



**2020 ESG report**

### **About this report**

This is the first ESG report for Amlak Finance. This report highlights our sustainability activities and performance on environmental, social and governance aspects. The report aims at providing an overview of our strategy, commitment, and performance, structured around our sustainability framework and the most relevant issues for our valuable stakeholders. It links sustainability concerns with traditional core business activities.

### **Reporting Period**

This report covers the calendar year from January 1st to December 31st, 2020 and focuses on activities in that period. Information from previous years is provided where necessary.

### **Reporting Guidelines**

As part of our commitment to transparency and international best reporting practices, this report is developed in accordance with the SDGs, the UAE Vision 2021, and the Dubai Financial Markets (DFM) ESG Reporting Guide.

### **Report Boundary**

This report covers Amlak Finance operations in the UAE only. Unless specified, data from subsidiaries, clients and external contractors and suppliers are not included. Financial data is expressed in AED.

### **Feedback:**

We always value feedback and strive to improve our reporting. Hence, we welcome any feedback you may have on our progress and ambitions.

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# 1. Introduction

## 1.1. Company profile

Amlak Finance PJSC (Amlak Finance) is a leading specialized real estate financier in the Middle East. Since its establishment in November 2000 as the region's pioneer financial services provider, it offers its customers with innovative, Sharia-compliant property financing products and solutions designed to meet the rapidly evolving market demands.

Amlak Finance was established in Dubai, United Arab Emirates (UAE), in 2000 as a Private Shareholding Company in accordance with the Federal Law. In 2004, the company was converted into a Public Joint Stock Company and is licensed by the UAE Central Bank as a finance company. Amlak Finance expanded its presence to the Kingdom of Saudi Arabia (KSA) in 2006 through investment in 'Amlak Finance International for Real Estate Finance Company' and in 2007, launched its first international office in Egypt, which operates under the name "Amlak Finance Egypt Company S.A.E'.

Amlak Finance offers a range of customized financial solutions and products to investors/clients for both ready and off-plan properties. It offers expertise and ability in transaction management, tailor made financing to customer needs, generating innovative product ideas, and financing the self-employed segment. Furthermore, it offers unique bundled property management solutions and expertise in making operational changes swiftly. It is primarily focused on financing and investing activities based on structures such as Ijara, Murabaha, Mudaraba, Wakala and Musharaka. The activities of the Company are conducted in accordance with Islamic Sharia and within the provisions of its Articles and Memorandum of Association.

Following the completion of its highly successful financial restructuring in 2014, Amlak Finance is pursuing a prudent business strategy that is also now well-placed to work towards continuous enhancement of value for its shareholders. Today, through a variety of customized property finance solutions, Amlak Finance enables individuals and businesses to achieve their goals of owning a property in the UAE. We remain committed to making a positive contribution not just to our customers, but also the wider UAE community.

Over the years, Amlak Finance has received a number of prestigious awards. These achievements are a testament to the Company's leading services, diligent corporate values, and ongoing efforts toward innovation. Some of our past awards include:

- Global Islamic Business Award (GIBA) 2018
- Dubai Chamber CSR Label 2015-2019
- Best Sharia Compliant Property Finance Company 2019
- Best Islamic Finance CSR Company in UAE 2019
- Innovation in Islamic Finance

## 1.2. Vision, Mission and Corporate Values

### Vision

“To be the specialized and customer centric real estate financing institution in the UAE.”

### Mission

“To provide niche financial solutions, customized to fit our customers’ needs while maximizing shareholders’ value and nurturing our employees.”

### Corporate Values



**Customer Centricity:** Customers’ needs are at the heart of what we do. We strive for excellence in customer service by providing superior solutions to our customers in a timely, efficient, and consistent manner. Our goal is to transform customer satisfaction to customer loyalty and advocacy.

**Innovation:** We drive and inspire innovation in the workplace, with the aim to build on our organizational capabilities, and expand our capacity for innovative & creative thinking, collaboration & readiness for action.

**Value Creation:** We strive to create value for our stakeholders, customers, investors, and the community at large. We aim to leverage our expertise and innovation to achieve sustainable growth for our company whilst serving the interests of our stakeholders.

**Integrity:** Amlak Finance is committed to maintaining a culture of integrity; we operate with honesty, fairness, and the highest of ethical standards. We take great pride in building a relationship of trust with our stakeholders.

**Nurturing People:** We value our employees, and it is our commitment to continually enhance their welfare, training and career and personal development. We aspire to improve our working environment and drive forward our desired corporate behaviours.

**Social Responsibility:** Participating in initiatives that support the workplace, marketplace, community, and environment is an integral part of what we do. We are dedicated to contributing to society and helping make a positive difference in the community we serve.

### 1.3. CEO Letter on ESG report

Without a doubt, 2020 has been a remarkably difficult year for the UAE and the whole world, due to the challenges posed by the Covid 19 pandemic. As a result, Amlak Finance's performance was reflective of this tough environment. Apart from the financial results, there is an immediate requirement to shift our attention on our responsibility towards society and contribute to sustainability given the wide-ranging social and economic impact of the pandemic. In the past year, we have all felt the need to show concern for one another and give assistance when needed; whether personal, financial, or economical. Now more than ever, we are committed to achieving sustainable growth as part of our overall strategy.

We have already made progress by adopting a sustainable approach by incorporating environmental, social, and governance factors into our core business. Our sustainability framework, which is now being implemented at Amlak Finance, lays out key pillars that need to be taken into consideration across all our activities, to build a solid foundation for growth. Against this backdrop, we have successfully accomplished several key objectives this year, and as a result, we have a lot to be proud of as an organization.

At Amlak Finance, our goals can only be achieved by bringing forward a truly diverse, inclusive, and equitable workforce and cultivating a culture of belonging. We continued to support Diversity & Inclusion initiatives within our workforce, and we are taking important steps towards developing our culture, empowering women participation, and helping our communities thrive. In terms of corporate social responsibility, we have managed to offer financial solutions to support our customers in times of need. Furthermore, we remain dedicated to our efforts to satisfy all our stakeholders by promoting integrity, fairness, and responsibility through all our operations, our relationships with customers and our transparency with the shareholders.

Despite these challenging times we collectively faced last year, we remain hopeful about the future. As national vaccination campaigns picked up speed and 'normal' economic activities resumed at the end of 2020, signs of economic recovery are promising. This recovery will undoubtedly apply to the real estate market, which we anticipate will influence our financial and sustainability results in 2021.

**Arif Albastaki**  
**CEO**

## 2. Sustainability



### 2.1. Sustainability Management

At Amlak Finance, we aspire to make a difference and build a connection with our valued stakeholders through active sustainability efforts and long-term engagement with them. As part of Amlak Finance’s sustainability strategy, we believe that supporting social development, creating positive environmental impact, and delivering good governance, maximizes the economic value of our organization. We understand that sustainability is good for the investors and good for society – and is the need of the hour. Our ultimate goal is to embed sustainability at the core of our business.

Sustainability considerations are an integral part of decision making. Across our organisation, in all our functions and activities, we are fully committed to managing our business in the most sustainable way possible. Awareness of corporate responsibility is instilled in each employee, supporting them in recognizing the collective impact of individual action.

Amlak Finance has adopted a sustainability governance model and aims to further develop it, to provide a foundation for our sustainability strategy and targets. We have formed a sustainability team comprising a mix of head of departments, mid-level and junior professionals, as well as our hardworking office assistants, forming a total of 20 cross functional team members committed to ensuring a passionate contribution to sustainability.

That is why we have already completed a sustainability program to manage sustainability initiatives. In 2019, we progressed towards completion of a Corporate Social Responsibility handbook, set up a governance model and formed a CSR operating model. In 2020, Covid19 underscores how sustainability is crucial to addressing the most critical challenges and urges us for immediate actions.

To that end, we align our actions with the goals of the SDGs and the UAE Vision 2021 to help build a better future, contributing in a meaningful manner to UAE’s continued growth and prosperity and addressing the wider challenges facing society worldwide.

Amlak Finance considers it essential to set targets on becoming the partner of choice in the sectors we serve, and contribute towards the overall buoyancy, growth and competitiveness of the UAE market. Our line of sight towards sustainability is clear: we are committed to continually adapt to sustainable practices and increase our ESG rankings.

## 2.2. Sustainability Framework

Amlak Finance’s sustainability framework focuses on five pillars: Delivering Good Governance, Practicing Responsible Business, Nurturing our Workforce, Supporting our Community, Protecting the Environment. In developing the framework, we took into account the interests of our key stakeholders, and we ensured all of our sustainability activities are fully aligned with the United Nations Sustainable Development Goals (UN SDGs), the UAE’s Vision 2021, and the DFM ESG Reporting Guide. Amlak Finance is also the proud recipient of the Dubai Chamber of Commerce and Industry’s Corporate Social Responsibility Label for years 2015, 2016, 2017, 2018, and 2019. This includes having achieved the CSR Label with a score higher than the industry average for two consecutive years (2018-19). Despite the fact that many of our activities were put on hold in 2020 due to regulations, we remain fully committed towards CSR, as it is embedded as an integral part of our corporate culture and plays a key role in our everyday business operations.



We use the framework to guide our decision making and improve our operations and performance.



## 2.3. Stakeholder Engagement

At Amlak Finance, we commit to be in active engagement with our stakeholders, enabling us to understand and address their needs. Our stakeholders’ perspectives and insights are important because they help drive continual business improvement and help us develop our strategies.



**Customers**

We are committed to providing a positive experience to our customers. To that end we deliver services in trusteeship, accountability and in an efficient and timely manner. This can be achieved by providing products and services that promote ESG and uphold the brand of the UAE.

**Partners and Suppliers**

Amlak Finance values its partners and suppliers and honours their services by moving towards a partnership-based approach, establishing long term relationships based on mutual trust and collaboration and delivering timely payments. Supplier happiness is our priority and to that end in 2019 we have introduced a supplier feedback form.

**Employees**

We believe that we are obliged to deliver fair employment practices, healthy and safe working conditions, equal opportunities, empowerment, and humane treatment to all our employees. We encourage whistle-blowing processes, participation and

collaborative environments and healthy work-life balance delivering happiness.

**Shareholders and Financiers**

Investors, shareholders, and other financiers are important for Amlak Finance. Disclosing financial reports and records in full transparency and consistency is a top priority for us.

**Community**

Amlak Finance believes that the community and the national interest should be the priority of our operations, considering social concerns, demonstrating constant corporate social responsibility, and corporate citizenship.

**Government and Regulators**

Amlak Finance believes in its governance model it has developed, that follows all rules and regulations, legal and Sharia compliance guides, and follows its ethical Code of Conduct Policy.

**Communication channels**

We invite our partners, vendors, suppliers, members of the public, and all other stakeholders, to come together and initiate dialogue around collaborations for future sustainability initiatives with Amlak Finance, in a collective effort to contribute towards the UAE’s sustainability goals. This is achieved through various channels of communication that Amlak Finance provides like the form available on our website (<https://www.amlakfinance.com/corporate-social-responsibility/>), where any stakeholder can drop us a message with a commitment to respond within 3 business hours.

Moreover, Amlak Finance offers various channels of communication:

**Email:** [Corpcomm@amlakfinance.com](mailto:Corpcomm@amlakfinance.com)

**Call Centre:** 800 – Amlak Finance (26525)

**Fax:** +971 4 4274502

LinkedIn: <https://www.linkedin.com/company/amlak-finance/>

Facebook: <https://www.facebook.com/amlakfinancepjsc/>

**Postal Address:** Customer Service Unit, Amlak Finance PJSC, P.O. Box 2441, Dubai, U.A.E.

**Our Location:** Amlak Finance, Office No. 1803, Grosvenor Business Tower, Barsha Heights, Dubai, UAE

|                           |  |
|---------------------------|--|
| Sales:                    | <a href="mailto:Sales@amlakfinance.com">Sales@amlakfinance.com</a>                     |
| Property Sales:           | <a href="mailto:AFIUsales@amlakfinance.com">AFIUsales@amlakfinance.com</a>             |
| Feedback and Suggestions: | <a href="mailto:Customerservice@amlakfinance.com">Customerservice@amlakfinance.com</a> |
| Complaints:               | <a href="mailto:Care@amlakfinance.com">Care@amlakfinance.com</a>                       |
| Website:                  | <a href="http://www.amlakfinance.com">www.amlakfinance.com</a>                         |

### 3. Practicing Responsible Business



#### 3.1. Product Innovation and Digitalisation

Product innovation is at the heart of our operations, ensuring a more digital approach to our day-to-day business. In that respect, the IT Department created a 5-year digital transformation roadmap, covering infrastructure and applications. We have already started implementing it and adopted international best practices including ISO 20000:2018, CoBIT5 and ITIL V4 to govern Amlak Finance IT practices, operations, policies and procedures. Examples are our updated online services, such as the financial calculator and the digital update of customer information through our website.

In response to the global challenges posed during 2020, Amlak Finance has created a sustainable infrastructure to support working from home during the pandemic. More specifically, the IT department created a Work from Home feature and integrated it with the Human Resources Management System (HRMS), to ensure that staff are logging in through the system.

#### 3.2. Responsible Products and Services

Amlak Finance is committed to supporting UAE businesses and the local economy, in line with the UAE Vision 2021. This is done by working with UAE-based entities, particularly those holding an on-shore trade license by the Dubai Economic Department. To this end, Amlak Finance is committed to continually enhance products and services offered to its customers in line with current demands. It also seeks out collaborations and strategic partnerships with local entities for the following:

- Contribute positively to the growth of Dubai’s real estate sector.
- Support Dubai in becoming the international hub of the Islamic Economy.

Amidst ongoing concerns about Covid19, Amlak Finance is closely monitoring the situation and has been offering options to its customers such as payment deferment for up to 6 months to individuals, whether salaried or self-employed.

We provide Islamic Finance products and services to promote home ownership and real estate investment. Islamic Finance is one of the fastest growing industries in the world, one that promotes ethical finance, inclusion, equality, and prohibits uncertainty, which then has a positive impact on society. We are primarily focused on financing and investing activities based Ijara structure. In addition, we also provide development and construction financing which promotes economic and social development and ethical wealth creation.

Moreover, for the projects developed by Amlak Finance or its subsidiaries, the contractors follow the Dubai Municipality (DM) Regulations pertaining to Green Buildings. For

example, one of the required documents to list the project with Amlak, is the building permit. DM is not issuing the building permit till the contractor is following the regulations pertaining to green buildings. As such, all projects recommended to be listed with Amlak Finance are in line with the green building regulations. The same applies to all the tenants with Amlak Finance, the municipality's regulations are quite strict with regards to sustainability.

### 3.3. Customer Relations

#### Customer Experience

Amlak Finance always aims at promoting its products and services in a responsible way. Fair marketing and contractual practices, factual and unbiased information about products and services in a manner that can be understood by our customers has always been our top priority. This allows for informed decisions and to compare the characteristics of different products and services. Fair contractual processes aim to protect the legitimate interests of both suppliers and consumers by enabling equitable negotiations between parties.

#### Principles of Fair Marketing at Amlak Finance

When communicating with consumers, Amlak Finance will do the following:

- Not engage in any practice that is deceptive, misleading, fraudulent, or unfair, unclear, or ambiguous, including omission of critical information.
- Consent to sharing relevant information in a transparent manner which allows for easy access and comparisons as the basis for an informed choice by the consumer.
- Clearly identify advertising and marketing.
- Openly disclose prices and taxes, terms and conditions of the products and services.
- Not use text, audio or images that perpetuate stereotyping regarding, for example, gender, religion, race, disability.
- Provide complete, accurate, and understandable information that can be compared in official or commonly used languages at the point of sale and according to applicable regulations on all important aspects of products and services.
- Provide the organization's location, postal address, telephone number and e-mail address.
- Use contracts that are written in clear, legible, and understandable language.
- Provide clear and sufficient information about prices, features, terms, conditions, costs, the duration of the contract and cancellation periods.

Our Customer Service Charter is designed to let our customers know what they can expect from Amlak Finance, whilst showing our commitment to meet and surpass their expectations. We aim to deliver our business with courtesy and professionalism and focus on the needs of our customers and offer alternative solutions where possible. Enhancing customer experience is one of our top priorities and we work continuously to provide details on all products and services, processes and procedures. We strive to demonstrate our accountability by ensuring that all products and services comply with Sharia

principles, standards and relevant UAE laws and regulations and ensuring data privacy and security.

At Amlak Finance, we are committed to providing a positive experience to our customers. For any complaints or feedback, customers can contact Amlak Finance at [care@amlakfinance.com](mailto:care@amlakfinance.com), or register their complaint through Contact Form on the website or at the branch. Customer complaints are given the utmost attention by our Customer Care Unit and are also separately monitored and reviewed by our Service Quality Unit (SQ).

All customer complaints are taken very seriously. A thorough investigation is conducted into any matter that arises. During 2020, 144 complaints were reported, and all of them have been resolved. We strive to resolve customer complaints well before our Turnaround Time (TAT) which is 8 working days. During 2020 our average TAT was 5 working days, and as such we will be amending our Complaint TAT to 6 working days.

Amlak Finance conducts an annual survey to assess customer satisfaction towards its services across different channels. More specifically it conducts:

- **Survey post closure of any request on our system:** once requests are closed on our Customer Relationship Management (CRM) System, an email is generated and sent to the customer with an invitation to complete the survey regarding their experience with their relationship officer, branch or call centre. Results of the survey are shared with management for their information and action.
- **Sales Experience Survey:** Once a customer's account is booked, SQ calls all new financed customers to check about their experience with the Sales team and to receive their feedback on Amlak Finance. This report includes the results achieved by the Sales team and is also shared with HOD Revenue.
- **Tenant Survey:** Amlak Finance also manages the renting of units that are currently being financed. A satisfaction survey is conducted twice a year to gauge customer satisfaction on these services provided.

These surveys help enhance customer experience and facilitate engagement and feedback. The overall customer satisfaction score obtained in 2020 is 71%, a major improvement from the 2019 score of 43%. The scoring methodology is based on the points obtained across each item divided by the total score of achievable points.

As mentioned, Amlak Finance has a continual improvement process using these surveys where SQ will highlight gaps based on customers' feedback. Meetings and workshops are organized with the respective departments to discuss the gaps identified and agree on a plan to address them. Once the plan is agreed, SQ conducts continuous monitoring of the implementation and its progress.

In 2020, to enhance the customer's experience certain Customer Forms were automated and uploaded on the website, for customers to complete and print from the website. This reduced the amount of time customers spent at the branch and increased their satisfaction.

### **Customer Privacy**

To prevent personal data collection and processing from infringing privacy, Amlak Finance limits the collection of personal data to information that is either essential for the provision of products and services or obtained with the informed and voluntary consent of the consumer, by lawful and fair means. We specify the purpose for which personal data are collected either before or at the time of data collection. Furthermore, we do not disclose, make available or otherwise use personal data for purposes other than those specified, including marketing, except with the informed and voluntary consent of the consumer or when required by the law.

Finally, to protect all customers' personal data we have aligned our procedures with Information Technology Service Management System Standards (ISO 20000:2018), the CoBIT5 principles and ITIL V4 processes for security safeguard.

## 4. Nurturing our Workforce



### 4.1. Workforce

Amlak Finance cultivates an inclusive and diverse work environment, while putting high priority on delivering fair employment practices, healthy and safe working conditions, equal opportunities, and employees’ empowerment. Our whistleblowing processes, the work life balance, and the collaborative environments is of high importance for us and is aligned with the UAE Happiness Agenda. This year, we have restructured our organization and we are currently in the process of redesigning our operating model. Furthermore, we are working towards developing our competency framework and determining Amlak Finance culture to drive growth in these challenging times. We aim to assess our human capital and focus on talent development in the second half of 2021.

| Workforce  | 2018                 | 2019                 | 2020                 |
|--|----------------------|----------------------|----------------------|
| <b>Workforce size</b>  |                      |                      |                      |
| Total number of employees (#)  | 93                   | 82                   | 78                   |
| <ul style="list-style-type: none"> <li>• Full-time employees (#)</li> <li>• Part-time employees (#)</li> </ul>               | 93<br>0              | 82<br>0              | 78<br>0              |
| Year over year change for full time employees (%)  | -                    | -12%                 | -5%                  |
| <b>Workforce by employment level</b>   | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          |
| Full time employees in senior management (#)   |                      |                      |                      |
| Female (#)   | 1                    | 2                    | 1                    |
| Male (#)   | 7                    | 3                    | 3                    |
| Female (%)   | 12.5                 | 40                   | 25                   |
| Male (%)   | 87.5                 | 60                   | 75                   |
| Full time employees in middle management (#)   |                      |                      |                      |
| <ul style="list-style-type: none"> <li>• Female (#)</li> <li>• Male (#)</li> <li>• Female (%)</li> <li>• Male (%)</li> </ul> | 7<br>23<br>23<br>77  | 6<br>19<br>24<br>76  | 3<br>18<br>14<br>86  |
| Full time employee staff (other levels) (#)  |                      |                      |                      |
| <ul style="list-style-type: none"> <li>• Female (#)</li> <li>• Male (#)</li> <li>• Female (%)</li> <li>• Male (%)</li> </ul> | 26<br>29<br>47<br>53 | 25<br>27<br>48<br>52 | 23<br>30<br>43<br>57 |
| <b>Workforce by gender profile</b>   | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          |
| Female full-time employees (#)   | 34                   | 33                   | 27                   |
| Male full-time employees (#)   | 59                   | 49                   | 51                   |
| Total Enterprise headcount held by women (%)   | 37                   | 40                   | 35                   |
| Total Enterprise headcount held by men (%)   | 63                   | 60                   | 65                   |

| New Hires  | 2018 | 2019 | 2020 |
|--|------|------|------|
| New employee hires by gender                       |      |      |      |
| • Female (#)                                       | 11   | 5    | 6    |
| • Male (#)   | 16   | 6    | 18   |
| Total number of employees who left the company (#) | 27   | 25   | 29   |
| • Full time  | 27   | 25   | 29   |
| • Part time  | 0    | 0    | 0    |

### Employee Engagement

Amlak Finance provides benefits to full time employees and is related to leave travel allowance, child education allowance, gratuity, and parental leave. More specifically the leave travel allowance is related to the annual leave air tickets and allowance provided to our employees and their family members. Furthermore, the child education allowance is provided to our employees as a recognition of the importance of quality in education to provide financial assistance to the relevant costs. Gratuity, paid as per labour law, is also offered to full time employees. Finally, Amlak Finance provides parental leave to all its employees, with 3 days of paternity leave, and paid maternity leave.

| Parental Leave   | 2018 | 2019 | 2020 |
|--|------|------|------|
| Number of female employees that took parental leave  | 1    | -    | 2    |
| Number of female employees who returned to work after parental leave ended (return to work)                                    | 0    | -    | 2    |
| Number of female employees returned from parental leave who were still employed twelve months after return to work (retention) | 0    | -    | 2    |
| Return to work rate (%)  | 0%   | -    | 100% |
| Retention rate (%)   | 0%   | -    | 100% |

Our employee engagement rate in 2019 was 81.7%. During 2020, and due to Covid19, the survey was not conducted. Amlak Finance’s absentee rate was at 1.4%, decreased significantly in relation to 2019. During the pandemic, all employees were working from home, except administration and customer services staff. Starting from September and up until the end of the year, there was a smooth transition to work from office.

| Employee engagement and Absentee | 2018  | 2019  | 2020 |
|----------------------------------|-------|-------|------|
| Employee engagement (%)          | 71.8% | 81.7% | NA   |
| Absentee rate (%)                | 2.4%  | 2.9%  | 1.4% |

In order to recognize and value the hard work and commitment of Amlak Finance employees, HR has introduced a Recognition Program called Shukran, which is also part of promoting a performance culture across all levels of the organization. The program aims to recognize and reward those who can demonstrate sustained achievement over and above the expectations of their roles and responsibilities.

Moreover, Amlak Finance has been participating in various country related initiatives such as the Dubai Fitness Challenge 30 x 30. Our team participated enthusiastically and competed alongside other corporate teams from all over Dubai. Team members committed to completing 10,000 steps daily for 30 days. Physical activity was tracked and recorded on the STEPPI app, and the top champions were recognized. In total our team covered a distance of 3,021 km.

In line with UAE vision 2021, on the occasion of the nations’ Flag Day, an email was sent to all staff containing the historical significance of the day, the meaning behind the flag colours, information of the designer, the criteria of the flag design competition and its first hoist.

#### 4.2. Diversity and Equality

One of the fundamental values of Amlak Finance is the equal treatment of all employees irrespective of race, religion, sex, sexual orientation, disability, or other such criteria. Any discrimination, bullying or harassment based on such criteria will be viewed very seriously, will not be tolerated and would result in severe disciplinary action and dismissal. These are covered by the HR Policy, which all employees are required to read and confirm on a yearly basis. The company does not follow a Child or Forced Labour Policy as these are covered by national legislation.

All employees are expected to abide by the rules and regulations of HR to protect their interests and those of the company. An employee who commits an offence and/or violates any of these rules and regulations intentionally or through carelessness, is subject to disciplinary action. The type of disciplinary action applied will be dependent on the nature, frequency, and seriousness of the breach of the rules and regulations.

We have a grievance procedure in place for reporting any violation of the Code of Conduct. We take serious consideration of such actions, and we resolve them in a timely manner.

| Grievances   | 2018 | 2019 | 2020 |
|--|------|------|------|
| Number of grievances filed in the reporting period | N/A  | 1    | 1    |
| Number of these grievance addressed or resolved    | N/A  | 1    | 1    |
| Comments: Warning letters were issued              |      |      |      |

Our commitment to diversity is also expressed through initiatives like the ‘Diversity Day’ which was held on April 25th, 2019, in line with the Year of Tolerance and Amlak Finance’s CSR Strategy 2019. On this day, we encouraged everyone to come work in their traditional attire showcasing their rich culture and heritage. Furthermore, there was a lunch arranged for all staff in the company to celebrate the occasion. Similarly, more initiatives were scheduled for 2020 but due to Covid19 these were postponed.

## Female Empowerment

Amlak Finance offers equal opportunities for women. We acknowledge the importance of women in the workforce, and we work on achieving the best standards of gender equality in the workplace, in line with the UAE efforts to increase female participation in the economy.

During 2020, our female employees represented 35% of the total employees, and the 25% of the total senior management level employees. Moreover, the median female compensation to median male compensation was at 31%.

### 4.3. Health and Safety

The year 2020 has been an unprecedented challenge due to the Covid19 global pandemic. The safety of our employees is of utmost importance, and we were able to transition to remote working seamlessly while providing a safe work environment for critical staff that were required to continue to work from our offices.

Furthermore, a Covid19 Corporate Support Package (launched by Al Zahra Hospital Dubai), with a range of complimentary services to provide up-to-date medical information about Covid19 was shared with all employees. This included a Covid19 Hotline for anyone that had questions or required information about Covid19, an online information centre, as well as a symptom-checker which provided its users with guidelines of the process to be followed based on their symptoms.

A daily snapshot was sent out to all Amlak Finance employees, with the latest updates in the UAE about Covid19 related developments. This contained daily headlines about the evolving situation, such as new laws, rules and regulations, government initiatives and other announcements, as well as updates which may have a personal or professional impact.

Amlak Finance recognizes its responsibility towards maintenance of a healthy environment and has specific processes to reduce possible hazards to the environment. These initiatives, among others, include considering safety and environmental factors in all operating decisions. As such, we have a Health and Safety Policy in place with specific guidelines to ensure a healthy work environment and the safety of employees, visitors, and clients on our work premises.

Amlak Finance management wants to create a healthy environment for all employees and clients. Office premises in all locations are continuously maintained with proper lighting and ventilation. We take steps to prevent accidents and cases of work-related illness and provide adequate control of health and safety risks arising from work activities. Our Heads of Department ensure that the necessary training is provided, and all employees are competent to do their work. The occupational health and safety training

provided to workers, including generic training on specific work-related hazards or hazardous situations is conducted on a yearly basis. Every year, we conduct emergency fire drills to keep staff ready for any unseen situation.

Managers also engage and consult with employees on day-to-day health and safety conditions and provide advice and supervision on occupational health. There has been no high incidence or high risk of specific diseases within the Amlak Finance workforce, such as diabetes, repetitive strain injuries, or stress during 2020.

| Health and Safety   | 2018 | 2019 | 2020 | Target |
|---|------|------|------|--------|
| Employee fatalities   | 0    | 0    | 0    | 0      |
| Contractor fatalities   | 0    | 0    | 0    | 0      |
| Employee lost-time injuries                                     | 0    | 1    | 0    | 0      |
| Contractor lost-time injuries                                   | 0    | 0    | 0    | 0      |
| Employee total recordable injuries                              | 0    | 1    | 0    | 0      |
| Contractor total recordable injuries                            | 0    | 0    | 0    | 0      |
| Employee occupational disease rate (%)                          | 0    | 2    | 0    | 0      |
| Contractor occupational disease rate                            | 0    | 0    | 0    | 0      |
| Total employee lost time hours                                  | 0    | 2    | 0    | 0      |
| Total contractor man-lost time hours                            | 0    | 0    | 0    | 0      |
| Frequency of injury events relative to total workforce time (%) | 0    | 0    | 0    | 0      |

As we continue to adjust to the new normal, we have provided a safe working environment for all our staff to return to office while implementing a remote working policy for those who choose to. Emotional health and mental well-being are of high importance for Amlak Finance. To this end, three webinars were organized by Māiti Group for our employees for three consecutive Thursdays that aimed at giving consultation on how to address the loss of routines, patterns and predictability coupled with social isolation, economic distress, and tips to keep good mental and emotional health.

#### 4.4. Training and Development

A complete training and development section is part of our HR Policy. The training needs are evaluated at the beginning of each year. In 2017 and 2018 we had an e-learning portal for all employees with more than 200 courses. In 2019, in-house training was provided with more than 431 training hours while in 2020, the total training hours were 532 including among others compliance, Anti-Money-Laundering (AML), data security and other subjects.

| Training                              | 2018 | 2019 | 2020 |
|---------------------------------------|------|------|------|
| Average training per employee (hours) | 5    | 5    | 7    |
| Total training delivered (Hours)      | 454  | 431  | 532  |

## 5. Supporting our Community



### 5.1. Community Initiatives

It is our responsibility to make a difference for the community we live and operate in. It is also our duty to foster compassion and nurture social awareness in the workplace. Inclusive growth is essential for all businesses to thrive and to build positive links with all community members, and address needs stemming from the uncertainty of the pandemic. Helping our community goes beyond charity and we are dedicated to support the economic, educational, and psychological needs of local community groups.

Our community investment approach is structured around helping and supporting communities address their development priorities. We have a Community Investment Policy in place that serves as a guide to our social development initiatives. This makes community development a fundamental pillar in our corporate strategy that helps drive value for Amlak Finance and all our stakeholders.

Throughout the years, we have been supporting our community with several initiatives and have been an active member of it. In 2020, despite the challenges we faced with the Covid19 implications, we managed to launch several initiatives. Amlak Finance’s annual **Bake Sale in Collaboration with the Al Noor Training Centre for Children with Disabilities** was successfully held. All baked goods were made by students who have been given shelter and employment at the Centre. We were proud to assist through contributions of our employees with AED 2,000, to Al Noor’s mission and to have a positive impact on our disadvantaged children.

We have also taken part in the Ramadan Campaign by the Zakat Fund & Abu Dhabi University “**Our Youth Our Responsibility, Our Zakat our Immunity**”. The campaign aims to financially support 500 deserving students – both nationals and non-nationals for their higher education programs.

#### Community engagement at Amlak Finance

- Supporting the Emirati elderly community by way of social engagement (arranging luncheons, entertainment, providing gifts), monetary contribution to elderly centres, or encouraging employee volunteering to engage with elderly citizens at a centre.
- Supporting the medical and educational requirements of children of determination by contributing items from wish list of Specials Needs centres which will support their learning, training, and development.
- Supporting the educational requirements of underprivileged children by volunteering as teaching staff to these schools, and also providing donations or supporting their education.

- Supporting the religious requirements of blue-collar Muslim workers, by sponsoring their Hajj and or Umrah pilgrimage.
- Supporting and engaging Amlak Finance's Office Assistants such as sponsoring their meals during Ramadan, involving them in internal CSR campaigns.

## An overview of our previous initiatives

### Al Noor Training Centre

2019

Sponsorship of psychological lessons for 220 students

### Emirates Wildlife Society

2018

Sponsorship. Addressing the UAE's most pressing issues around climate change and energy, and wildlife trade.

### Read with me initiative

2017

Sponsoring Action Care to help children with low profile to improve their english.

### Blood Donations & Labour Camp

2015

Distributed Air conditioners, water coolers etc to labour camp through collaboration with SmartLife foundation.

### Rashid Centre

2019

Sponsorship of 3 Wheelchairs. Provide specially designed wheel chairs for students with special needs.

### Amlak Labour camp

2017

Collaboration with Smart Life Foundation to provide all 250 residents of a labour camp with food kits and personal hygiene products.

### Elderly Centre

2016

15 members from Amlak visited an Elderly Center, provided gifts and entertainment for residents.

## 5.2. Volunteering

It is fundamental to us that all our employees are aware of the importance they can bring as individuals and together as a company to the community where we live and work. We continue to work effortlessly on improving our employee awareness and participation levels through training, conferences and seminars. Our community partners' emails are shared to encourage employees who are willing to contribute to the community to donate to local charities, through monetary donations, time, skills or expertise, valuable resources for the community.

## 5.3. Nationalisation

We have an important role in nationalising the finance industry in the UAE. We are committed to the UAE Vision 2021 promoting the “*development-oriented policies that support productive activities, decent job creations*”. Our Emiratisation rates stand above the national averages in the UAE.

| <b>Nationalisation</b>                        | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|---|-------------|-------------|-------------|
| Nationals among total full-time workforce (#) | 12          | 13          | 8           |
| Nationalisation of senior Management (#)      | 3           | 3           | 3           |
| Nationalisation of senior Management (%)      | 37.5        | 60          | 75          |
| <b>Nationalisation (by gender)</b>            |             |             |             |
| Female National full-time employees (#)       | 6           | 7           | 4           |
| Male National full-time employees (#)         | 6           | 6           | 4           |

## 5.4. Supplier Relations

We have introduced the “supplier happiness” in 2019, which is a supplier feedback form that helps identify the levels of satisfaction of our business partners. We aim to ensure that our supply chain is sustainable, and our procurement processes are performed in a responsible manner. We achieve this by ensuring a fully transparent selection process for all our suppliers based on an evaluation of our business partners ahead of any transaction, and our supplier Code of Conduct and vendor scorecard. We also have a Human Rights Policy that covers our suppliers and vendors.

As highlighted in our Community Investment Policy “marketplace practices are defined as standards of conduct, policies and procedures governing the way a company improves environmental and social outcomes through its provision of goods and service and its treatment of suppliers and customers. A company should be responsible in its approach

to procurement, its supply chain relations, its marketing and advertising, and avoid exploiting its market position”.

To that end, we integrate environmental and social considerations into our procurement process and selection criteria. We have a scoring system that is based on the social and environmental performance of our vendors.

- When evaluating a potential community partner, the following criteria are assessed:
- Entity established under the patronage of the UAE leadership.
  - Entity registered with the Dubai Chamber of Commerce & Industry
  - Recognized by UAE governmental authority.
  - Green/CSR conscientious entity.
  - Entity which supports underprivileged groups within UAE (such as orphans, people of determination, widows, and the elderly).

As a proud UAE company, we aim to source locally, to participate in the national effort of development of our economy, in line with the UAE Vision 2021. In 2020, total procurement spending on our 259 local suppliers has increased by 13%.

| Local suppliers   | 2018  | 2019  | 2020  | Target |
|---|-------|-------|-------|--------|
| Total number of local suppliers engaged (#)   | 335   | 199   | 259   | 250    |
| Procurement spending on local suppliers (million AED)   | 61.90 | 65.89 | 74.61 | 65.00  |
| Total procurement spending (million AED)  | 61.90 | 65.89 | 74.61 | 65.00  |
| Comments: Procurement spending is expected to decrease in 2021, following the decision of the organisation to undertake some operations internally. |       |       |       |        |

## 6. Protecting our Environment



### 6.1. Environmental Management System

At Amlak Finance, taking into consideration our impact to the environment is fundamental. We are therefore committed to embed environmental principles in all aspects of our business operations by minimising our environmental footprint or managing our waste. We continue to put actions in place to improve our environmental performance. We are dedicated in collaborating with local bodies involved in environmental protection, wildlife preservation, and environmental research and studies programs, and comply with environmental regulations and guidelines. We commit to make contributions that help address the UAE's and global most pressing issues around climate change.

We have set several initiatives to reduce energy use and increase environmental awareness throughout our organisation. We launched the Go Green Initiative in 2015, to significantly reduce usage of paper and thus reducing paper and printing costs. Following this initiative, we have dedicated two “Green Weeks” in 2020, each one being a two-week plastic free period (no plastic and foam cups and plastic water bottles were allowed for any internal use), helping us manage our waste more efficiently. This comes after our successful eco-friendly 2018 initiative during which reusable water bottles were distributed to all our employees, in an effort to encourage them to reduce paper and plastic usage. The water bottles were purchased from The Green Ecostore, an eco-friendly and local store listed on the Dubai Chamber website.

During the World Environment Day, we have shared with all our employees e-flyers with 10 simple ideas, provided from the Dubai Chamber, that can be implemented at home or in the office to improve our environmental footprint as individuals and as a company.

This year, we have celebrated the Earth Hour digitally due to Covid19 restrictions and as an act of solidarity with our UAE community, pledging our support to save our planet. Our CSR team has also attended workshops organised by the UAE Ministry of Climate Change and Environment (MOCCA) and Emirates Nature on Carbon Footprint. These workshops included subjects related to global warming, climate change, carbon footprint, emissions sources, data requirements and methodologies to estimate emissions from different sources.

**Our Commitments:**

- In line with our CSR Strategy, each year we will partner with a non-profit environmental organization to sponsor green projects.
- Plastic and paper consumption is monitored.
- Efficient waste output management practices, such as disposing waste in the allocated containers for plastic, recycling, and other waste.
- All confidential documents are shredded and then recycled.
- Green initiatives will be run at least twice a year to reduce paper and plastic waste output to the environment, in line with Amlak Finance’s CSR Strategy.
- Green tips are printed in Customer Statements to raise awareness about environment related causes.
- Raise awareness to employees on environmental issues in line with CSR strategy and to promote energy saving behaviours, such as switching off laptops at the end of the day.
- Eco-friendly procurement to promote use of sustainable products and support local UAE Green Businesses.
- Ensure compliance with environmental regulations and international environmental standards wherever applicable for Amlak Finance.
- Promote energy conservation, by keeping all office lights shut off during weekends and holidays.
- Explore new measures and environmentally friendly practices in the workplace.

## 6.2. Water and Energy Consumption

In terms of water and energy consumption management, it is important to mention that Amlak Finance is paying service charges based on a per sqft basis, and all charges are included on one service bill by our provider. As such, no analysis of energy, electricity or water consumption is available. However, we plan to start monitoring our performance on a yearly basis from next year.

| Energy Consumption  | 2018    | 2019    | 2020    | Target |
|---|---------|---------|---------|--------|
| Total m <sup>2</sup> of space across all facilities (office, storage, facilities, etc.) | 1,735   | 1,735   | 1,735   | 1,065  |
| Total Petrol consumption (L)  | N/A     | N/A     | N/A     | 12,000 |
| Total Electricity consumption (kWh)   | No data | No data | No data | 96000  |
| Energy consumption from electricity (GJ)  | No data | No data | No data | 345.60 |
| Energy Intensity (GJ/employee)  | N/A     | N/A     | N/A     | 3.45   |

| Water Consumption                                      | 2018 | 2019 | 2020 | Target |
|--|------|------|------|--------|
| Total water consumption (m <sup>3</sup> )              | N/A  | N/A  | N/A  | 1,998  |
| Water consumption intensity (m <sup>3</sup> /employee) | N/A  | N/A  | N/A  | 19.98  |

## 6.3. Waste Management

We have been tracking and reporting our paper consumption in order to maximise our efforts to shift the company towards a more sustainable behaviour. Early 2021, we have

enabled the Docusign service, in order to facilitate document transfer and reduce paper usage. Paper shredding and recycling are also part of our waste management initiatives. Our total paper consumption in 2020 has drastically decreased by 43%, accelerating due to Covid19. For next year it is expected that the paper consumption will slightly increase but will be much less than 2019, as IT will continue evolving and enabling more digital processes.

| <b>Waste Management</b>           | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>Target</b> |
|-----------------------------------|-------------|-------------|-------------|---------------|
| Total paper consumption (kg)      | 3,637       | 2,862       | 1,637       | 1,875         |
| Total Paper Recycled              | 1,563       | 1,360       | 803         | 856           |
| Total waste produced (tons)       | N/A         | N/A         | N/A         | N/A           |
| Total IT products recycled (tons) | 0.2         | 0.37        | 0.95        | 0.22          |
| Printer cartridges (number)       | 43          | 39          | 32          | 27            |
| Personal computers (tons)         | 0.0         | 0.2         | 0.0         | 0.1           |

## 7. Delivering Good Governance



### 7.1. Compliance and Ethics

We believe that sound corporate governance is the foundation of our success, the key to a healthy and thriving business. It helps embed integrity and accountability into our organizational culture, empower our employees and lead to a more responsible behaviour towards all our stakeholders. Effective corporate governance is essential to long term value creation and our governance model allows us to anchor the most fundamental sustainability issues into our strategy and our targets. In fact, ESG matters are part of Amlak Finance’s business model, an integral part of all our business functions.

We always promote sound and effective corporate governance as the highest standards of performance, creating a common goal for our Amlak Finance family. As such, we comply with the Emirates Securities and Commodities Authority (SCA), Dubai Financial Market (DFM), and the UAE Central Bank (CB) regulations. We are committed to raise awareness about the importance of compliance with competition legislation. Positive environment, social and governance impacts are the principles that shall govern our business, and this will make our company stronger and more resilient.

#### **Board Leadership and Management Processes**

Our board members at Amlak Finance provide our company with a wide range of expertise, qualifications, and skills that are necessary to guide our strategy and oversee our operations. Promoting integrity and transparency and ensuring compliance with our ethical standards through the entire organisation is essential to our management processes. Coming from different backgrounds such as private banking, corporate finance, audit, aviation, economic development, etc, our board members are experienced and equipped to tackle the challenges that our company faces. The nomination process ensures that prior to any appointment, assessments based on expertise, skills, experience, and diversity are taken into consideration, as it is recommended in our Board Diversity Policy.

Amlak Finance’s board committees are composed as follows.

- Audit Committee
- Board Risk Committee
- Nomination and Remuneration Committee

Amlak Finance’s executive management committees are:

- Management Committee (MANCO)
- Assets and Liability Committee (ALCO)
- Credit Committee

All our board members are non-executive directors, and the female representation of members is one of our most important areas of development. We consider that women participation is essential and although we do not currently have a representation of female members on our Board of Directors, since no woman nomination were submitted, we continue our efforts to improve gender balance ratios in our management and leadership, and board levels positions, in compliance with the Chairman of the Authority's Board of Directors Decision No. (08/Chairman) of the JSC Governance Guide in 2021.

| Board of Directors  | 2018 | 2019 | 2020 | Target |
|---|------|------|------|--------|
| Percentage of Board seats occupied by women                 | 0    | 0    | 0    | 14%    |
| Percentage of Board seats occupied by independent directors | 70%  | 70%  | 15%  | 51%    |
| Executive members of the Board of Directors                 | 1    | 1    | 0    | 0      |
| Non-executive members of the Board of Directors             | 6    | 6    | 6    | 7      |
| Female members of the Board of Directors                    | 0    | 0    | 0    | 1      |
| Male members of the Board of Directors                      | 7    | 7    | 6    | 6      |
| Independent members of the Board of Directors               | 5    | 5    | 1    | 4      |
| Non-independent members of the Board of Directors           | 2    | 2    | 1    | 3      |

Comment: The newly elected Board in 2021, has 6 independent members among which one female member.

## Compliance

We cultivate a culture of integrity, and we establish proper standards, controls, policies, and procedures that help us protect our company, our employees and our clients. We have an Anti-Fraud and an Anti-Money Laundering (AML) Policy in place. Our Compliance department oversees the delivering of periodical AML training for our employees to implement a culture of integrity and transparency. Our compliance team uses GoAML, an anti-money laundering system that is backed by the United Nations Office on Drugs and Crime to report any suspicious activity to the Central Bank.

| Compliance  | 2018 | 2019 | 2020 | Target |
|---|------|------|------|--------|
| Total incidents of non-compliance with laws and regulations   | 0    | 0    | 0    | 0      |
| Total number of non-monetary sanctions  | 0    | 0    | 0    | 0      |
| Percentage of legal and regulatory fines and settlements that resulted from whistleblowing actions  | 0    | 0    | 0    | 0      |
| Comments: for all of non-compliance with Central Bank regulation where the action plans & target date are in place, are not reported above. |      |      |      |        |

## Code of Conduct

Our Code of Conduct promotes strong values of integrity and transparency and ensures that all Amlak Finance's employees are treated with respect, equality, and fairness, regardless of religion, race, disability, or any other criteria. The Code prohibits any form of discrimination, bullying or harassment and provides a framework for directors and employees on the ethical behaviour integral to their work. All employees abiding by this

Code are expected to demonstrate high standards of integrity in their relationships with all company's stakeholders. The Code covers the following:

- Bullying and harassment
- Discrimination
- Financial crime compliance breaches
- Information security risk breaches
- Regulatory compliance breaches
- Staff fraud
- Other breaches of policies and procedures, e.g., breaches of the Code of Conduct, absenteeism, poor time management and non-completion of mandatory training.

We consider that disciplinary actions are necessary to avoid any form of violation. These actions depend on the nature, frequency, and seriousness of the breach of the rules and regulations and ensure that our business is safe, ethical, and sustainable. These actions are:

- Verbal warning
- First written warning
- Final written warning
- Suspension only in cases where there is a risk to the company.
- Termination
- Gross misconduct termination

## 7.2. Anti-Corruption Practices

Safeguarding against potential corruption is a top priority for Amlak Finance. In line with international regulations, we put a strong focus on combating corruption, anti-competition behaviours, money laundering and bribery.

### **Risk Management**

The Enterprise Risk Management department has a robust process of incident reporting and investigation mechanism. In line with the Securities and Commodities Authority (SCA) requirements, we have a Whistleblowing Policy in place to encourage our employees and all our stakeholders to escalate and report any incident of misbehaviour and to protect them from any form of violation. Our employees are invited to report without any fear of repercussion of any unethical behaviour, wrongful conduct, or any activity that breaches the Code of Conduct principles. The policy designates the Whistleblowing Officer (DWO) and Secondary DWO, who will both handle the whistleblowing cases received via various channels defined in the policy and share the necessary information with the stakeholders involved. They will ensure that the necessary actions are taken against any reported incidents. All complaints are handled in a confidential manner, ensuring anonymity of the whistle-blower to avoid any possible repercussion.

**Internal Audit**

The Internal Audit department is an independent function that reports directly to the Board Audit Committee. The department adopts a Risk Based Audit Plan and ensures that effective and adequate Internal control processes are in place. Despite the pandemic restrictions and challenges, the key audits were completed successfully. The Internal Audit department is subject to an independent external review system from a trusted third party at regular intervals.

**7.3. Data Privacy and Security**

Mitigating risks and avoiding adverse societal impacts on our company, our community and all our stakeholders is a priority. Our Information Security Department conducts periodical training to employees on data security.

We perform yearly assessments and evaluation of the effectiveness of our privacy and security management systems. We also conduct Vulnerability Assessment and Penetration Testing of our IT infrastructure to identify potential vulnerabilities and help mitigate the risks arising from them. We have adopted the ISO20000:2018 standard (IT Service Management) and we followed ISO 27001 standard (Information Security). We are happy to report that during 2020, no data security breaches have been identified.

| <b>Fraudulent transactions</b>  | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>Target</b> |
|---|-------------|-------------|-------------|---------------|
| Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud) (AED) | 0           | 0           | 0           | 0             |
| Percentage of activity from card-not-present fraud (%)  | 0           | 0           | 0           | 0             |
| Percentage of activity from card-present and other fraud (%)  | 0           | 0           | 0           | 0             |