



# RESPONSIBLE BUSINESS ECOSYSTEM

Create a resilient foundation for positive impact

Material Topic	Key Performance Indicators	Actions Taken
<b>Digitalisation</b>	Implementation support of Dubai's Smart City strategy	We migrated more than 75% of our hosted Oracle ERP to a cloud version.
<b>Customer Privacy</b>	Mitigation of security incidents	During the year, there were no reported identified leaks, thefts, or losses of customer data.
<b>Data Protection &amp; Cybersecurity</b>	Enhancement of the digital environment	<p>We have closed 93% of all the customer privacy gaps identified by the Dubai Electronic Security Centre (DESC).</p> <p>We applied for the ISO 27001 certification for Information Security Management.</p>
<b>Innovation</b>	Development of unique solutions to commodities trading	We partnered with a third-party to build Agriota to allow tea farmers or their representatives to sell crops directly by avoiding middlemen monopolies.
	Integration of R&D activities across all pillars of DMCC	R&D is currently not centralised and is managed by each department separately.
<b>Regulatory Compliance</b>	Improvement of and facilitate stakeholder understanding of regulations	<p>Provided Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) training sessions for all staff and management.</p> <p>Arranged three AML/CFT webinars for our member companies in conjunction with the UAE Ministry of Economy.</p>

<p><b>Responsible Sourcing Ecosystem</b></p>	<p>Engagement with international partners in supporting responsible and sustainable sourcing</p>	<p>Continued our engagement with the Kimberley Process Certification Scheme, supporting the government with country level gold standards, and launched Agriota platform supporting local farmers.</p>
<p><b>Anticorruption</b></p>	<p>Zero incidents of fraudulent behaviour sourcing</p>	<p>Achieved zero incidents of fraudulent behaviour.</p>

**DIGITALISATION, DATA PROTECTION, CYBERSECURITY AND CUSTOMER PRIVACY**

Our mission is to prioritise and innovate in the digitalisation of our services and internal processes so that we can offer our customers excellent service, improve employee satisfaction, and enhance our overall value proposition to stakeholders. Our record-breaking number of company registrations was largely due to the investments made in digitalisation, with a particular focus on business intelligence and digitalising of all customer-facing processes to make them 100% paperless. Customers are now able to register their businesses remotely. Furthermore, we have introduced 50 additional process enhancements specifically targeted to customers. Through newly introduced business intelligence solutions, the executive management has visibility on performance and efficiency in real time.

In 2020, DMCC migrated more than 75% of its hosted Oracle ERP to a cloud version – this

makes it one of the few government entities to have done so. To support our employees during the COVID-19 lockdown, we provided access to tools to enable them to work from anywhere. This included laptops for 96% of the workforce, adoption of Office 365, Exchange services, and MS Teams. Furthermore, the free zone deployed robots to minimise human interaction and facilitate safe engagement with our customers.

Digitalisation is one of the primary measures DMCC has adopted to improve internal processes and increase customer satisfaction. We do our utmost to protect our customers’ data along with DMCC networks and office data. This level of security requires continuous vigilance and rapid adaptability to counter any potential attacks. During the year, there were no reported identified leaks, thefts, or losses of customer data.

**IN 2020, WE IMPLEMENTED THESE INITIATIVES TO IMPROVE THE SECURITY OF OUR INFRASTRUCTURE AND CUSTOMERS:**



- We closed 93% of all the customer privacy gaps identified by DESC.
- We applied for the ISO 27001 certification for Information Security Management.
- We created a digital information security course that is mandatory for all employees to complete to safeguard office data.
- We developed a Data Classification policy and process to implement classification across the organisation.

**ANTICORRUPTION AND REGULATORY COMPLIANCE**

We strive to create a business culture where compliance and anti-corruption are self-evident for all DMCC employees and member companies. It is an integral part of our commitment to the UN Global Compact. We also recognise that we are in a position to influence our members and serve as a role model to the larger community.

In 2020, new UAE Economic Substance Regulations (ESR) came into force that require onshore and free zone companies to maintain and demonstrate an adequate economic presence in the UAE relative to the activities they undertake. We welcomed these changes and took steps to ensure compliance by informing relevant companies about these requirements and verifying them.

Due to COVID-19, we were only able to conduct remote compliance inspections

and verifications. Remote compliance inspections opened up a new opportunity because now DMCC could engage low-risk licences not involved in the process previously.

**WE FURTHER STRENGTHENED THE EFFECTIVENESS OF COMPLIANCE IN 2020 BY:**



- **Playing an active role in the UAE National Risk Assessment and implementation roadmap to enhance the country’s Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) capabilities.**
- **Providing AML/CFT training sessions for all staff and management.**
- **Arranging three AML/CFT webinars for member companies in conjunction with the UAE Ministry of Economy.**
- **Playing an active role with the UAE Ministry of Economy in the supervision of member companies that fall into the Designated Non-Financial Businesses and Professions (DNFBP) sectors such as dealers in precious metals and precious stones, Real estate agents, and Company service providers.**

During the year, and in light of the challenges brought about by the pandemic, DMCC did not impose any fines to DMCC member companies. Nevertheless, we were not willing to compromise on ethical best practices, and member companies were sanctioned for the non-provision of information, and non-compliance with DMCC free zone rules and regulations, including late provisions of Audited Financial Statements. We imposed approximately 900 sanctions throughout 2020.

DMCC’s legal policy and procedures issued at the start of 2020 introduced the ability

to track and record all active, pending and threatened litigation. However, to maintain client/attorney privilege, we are not authorised to share details of specific current pending, threatened or active litigation at any given time. Operations were not assessed for risk.

We have a zero-tolerance policy for corruption, fraud, bribery and all other forms of misconduct. This policy applies to our processes, as well as to our member companies. We actively and promptly investigate any alleged illegal activity and take appropriate disciplinary action where required.

**HUMAN RIGHTS, RESPONSIBLE SOURCING, AND PROCUREMENT PRACTICES**

The commodities we trade in – tea, coffee, diamonds and gold – have traditionally been beset with many human and labour rights violations. Therefore, we are strictly committed to respecting human rights as articulated by the UNGC and the UN

Guiding Principles on Business and Human Rights. Our commitment to human rights is integrated into our business ecosystem.

Millions of workers mining gold and diamonds worldwide suffer immensely because of human rights abuses in the supply chain. Our partnership with the Kimberley Process Certification Scheme, a system of export and import controls for

rough diamonds, seeks to address this issue by preventing the flow of conflict diamonds.

DMCC’s commitment to human rights is anchored in its adherence with UAE Labour laws, its HR Policies and Procedures and Code of Conduct. The DMCC corporate whistleblowing policy and grievance procedure enable employees to file grievances and concerns without risk of reprisal.

Dubai is responsible for about 80% of the total UAE gold imports and exports. Artisanal and small-scale gold mining (ASGM) is often characterised as a conflict mining activity. Therefore, we have adopted responsible sourcing regulatory standards, such as the DMCC Practical Guidance for Market Participants in the Gold and Precious Metals Industry and the DMCC Rules for Risk-Based Due Diligence in the Gold and Precious Metals Supply Chain to avoid human rights violations in the supply chain. These standards are to be followed by member companies and requires them to designate a supply chain officer and conduct audits of its suppliers. Miners in Africa, Asia and South America are at the greatest risk of such violations. Gold has been identified as a priority sector for the UAE and the government is leveraging DMCC as a knowledge centre for a country-level gold standard.

We also implement practical measures aligned with international standards to assure a compliant and violation-free supply chain for the tea sector and the coffee industry. We partnered with a third-party to build an online platform to allow tea farmers or their representatives to sell crops directly by avoiding middlemen monopolies during the year. The platform, ‘Agriota’, will enable farmers in India to sell their crops anywhere globally, thus

increasing their geographical reach and fetch them better prices for their produce.

To further support our trade ecosystem through responsible procurement practices, we executed the following steps in 2020. These initiatives were extended to all our suppliers including those in the construction, technology and marketing sectors. The majority of DMCC suppliers are based in the UAE and are considered local suppliers:

- We continued the use of the ‘Sustainability Questionnaire’ as part of the Qualification Envelope submissions on Tejari RFQ’s over AED 500,000. The questionnaire covers aspects such as staff safety, diversity & inclusion, human rights, labour rights, GHG emissions, supply chain management, community investing and sustainability reporting.
- We reviewed all contracts with vendors for temporary staff through our Contracting and Procurement department to ensure that all awarded vendors meet the UAE’s labour law requirements for wages. Furthermore, all staff recruited at the same level are paid equally and fairly as per the market rate.

- Questionnaires were sent to 60 suppliers to understand their commitment towards improving their social and environmental impacts. None of these were identified as having significant actual and potential adverse social and environmental effects however an official assessment is required to gain a more accurate view of human rights conditions. DMCC will develop a more robust approach next year to better address potential human rights risks in the supply chain. We aim to have the majority of our suppliers engage in the questionnaire next year. In addition, we will analyse results and integrate them into the selection process in time.

• We implemented a fully automated contract approval workflow process, removing any need for paper hard copies. We support the local economy, with 96% of our suppliers having presence in the UAE with all transactions being in United Arab Emirates Dirham. Suppliers primarily represent construction, technology and

marketing services and products. Suppliers undergo a rigorous procurement evaluation before selection overseen by the Contracts and Procurement department, who are also responsible for the distribution and follow-up of the sustainability questionnaire. All suppliers interact with us through the supplier portal.

<b>Local suppliers</b>	<b>473,163,492.07</b>	<b>96%</b>
<b>International suppliers</b>	<b>22,131,748.96</b>	<b>4%</b>
<b>Yr 2020 Total for Local &amp; International Suppliers Payment</b>	<b>495,295,241.03</b>	

The supplier code of conduct which is required to be signed by all suppliers informs them to follow the UN Global Compact 10 Principles and UN Guiding Principles on Business and Human Rights in their business operations.

Next year, we will evaluate the quantitative results of the questionnaire and develop mechanisms for stakeholder feedback. Planned training and awareness sessions for the questionnaire were postponed due to the pandemic.

## SOCIAL IMPACT

Our priority is to empower people across the value chain through opportunities in trade and business. Community as a material topic is critical for DMCC, it is only if businesses, residents and stakeholders in the value chain are thriving that we will continue to grow as an entity. The topic boundary specifically evaluates DMCC's impact on the wider UAE entrepreneurial ecosystem and artisanal miners that sit within the value chain. In the case of both these stakeholders, DMCC does

not have a direct relationship but embraces a sense of responsibility to their protection and prosperity.

In 2020, we built on our social impact policy, whereby we commit to donate 0.5% of the company's net profit of the previous year, by developing a social impact plan that centres around: Entrepreneurship, Vulnerable Communities, and Gender Equality. DMCC's social impact plan will help operationalise

our policy so that funds distributed align with DMCC's business strengths, areas of interest, and the creation of maximum impact. Any organisation that receives monetary or in-kind funds is required to provide periodic reporting which should include target tracking and KPI management. We are in regular communication with our partners working collaboratively with them to improve the projects that DMCC supports.

Currently, we have two essential programmes that we are supporting with our Social Impact Fund:

1. Diamond Development Initiative Programme, a non-profit established under the Kimberly Process: DDI has merged with Resolve, a non-profit developing sustainable solutions for the world's biggest challenges. Programmes under this merger will provide artisanal diamond miners with a pathway out of poverty. The programme restores post-mined land, supports entrepreneurship and livelihoods. Resolve works hand in hand with the government to provide soil, water and enable biodiversity benefits to these areas. In addition, they work with the local community to identify sites for the projects and receive programme feedback. We provided funding to the project and hosted consultations on programme development.

During the year, funds were used to support various programmes in the Democratic Republic of the Congo (DRC), Sierra Leone, and other countries. The funds provided access to education for 111 secondary school youth from remote mining communities in the DRC. The funds also supported DDI@RESOLVE's Peace Diamonds Restoration Initiative to rehabilitate 60 abandoned mine pits for improved community health and public safety. Furthermore, the DMCC

funds helped support Miner Cooperatives, including developing the Maendeleo Diamond Standard (MDS) strategy and Action Plan for DRC.

2. Evolvin Women (EW): A female-led social enterprise that connects unemployed women based in rural Africa to skill-development placements in the UAE within the hospitality industry. We provide Evolvin Women with a complimentary free zone license, office space, and mentoring opportunities.

During the year, our support to EW allowed them to expand their business to Zambia and Ethiopia to work with aspiring entrepreneurs/social entrepreneurs in these countries. DMCC's support also allowed EW to offer market access to farmers in Africa. In the coming year, EW aims to support women in developing their social enterprises, focusing on engaging with women coffee farmers.

Both these partnerships implement DMCC's social impact plan to progress gender equality, protect vulnerable communities, and foster entrepreneurship.

# IMPACT BOUNDARIES TABLE

In the context of this report, material topics are those that reflect DMCC's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders. DMCC has used the term 'impact boundary' to describe the boundaries of each material topic following GRI's reporting principles and management approach. The materiality matrix reflects 24 material topics. The report only shares quantitative data on DMCC's areas of direct control. However, we recognise our influence on our identified material topics beyond our direct control as indicated in the below table.

S. No.	Material Topic	Impact Boundaries	Corresponding GRI Topic and Disclosures
1	Community	Within & outside the organisation	GRI 413: Local Communities 2016 <ul style="list-style-type: none"> <li>413-1 Operations with local community engagement, impact assessments, and development programmes.</li> </ul>
2	Regulatory Compliance	Within & outside the organisation	GRI 419: Socioeconomic Compliance 2016 <ul style="list-style-type: none"> <li>419-1 Non-compliance with laws and regulations in the social and economic area.</li> </ul> GRI 205: Anti-corruption 2016 <ul style="list-style-type: none"> <li>205-1 Operations assessed for risks related to corruption.</li> <li>205-2 Communication and training about anti-corruption policies and procedures.</li> </ul>
3	Digitalisation	Within the organisation	—

4	Training & Development	Within the organisation	GRI 404: Training and Education 2016 <ul style="list-style-type: none"> <li>404-1 Average hours of training per year per employee.</li> <li>404-2 Programmes for upgrading employee skills and transition assistance programmes.</li> <li>404-3 Percentage of employees receiving regular performance and career development reviews.</li> </ul>
5	Wellbeing	Within the organisation	—
6	Anticorruption	Within & outside the organisation	GRI 205: Anti-corruption 2016 <ul style="list-style-type: none"> <li>205-1 Operations assessed for risks related to corruption.</li> <li>205-2 Communication and training about anti-corruption policies and procedures.</li> <li>205-3 Confirmed incidents of corruption and actions taken.</li> </ul>
7	Human Rights	Within & outside the organisation	GRI 407: Freedom of Association and Collective Bargaining 2016 <ul style="list-style-type: none"> <li>407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.</li> </ul> GRI 408: Child Labor 2016 <ul style="list-style-type: none"> <li>408-1 Operations and suppliers at significant risk for incidents of child labour.</li> </ul> GRI 409: Forced or Compulsory Labor 2016 <ul style="list-style-type: none"> <li>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour.</li> </ul>

			GRI 412: Human Rights Assessment 2016 • 412-1 Operations that have been subject to human rights reviews or impact assessments. • 412-2 Employee training on human rights policies and procedures.
8	Responsible Sourcing	Outside the organisation	—
9	Customer Excellence	Within & outside the organisation	—
10	Procurement Practices	Within & outside the organisation	GRI 204: Procurement Practices 2016 • 204-1 Proportion of spending on local suppliers.
11	Infrastructure	Within & outside the organisation	—
12	Customer Privacy	Within & outside the organisation	GRI 418: Customer Privacy 2016 • 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.
13	Data Protection & Cyber Security	Within & outside the organisation	—
14	Occupational Health & Safety	Within the organisation	GRI 403: Occupational Health and Safety 2018 • 403-5 Worker training on occupational health and safety. • 403-9 Work related injuries.

15	Economic Performance	Within & outside the organisation	GRI 201: Economic Performance • Disclosure 201-1 Direct economic value generated and distributed.
16	Emiratisation	Within & outside the organisation	—
17	Gender Equality	Within the organisation	—
18	Innovation	Within & outside the organisation	—
19	Diversity & Inclusion	Within the organisation	GRI 102: General Disclosures 2016 • 102-8 Information on employees and other workers.  GRI 401: Employment 2016 • 401-1 New employee hires and employee turnover.  GRI 405: Diversity and Equal Opportunity 2016 • 405-1 Diversity of governance bodies and employees.  GRI 406: Nondiscrimination 2016 • 406-1 Incidents of discrimination and corrective actions taken.
20	Green Buildings	Within & outside the organisation	—
21	Water Use	Within & outside the organisation	GRI 303: Water and effluents 2018 • 303-5 Water consumption.

**GRI 102-46**

22	Waste Management and Reduction	Within & outside the organisation	GRI 306: Effluents and Waste 2016 • 306-2 Waste by type and disposal method.
23	Energy	Within & outside the organisation	GRI 302: Energy 2016 • 302-1 Energy consumption within the organization.
24	Governance & Succession Planning	Within the organisation	—