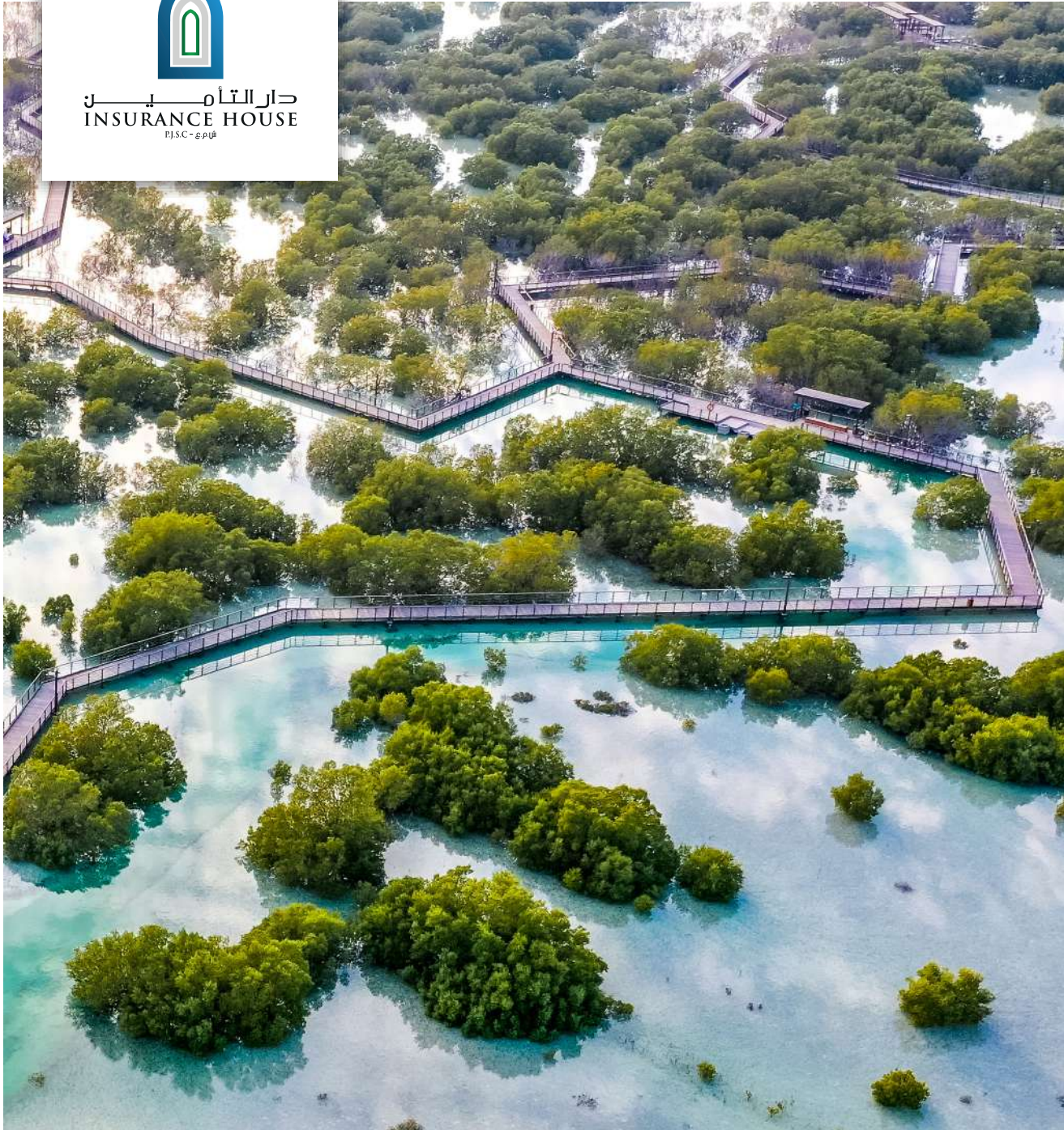




دار التأمين
INSURANCE HOUSE
ش.م.ع. - P.J.S.C



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2020

AEI000401010

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Insurance House has reset our sustainability goals in 2020 to become the most responsible company in the insurance sector. Despite 2020 being a game-changing year for everyone, IH registered a Net Profit of AED 10.89 million compared to AED 16.17 million in the previous year. Considering the upheavals endured during the course of the year, this is a resilient performance that provides a solid foundation for sustained profitable growth in the near future.

Gross Premiums Written during 2020 weighed in at AED 217.37 million compared to AED 235.82 million written during the previous year. Net Premiums Earned in 2020 were slightly lower at AED 150.17 million compared to AED 153.13 million in the previous year. At the same time, Net Claims Incurred during 2020 were flat at AED 84.21 million compared to AED 84.41 million in the previous year. As a combined result of the above, Net Underwriting Income for 2020 was lower at AED 47.00 million compared to AED 51.57 million registered during the previous year.

Despite volatile equity, fixed income and real estate markets, overall Investment Income from a carefully managed and well-diversified investment portfolio was maintained at AED 6.81 million in 2020 compared to AED 6.89 million in the previous year. Cash & cash equivalents including fixed deposits with UAE banks as of 31 December 2020 stood at a robust 26.4% of Total Assets (2019: 22.4%), highlighting our conservative approach to investments & liquidity management under volatile market conditions, as well as the sound liquidity position of the Company.

General & administrative expenses were lower at AED 42.95 million compared to AED 43.80 million in the previous year. Several expense rationalization and expense reduction measures have been initiated and the full year impact of these measures will be realized in 2021.

Another key highlight of the year 2020 is that the investment grade credit rating of the Company- Long-Term Issuer Credit Rating of "BBB-" and a Financial Strength Rating of "B+" (Good) have been reaffirmed in Q4 2020 by AM Best, the international credit rating agency. The outlook assigned to these Credit Ratings is "Stable". This independent re-affirmation of our investment grade credit rating by an international credit rating agency such as AM Best will not only strengthen our existing business relationships, but will also open doors to many new relationships across the globe.

Our strategy is to compete on the basis of differentiated product offerings, improved digital capabilities and superior service quality. Going forward, profits from core insurance activities will be driven by continuous fine-tuning of our risk underwriting capabilities, increased use of digital channels to extend customer reach and enhanced controls in our claims management processes.

MOHAMMED OTHMAN
Chief Executive Officer of Insurance House





IH - OVERVIEW

Insurance House PSC engages in the insurance businesses, which provides non-life insurance solutions. It operates through two business segments: underwriting of general insurance business and investments. The company was founded in 2010 and is headquartered in Abu Dhabi, the United Arab Emirates.

Offering a diverse portfolio of consumer and corporate insurance products and services that are in compliance with local requirements and up to par with international standards, our utmost goal is catering to a growing pool of insurance policy demanders. Prying ourselves in offering a range of customized covers that encompass both conventional and specialized insurance classes.

IH- ESG ISSUES

The ESG team considers feedback from the internal and external stakeholders, employees, customers, and regulators. However, in 2020, the ESG team identified the bellow issues as key structural drivers of our growth, so that will continue to be our efforts to operate in a sustainable way, and discussed in sections of this report.

CODE OF CONDUCT	PREVENTING BRIBERY AND CORRUPTION	ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING	DATA LEAKAGE PREVENTION - CYBERSECURITY PREPAREDNESS
PREVENTING FRAUD	EMPLOYEE ENGAGEMENT	RELATIONSHIPS WITH CUSTOMERS	DIVERSITY AND INCLUSION
EMPLOYEE TURNOVER	TRAINING AND DEVELOPING	EMIRATISATION	WORKPLACE SAFETY
CORPORATE GOVERNANCE	RISK MANAGEMENT	BOARD STRATEGY	DIGITALIZATION
CLIMATE ENGAGEMENTS	PAPER USAGE	ENERGY AND EMISSIONS	THE CARBON FOORPRINT OF OUR INVESTMENET PORTFOLIO



IH APPROCH TO ESG

IH ESG efforts and value is to our internal and external stakeholders, our better operating and success to our insurance business portfolio in UAE, as a brand promise to help our customer's.

However, we address the sustainability challenges in our business, that allow us to manage key areas of our operational impact in four subjects:

- **Supporting Business Portfolio**
- **Responsible for the Right People**
- **Our Social Community**
- **Governance and Risk Management**

ESG – GOALS

The background is a dark green gradient with a complex network of white lines and icons. The icons include a globe, a sun, a location pin, a recycling symbol, a bar chart, a gear, a leaf, a power line tower, a solar panel, a water drop, a factory, a tree, and a recycling symbol. The lines form a web-like structure, suggesting interconnectedness and a global network.

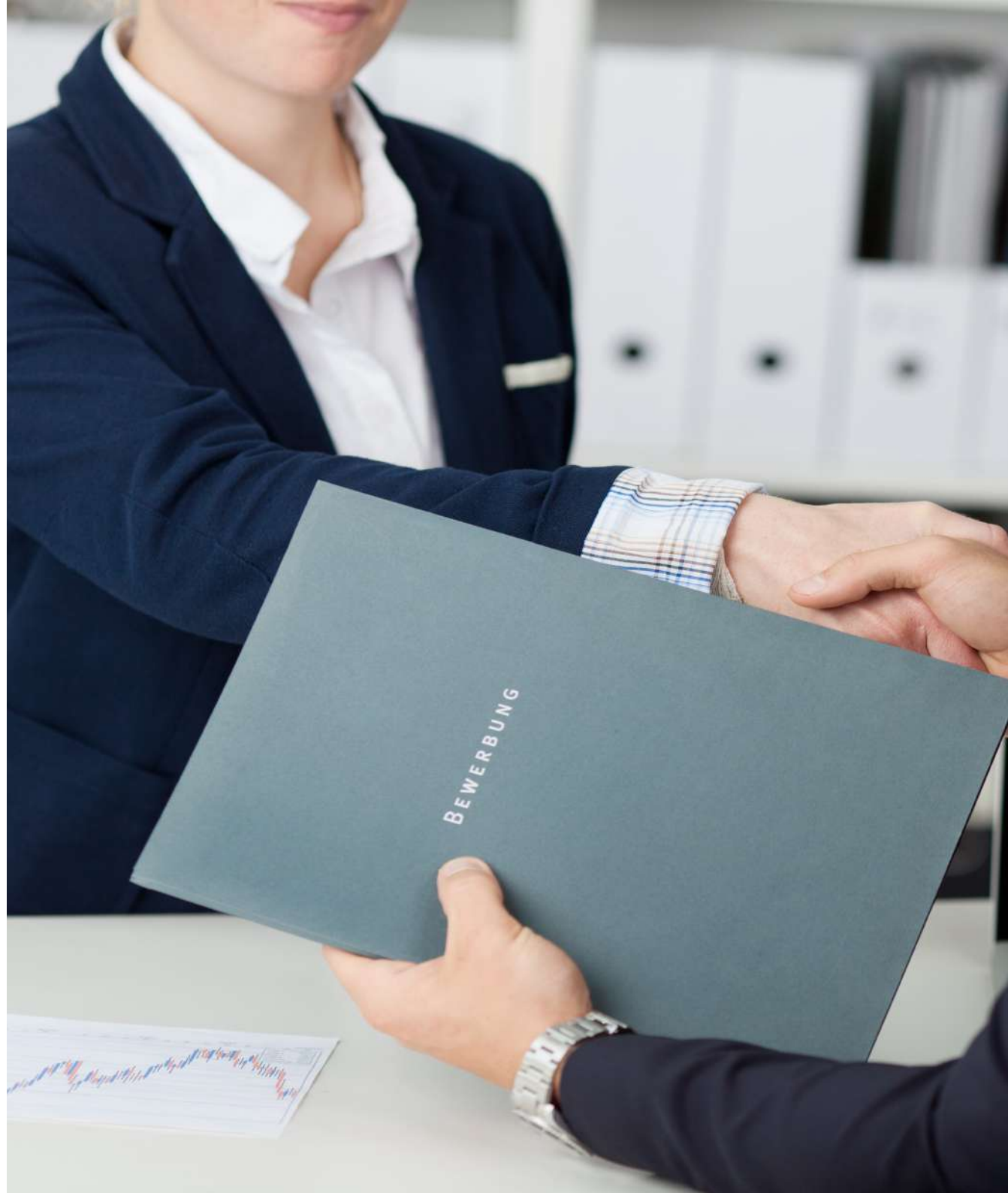
SUSTAINABLE DEVELOPMENT GOALS



SUPPORTING BUSINESS PORTFOLIO



Resting on a solid foundation of stability, trust and enduring values, our aim is to bring vital features such as speed, care and added value into the insurance arena. Committing to always ensuring our clients' most intricate of needs are addressed through offering abundant policies which are not limited to: Motor Insurance, Engineering Insurance, Fire Insurance, Liability Insurance, Marine Insurance, Medical Insurance, Personal Insurance, Aviation Insurance, Energy Insurance, and more.



YEAR 2020 - FINANCIAL & OPERATIONAL HIGHLIGHTS

REGULAR DIVIDEND PAYOUT TO SHAREHOLDERS	
YEAR	'IN '000 AED
2018	1,188
2019	4,751
2020	4,751

SOUND OPERATIONAL PERFORMANCE	'IN '000 AED
GROSS WRITTEN PREMIUM	217,371
GROSS CLAIM SETTLED	152,570
OPERATING PROFIT	47,005

STRONG FINANCIAL PERFORMANCE	'IN '000 AED
NET PROFIT	10,886
INVESTMENT INCOME	6,814
TOTAL ASSETS	335,853

WEALTH CREATION FOR SHAREHOLDERS	
EARNING PER SHARE	0.09
DIVIDEND PER SHARE	0.04
RETURN ON EQUITY	8%

	'IN '000 AED
RETAINED EARNINGS	(5,447)
SHAREHOLDER EQUITY	136,050



CODE OF CONDUCT

The Insurance House code of conduct is to provide a statement of the policies and procedures of Insurance House for continuing to conduct its business in a legally and ethically appropriate manner. As such, this code constitutes an integral part of Insurance House personnel policies and procedures. Specific guidance is provided with respect to the following topics:

- 1- Insurance House values
- 2- The role of Insurance House supervision
- 3- Conflicts of interest
- 4- Protecting Insurance House information and assets
- 5- Compliance with laws and regulations
- 6- Violations of policy: reporting obligations and discipline

Insurance House Board of Directors has charged all the company's employees with the responsibility of enforcing the compliance program and ensuring that the code and Insurance House related policies govern the business activities of all company employees. This charge, however, in no way diminishes each employees responsibility to understand and comply with the code and Insurance House related policies, it also does not diminish each supervisors responsibility to ensure that those employees for which he or she has responsibility comply with the code and all related Insurance House policies in effect including, without limitation, the contract policy, security policy, purchasing policy, travel and entertainment policy, accounting policy and procedure, privacy policy, immigration policy and equal employment opportunity and with other employment-related policies.



PREVENTING BRIBERY AND CORRUPTION

Insurance House Policy sets a high standard that is observed across our operations, the Policy concerning the detection and deterrence of Bribery and Anti-Corruption, and the procedure to be followed by Insurance House employees and, where appropriate, Insurance House contractors, Associates, insurance brokers, automobile agencies and suppliers if fraud is suspected or detected.

However, this subject can effect assets that are both small and large in value, for the purposes of Insurance House policy, fraud includes but not limited to, following:

- 1- Accepting or offering a bribe or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence a decision;
- 2- Accepting of any gift from Insurance House customers or suppliers or any other parties is not permissible; only exception are gifts/ souvenirs inscribed/ printed with gifting company's logo/ signage and value not exceeding AED 100.



PREVENTING FRAUD

Insurance House attitude to fraud is that of zero tolerance. Insurance House will not tolerate fraud, dishonest or illegal activity amongst its employees, contractors, customers, garages, insurance brokers, automobile agencies or suppliers under any circumstances. Insurance House preventing fraud in four subjects:

1- Internal Control: Are the key element in preventing fraud, and they are documented, communicated to all staff and importance of compliance regularly reminded to staff. It is the responsibility of management to ensure in their areas of responsibility have been documented and communicated.

2- Management Checks/ Monitoring: The prevention detection of fraud and impropriety is only possible where strong internal controls are present and constantly applied. Routing checks and monitoring by controls include duly approval scheme of delegation of authorities, override/ exception report monitoring and review, and being cognisant of change of staff members beyond their means.

3- Corporate Governance: As part of governance it will be important to continue to develop an environment in which awareness of responsibility for fraud prevention and detection can flourish. It is the system principle of corporate governance as:

- Openness;
- Integrity; and
- Accountability.

4- Promotion of Code of Conduct: Is to guide employees in their activities, However, in Insurance House HR department they improving code and presenting short courses to all employees. It raises consciousness among internal stakeholders. A code clarifies what is ethical acceptable behaviour. A code also communicates to external stakeholders that IH takes its ethical commitments seriously.



ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING

Insurance House is committed to the efforts of the Government of UAE and Central Bank of UAE and Global efforts in combating Money Laundering & Terrorism Financing. The following operational policies are primarily derived out of Federal Law in UAE. This applies to Insurance House businesses (or business unit), business under IHS management control and staff in all departments and subsidiaries.

Includes a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training and record keeping. Insurance House uses a comprehensive AML/CTF monitoring software or online tool to screen, risk profile and monitor customer activity. However, in Insurance House all employees are completed AML and CTF training.

DATA LEAKAGE PREVENTION - CYBERSECURITY PREPAREDNESS

Insurance House implemented Data Leakage Prevention (DLP) system across its network in order to ensure appropriate preservation of data confidentiality, secure data and ensure applicable compliance standards are met. DLP consistently monitors and identifies sensitive data on the network where international/ unintentional leakage is happening, however, the risk to the company is substantial.

A DLP system has the ability to locate (Discover) confidential electronic data within Insurance House core system and determine if there is a potential data leakage. The system has the ability to monitor and detect data leakages happening at:

- 1- Data in motion: Email, Uploads to internet websites and FTP servers, Transmitted over file shares, Instant Messaging.
- 2- Data at rest, compressed data storage drives, removable media, file servers etc.
- 3- Data in Desktop and Laptops.

On Cybersecurity Preparedness, the increasing complexity of the Insurance House environment requires the creation of a Cybersecurity Incident Respond Plan (CSIRP) to efficiently handle cybersecurity incidents, while further protecting Insurance House sensitive and critical information damage and/ or exposure due to any security breach. providing our services, and we ask our customers, employees and business partners to trust us with a range of sensitive information.

Insurance House has in place a Data Privacy Policy and Cybersecurity to ensure adequate safeguards for our customer and business data as well as compliance with data protection legislation. This Policy is communicated via classroom sessions and e-learning to all employees when they join Insurance House and are regularly refresher training and awareness activities focusing on topics such as proper data handling, breach reporting and phishing.



RELATIONSHIPS WITH CUSTOMERS

With our annual Customer Relationship meeting in Insurance House we are achieving our promise of better services and we engage in a meaningful way with our customers, so we are to customise our products and services in our core business.

However, this has allowed us to develop propositions to better address customer needs across our communities, includes protocols for dealing with customer issues and to focuses in:

- 1- Customer Engagement.
- 2- Customer Complaints.
- 3- Listening to Customers.

RESPONSIBLE FOR THE RIGHT PEOPLE

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH

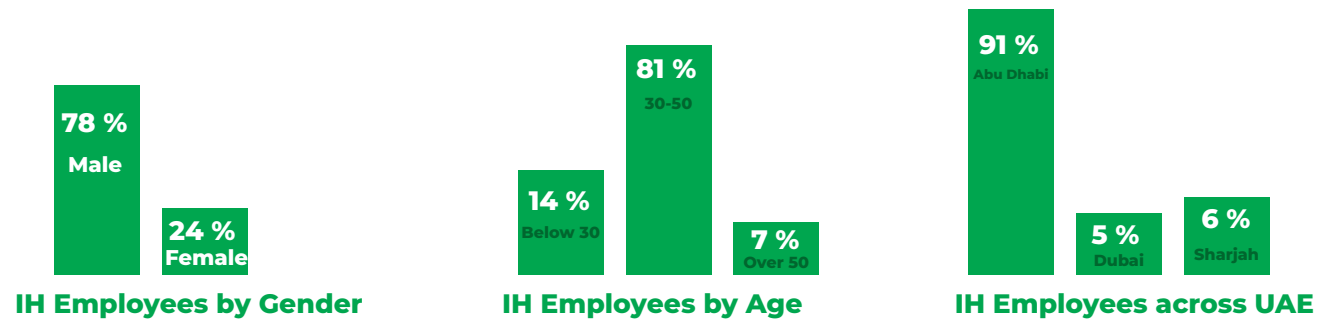


10 REDUCED
INEQUALITIES





Insurance House people are one of the vital resources of an organisation. However, the company believes in the effective management of Human Capital in order to achieve the objectives of the company. Hence the company aspires to recruit the right people, develop and retain the best talent, robust policies and procedure on Human Capital engagement will enable the company to achieve their objectives and aspirations.





EMPLOYEE ENGAGEMENT

Insurance House creating and maintaining a positive work environment, all new employees are required to complete company orientation and to complete a set of e-learning modules centred on learning and development framework.

Our Code have a standard of professional conduct and services that we offer in the workplace to our customers and to all external stakeholders, the Code of Conduct provides clear guidance on how to conduct business at all times, and protected by risk management matrix.

Employees are encouraged to resolve issues by talking to and working with their management and human resources teams (open door policy), to build on our collaborative and inclusive workplace, which prioritises employee engagement.

EMPLOYEE TURNOVER

Insurance House demand and competition for skilled talent Employee turnover in the company in 2020 was less during the COVID 19, and it was in low management level.





EMIRATISATION:

Insurance House enabling UAE nationals to achieve their full potential and further develop their competencies, is a task we do not take lightly. With internally set and structured Emiratisation programs, we provide a school of support and guidance to UAE Emiratis throughout their career journey with us. With a drive to become the nation's preferred insurance sector employee of UAE nationals our Emiratisation programs are lucratively designed to develop and attract local talent.

IH UAE - Employees by Gender

Female 9

Male 1

TRAINING AND DEVELOPING:

Insurance House is committed to building a high-performance culture that encourages enhancing employees' skills to meet current needs and to develop capabilities to meet future needs. It also strives to ensure that all training activities undertaken have a direct impact on enabling the skills required, whilst adopting a cost-effective approach in choosing the most appropriate solution.

Keeping this in mind, training and development function within Human Capital Department was established to ensure that all IH employees have the access to career development opportunities as part of their employment.

IH Employees by Gender Training Hours

Female: 339 Hours

Male: 556 Hours

IH Employees Average training hours by employee level:

JUNIOR STAFF: 715 Hours

MIDDLE MANAGEMENT: 136 Hours

SENIOR MANAGEMENT: 44 Hours



DIVERSITY AND INCLUSION

Insurance House respect and appreciate cultural diversity and been a great supported talented people to create value and to promote the development of culturally responsible and responsive curricula and inclusive environment promote innovation, better decision making, and problem solving.

Facilitate acquisition of the attitudes, skills, and knowledge to function in various cultures and zero-tolerance for discrimination or harassment in any form, across all aspects of diversity, including race, colour, religion, gender, nationality, age, disability and marital status, to promote the understanding of unique cultural.



RECOGNISING IH EMPLOYEES

We continue to support our employees individual or department and develop they performance and activities to support and meet with company objectives and long term business goals.

WORKPLACE SAFETY

In Insurance House we take measures to ensure our employees operate in a healthy environment, and committed a safe and secure environment for all employees, agents and customers. Our admin team they responsible for conduct fire drills at all premises.



OUR SOCIAL COMMUNITY





INSURANCE HOUSE RECOGNITION

In 2020 Insurance House we were recognised by Insurance Authorities as the **(Best Insurance Company in CSR)** Corporate Social Responsibility in UAE.

Insurance House has continued to build on the relationships we have with our customers, moving toward being a long-term partner. We are leading with purpose, while working to drive economic and social development. To understanding of the social challenges that our markets impacts, we work closely with our markets to assess relevant CSR opportunities and work to align them with our business objectives to ensure shared value, and thereby, sustainability.



CSR (BLOOD DOMINATION)

Insurance House staff Joined Blood Donation and helped to make difference in others lives, will be benefits for Accident Victims, Fire Victims, Anemia Patients, Hemophilia Patients, Patients undergoing surgeries, and Cancer Patients.



EDUCATION CHARITY

Insurance House has launched a charity initiative to contribute to the development scene and become an active player promoting a better tomorrow for everyone. in 2020 our initiative is partnering with Abilities Development Center (ADC) to accelerate change for People of Determination.



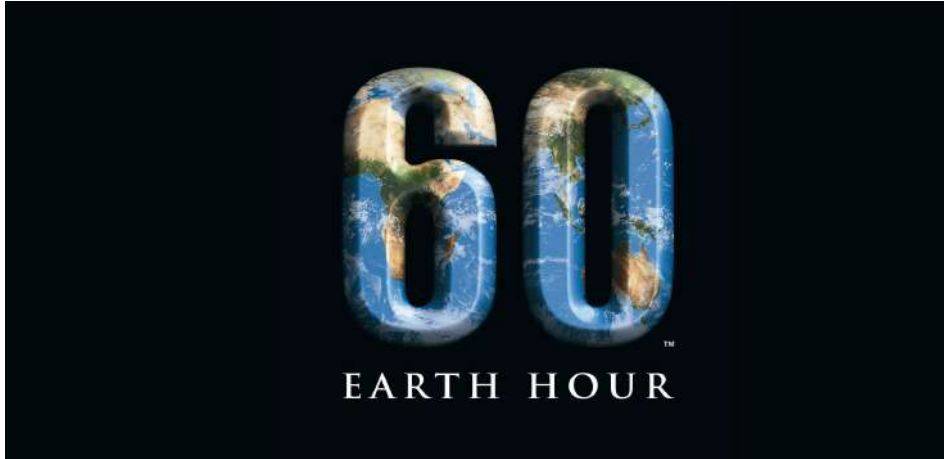
PARTNESHIP (INJAZAT)

Insurance House partners with Injazat Data Systems to participate in Hassantuk, the centralized smart fire alarm system aiming to provide the highest levels of safety throughout the UAE. we are committed to providing various insurance services and developing innovative solutions for our customers at Insurance House.



STRATEGIC PARTNERSHIP

Insurance House is glad to announce a new partnership with ADCB, this will allow ADCB customers to redeem their TouchPoints at Insurance House, and get a Motore Insurance or any other Insurance policy in return.



ONE HOUR

Insurance House this year, as every year, joined Earth Hour is more than just an hour for the planet- it's a movement for our future, we are speaking for nature, the climate is changing faster than nature can adapt, and the health of our planets is at stake.



COVID 19

Insurance House with pandemic and COVID 19, helped and offered to allocate an entire building in central Abu Dhabi location to concerned authorities in UAE for the fight against pandemic: (61,000 Square Foot, 10 Floors, 3 Floors parking).



INTERNSHIP PROGRAM IN IH

This program as part of the work culture and experience will be offered to student of third and fourth years from a reputable University, and will be available for both local and expatriate students. Duration of training must not exceed three calendar months.

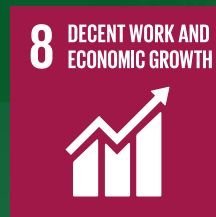
GOVERNANCE AND RISK MANAGEMENT



6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



16 PEACE, JUSTICE AND
STRONG INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



THE ENVIRONMENT

Environmental criteria may include a direct impact on the health to our employees and customers, also be used in evaluating any environmental risks by company energy.

CORPORATE GOVERNANCE

Playing the detrimental role of establishing a solid corporate governance culture within the company, is our Board of Directors. Defining and enforcing standards of accountability within our daily operations, our board members are required to submit themselves for re-election at least once every three years and ensure that the company is being managed in compliance with the best interests of its shareholders. With formally set meeting schedules, our board takes the responsibility of the company's overall strategies, acquisitions, divestment policies, capital expenditure proposals and other significant matters related to investment. Nonetheless, the board is continually monitoring the company's exposure limits to key business risks, its annual budget and the progression of its budgeted proposals, taking into consideration both environmental and employee related variables.

Chairman of the Board: The role of the Chairman of the Board is to facilitate the board's independent functionality, while maintaining and enhancing the quality of Insurance House's corporate governance.

Committee of the Board: We have three Committees of the Board of Directors, which are the Internal Audit & Compliance Committee, the Nomination and Remuneration Committee, and the Investment Committee. The committees operate under written charters that set out their responsibilities and composition requirements. The committees are composed of Independent and Non-Executive Directors



ESG GOVERNANCE

ESG issues have the potential to impact business performance, all Insurance House employees are responsible for contributing to the realisation of our ESG priorities, this is core to who we are and how we operate.

The Insurance House ESG team is responsible for overseeing governance around ESG, in addition to integrating and addressing ESG issues within our business and providing input on our ESG approach, environmental targets, submissions to sustainability indices, and in reviewing this Report.

The Insurance House ESG team also considers the latest ESG research, feedback raised by key stakeholders, in order to provide input on specific ESG issues relevant to the Insurance House operations.

EFFECTIVE RISK MANAGEMENT

Insurance House Risk Management Framework ensures that operated, we have the capabilities and processes in place to identify, quantify, monitor and report risk.

The companies started and getting better capacity to manage ESG-related risks produce higher returns over the long term. At Insurance House a comprehensive approach to risk management ensures that we have the frameworks in place across our business to address relevant risks.

The Board retains ultimate responsibility for the oversight of the Insurance House risk management activities, whether they are relevant to the businesses, reviewing the Insurance House risk framework to ensure that the nature of the risk to our operations it is sufficiently and under the monitoring.

Insurance House during COVID 19, conducts stress testing for our employees and business continuity analysis to ensure sufficient capital is earmarked to provide protection to our policyholders and to ensure business continuity under stressed conditions.



GO GREEN INITIATIVE (BOARD STRATEGY):

Being environmentally cautious has always been embedded with our operations. Recycling paper, supporting energy saving alternatives and educating the public about going green is among our top priorities, and more stringent environmental risk management that affect both our business and those of the companies that we invest in and to 2021 to focus in:

INSURANCE HOUSE STRATEGY

Insurance House has made general referenes to reduced atmospheric emissions related to energy consumption and promotes energy savin, reduce the CO2 intensity, reduce hazardous and non-hazardous waste, reduce paper recycling and reduce water consumption. To provide a date in all subjects in report 2021.

During the CVID19 in 2020, Insurance House has deployed limited measures to raising awareness to the staff about the reduuse energy and water, pepper recycling, and hazadous waste.



Climate Engagements



The Carbon Footprint



Energy and Emissions



Paper Usage



Insurance House creates value for people and businesses to protect society of economic and environmental, however, we are in Insurance House confident that we are technological development and productive to help us grow stronger in the Insurance sector, so Insurance House ESG mission to help society and communities on the journey to stay safe and rest assured.

Reported by:

Hussain Ishaq Alblooshi
Insurance House P.S.C