



AXA Green Crescent Insurance Company P.J.S.C

**Sustainability Report
2020**





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Introduction



About us

AXA Green Crescent Insurance Company P.J.S.C. (AXAGCIC) was created in 2014 with an aim to offer life protection and savings plans to individuals and corporates and businesses in the UAE and the GCC.

With a single-minded aim to put customers first, AXAGCIC focuses on empowering its customers by tailoring its services and products to serve them better. AXAGCIC has a workforce of 21 employees, 1 branch and a wide range of customers.



CEO Message

We are pleased to issue the first sustainability report of AXA Green Crescent Insurance Company P.J.S.C.

The year 2020, history will remember, not only due to the pandemic that has disrupted businesses and lives across the globe, but because it has raised concerns on issues that the businesses must address in the years to come. Sustainability has rather surfaced as a more important element that need to be factored in by the businesses.

Our approach to sustainability is aligned with the Sustainable Development Goals (SDGs) issued by United Nations and supports the delivery of our own strategic priorities, specifically the provision of a safe and sustainable environment and the engagement, attraction, development and retention of people. These are all central to the long-term growth of our company. This report is primarily aimed at handling the Economic, Social and Governance (ESG) reporting requirements in line with ADX ESG Disclosure Guidance.

Although we are making good progress in approaching our sustainability goals and long-term goals, we thrive on continuously improving ourselves and challenge our goals to higher limits. We continue to strengthen our focus on those areas where we have not fully met our targets or where we want to aim higher. This Sustainability Report 2020 serves as our communication on progress, an annual disclosure to stakeholders on progress made in relevant sustainability areas.

Our approach is to balance the needs of society, the environment and the economy in our own operations and across our value chain. Over the past year, my team and I have strengthened our engagement with internal and external stakeholders on issues that are important to them, and we reached out for their assessment of our materiality process and this report. This feedback informs our focus on the issues facing our world and our clients, which allows us to prioritize activities within our business strategy. Our engagement with key stakeholder groups enabled us to identify our material sustainability topics.



CEO Message

We seek to provide an insight regarding the ESG indicators we incorporate in our business model and how we plan to go ahead with blending ESG within all our operations. We are dedicated to deliver our corporate responsibility through enhancing our customer services, honoring timely claims and serving the community.

Lastly, we are committed to promote social improvements in our communities, including human rights across the value chain. With our great people, leading technologies and the support of our stakeholders, I am confident that we will meet our objectives and be a significant contributor to sustainable development. Thank you for your trust and support.

**Mohamed Seghir
CEO**



2020 Key Performance Highlights

Registered a net profit of AED 2.2 million in 2020, compared to a net Profit of AED 0.1 million in 2019.

We managed to maintain volumes of life insurance, despite tough competition in the market. We registered net underwriting income of AED 11.5 million in 2020 as compared to a total net underwriting income of AED 8.3 million in 2019 representing a favourable increase of AED 3.2 million.

The total operating costs decreased by 3% with controlled expenditures on administration and related costs.





About this Report

We are pleased to present our first sustainability report 2020. While we issue this report we demonstrate our commitment towards ADX initiative to drive sustainability in alignment with UAE national vision 2021, Abu Dhabi Economic Vision 2030 and national & global efforts on adopting sustainable development goals (SDG) through all the activities in business value chain.

This report is prepared in reference to ADX ESG Disclosure Guidance and Global Reporting Initiative (GRI). Based on such references, this report includes the areas which are material to AXAGCIC's business model.

Disclaimer

AXAGCIC has made reasonable effort to ensure accuracy and reliability of the information presented herein. However, certain statements may be require an update going forward depending on the circumstances. Some information is based on certain assumptions using currently available data which is subject to changes as a result of continuously changing business environment. AXAGCIC assumes no risk or obligation to publicly update any information made in this sustainability report. Please do not use this communication as a recommendation to buy, sell or hold shares. Users are advised not to place undue reliance on information presented herein. AXAGCIC shall not take any responsibility for any loss or damage of whatever nature that arises due to use of this information.

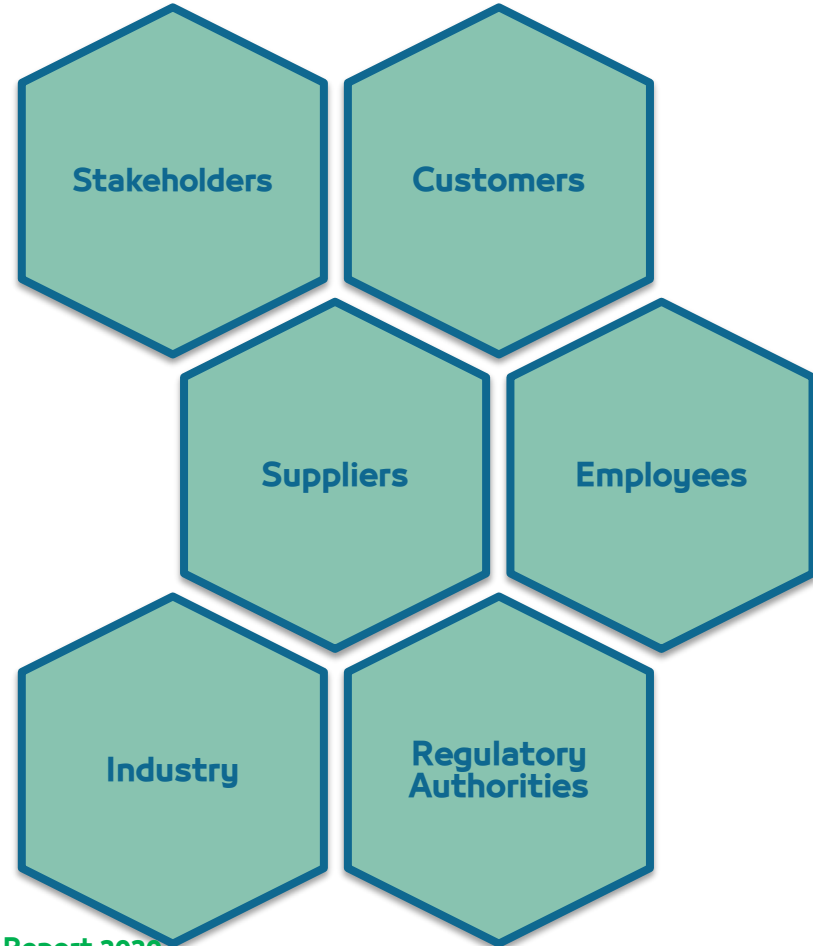


Sustainability



Stakeholder Engagement

This report presents the way AXAGCIC views sustainable development issues and it engages with the stakeholders. Our deeper understanding of the internal & external stakeholder perspectives and opinions is our strength in materiality assessment. AXAGCIC focus on continuous improvement of the stakeholder engagement process and understand that it is critical for success. This close coordination and engagement enables us to operate sustainably and meet all our stakeholders' expectations & concerns.



Our Stakeholders					
Shareholders	Customers	Suppliers	Employees	Industry	Regulatory Authorities
How we Engage them:					
Market Disclosure	Customer services through multiple platforms like Website, Calls, Emails	Trainings & Workshops	Intranet	Networking Events	Voluntary participations
General Assembly		Events	Newsletter	Conferences	Publications
Personal contacts by Investor Relations	Market Surveys & Customer Feedback			CEO Communications	Collaborations
Corporate Notices		Personal Contacts	Team Building	Personal Contacts	



Materiality Assessment

Based on our ongoing stakeholder engagement, we have concluded our materiality assessment with identification of material topics. We believe this would enable us to put our contribution to sustainable development goals. We also referenced Global Reporting Initiative to align with best practices. Our approach to materiality assessment was primarily aimed at identification of material topics which are more relevant to us in terms of our business impact and at the same time hold sufficient importance to our stakeholders.

Materiality Matrix



1. Governance, Transparency & Anti Corruption
2. Data Privacy and Security
3. Climate Risk and Energy Management
4. Digitalization Initiatives
5. Emiratization
6. Occupational Health and Safety
7. Diversity and Equal Opportunity
8. Social Impact and CSR
9. Sustainable Procurement Practices

Alignment with Sustainable Development Goals

Our sustainability efforts are in alignment with universal priorities such as the UAE Vision 2021 and the United Nations Sustainable Development Goals (SDGs). This would position us to contribute to sustainable development of our economy. We recognize our role to deliver meaningful contributions to national and international efforts on sustainability priorities and we have aligned our sustainability plans and efforts to support these goals



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Governance & Risk Management





Governance, Transparency & Anti Corruption

AXAGCIC is committed to ensure transparency, integrity, and accountability across all business operations. We maintain high level of corporate governance and implement responsible business practices to achieve these objectives.

As our business is to protect people, we use effective governance criteria that allow our operations to run smoothly with an integrated system of policies and mechanisms.

AXAGCIC's Corporate Governance Report serves as the main tool for transparency and interaction with the public. This report bridges a link between the Board of Directors, executive management, shareholders, and other stakeholders. It brings governance to the attention of the public at large.

AXAGCIC ensures Board independence by segregating roles of CEO and BoD Chairman. Nine members make up the Board of Directors. All board members, including the Chairman, are non-executive and 4 board members, including the Chairman, are independent which comprise 44.44% of overall Board composition. Female representation at the board level stands at 11.11% which brings more diversity to the Board of Directors.

Four committees assist the Board of Directors to effectively manage company affairs and ensure a more robust management approach. Each committee is governed by its own operating procedures with reference to governing meetings, meeting quorum and decision making.

Governance, Transparency & Anti Corruption

Audit Committee

The Audit Committee consists of three non-executive members; all of them are Board Members. All the Audit Committee members are well-versed in finance, investment, accounting and human resource management.

The Audit Committee's responsibilities include:

- Selection, appointing, remuneration, oversight and termination where appropriate of the external auditor, subject to ratification by the Board and shareholders.
- Ensuring external auditor's independence.
- Review and discuss with the external auditor the scope and results of its audit.
- Review the soundness and integrity of the financial statements.
- Selection, appointment and termination where appropriate of the Head of Internal Audit and monitor management's responsiveness to the committee's recommendations.
- Review the Company's internal auditing personnel and the Company's internal controls and compliance procedures.
- Oversee the Company's risk management procedures.
- Oversee the Company's compliance with legal and regulatory requirements.
- Develop and recommend to the Board corporate governance guidelines and review guidelines once a year.



Governance, Transparency & Anti Corruption

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three non-executive members; all of them are Board Members. The Committee aims to support the Board of Directors in ensuring the integrity of the Company strategy related to the rewards, benefits, incentives, and salaries.

The Nomination and Remuneration Committee's responsibilities include:

- Recommendations to the Board to fill vacancies either through appointment by the Board or through shareholder election.**
- Ensuring orderly succession planning of senior management.**
- Recommendations to the Board on the structure and job descriptions of the officers including the CEO.**
- Recommend persons to fill specific officer vacancies including CEO considering criteria such as those referred to above.**
- Design a succession plan of officers including replacement in the event of an emergency or other unforeseeable vacancy.**
- Recommendations to the Board on, both remuneration policy and individual remuneration packages for the CEO and other senior officers.**



Governance, Transparency & Anti Corruption

Insiders' Trading Follow-Up and Supervision Committee

AXAGCIC is fully aware of its governance requirements and ensures compliance with required rules and regulations. Formation of Insiders' Trading Follow-Up and Supervision Committee is a leap in same direction. The Insiders' Trading Follow-Up and Supervision Committee consists of three members; one of them is a Board Member. The Committee aims to keep a check on the dealings of Insiders from the Board of Directors, Executive Management and Employees of the Company.

The Insiders' Trading Follow-Up and Supervision Committee's responsibilities include:

- Follow-up, and supervision of insiders' trading and their holdings.**
- Prepare a special and comprehensive register for all insiders.**
- Informing the concerned persons on their status as soon as they are considered insiders and require them to sign the formal declaration which is prepared for that purpose.**
- Informing the Insiders about the insiders trading prohibition period determined by the regulator.**



Governance, Transparency & Anti Corruption

Investment Committee

The Investment Committee consists of three members; one of them is a Board Member. The Committee aims to support the Board in reviewing and adopting the investment policy as well as ensuring its compatibility with the investment strategy.

The Investment Committee's responsibilities include:

- **Review and submit for Board approval a written investment policy.**
- **Review all risk limits and exposures in the investment activities on a regular basis.**
- **Review implementation of the Policy on a quarterly basis.**
- **Review the Policy at least once a year.**



Sustainable Procurement Practices

AXAGCIC is committed to maintaining a sustainable business model. Our procurement operation is an essential aspect of our business model and business continuity. We, therefore, aim to attain strong relationships with our vendors.

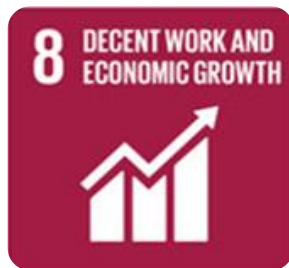
AXAGCIC remains committed to develop its procurement operation in consideration of social and environmental impact where we minimize our environmental footprint.

AXAGCIC has taken steps to ensure avoidance of abuses to human rights within the overall value chain. AXAGCIC's 'human rights policy' and 'child & forced labor policy' also covers its suppliers who are obliged to ensure that they do not breach these policies and do not fail to take corrective action within an agreed timeline in case of any potential incident.

AXAGCIC strives to maintain long-term business relations based on mutual trust and benefit with our business partners and vendors based on honest and fair practices. Our code of conduct provides clear guidelines to employees on interactions with vendors and unethical business practices. Our procurement requirement primarily falls under two types, IT and Non-IT services & supplies.

AXAGCIC's vendor selection is based on detailed request for proposal process which covers all detailed aspects of the relevant project. Further minimum three quotations are required for all major CAPEX and OPEX before the final selection of vendor.

Customer Focus





Data Privacy and Security

In the current modern times, technological advances play a significant role in defining how a business operates and how it offers services to its customers. Insurance, being a data centered industry, necessitate that we improve on information and our deeper understanding of data assists us in creating additional value for our customers. AXAGCIC is managing a wealth of information as part of its routine business.

AXAGCIC continuously takes measures to mitigate the risks associated with management of data and its security and ensures compliance with all applicable information security requirements in line with regulations and best industry practices. AXAGCIC's annual IT audit is another medium of attaining confirmation on improved IT security practices in addition to implementing advanced security management system.

Core data principles regarding Data Processing and Storage cover access rights as well as data's movement and tracking:

- Data access rights are relevant and up-to-date
- Data are available to teams in a timely manner
- Master data (including reference data and meta data) are maintained separately from processing applications
- Data lineage is tracked and recorded; data lineage refers to data's origin and where it moves over time
- Data lifecycle management is ensured and aligned to Business needs



Data Privacy and Security

AXAGCIC has a formal IT Security strategy in place to protect our data and systems. Strong access controls are in place to prevent any unauthorized access. Cryptographic controls are implemented to maintain confidentiality and integrity of data at rest and in transit.

On the network level, we have strong perimeter security controls like Next generation Firewalls, Intrusion Prevention System, Web Application Firewall, etc. Antivirus/Anti-Spam filter is in place to protect against external attacks. Removable media usage is blocked within AXAGCIC (e.g. USBs, hard drives, etc) to avoid any risks due to malware.

In all site locations we have an access control system with encrypted access card IDs. We also have CCTV covering all entrances to offices. This enables us to quickly identify anyone who is not supposed to be in our office locations and protects physical documents and theft of laptops or other storage equipment.

In each location any servers, switches, DRVs, back-ups or mass storage devices are protected in server room locations within the office area or in data centers. Our data centers are ISO certified. Our server rooms are access controlled with dual fingerprint and card verification controls. All these rooms are alarm systems and have CCTV surveillance as well. The alarms are triggered in a central security room and access is given by an approval process requiring security, IT and service delivery teams



Digitalization Initiatives

AXAGCIC launched a fully digitalized life insurance solution. The primary aim is to digitalize the operational setup not only as a value addition with customer focus but at the same time it goes well in line with our part of the contributions for environmental sustainability.

Life Protect aims to encourage customers to protect themselves and their loved ones from financial hardships that they might face in the event of death or illness. With a fully automated and API-capable platform, customers can now get a life protection cover in under two minutes, from the comfort of their home.

In continuation to its efforts towards digitalization, AXAGCIC also formed a partnership with Policybazaar, one of the Middle East's leading insurance comparison platforms, to enable UAE customers to buy a comprehensive term life insurance plan directly via Policybazaar's aggregator portal.

AXAGCIC incurred operational expenditure of AED 570k in achieving these digitalization objectives and aims to further continue its efforts in developing its digitalization platform.



Community Focus





Occupational Health and Safety

AXAGCIC is committed to the highest standards of health and safety in the workplace because we value and care for our workforce. Adherence to safe labour practices and laws regarding working hours is vital to ensure we protect the wellbeing of our people. We have established a Health and Safety policy whereby all employees and third parties are expected to adhere to the health and safety rules and report any violation of health and safety immediately.

No fatalities were recorded both in 2020 as well as 2019. The total recordable injuries for employees as well as contractors stood at zero.

The AXAGCIC Wellbeing for Employees (AWE) Program is a dedicated program focused on the overall wellbeing of our employees. The objective of the program is to promote healthy lifestyle behaviors, provide employees with support in various aspects of their lives as well as encourage interactions across departments and countries to increase engagement and positively influence the company culture.

AXAGCIC is committed to protecting the Health and Safety of employees and anyone affected by its global undertaking.

In this regard, the responsibility of AXAGCIC extends to:

- **Employees during working hours, including external providers on site.**
- **Business travellers, 24/7 during their travel, including external providers travelling on AXAGCIC behalf and according to their contract.**
- **Expatriates and their families 24/7 for the duration of their contract.**
- **Contractors and sub-contractors undertaking activities for, or on the behalf of, AXAGCIC.**
- **Visitors.**



Social Impact and CSR

Social Impact and CSR not only impacts the society we live in and create a healthier community, but it has also become a part of AXAGCIC's business for success. AXAGCIC look to build a crucial ethical stand, in which we are passionate for fulfilling our public duty. Our actions must benefit the whole of society. In this way, AXAGCIC look to create the right balance between economic growth and the well-being of society and the environment.

AXAGCIC is committed to nurturing and maintaining the health and wellness of communities in which it operates. AXAGCIC looks to promote healthier, happier living, through its community investments initiatives.

AXAGCIC is in the business of protecting people, and in our world trust and solid relationships are extremely important. By developing key CSR initiatives that empower people to live better lives, we are able to work towards building a better, more socially responsible world.

We encourage our employees to give back to society through AXAGCIC Hearts in Action, our employees initiate activities for causes that fall under our five focus areas:

- **Environment;**
- **Health;**
- **Disability;**
- **Social Welfare; and,**
- **Education.**



Social Impact and CSR

The Corporate Social Responsibility Week is the opportunity for AXAGCIC and their employees to express their commitment towards Corporate Social Responsibility. 10 employees joined hands to celebrate the event and spent time in the following activities:

- **Distributing food for poor families**
- **Blood donation drive in alignment with the world blood donor day**
- **Different sports activities**

We believe that being there is more important than the financial support that we extend to our communities. We therefore aim to increase our participation in the community initiatives going forward.



Our Employees





Diversity and Equal Opportunities

AXAGCIC's objective on diversity and equal opportunity is supported by the fact that it operates in a country which is open to all nationalities and it makes it easier to have access to a diverse resource pool. UAE is home to a wide range of nationalities from all parts of the globe. AXAGCIC's ethnic diversity is well represented by its employees from 12 different nationalities who gel together to make a winning team. AXAGCIC equally supports people based on merit and they come forward to contribute to AXAGCIC's success. We value our human capital and very well understand the strategic importance of having a diverse workforce which brings added value to our knowledge base.

We believe that our employees' satisfaction is equally important as keeping our customers happy. We, therefore, promote a positive work environment and work towards employees' financial well-being & security, and continuous learning. Considering that we are operating in insurance sector which is relatively more dynamic in nature, we understand that we require much more higher level of skill and learning aptitude in our people while choosing and retaining them. We work towards a merit based attractive work environment which serves as the foundation to building a solid corporate culture.

AXAGCIC is committed to equal opportunity in all aspects of employment and to fostering an environment where there are no "glass ceilings". AXAGCIC opposes all forms of unfair or unlawful discrimination and does not tolerate discrimination based on age, race, nationality, ethnic origin, gender, sexual orientation, gender identity or expression, religion, marital status, or disability. AXAGCIC's satisfied workforce is a reflection of its strict adherence to a formal non-discrimination policy.

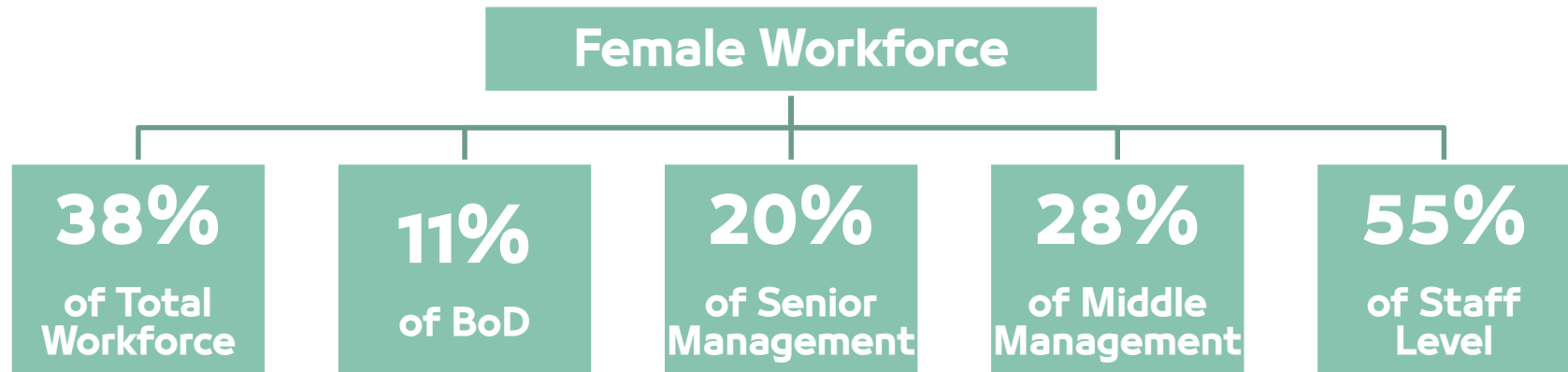
Our continued efforts are aimed to keep the employee turnover at a low level to ensure uninterrupted business continuity. In 2020, YoY turnover for FTEs remained at 18.6% while YoY turnover for contractor / consultants was zero. Contractor / consultants comprise 14% of our total workforce.



Diversity and Equal Opportunities

AXAGCIC is keen to develop a more diverse workforce which enhances value creation. In 2020, female employees made up 38% of the workforce. Female employees among senior management was 20% and 28% among middle management. The female employees in our staff level is at 55%. Female representation on the Board of Directors in 2020 is 11%.

Reduced inequalities and gender equality is at the forefront of AXAGCIC's human capital development. In 2020, the ratio of CEO total compensation to median Full Time Equivalent (FTE) employees total compensation was measured at 7.6:1. Further, in 2020 ratio of median male compensation to median female compensation was measured at 1:0.5 which is in line with the overall composition of male and female employees at different grades.

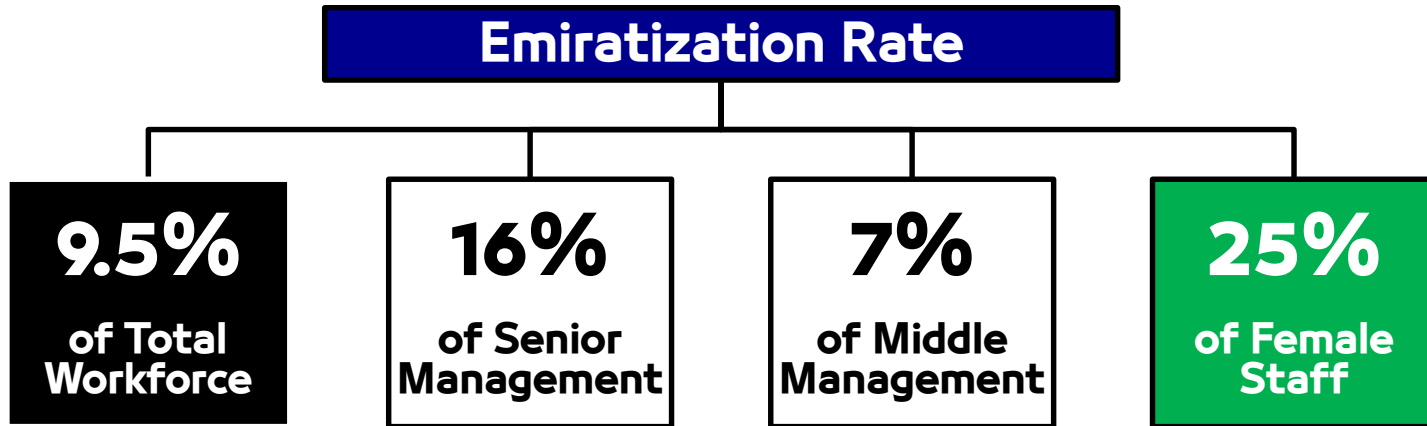




Emiratization

AXAGCIC is keen to develop UAE Nationals to achieve strong performance for today and sustainable talent for tomorrow. In 2020, UAE Nationals made up 9.5% of the workforce. Emiratization rate among senior management was 16% and 7% among middle management. The Emiratization rate in our female workforce is at an astounding level of 25% UAE National females.

We aim to give preference to UAE nationals in our recruitment process wherever possible and we look forward to further strengthen our workforce by growing a healthy Emiratization rate.



Environmental Responsibility





Climate Risk and Energy Management

AXAGCIC is committed to managing its environmental footprint and safeguarding natural resources which is evident from AXAGCIC's adoption of an Environmental Policy that deals with environmental issues.

We align our operational goals and collaborate with employees and vendors to operate responsibly and encourage continuous improvements in our environmental footprint.

We acknowledge the importance of environmental issues currently faced globally and we understand that prompt measures are needed to address the climate change. Although we do not operate in an energy intensive sector we are keen on playing our role in lessening our environmental footprint. We still focus to reduce energy consumption and implement initiatives that positively impact the environment.

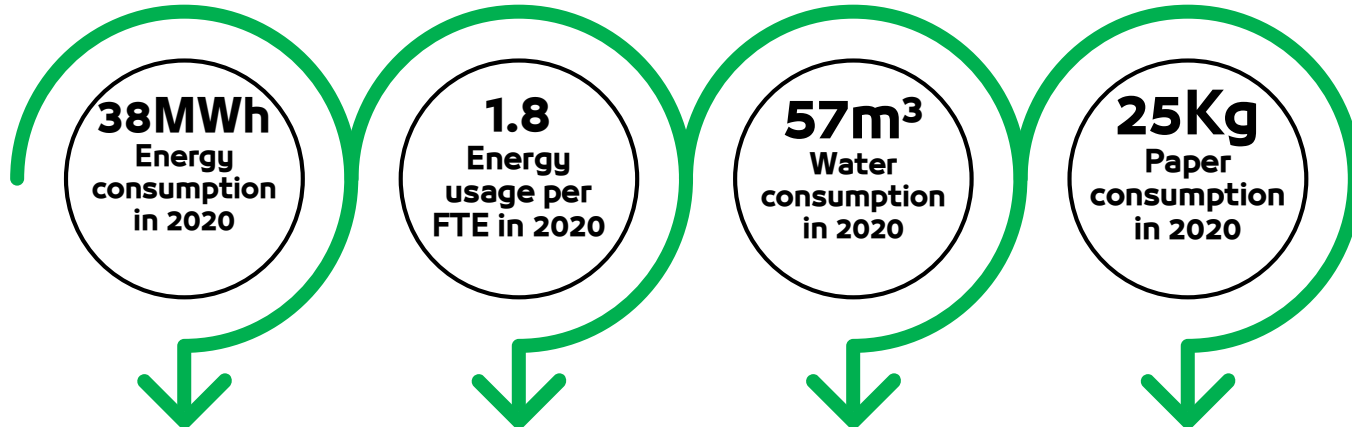
AXAGCIC continues its efforts in reducing the consumption of water and electricity by using energy efficient devices and encouraging our employees to bring positive sustainable workplace changes. Simple communications with employees have contributed to AXAGCIC's energy saving initiatives. Considering a relatively smaller setup in UAE, AXAGCIC's resource requirements in terms of water and electricity is already at minimal level and we have still managed to contain it further in 2020 compared with 2019.

Climate Risk and Energy Management

We prioritize the use of clean energy sources and we primarily use commercial power systems. Total energy consumption was only 38 MWh in 2020 which was even lower compared to 46 MWh in 2019. Total water consumption was 57 cubic meter in 2020 which was even lower compared to 111 cubic meter in 2019. This depicts a clear decline of 17% in terms of energy units as well as 49% in water units. Total Energy usage per FTE in 2020 remained at similar level of 1.8 as in 2019.

AXAGCIC doesn't have any fuel usage as it does not offer any vehicles to any of its employees, however, we do encourage our employees to use eco friendly cars which would result in positive environmental impact.

AXAGCIC's paper consumption is at minimal level owing to a relatively smaller setup in UAE which is further curtailed through usage of electronic invoicing. AXAGCIC's paper consumption in 2020 remained at similar level of 25 KGs as in 2019.





AXA Green Crescent Insurance Company P.J.S.C

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