



 **RAK INSURANCE**  
*Simply Better*

**Sustainability Report 2023**

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## **ABOUT THIS REPORT**

We are pleased to present our sustainability report, showcasing Ras Al Khaimah National Insurance Company's (RAKNIC) environmental, social, and economic accomplishments throughout the period spanning January to December 2023. This report not only encapsulates RAKNIC's past performance but also outlines our forthcoming commitments and objectives aimed at embedding Environmental, Social, and Governance (ESG) best practices across all facets of our operations. In presenting this report, we reaffirm our dedication to the ADX initiative, aimed at promoting sustainability in accordance with the Abu Dhabi Economic Vision 2030, and the collective national and global endeavours toward realizing the Sustainable Development Goals (SDGs) across the insurance value chain.

This report underscores RAKNIC's commitment to transparency and international best reporting standards. We report on the topics that are most material to our business and stakeholder groups.

## **ABOUT RAKNIC**

For over forty years, Ras Al Khaimah National Insurance Co (RAKNIC) has maintained its distinction as the sole insurance provider with headquarters in Ras Al Khaimah, United Arab Emirates. RAKNIC serves a broad clientele, encompassing a wide array of industries and individuals across the UAE.

Established in 1974, RAKNIC is a Public Joint Stock Company with RAKBANK as the major Shareholder (with 79.2% share). The company underwrites all classes of Property and Casualty insurances, including Motor Vehicles and Marine Vessels, Engineering, Group Health, Medical, and much more.

'Leading Rating Agency S&P has assigned BBB+ Rating (with stable outlook) to RAKNIC, which endorses our strong position.

## OUR CHARTER

### MISSION

We aim to be a leading customer-focused insurer in the UAE, offering convenient access to innovative and competitive insurance products across multiple channels to individuals and businesses.

### VISION

To offer 'Simply Better' insurance solutions for all our customers across the UAE.

### OUR VALUES



**2023 KEY HIGHLIGHTS**

**AED**

**14.5 MILLION**

**141%** GROWTH IN NET  
PROFIT COMPARED TO  
2019

**BBB++**

S&P RATING

**47%**

OF **FEMALE** IN TOTAL  
WORKFORCE



**AED**

**471.8 MILLION**

TOTAL PREMIUM  
REVENUE IN 2023

**AED**

**39.2 MILLION**

EXCESS SOLVENCY OVER THE  
REQUIREMENT

**4560**

**HOURS**

OF TRAINING PROVIDED  
IN 2023, 200% MORE WHEN  
COMPARED TO 2022 (2036 HOURS)



## **SUSTAINABILITY AT RAKNIC**

Embedding a sustainable approach is a core commitment that RAKNIC will steadfastly uphold in its strategies and day-to-day operations. RAKNIC remains dedicated to playing a significant role in supporting our communities, the United Nations Sustainable Development Goals 2030.

### **OUR APPROACH TO SUSTAINABILITY**

At RAKNIC, our sustainability approach is shaped by fundamental pillars such as Corporate Integrity, Economic Impact Amplification, Responsible Operations, building a Strong Workforce, Cultivating Valuable Relationships, and Community Support. We are committed to implementing programs and initiatives aligned with the objectives outlined within each pillar.

### **SUSTAINABILITY FRAMEWORK**

RAKNIC's sustainability framework encapsulates our understanding of sustainability by delineating the critical domains requiring attention and equilibrium. Sustainability within RAKNIC entails embodying integrity as a company, enhancing economic impacts, practicing responsible operations, fostering a robust workforce, nurturing, and cultivating meaningful relationships, and actively supporting our communities.

### **ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS**

Our sustainability plans are aligned with ambitious goals such as combating climate change and minimizing our environmental impact. We prioritize building sustainable relationships with stakeholders, ensuring a safe and empowered workplace, and integrating ESG issues into our business strategy. This approach enables us to operate in a manner that positively impacts the industry, economy, and communities we serve.

## STAKEHOLDER ENGAGEMENT

RAKNIC actively engages with stakeholders across multiple communication platforms to listen to and gather feedback from those who impact or are impacted by our operations. This feedback guides our sustainability strategy, helping us prioritize key issues for action and enhancement. As a result, we strive to proactively involve stakeholders in identifying critical issues and addressing potential sustainability challenges and opportunities. Our key stakeholder groups are shown in the figure below.





## GOVERNANCE, ECONOMIC AND FINANCIAL PERFORMANCE

### CORPORATE GOVERNANCE AND COMPLIANCE

RAKNIC conducts its business with the utmost transparency, accountability, and integrity. We are dedicated to maintaining the highest standards of corporate governance, actively combating bribery, corruption, and financial crime. Demonstrating our commitment to various stakeholders, RAKNIC continually enhances transparency and accountability across all its operations. RAKNIC's governance report serves as a pivotal platform for transparency, spotlighting governance practices for the public and facilitating shareholder understanding of the company. Upholding compliance and maintaining top-tier governance standards, RAKNIC's Board of Directors operates under Corporate Governance Law and the company's Articles of Association. The Board, comprising seven non-executive directors, including the Chairman, with two of them being female, convened for six meetings in 2023.

The Board of Directors has 5 committees that play a vital role in ensuring the adoption of the best governance practices These are:



### ETHICS AND PREVENTION OF CORRUPTION: AML & CFT

At RAKNIC, we are steadfastly committed to collaborating with all agencies in the fight against money laundering and the funding of terrorist activities. We uphold the highest standards of Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT), requiring all employees, including senior management, to strictly adhere to regulations and standards to prevent the misuse of our services and products for money laundering purposes and to protect our customers' interests. In pursuit of these goals, RAKNIC fully complies with all government decisions and regulations.

Prior to engaging with any new clients and consistently with existing ones, RAKNIC diligently assesses the risk of money laundering and financing terrorist groups at both individual and corporate levels, considering various factors and indicators.



We have developed and implemented policies and procedures related to AML and CFT to effectively enforce the core principles of AML/CFT laws and regulations, aligning with the directives of the Central Bank of the UAE. Through employee education, we empower our workforce to serve as the primary defence against money laundering activities.

Our AML Compliance Program has been established to ensure compliance with AML laws and regulations in the UAE, as well as other applicable laws related to preventing money laundering and terrorist financing.

## **ECONOMIC PERFORMANCE**

RAKNIC is dedicated to achieving consistent and sustainable financial growth through a strategy focused on maintaining low costs and high operational efficiency. This includes ensuring sufficient capital reserves to absorb losses, sustain operations, and fulfil obligations in challenging operating and market conditions. Additionally, RAKNIC is actively leveraging technology to enhance operational efficiency and facilitate rapid growth.

In 2023, the company recorded a Net Profit of AED 14.5 million. This marked a significant improvement compared to the previous year, which saw a Net Loss of AED 35 million.

## **OUR PEOPLE**

### **HUMAN CAPITAL**

At RAKNIC, we recognize that our employees are integral to our success, serving as invaluable assets and primary drivers of our achievements. Therefore, we are dedicated to fostering a workplace culture that celebrates diversity, promotes inclusivity, and acknowledges outstanding performance. RAKNIC is committed to cultivating an exceptional workforce by attracting, nurturing, and retaining talented individuals.

We understand the significant role human capital plays in driving economic growth, enhancing productivity, and ensuring profitability. RAKNIC acknowledges that investing in employee training programs and education can enhance the quality of our human capital. As such, we provide our employees with comprehensive training opportunities to augment their skills, along with ensuring a safe, healthy, and inclusive work environment.

To uphold these principles, RAKNIC has implemented robust HR policies and procedures, including a Code of Ethics and a structured Training & Development program.

RAKNIC also prioritizes the recruitment of Emirati employees and provides comprehensive support for them. All Emirati staff members receive thorough guidance, assistance, and supervision from RAKNIC's Emiratization Officer.

## **TRAINING & DEVELOPMENT**

RAKNIC prioritizes the development and advancement of our workforce. We are dedicated to enhancing the skills and knowledge of our employees through a range of training and development programs tailored to meet both their role-specific needs and our business requirements. These programs encompass specialized training courses and skill-based workshops. Furthermore, we offer a comprehensive career development program designed to align with employees' current job responsibilities and future career aspirations.

## **EMPLOYEE ENGAGEMENT**

We strongly believe that active engagement with our employees is vital for the ongoing growth and success of our company. To ensure continuous engagement, we have implemented various practices, including employee recognition awards and annual performance reviews.

We actively encourage our employees to contribute to the company's success and development by engaging with us and submitting suggestions that lead to business enhancements. These suggestions may involve:

- Problem-solving initiatives
- Cost reduction strategies
- Introduction of innovative ideas for products and services
- Improvements in operational processes or procedures
- Enhancements in customer service standards
- Improvements in health and safety protocols
- Reduction in the wastage of office supplies or other resources

By fostering an environment where employees feel empowered to contribute their ideas and suggestions, we aim to drive continuous improvement and innovation across all aspects of our operations.

All suggestions undergo thorough review by the management, and those deemed appropriate are presented to the CEO for approval, aligning with the Employee Recognition policy.



Additionally, RAKNIC fosters a performance-based culture by acknowledging and rewarding outstanding performance. An annual performance review process is conducted to assess employee strengths, concerns, and areas for growth. This review is a collaborative effort between the manager and employee, where both parties contribute to the performance discussion. The evaluation of results from this review is then utilized to determine performance bonuses or increments.

## **DIVERSITY AND INCLUSION**

RAKNIC places great importance on diversity and inclusion in our workplace. We are committed to cultivating a workforce that embraces diverse backgrounds and perspectives, and we assess candidates for employment based on merit, without discrimination regarding gender, age, religion, or disability. We actively strive to enhance women's representation across all levels of our organization.

As of 2023, females constituted 47% of our total reported workforce, with 13% holding middle management positions and 3% in senior management roles.

We foster an environment of open communication among our employees, providing various feedback channels. Additionally, we have implemented a whistleblowing policy and grievance mechanism to enable employees to raise concerns confidently and confidentially.

## **HEALTH & SAFETY**

Enhancing the health and safety of our employees remains a top priority at RAKNIC. To uphold these standards, employees are expected to adhere to safety protocols, exercise caution, and take necessary precautions to safeguard not only their own well-being but also that of their colleagues, customers, and visitors. We encourage employees to share ideas and suggestions for improving health and safety standards with the relevant departments.

In line with UAE Labour laws, we have implemented occupational injury and evacuation policies and procedures to manage safety risks effectively. Additionally, we have established emergency measures, including the provision of first aid kits, and trained first aid responders at each location. Furthermore, protocols are in place to address emergency situations such as fire, earthquake, or power failure, ensuring the safety of our workforce.

## **CORPORATE SOCIAL RESPONSIBILITY**

### **CORPORATE CITIZENSHIP**

RAKNIC is committed to enriching the communities where we operate by investing in initiatives aimed at improving people's lives. We believe it is our responsibility to support communities and individuals facing various challenges, including social, environmental, health, and economic obstacles. To fulfil this obligation, we continuously seek to broaden our impact in communities and make significant contributions to society.

Some of the charitable activities and donations made by RAKNIC in 2023 include:

- Contribution to the Saqr Charity Foundation (The RAK Terry Fox 2023)
- Distribution of Ramadan Iftar meals
- Donation to the Red Crescent for victims in Turkey and Syria

### **RESPONSIBLE OPERATIONS, RESPECTFUL RELATIONS**

#### **TECHNOLOGY & DIGITALIZATION**

Technology has always been a fundamental aspect of RAKNIC's operations. RAKNIC embraces modern technology and innovative concepts in its pursuit of business excellence and sustainable growth. Digital transformation lies at the heart of our strategy, encompassing a wide range of initiatives such as the enhancement of our digital channels. These digital channels, including customer portals, will continue to play a significant role in expanding our market reach and driving overall company growth. RAKNIC has devised a strategy to implement various initiatives and programs aimed at digital transformation. Among the successful programs geared towards servicing our customers and ensuring future sustainability are:

- Implementation of digital signatures.
- Digital, Paperless onboarding.
- Provision of training to RAKNIC employees to understand the trajectory of digital transformation.
- Promotion of cyber security awareness to mitigate modern-day threats.

## DATA PRIVACY AND SECURITY

Insurance companies must process the personal data of their customers to assess risks and offer optimal services. Personal data serves as the cornerstone of insurance services, as only thorough and accurate information about customers enables insurance companies to deliver viable and sustainable solutions. Therefore, data security and privacy are fundamental elements that foster trust between the company and its users.

Data breaches and IT outages can result in significant third-party liabilities, not only from customers but also from stakeholders such as employees and local authorities.

In response to these risks and to further enhance trust between RAKNIC and its stakeholders, we have implemented multiple information system policies aimed at securing data and safeguarding customer privacy.

## CUSTOMER EXPERIENCE

Our customers are our highest priority, and at RAKNIC, we consistently strive to provide them with high-quality service tailored to meet their needs. We are committed to delivering exceptional customer service and convenience at every step.

To enhance and optimize the customer experience, RAKNIC has implemented a comprehensive 'Customer Journey.' Some of the key features include:

- Website and social media: These platforms enhance visibility and accessibility to the products and services offered by RAKNIC.
- Call Centre: A dedicated facility to assist customers via phone.
- Walk-in Customer Service: Offering in-person assistance at our physical locations.
- Claims Notification via Phone Call: Customers can report claims conveniently through phone calls.
- Website Callback Service: A feature allowing customers to request callbacks via the website.

RAKNIC has established numerous communication channels for customers, and all employees responsible for these channels have undergone thorough training to effectively communicate with customers.

- 1) RAKNIC Toll Free 800-7254
- 2) RAKNIC WhatsApp 8007254
- 3) RAKNIC Social Media



- 4) RAKNIC Website Call Back Service



RAKNIC conducts training sessions aimed at enhancing customer interactions. Moreover, all customer calls are recorded for quality assurance purposes. Call Center supervisors evaluate samples of calls handled by each agent, providing constructive feedback to improve their service.

## **RISK MANAGEMENT**

RAKNIC understands that the success of its risk management practices is crucial for the overall health and longevity of the business. Failing to identify potential risks leaves the organization vulnerable to unforeseen challenges.

RAKNIC's approach to risk management encompasses a comprehensive set of practices including the identification, analysis, evaluation, treatment, mitigation, and monitoring of strategic, financial, operational, and compliance risks. These practices are designed to ensure the achievement of its key business objectives.

## **FRAUD PREVENTION**

RAKNIC's Code of Conduct provides clear guidelines for ethical behaviour, emphasizing honesty and integrity among employees. Any suspicion of fraud is expected to be reported promptly, and all instances of suspected or actual fraud are investigated thoroughly.

The Code of Conduct policy also emphasizes fair treatment of clients, customers, and counterparties, as well as the identification and management of conflicts of interest. Additionally, guidelines are outlined for accepting gifts from customers, clients, and vendors.

RAKNIC has implemented a Whistleblowing Policy to encourage staff to report irregularities, suspected fraud, or any other wrongful conduct. Reports made by whistleblowers are handled with sensitivity, discretion, and confidentiality.