims from within their comfort zone.

Additionally, in 2022, AFNIC partnered up with Shory, which is an online insurance aggregator where customers can compare insurance rates and coverages offered by different insurance companies. Through Shory, customers will be able to share their vehicle details, get an online quotation from AFNIC, and complete the process to purchase their policy with us. AFNIC is always looking for new ways to reach customers and to provide different avenues for customers to reach us. This initiation is only one part of AFNIC's ambition to continue to expand our accessibility for our customers and improve digitization.

Other projects such as paperless strategy, Improving / updating the legacy systems to latest systems which consume less energy and less heat emissions, continuous IT awareness training to users in order increase the system efficiency etc., had also been introduced to keep sustainable and ecofriendly systems.

In 2022, AFNIC conducted periodic reviews on its data centers to find out any legacy systems / Hardware's/Devices that were outdated. We have replaced few Air conditioners inside the Data centers and serviced the hardware/devices such as HVAC Systems, battery backups that consumes less energy and emits less heat.

The following programs were developed and are running successfully in servicing our customers, keeping future sustainability purposes in mind:

- Business 2 Customer Portals
- Mobile App for all Online Products
- Automated insurance ATM
- Digital Signatures
- Dual Factor Authentication on all critical business apps
- AML production integration with Emirates ID Card reader
- SIEM Tool upgradation to Cloud based on Monitoring
- Industry leading Gateway Security to protect the Company Information Systems from bad actors
- Privilege Access Management Solution for monitoring servers / applications
- Introduced 24/7 Business WhatsApp to customers for live engagement to provide immediate / efficient customer service.
- Training for all AFNIC employees for understanding the path of AFNIC Digital Transformation
- Providing in-depth Cyber Security Awareness to handle all kinds of modern day threats



DATA PRIVACY AND SECURITY

Insurance organizations have to process personal data of their customers to underwrite risks and provide the most favorable services. Personal data is the lifeblood of insurance services, as only comprehensive and accurate information about clients allows insurance companies to provide viable and sustainable offerings. Therefore, data security and privacy are two foundational elements for building trust between the company and the user.

Data breaches and IT outages can generate large third-party liabilities not only from customers but also from other stakeholders including employees and local authorities etc.

With concerns to the above risks and to further strengthen the trust between AFNIC and its stakeholders, we have developed and implemented multiple internal information system policies aiming to secure data and protect customer privacy. Some of these policies are:



Physical Security Policy	To ensure that information assets receive adequate physical and environmental protection, and to prevent or reduce probabilities of physical and environmental control/security compromises (loss, damage, theft, interference) etc.
Asset Management Policy	To ensure all information assets are identified, recorded and maintained through an information asset inventory. The asset inventory is to be reviewed and updated on a regular basis and during any major organizational restructure. These assets are classified into various categories depending on their importance and access authority. This enables AFNIC to keep a greater control over its Business operations, Customer data, Regulatory & Legal compliance, while improving business outcome.
Operational Management Policy	To ensure that activities concerning support and maintenance of data, technology, and application are controlled and carried out in a standardized manner to reduce probabilities of errors and compromises, and to increase efficiency and security.
IS Acquisition, Development and Maintenance Policy	To emphasize the need for AFNIC to adopt secure system and software development lifecycle management processes and to ensure that systems and applications in use are securely managed and supported to avoid misuse of privileges and authority, reduce probabilities of information, system and application compromises, and to uphold AFNIC's reputational value and public trust.
Anti-Malware Policy	To outline the protection controls from malicious codes (such as Virus, Spyware, malware, Trojans) etc., which may harm Computer Devices and servers of the entity, and to establish the requirements for addressing any problems resulting from such infections.
Third Party Policy	To ensure third party services are controlled through suitable procedural obligations and contractual terms to secure privacy and protect information assets.
Information Security Policy	To ensure protection against risk associated with business or customer information and promoting awareness amongst employees, contractors, and consultants about the value of information being worked with or handled.
Compliance Policy	To define the process and guidelines to be followed, the purpose of implementing the statutory and regulatory contractual requirements of AFNIC related to information security. The policy complies with the applicable UAE laws, intellectual Property Rights (IPR), and contractual obligations with vendors and contractors.
HR Security Policy	To ensure right resources are hired and utilized to support secure delivery of organizational objectives and services and are relieved in a manner that does not impact organizational assets, value, reputation and financial conditions any time current or in future
Password Policy	Define and provide guidelines for users in choosing secure passwords and identify protection controls for those passwords.

AFNIC takes Data Privacy and Security with utmost importance, and adheres to GDPR (General Data Protection Regulations) to protect and secure the data of our valuable customers. We consistently invest in modern day systems to better prepare for modern day threats. Some of the measures taken by AFNIC to ensure data privacy and protection are:

- NESA IAS Implementation on cyber security and information security
- Implemented ADHICS Compliance mandated by DOH Abu Dhabi
- Formed ISMS Committee for governing, evaluating and enforcing information security practices in the organization
- Strengthened IT infrastructure by upgrading market leading security products & Services
- Implemented SIEM Tool for monitoring and tracking security incidents
- Security Awareness Trainings to employees to efficiently use the systems
- Implemented PAM tool to manage, track and record unauthorized access to privilege systems
- VAPT Tests on critical systems to identify the weak points
- Moved O365 Data Center inside UAE
- Enforced MFA in user systems
- Implemented DLP (Data Leakage & Prevention) System
- Signed NDA's with Third Party organizations and vendors who hold company data
- Continuously educating users about latest cybersecurity threats and defend against data leakages.

IS Incident Management Policy	To define and utilize suitable processes and resources to identify and respond to information security and cyber security incidents while ensuring AFNIC is not severely impacted by incident outcomes and are able to restore affected operations within an acceptable timeframe.
Data Protection & Privacy Policy	To ensure data is protected by reasonable security safeguards against risk such as information loss or unauthorized access, destruction, use, modification, or disclosure of data. This policy mandates the personnel accessing the organizational data to certify a non-disclosure and confidentiality agreement during and after the employment.
Backup and Recovery Policy	The objective of this policy is to define adequate back up requirements for the critical information and data of AI Fujairah National Insurance Co.
Internet Usage Policy	<ul style="list-style-type: none"> - To ensure efficient and reliable internet usage by all users in AFNIC. - To protect confidential information and intellectual property belonging to AFNIC and ensure that the risk of exposure is minimized. - To optimize and manage users productivity by monitoring the use of internet service.
Teleworking Policy	To mitigate the potential risk of exposure of information and information processing facilities of AFNIC while accessing it remotely through the approved virtual private network or other encrypted channels.
Clear Desk and Clear Screen Policy	Sensitive information could be accessible in many forms and it is necessary to identify and protect the information in all its forms. The Clear Desk and Clear Screen Policy is aimed at reducing the risks of unauthorized access, loss of, and damage to information by means of securing the work area at AFNIC Insurance.
IT System Continuity Policy	To ensure systems, applications and resources are available to support service continuity requirements of identified critical services and processes during abnormal situations or environment.

Moreover, AFNIC takes various steps to thwart against cyber-attacks by assimilating innovative techniques in terms of systems, process peoples and strategies into the business model.

AFNIC uses industry leading cyber security detection and monitoring solutions such as modern Firewalls, SIEM Solutions, NAC Solution, DLP Solutions, Email Security Solution, EDR Solutions, PAM Solution and Various VLAN and DMC Segregation to strengthen internal network.

AFNIC also educates its employees with diverse cyber security trainings and notifies them about emerging cyber security threats to keep them well informed about external interventions through cyber space. We also conduct assessments on employee cyber awareness in aspects such as Phishing, Malware attack, Password attack, SQL injection attack etc. These assessments enable AFNIC to understand its reactivity towards shielding any attacks and incident reporting practice, and provides scope for improvement.

AFNIC has strategic decisions, policies and procedures in place guided by industry best practices to maintain overall cyber/information security posture within the organization.

CUSTOMER EXPERIENCE AND SATISFACTION

Our customers are a top priority for AFNIC. We always seek to provide them with high quality services that add to their convenience and meet their needs and wants.

AFNIC has created a 'Customer Journey' plan to enhance and provide the best customer experience. This development plan has been in continuation with multiple options in line to further enhance customer experience. Below are some of the features of the 'Customer Journey' plan:



FEATURE	BENEFITS	AVAILABILITY
Website and Social Media	<ul style="list-style-type: none"> - This communication tool increases visibility and access to the offered products and services to the public. - More than 3 Billion people worldwide are actively using social media. - Website Services include: <ul style="list-style-type: none"> a. Call Back service b. Blogs: updated with current activities c. Contact information 	Available
Search Engine Optimization	<ul style="list-style-type: none"> - SEO can help the business grow and reach objectives. - The company will be ranked at the top for search results made with specific keywords. 	Developing
24 Hours Call Center	<ul style="list-style-type: none"> - Makes customer engagement easier by providing a way to contact the company at any time. - Well-trained operators will answer questions, resolve issues and issue quotations in a timely and professional manner. - 24 Hours answering service gives round-the-clock direct access to customers to contact the company. 	Available
Online Quote	<ul style="list-style-type: none"> - Faster and more convenient for the customer. - The number of customers will increase due to ease of access to their required service. 	Available
Walk-in Customer	<ul style="list-style-type: none"> - The customers can experience direct customer service from the company, which can result in positive word-of-mouth promotion. 	Available

FEATURE	BENEFITS	AVAILABILITY
Welcome / Thank you SMS	<ul style="list-style-type: none"> - Texting is one of the most personal marketing tools - Showing gratitude makes people feel valued - Showing the customer how much they are appreciated are important parts of the customer's emotional journey. 	Developing
Customer Survey SMS	<ul style="list-style-type: none"> - Customers surveys are the best way to make sure that the customer is satisfied and if they're not, give them the opportunity to remediate or to gather quick feedback from a broad audience. 	Available
Loyalty Program Invitation	<ul style="list-style-type: none"> - Building Customer Loyalty programs are very effective for retaining customers. - The goals of the loyalty program include increasing business, improving sales, strengthening the relationship between the customer and the business, and keep the customer coming back. 	Developing
SMS on Special Occasions	<ul style="list-style-type: none"> - With SMS messaging we can remain and engaged with customers. - Expressing care and attention will create an emotional connection between the client and the company 	Available
Claims by phone call	<ul style="list-style-type: none"> - Client's claim can be processed immediately 	Available
Website Call Back Service	<ul style="list-style-type: none"> - This well rounded customer service gives a higher chance to resolve the customers' requests quickly and efficiently. - Customers have increased satisfaction 	Available
Claim by Website	<ul style="list-style-type: none"> - It is convenient for the customer to make the claim, and for the company to register the claim. - Increases customer satisfaction 	Available
SMS Vehicle Collection	<ul style="list-style-type: none"> - This sharing of information builds trust with the customer. - Zero entry costs for this service. 	Available
After Claims Service	<ul style="list-style-type: none"> - Using recommendations to develop the claims department can be utilized in reducing customer dissatisfaction - After claims service gives access to understand customers' feeling; how they feel after making a claim, what they expect from AFNIC and how to respond if they are disappointed. 	Available
SMS and Phone Call Reminders	<ul style="list-style-type: none"> - Using SMS as an effective customer service channel to send important messages relating to a consumer renewal. - Phone call reminders provide a fast and convenient way to schedule reminders for renewal. 	Available

During the course of the pandemic AFNIC shifted its operations to be more online based. The wholly in-house AFNIC Call Centre was established along with the online payment facility. This allowed customers to receive their policies and quotations remotely.

AFNIC further sought to enhance its customer feedback systems by collecting feedback about its products and services through surveys sent by SMS. These SMS surveys are sent immediately after a policy is purchased with AFNIC. Customers are also able to provide their complaints and suggestions on the AFNIC website, Facebook, and Google. After receiving a complaint, the customer is immediately phoned by the Call Centre team to get the details of their complaint. If possible, the complaint is resolved at the same time or escalated to the next level of authority until the grievance is resolved.

AFNIC has also opened many communication channels and the employees responsible for each line of contact have been well trained to communicate eloquently with our clients:

- AFNIC toll free: 800 AFNIC (23642)

- AFNIC WhatsApp: 80023642

- AFNIC Social Media:



- AFNIC Website Call-Back Service

- Renewal reminder SMS

AFNIC employees undertake extensive training sessions to enhance their interactions with customers, while the processes of engaging with customers are audited on a regular basis to ensure customer satisfaction is achieved.

To measure AFNIC's customer satisfaction, surveys are sent to customers after the purchase of a policy to collect their feedback about AFNIC's products and services. The system used is provided by Question Pro, where all the responses are collected. Both summary reports and comprehensive reports are obtained through the Question Pro system, which enable for better analysis and process improvement.

A daily report on the customer satisfaction survey is provided to the Marketing & Sales Department Director. Any concerns regarding performance, or any negative reviews are addressed immediately by calling the customer and enquiring the concerned employee.

In 2022, AFNIC has received 105 complaints, among which 69 complaints were resolved, and the remaining 36 complaints were repeatedly unresponsive when phoned by our Call Centre representatives. Nonetheless, we are still actively trying to reach out to resolve these grievances.



CUSTOMER COMPLAINTS

	2020	2021	2022
Total number of complaints received	88	94	105
Total number of complaints resolved	76	90	69
% number complaints resolved	86%	96%	66%

All calls made to or by the Customer Service Call Centre are recorded. Every month, samples of calls attended by each Call Centre agent are evaluated by the Call Centre supervisor and feedback is provided to them on how to improve their service.

AFNIC has looked in to a loyalty program for AFNIC's loyal customers, and it is a part of the marketing strategy. Although, the program is still in the development phase.

OPERATING RESPONSIBLY

01

MATERIAL ISSUES COVERED:

- Sustainable Supply Chain
- Risk Management
- Fraud Prevention

02

ESG VISION COMPLIANCE:

Abu Dhabi Economic vision 2030	UN SDG 17	UAE Green Agenda 2015-2030
<ul style="list-style-type: none"> • Developing resilient infrastructure capable of supporting anticipated economic growth 	<ul style="list-style-type: none"> • Decent Work and Economic Growth • Industry, Innovation, and Infrastructure • Responsible Consumption and Production 	<ul style="list-style-type: none"> • Social Development and Quality of Life

SUSTAINABLE SUPPLY CHAIN

AFNICs' procurement procedures require all procurement activities to be performed in a fair and transparent manner. Suppliers are selected based on their ability to create the best value in terms of cost, quality and their compliance with legitimate and best practices requirements.

AFNIC has a procurement policy in place to organize and manage centralized purchasing and address transparency and fairness in supplier selection and evaluation. Providers are selected for their capability to serve the needs of the Company in the most economical and efficient manner possible. AFNIC requires all suppliers to be compliant with the UAE laws & regulations and AFNIC's procurement policies and procedures. AFNIC also ensures its suppliers do not partake in any form of forced or child labor and has a strong solicitude towards human rights.

All procurement transactions are governed by Ethical business standards and purchases are made only from responsible providers. Providers doing business with AFNIC are monitored as to how they perform and are held to standards promoting sound and ethical business practices.

AFNIC evaluates all providers for their responsibility, business integrity, record of past performance, insurance, reputation, financial and technical resources in addition to any other measures it deems relevant.

Supporting local suppliers in the UAE boosts our contribution to the local GDP. When acquiring any products or services, the first option is always a local supplier. In 2022, 100% of the total procurement budget was spent on over 109 local suppliers.



Procurement			
	2020	2021	2022
Total number of local suppliers engaged	131	97	109
Procurement spending on local suppliers (AED '000)	44,219	33,126	39,684
Total Procurement Spending (AED '000)	46,219	33,126	39,684
Proportion of spending on local suppliers (%)	96%	100%	100%

RISK MANAGEMENT

AFNIC recognizes that the success of risk management determines the health and life of the business enterprise. If an organization fails to identify risks to its existence, it will be ill prepared to face any risk events.

AFNIC's risk management encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, financial, operational and compliance risks to achieving its key business objectives. AFNIC seeks to minimize the adverse impact of these risks, thus enabling it to leverage market opportunities effectively and enhance its long-term competitive advantage. Our core values and ethics provide the platform for our risk management practices.

Designation of leadership roles and responsibilities is critical for effective risk management. AFNIC has precisely defined such roles and responsibilities for the executives, business managers and the Internal Control Department for developing and executing risk management policies.

The board of directors is responsible for approving key business objectives, setting risk management strategy, monitoring and approving the risk management framework, reviewing and approving the corporate risk appetite and risk tolerance.

The Management's role includes oversight of risk management practices, including identification, impact assessment, monitoring, mitigation, and reporting.

The Internal Control Department (ICD) also plays an important role in evaluating the risk management processes of an organization and advocating their continued improvement. ICD monitors these risks and reports to the management on periodic basis in respect of the identified risks. Further, the risk improvement recommendations are given to the division manager. Risk response is received from the division manager and the same is discussed with the AFNIC Management. Summary of the major risks is presented and discussed with the Board on periodic basis.



We also maintain a risk register that classifies each category of financial, non-financial and emerging risks susceptible to AFNIC. The risk register is considered as a principal monitoring tool as it facilitates a holistic examination of risks across the enterprise. The following is a snippet of the risk register maintained:



RISK TYPE	RISKS IDENTIFIED	DESCRIPTION	MANAGEMENT RESPONSE
Operational Risks	Pricing/ Premium Rating	Premium not in line with risk assumed	A detailed Rating Guideline Manual for each class of Insurance and each type of Insurance with appropriate Rating Methodology is in place.
	Inadequacy of Reinsurance Program	Risk of inadequate protection if the Reinsurance Program is not adequately planned.	We undertake proper planning of Reinsurance Protection taking into account the Requirements of the Company.
Financial Risks	Premium collections	Risk of premium collection from Brokers and Sales Division.	The account will automatically freeze in case the collection exceeds credit limit for on account clientele. Moreover, ongoing monitoring done by collection department.
	Claims payments	Unexpected spike in claims	We ensure adequacy of reserve and moreover adequate Reinsurance support is availed
IT Security Risks	Improper Database Administration	Wrong updates can lead to Database Corruption and mismatch of records which might mislead data information.	Database Administration SYS user is controlled by the IT Manager and no other user has access to make any changes.
	Network Intruders	Outsiders access to AFNIC network	Network Access control enables to block if any unknown intruder tries to connect in AFNIC Corporate Network
Compliance Risks	Non-Compliance of Regulatory Requirements	Non Compliance with any new and existing regulation can result in payment of penalties.	Comprehensive compliance monitoring by Compliance Official.

FRAUD PREVENTION

AFNIC's formal and well-written Code of Conduct clearly defines our expectations of ethical behavior. The employees are expected to act with honesty and integrity and report any instance of suspected fraud.

All instances of actual and suspected fraud are dealt with seriously and investigated appropriately. AFNIC's Code of Conduct policy clearly states dealing fairly with clients, customers and counterparties and appropriately identify and manage actual, perceived and potential conflicts of interest. The policy also states that any gifts from the customers, suppliers, associates or any party involved in doing business with AFNIC should be declared in the Gifts Declaration Form and submitted to the Human Resources



AFNIC also has in place a Whistleblower policy which encourages staff to report irregularities, incidents of suspected fraud, wrongful conduct and other infringements of the rules and policies in force. 'Whistle Blower' reports are handled with sensitivity, discretion and confidentiality. AFNIC protects 'Whistle Blowers' against 'retaliation' and verifies the reported incidents in an appropriate manner and all necessary steps are undertaken to identify proper remedies. Any form of retaliation undertaken by an employee, against any person for reporting irregularity, is prohibited and considered a breach of the AFNIC's Code of Conduct and Ethics. The Whistle Blower should report any reasonable concern about wrongful conduct, including aggressive, offensive or otherwise inappropriate behavior, fraudulent or dishonest use or misuse of AFNIC resources / property, to the appropriate authority. Protected disclosures and investigatory records are kept confidential to the maximum extent possible, consistent with the need to conduct an adequate investigation.

EXTERNAL ASSURANCE

AFNIC have not sought any external assurance to review this non-financial report. Nonetheless, we have followed an extensive internal assurance process to warrant our stakeholders on the accuracy of the information present in this report. Our financial statements are independently audited by Grant Thornton LLP and can be found at <https://afnic.ae/en/financial-statements1>.



APPENDIX A: GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 102: General Disclosures 2016	102-1	Name of the Organization	Al Fujairah National Insurance Company PJSC
	102-2	Activities, brands, products, and services	Motor, Property and Casualty, Medical, and Life Insurance
	102-3	Location of Headquarters	Fujairah, UAE
	102-4	Location of Operations	Fujairah, Dubai, Abu Dhabi, Sharjah, Dibba
	102-5	Ownership and legal form	80% Fujairah Government, PJSC
	102-6	Markets served	Individual and Corporate
	102-7	Scale of Organization	Pg. 25,29
	102-8	Information on employees and other workers	Pg. 28,29,30,31,32
	102-9	Supply Chain	Pg. 48
	102-10	Significant changes to the organization and its supply chain	There were no significant changes in supply chain during 2022

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 102: General Disclosures 2016	102-11	Organizations approach to risk management	Pg. 49
	102-12	List of ESG charters organization endorses	Pg. 16
	102-13	Membership of associations	Not Applicable
	102-14	Statement from CEO	Pg. 2
	102-16	Values, principles, standards, and norms of behavior	Pg. 4,5
	102-18	Governance Structure	Pg. 19,20,21
	102-40	List of stakeholder groups	Pg. 11
	102-41	Collective bargaining agreements/ Trade Unions	Laws in the UAE does not allow collective bargaining, formation of Trade Union
	102-42	Identifying and selecting stakeholders	Pg. 11
	102-43	Approach to stakeholder engagement	Pg. 12
	102-44	Key Topics and Concerns raised by stakeholders	Pg. 12
	102-45	Entities included in the consolidated financial statement	Not Applicable to AFNIC

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 102: General Disclosures 2016	102-46	Defining Report content and Topic boundaries	Pg. 1,63
	102-47	List of Material Topics	Pg. 13
	102-48	Restatements of Information	Whistle blowing policy sections mentioned (Diversity & Gender equality, Fraud Prevention)
	102-49	Changes in reporting	There were no significant change in the reporting in 2022
	102-50	Reporting period	There were no significant change in the reporting in 2022
	102-51	Date of most recent report	March 2021
	102-52	Reporting cycle	Annual
	102-53	Contact point regarding the report	Pg. 1
	102-54	Claim of reporting according to GRI standards	Pg. 1
	102-55	GRI content index	Pg. 53
	102-56	External assurance	Pg. 52
	GRI 103: Management Disclosures 2016	103-1	Explanation of material topic and its boundary
103-2		Management approach	Pg. 15, 16
103-3		Evaluation of management approach	Pg. 15, 16

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 200 SERIES: ECONOMIC STANDARDS			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pg. 25
	201-2	Financial implications, risks and opportunities due to climate change	Information Unavailable
	201-3	Benefit plan obligations and other Retirement Plans	AFNIC registers all its Emirati employees in the GPSSA scheme mandated by the UAE legislation
	201-4	Financial assistance received from government	Information Unavailable
GRI 202: Market Presence 2016	202-1	Entry level wage by gender compared to local minimum wage	UAE has no minimum wage law
	202-2	Proportion of senior management hired from local community	100%
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investment and services supported	Not Applicable to AFNIC
	203-2	Significant indirect economic impacts	Not Applicable to AFNIC
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Pg. 48
GRI 205: Anti -corruption 2016	205-1	Operations assessed for risks related to corruption	Pg. 22,23,49,50,51
	205-2	Communication and training relating to anti-corruption policies and procedures	Pg. 23
	205-3	Confirmed incidents of corruption and actions taken	There were no incidents of corruption in 2022
GRI 206: Anti-competitive behavior 2016	206-1	AFNIC did not experience any legal repercussions for the matter in 2022	Legal actions for anti-competitive behavior, anti-trust and monopoly practices
GRI 207: Tax 2019	207-1	Approach to tax	Information Unavailable
	207-2	Tax Governance, Control, Risk Management	Information Unavailable
	207-3	Stakeholder engagement and management of concerns related to tax	Not Applicable to AFNIC in 2022
	207-4	Country by country reporting	Not Applicable to AFNIC

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 300 SERIES: ECONOMIC STANDARDS			
GRI 301: Materials 2016	301-2	Recycled input materials used	Not Applicable to AFNIC
	301-3	Reclaimed products and their packaging materials	Not Applicable to AFNIC
GRI 302: Energy 2016	302-1	Energy consumption within organization	Information Unavailable
	302-2	Energy consumption outside organization	Information Unavailable
	302-3	Energy intensity	Information Unavailable
	302-4	Reduction of energy consumption	Information Unavailable
	302-5	Reduction in energy requirements of products and services	Information Unavailable
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	Not Applicable to AFNIC
	303-2	Management of water discharge related impacts	Information Unavailable
	303-3	Water withdrawal	Information Unavailable
	303-4	Water discharge	Information Unavailable
	303-5	Water Consumption	Not Applicable to AFNIC
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas or areas of high biodiversity value outside protected areas	Not Applicable to AFNIC
	304-2	Significant impacts of activities, products, and services on biodiversity	Not Applicable to AFNIC

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 300 SERIES: ECONOMIC STANDARDS			
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Not Applicable to AFNIC
	304-4	IUCN red list species and national conservation list species with habitats in areas affected by operations	Not Applicable to AFNIC
GRI 302: Energy 2016	305-1	Direct GHG emissions	Not Applicable to AFNIC
	305-2	Energy indirect GHG emissions	Not Applicable to AFNIC
	305-3	Other indirect GHG emissions	Not Applicable to AFNIC
	305-4	GHG emissions intensity	Information Unavailable
	305-5	Reduction of GHG emissions	Information Unavailable
	305-6	Emissions of O-zone depleting substances	Not Applicable to AFNIC
	305-7	Nitrogen Oxides, Sulfur Oxides and other significant air emissions	Not Applicable to AFNIC
GRI 306: Waste 2020	306-1	Waste generation and significant waste related impacts	Not Applicable to AFNIC
	306-2	Management of significant waste related impacts	Not Applicable to AFNIC
	306-3	Waste generated	Information Unavailable
	306-4	Waste diverted from disposal	Not Applicable to AFNIC
	306-5	Waste directed to disposal	Information Unavailable
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	There were no non-compliance with environmental laws in 2022

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 300 SERIES: ECONOMIC STANDARDS			
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Not Applicable to AFNIC
	308-2	Negative environmental impacts in the supply chain and actions taken	Not Applicable to AFNIC
GRI 400 SERIES: ECONOMIC STANDARDS			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Pg. 29
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not Applicable to AFNIC
	401-3	Parental leave	Pg. 28
GRI 402: Labor management relations 2016	402-1	Minimum notice period regarding operational changes	Information Unavailable
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	AFNIC's occupational health and safety measures are communicated with the employees during induction, moreover, the HR and Admin ensures all measures of safety is in place to provide quality work-space for all employees.
	403-2	Hazard identification, risk assessment and incident investigation	Afnic takes all necessary safety measures to ensure its employees are well protected against any work related hazards/injuries.
	403-3	Occupational health services	Pg. 33, 34
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pg. 33, 34
	403-5	Workers training on occupational health and safety	Pg. 33, 34
	403-6	Promotion of worker health	Group Medical and Life Insurance are provided for all AFNIC employees

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 400 SERIES: ECONOMIC STANDARDS			
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts linked by business relations	Not Applicable to AFNIC
	403-8	Workers covered by occupational health and safety management system	All Employees
	403-9	Work-related injuries	No reported injuries in 2022
	403-10	Work-related ill health	No reported work-related ill health in 2022
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Pg. 30
	404-2	Programs for upgrading employee skills and transition assistance programs	Pg. 30
	404-3	Percentage employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Pg. 19,20,21,32
	405-2	Ratio of basic salary remuneration men to women	Pg. 32
GRI 406: Nondiscrimination 2016	406-1	Incidents of discrimination and corrective actions taken	AFNIC did not encounter any legal action or recorded any incidents of discrimination in 2022
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association or collective bargaining maybe at risk	Labor unions or workers councils are not legal in the UAE labor law.
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Pg. 21, 48
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for forced or compulsory labor	Pg. 21, 48

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 400 SERIES: ECONOMIC STANDARDS			
GRI 410: Security practices 2016	410-1	Security and personnel trained in human rights policies or procedures	All employees are governed by AFNIC code of conduct and ethics.
GRI 411: Rights of indigenous people 2016	411-1	Incidents of violation involving rights of indigenous people	No incidents recorded in 2022
GRI 412: Human rights assessment 2016	412-1	Operations subject to humans rights review or impact assessment	Not Applicable to AFNIC
	412-2	Employee training on human rights policies or procedures	AFNIC's human rights policy is unified with its code of conduct and ethics, and we ensure all our employees comply with the set standards.
	412-3	Significant investment contracts and agreements with human rights clauses or human rights screening	Information Unavailable
GRI 413: Local communities 2016	413-1	Local community engagement, impact assessment, and development programs	Pg. 37,38
	413-2	Operations with significant actual or potential negative impact on local communities	No known incidents in 2022
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Not yet disclosed
	414-2	Negative social impacts in the supply chain and actions taken	Not yet disclosed
GRI 415: Public policy 2016	415-1	Political contributions	Information Unavailable
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of products and service categories	Not Applicable to AFNIC
	416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable to AFNIC

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE NAME	PAGE REFERENCE/ DIRECT RESPONSE
GRI 400 SERIES: ECONOMIC STANDARDS			
GRI 417: Marketing and labeling 2016	417-1	Requirement of products and service information and labeling	All AFNICs products and coverages are explained thoroughly to the customer during client onboarding and the policy schedules states all the information clearly and succinctly.
	417-2	Incidents of non-compliance concerning products and services information and labeling	No known incidents in 2022
	417-3	Incidents of non-compliance concerning marketing communications	No known incidents in 2022
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy or losses of customer data	No incidents recorded in 2022
GRI 419: Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	AFNIC did not face any legal action or fine due to non-compliance with the social and economic laws in 2022

APPENDIX B: REPORT SCOPE AND BOUNDARY

REPORT SCOPE AND BOUNDARIES	
Completeness and Aspect Boundaries	This report has been produced with an attempt to make it as complete as possible and covers major activities of AFNIC and its branches in the UAE.
Materiality	This report covers the most material issues to AFNIC and its stakeholders. In alignment with the principles of the GRI Standards, AFNIC's materiality assessment consists of topics that reflect the reporting organization's significant economic, environmental, and social impacts; or substantively influence the assessments and decisions of stakeholders.
Stakeholder Inclusiveness	AFNIC has identified its stakeholders, and explains how it has responded to their reasonable expectations and interests.
Sustainability Context	AFNIC has considered industry sector and regional trends in sustainability that affect its activities.
Reporting Cycle and Timeliness	This report covers the calendar year of 2022. Information disclosed in the report is recent and clearly indicates the time period to which it relates.
Accuracy	The information in this report has been presented in the most accurate form to the best of AFNIC's ability
Balance	The reported information reflects a balanced perspective of AFNIC's overall performance.
Clarity	AFNIC has made best possible effort to make the information available in a manner that is understandable and accessible to a wide range of stakeholders.
Comparability	Comparisons are made throughout the report against preceding periods.
Reliability	The information in this report represents the best data available to AFNIC which can be subjected to examination.
Assurance	This report has not been externally audited or assured.