

Sustainability & ESG Report 2025

Environmental, Social and Corporate Governance Report



شركة العين الأهلية للتأمين

Al Ain Ahlia Insurance Company

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Message form the CEO

Al Ain Ahlia Insurance Company–Sustainability & ESG Report 2025

At Al Ain Ahlia Insurance Company, sustainability is at the heart of our business values.

In 2025, we continued to integrate ESG principles across our operations by reducing our environmental impact, supporting community initiatives, and strengthening our corporate governance.

We recognize the important role we play in contributing to a more sustainable future, and we remain committed to responsible growth, transparency, and long-term value creation for all our stakeholders.

Together, we are building a future that is secure, resilient, and sustainable.

Mohd Mazhar Hamadeh
Chief Executive Officer
Al Ain Ahlia Insurance Company



**Driving Sustainable Growth and
Inclusivity for All**

ABOUT THE REPORT

We are delighted to present our Company Sustainability Report for the year 2025. In this report, we intend to demonstrate AAIC's commitment to sustainable development and progress. Also, we would like to express our support for ADX's initiative to drive sustainability and the Abu Dhabi Economic Vision for the upcoming years. Through all of its activities in the insurance space, this report highlights AAIC's national and global efforts to adopt sustainable operations. In this report, the AAIC strives to demonstrate the highest levels of integrity and competency.

INTRODUCTION

Company overview

Al Ain Ahlia Insurance Company (PSC) strives to maintain a pioneering approach to sustainability by integrating environmental, social, and governance (ESG) principles into its core business operations, in full alignment with the requirements of competent regulatory authorities and national sustainability frameworks.

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

The issuance of the 2025 Sustainability Report forms part of the ongoing efforts led by Abu Dhabi Securities Exchange, in coordination with the competent authorities in the UAE, to promote and enhance ESG practices among Public Joint Stock Companies, in line with the ESG standards and the Corporate Governance Guide issued by SCA Board Resolution No. (3/R.M) of 2020, as well as the Governance Instructions and Standards for Insurance Companies issued by Central Bank Circular No. (24) of 2022.

EXECUTIVE SUMMARY

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

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

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

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

AAIC is widely recognized for its disciplined underwriting practices and strong financial performance.

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

In line with ESG principles, the Company continued to enhance its governance structure, risk management practices, employee development programs, and environmental responsibility initiatives. Key focus areas during 2025 included strengthening compliance culture, improving cybersecurity controls, promoting Emiratization, and supporting national sustainability objectives in alignment with UAE Vision and ADX ESG disclosure requirements.



MISSION

To provide financial security and protection to customers through quality insurance products supported by professional service delivery, efficient claims handling, and disciplined underwriting practices.

VISION

To achieve sustainable growth and set industry benchmarks for excellence by exceeding customer expectations through continuous innovation and service leadership, becoming the preferred insurance provider in the UAE.

OUR OBJECTIVE

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

The Company seeks optimal application of governance principles and full compliance with all laws, regulations, and decisions issued by competent authorities, particularly the Central Bank of the UAE, the Securities and Commodities Authority, and Abu Dhabi Securities Exchange. Authority and Abu Dhabi Securities Exchange.

Al Ain Ahlia Insurance Company also focuses on maintaining its pioneering role through continuous cooperation with insurance companies operating in the UAE and regional and international markets.

The company was keen during the year 2025 to provide a healthy and safe work environment.



GOVERNANCE

ESG SUSTAINABILITY 2025



H.E. Mohamed Jouan
Rashed Albadi Aldhaheri
Chairman



H.E. Khaled Mohamed
Jouan Albadi Aldhaheri
Vice Chairman



H.E. Ghaith Hammel
Khadim Alghaith Alqubaisi
Board Member



H.E. Saeed Ahmed
Omran Almazroui
Board Member



H.E. Saif Ahmed Al
Mehairbi
Board Member



H.E. Abdulla Mubarak
Abdulla Aldarmaki
Board Member



H.E. Shaikha Nasser
Moahmed Al Nowais
Board Member



H.E. Mohammed Mazhar
Hamadeh
CEO

INDEPENDENCE OF THE BOARD OF DIRECTORS

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

There is a complete separation between the board of directors and the executive management of the company, as the chairman and the members of the board do not engage in or perform any executive management functions. The Board of Directors has an independent secretary, who is not a member of the Board and is not affiliated with the executive management.

The secretary is appointed by the Board of Directors and reports directly to the Board, ensuring complete independence and supporting the secretary in performing their duties with utmost impartiality.



GOVERNANCE AND INSTITUTIONAL DISCIPLINE RULES

In 2025, the Company updated its Articles of Association in line with the provisions of the UAE Companies Law and its amendments. In accordance with governance requirements, the minimum representation of women on the Board of Directors was achieved through the appointment of one UAE national female Board member with relevant business and insurance sector experience.

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

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

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

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

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

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

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

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

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



WHISTLEBLOWER POLICY

1. In line with the updated governance regulations, the Company's Board of Directors has approved and implemented a Whistleblower Policy that enables employees, contractors, and stakeholders to report any concerns or suspicions related to unethical practices or legal violations through dedicated channels that ensure confidentiality and protect whistleblowers from any adverse actions or employment-related consequences.
2. This policy aims to promote a culture of integrity within the Company by reinforcing the principles of transparency and accountability, ensuring that all reports are handled objectively and independently, and that appropriate actions are taken in accordance with approved procedures and applicable laws and regulations.



OUR RATINGS



In-Country Value (ICV)

Certificate Rating: 70.16 %

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



S&P A-

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



Moody's A3 Rating

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



شركة العين الأهلية للتأمين

Al Ain Ahlia Insurance Company

SINCE 1975

PRESERVING VALUES & PROMOTING INNOVATION

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

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

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

AUDIT & COMPLIANCE ESG SUSTAINABILITY 2025

AUDITING PROCEDURES

By conducting an internal audit of the internal divisions and internal departments based on the annual plan, the internal audit identifies the risks and their significance.

Through the internal audit reports, the internal audit function makes recommendations for risk management that are discussed with the audit and senior management committee. Moreover, further, our data is analyzed, and detailed reports are generated.



RISK MANAGEMENT

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

OBJECTIVES OF GOVERNANCE & COMPLIANCE

- The governance and compliance function.
 - ESG risk integration in a comprehensive manner.
 - Employee Training and Capacity Building.
 - Transparent reporting processes.
 - The importance of stakeholder engagement.
 - Resilience to climate change.
 - The concept of social inclusion.
 - Sustainable and green product innovation.
 - The continuous improvement processes.
- The Company ensures continuous compliance with all applicable regulatory frameworks issued by the Central Bank of the UAE, the Securities and Commodities Authority, and Abu Dhabi Securities Exchange, and maintains dedicated governance, risk, and compliance functions to monitor regulatory developments and ensure timely implementation across all departments.

COMPLIANCE MANAGEMENT

1- KEY ELEMENTS

AAIC is committed to complying with all applicable environmental regulations because we recognize our responsibility to protect the environment by acting responsibly.



2-KEY ELEMENTS

The company and the management's strategic plans for the coming years are for a better healthy working environment in all offices and branches across the UAE. Compliance forms a core pillar of the company's ESG framework ensuring adherence to regulatory requirements, ethical standards, and governance obligations.

Compliance controls support sustainable operations, risk mitigation, and stakeholder confidence.



SOCIALLY RESPONSIBLE ESG SUSTAINABILITY 2025

OUR SUSTAINABILITY APPROACH

1. Our sustainability approach is continuously evolving to strengthen accountability, enhance oversight of capital flows, and ensure that decision-making and operational practices remain aligned with long-term value creation for all stakeholder groups.
2. This report represents an important part of our relentless efforts to open and transparent communication with relevant and concerned parties internally and externally, as well as being part of our internal measures to monitor operations and ensure full harmony between our operations and practices on the one hand and our strategic vision on the other hand.
3. The company is committed to preparing the financial statements in accordance with the International Financial Reporting Standards (IFRS 17) approved by the International Accounting Standards Board (IASB) and to publishing them.
In accordance with the regulatory requirements of the Securities and Commodities Authority in the United Arab Emirates.

CORPORATE SOCIAL RESPONSIBILITY

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

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

The company also participated in the launching session of special label standards for gender balance for the private sector, Which was the outcome of the Government Accelerator Team.



DONATION OR CHARITY

AAIC considers that the donations and charity are playing an important role in corporate social responsibility and individual philanthropy.

This is done by channeling resources towards social, environmental, educational, and health-related causes.

As a result, AAIC participates in a wide variety of social activities and supports throughout the year.



HUMAN RESOURCE ESG SUSTAINABILITY 2025

ELECTRONIC SYSTEM & REMOTELY WORKING

The company developed its electronic systems and prepared the modern electronic system for the work of the specialized Departments and the connection between them. It speeds up the production process and handling claims.

The company has prepared modern electronic applications for selling insurance policies through computers and mobile devices in order to facilitate payment and obtaining the document electronically, quickly and safely.

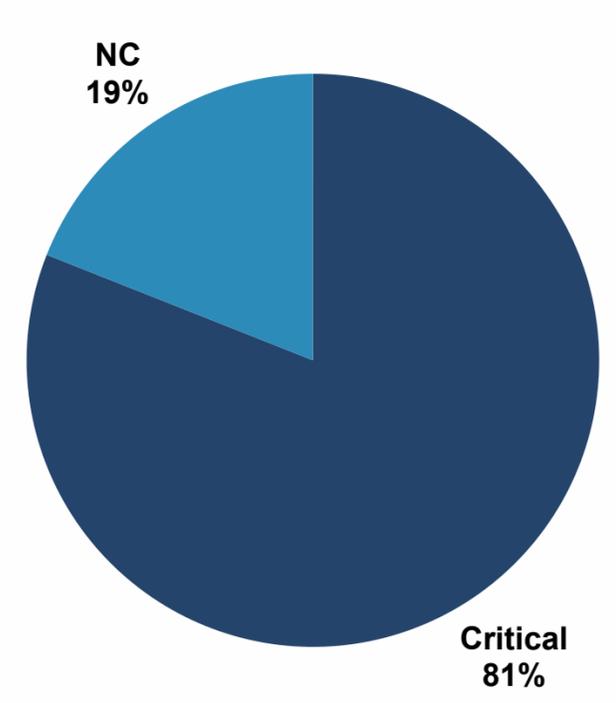
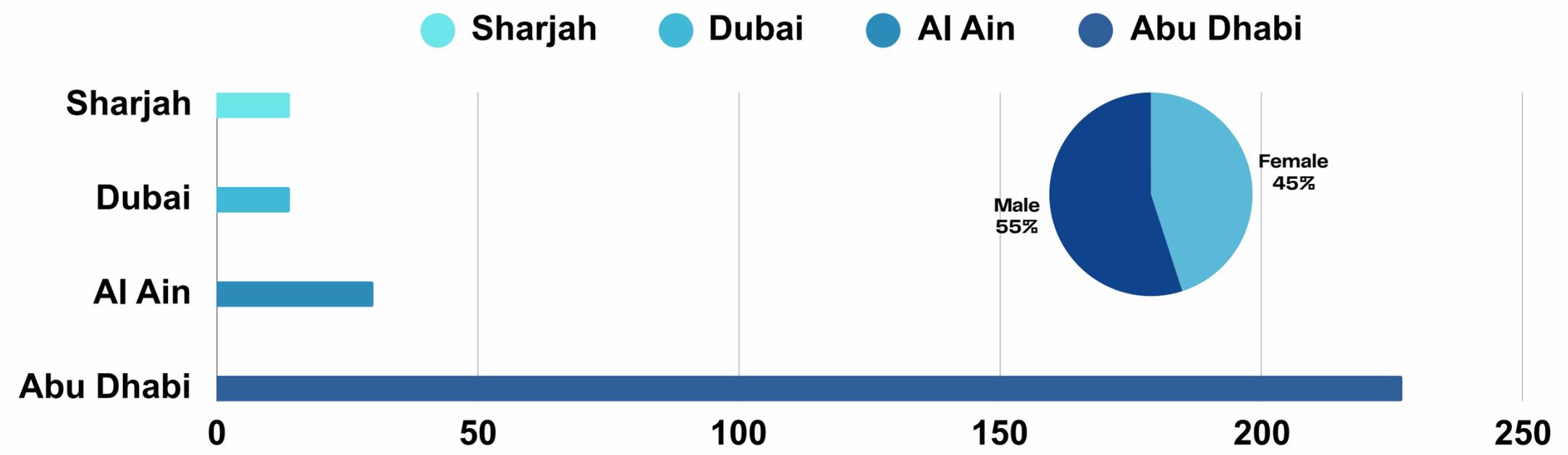
The company applies and follows the highest standards in electronic security and data protection in a confidential and effective manner.

Through implementing the electronic systems, the work environment in the company has become compatible with the global trends, especially the adoption of the green environment system and the reduction of paper consumption in order to preserve a clean and sustainable environment.

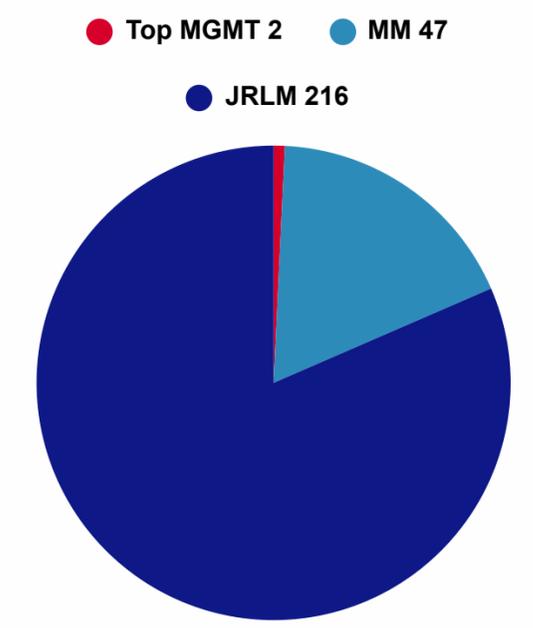
According to the procedures followed, the work environment in the company is now ready to work remotely when needed.



WORK FORCE PROFILE



JOB CRITICALITY



JOB TYPE

EMPLOYEE BENEFITS

COMMITMENT WITH OUR PEOPLE

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

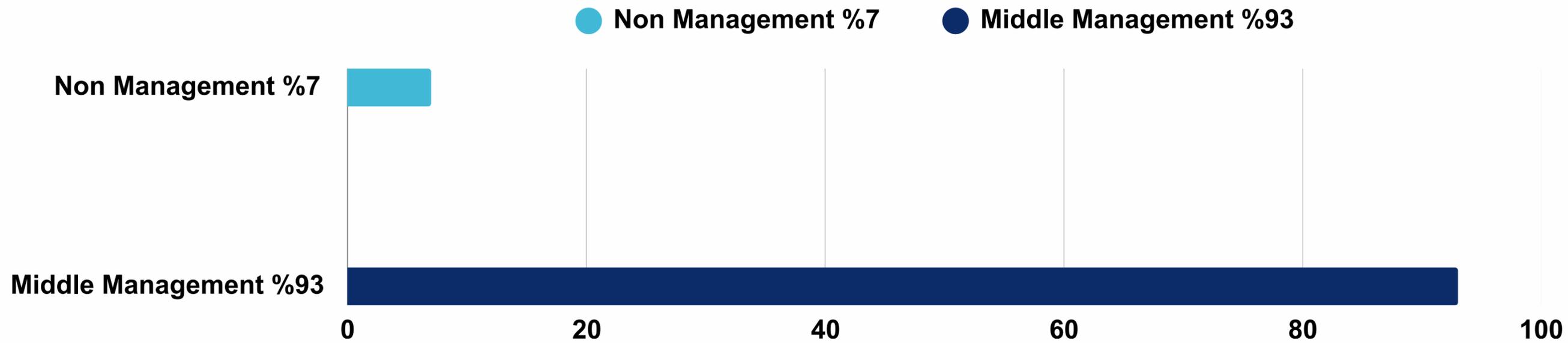


TRAINING & DEVELOPMENT

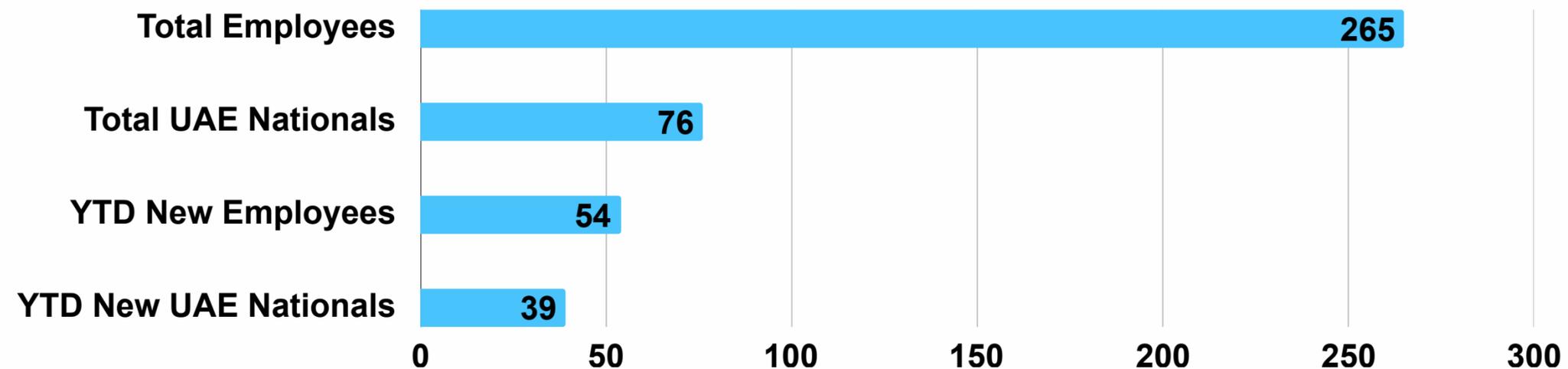
Our T&D policy aims to enhance employee skills and knowledge, promote career growth, and support the overall growth and success of our company, and it applies to all employees of AAIC. It covers various aspects of training and development, including orientation, job-specific training, professional development,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

EMIRATI WORK FORCE PROFILE

Emirati data by Management level



AL AIN AHLIA INSURANCE COMPANY



TRAINING AT AL AIN AHLIA INSURANCE

TRAINING PROGRAMS

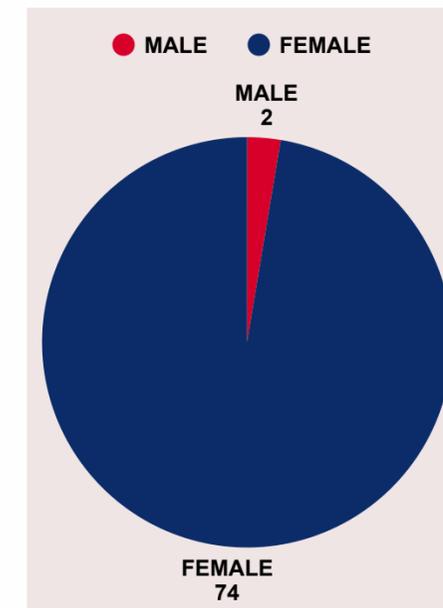
- As part of its training program, AAIC developed the skills and knowledge of its employees in technical and general areas through in-house training programs or through outside resource providers.
- Furthermore, the Company supports local employees through continuous training and development progress through a tactical human resources development plan.

TRAININGS CONDUCTED

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

TRAINING OF UAE NATIONALS

Department/branch managers identify the need for training of UAE nationals based on their recommendation. All UAE nationals were sent for the training through EIBFS. During the year 2025, we have achieved the operational target point more than required.





AVERAGE SALARIES BETWEEN MEN AND WOMEN:

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



SOCIAL DIVERSITY BETWEEN THE GENDERS

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



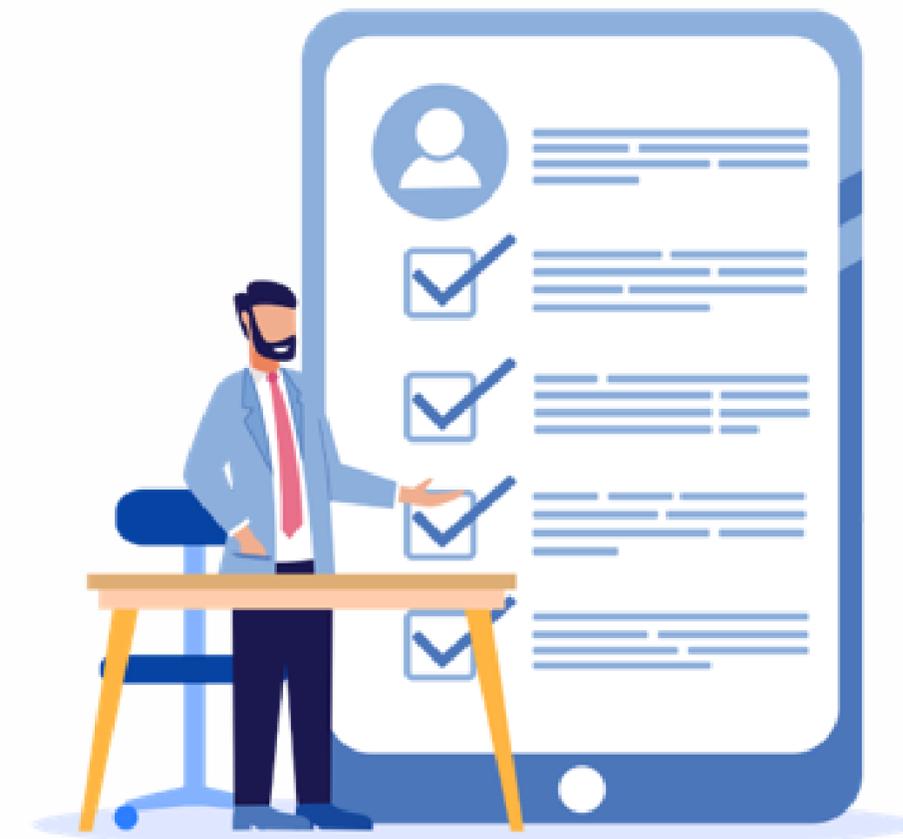
EMIRATISATION

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

PERFORMANCE APPRAISALS

All employees are evaluated by their concerned Managers in a fair and respectful way, as per our policy performance evaluation provides a valuable opportunity for managers and employees to engage in open and honest discussions about performance. By providing feedback, setting goals, and offering support, managers can help employees grow and achieve their full potential.

It is crucial for both parties to Maintain a collaborative and constructive mindset throughout the evaluation process.



POLICIES AND PROCEDURES

We have a well defined policies and procedures.



EMPLOYEE ENGAGEMENT ACTIVITIES

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

FUNDAMENTALS OF CYBER

ESG SUSTAINABILITY 2025

Information Technology

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

Cyber Security & Risk

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

Information Security

Al Ain Ahlia Insurance Company to protect sensitive data, guarantee compliance with laws, and foster trust with consumers and stakeholders, businesses must maintain information security. The Company has implemented comprehensive information security policies and procedures that define security standards, guidelines, and best practices to protect sensitive data and ensure regulatory compliance.

Technology Advancement

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



ENVIRONMENTAL IMPACT

ESG SUSTAINABILITY 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STANDARDS

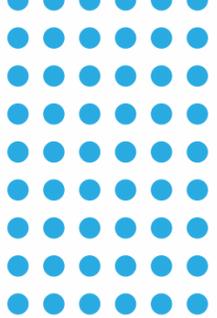
Environmental sustainability is integrated into the company's operational practices through energy efficiency measures, water conservation initiatives, waste reduction programs, and digital transformation aimed at minimizing paper usage and environmental footprint.

01- EFFICIENT ENERGY USE

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

02 - WATER CONSERVATION

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



EFFICIENCY INITIATIVES IMPLEMENTED AS FOLLOWS:

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

03 - WASTE MANAGEMENT

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

04 - PAPERLESS ENVIRONMENTAL AND DIGITALIZATION:

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

05 - PROCUREMENT POLICY

AAIC implemented this policy in order to outline the approach and guidelines that should be followed when procuring goods and services and to ensure that value for money, transparency, and compliance with applicable laws and regulations are met. Al Ain Ahlia Insurance Company remains committed to advancing its ESG performance by embedding sustainability, governance excellence, and social responsibility into its business strategy. The Company will continue to enhance transparency, stakeholder engagement, and regulatory compliance in support of long-term value creation.

AL ALAIN AHLIA INSURANCE COMPANY

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SINCE 1975

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