

**DMCC**

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**DMCC  
SUSTAINABILITY  
STRATEGY**

**MADE  
FOR  
TRADE**

## INTRODUCTION

Headquartered in Dubai, DMCC is the world's most interconnected free zone and the leading trade hub for commodities. Located in its Jumeirah Lakes Towers (JLT) district, DMCC provides companies and residents with infrastructure and services fulfilling their needs to live, work and thrive. Made for Trade, DMCC is proud to sustain and grow Dubai's position as the place to be for global trade and long into the future.

DMCC understands that its role in enabling trade influences local economies and therefore puts DMCC in a position to safeguard communities and the local environment. DMCC recognises that the multidimensional nature of its wide sphere of influence provides a unique opportunity to advocate for responsible business and positive impact. To effectively leverage this position, DMCC worked in partnership with its stakeholders and developed a sustainability strategy, which:

- Clarifies the sustainability framework
- Outlines DMCC's value chain
- Explains DMCC's approach to social impact
- Aligns with DMCC's business objectives
- Provides mechanisms to measure progress
- Synchronises with DMCC's values
- Enhances accountability across all levels

The DMCC Sustainability Strategy provides a foundation to enhance capacity building across internal and external stakeholders and supports long-term responsible growth of its community.

## BACKGROUND

In 2017, DMCC became the first free zone to join the United Nations (UN) Global Compact by committing to the Sustainable Development Goals (SDGs). DMCC initiated the development of the Communication on Progress by assessing its current operations.

In 2018, DMCC released its first sustainability report in accordance with the Global Reporting Initiative Standards and developed a sustainability framework to guide future actions. The framework identified four pillars: people, marketplace, environment, and community. Each pillar was to host a range of initiatives engaging multiple stakeholders. DMCC also signed up to the UN Women Empowerment Principles (UN WEPs) to promote gender equality.

Simultaneously, DMCC conducted a gap analysis to evaluate its sustainability maturity level. The organisation used a data-driven approach by measuring departmental data and benchmarking it against peers across the globe. The outcome of the exercise provided an overview of DMCC's current sustainability state, key gaps, and areas of improvement. In the result of the assessment, DMCC was categorised at a 'developing' level.

Based on the sustainability framework and findings of the gap analysis, DMCC dedicated 2019 to building the foundation of its sustainability management structure, which included the implementation of the following measures:

- Establishment of the SDG Steering Committee as a part of its governance structure
- Integration of a sustainability scorecard with dedicated KPIs for all departments
- Analysis of management processes and data on energy, water, and waste across all assets
- Development of an environmental management strategy along with a digital system to measure and reduce the footprint
- Partnership with Etisalat to transform Jumeirah Lakes Towers to the 5G smart district
- Formation of DMCC's social impact policy and priorities
- Publication of a new set of rules and regulations to further enhance the ease of setting up and doing business in DMCC

## METHODOLOGY

The strategy development process went through a four-phased approach launching with a materiality assessment to establish the foundations of the strategy, an internal documentation review for a clear picture of their current status and a peer analysis to benchmark themselves against best practice and updated gap analysis to identify areas of growth.

### Materiality assessment

The materiality assessment is an exercise in which an organisation identifies the most impactful sustainability topics and gathers both qualitative and quantitative data to build the foundation and priorities of its strategy. The output is a materiality matrix showcasing the importance of each topic to DMCC stakeholders.

#### TOPIC LIST

Conducted horizon scanning of 200+ topics selected from GRI, AA1000 Principles Standards, and other best practice standards, including CDP, DJSI, and SASB. All topics were reviewed by DMCC, and the most important ones consolidated.

#### STAKEHOLDER SURVEYS (INTERNAL & EXTERNAL)

A quantitative analysis of both internal and external stakeholders conducted. For the survey, a Likert Scale of 1-5 was adopted, where respondents rated the 25 topics from a range of 1 (not important) through to 5 (very important). A diverse set of internal and external stakeholders were engaged in this process.

#### STAKEHOLDER DISCUSSIONS

In-depth qualitative internal and external interviews conducted to provide additional perspectives.

#### RESULTS ANALYSIS

After data collection, an analysis of the surveys performed using statistical methods to understand the top 10 priority topics for DMCC. The qualitative feedback helped to support and add relevant interpretations of DMCC's most critical topics.

As a result of the exercise, the top 10 materiality topics included:

- 1. Community:** As a master developer of its Community, DMCC provides its residents, business owners, and visitors with a safe and sustainable environment to work and live in. Stakeholders consider this topic to be a top priority, because they are directly impacted by the initiatives and regulations implemented by DMCC, such as the Smart Dubai 2021 strategy which will affect Community stakeholders' daily lives.
- 2. Regulatory Compliance:** DMCC takes its commitment to UN Global Compact very seriously. Therefore, compliance is at the centre ensuring it addresses Principle 10 on anti-corruption: 'businesses should work against corruption in all its forms'. Beyond looking at its operations, it supports standards to guide businesses registered in the free zone. Stakeholders consider this topic a priority for DMCC because of its sphere of influence over free zone member companies.
- 3. Responsible Sourcing:** As a steward to facilitate trade flow of coffee, tea, precious stones and metals industries, DMCC plays a key role in informing, norm-setting, and building capacity for its stakeholders. Stakeholders acknowledge this role, and hence identified responsible sourcing as a priority topic. DMCC members benefit from the assurance that through the organisation, there is a clear infrastructure of best practice sourcing protocols and high standards.
- 4. Customer Excellence:** Customer centricity is in the core of DMCC's DNA and therefore, a priority topic. DMCC puts its customers first and thus is open to feedback and committed to constant improvement through capacity building and innovative solutions. If the customer thrives, DMCC thrives.
- 5. Economic Performance:** DMCC is a government authority, and stakeholders recognise its important role not only to its customers and employees but to the Dubai population, as it contributes ten per cent of its GDP. DMCC is continuously looking for innovative ways to grow in order to generate revenue that will contribute to the UAE economy and its inhabitants positively.
- 6. Emiratization:** The employment of local citizens is a government strategy that supports the sustainability of the country through ensuring long term economic stability. Therefore, DMCC stakeholders believe that it is important for DMCC to be committed to the initiative. Its human resource department created targets for the recruitment of nationals as well as providing opportunities for career growth for those within the organisation.
- 7. Digitalisation:** DMCC supports the Smart Dubai 2021 Strategy. DMCC has launched its own strategy around it, as this topic is important for DMCC stakeholders. Through digitalisation, customers' ease will increase due to all forms and processes being online, allowing remote access. Additionally, digitalising its processes leads to paper-reduction and in turn, overall environmental sustainability. These factors combined have a positive impact on stakeholder satisfaction.
- 8. Training & Development:** DMCC stakeholders believe training & development is a topic in which it can have significant influence, in and outside of its corporate offices. DMCC recognises that through investing in the development of its employees, customers, and partners, it creates value for all. Therefore, DMCC offers a wide range of opportunities for its members to continue their training in their specific fields with a focus on responsible business.
- 9. Wellbeing:** DMCC, is committed to make Dubai the happiest city on earth supporting the National Programme for Happiness and Wellbeing. DMCC's stakeholders believe that as meaningful and healthy opportunities that lead to positive emotions.
- 10. Procurement Practices:** DMCC's stakeholders recognise its procurement decisions can influence how suppliers or potential suppliers carry out business. The organisation has committed to integrating sustainability principles in its supplier selection process.

To learn more about DMCC’s materiality assessment, please visit (URL).

### Review internal documentation

Strategy development followed a methodology which included the review of DMCC’s annual and sustainability reports, setting the baseline for future information gathering. After that, each department provided integral policies, projects and strategy documents to supplement the baselines information. Then collected data following the Global Reporting Initiative (GRI) indicators.

### Peer analysis of global and local organisations

Comprehensive research was conducted on the management approach, stakeholder engagement model and strategy framework by looking at:

- International member-based organisations
- Organisations in related industries
- International best practices in unrelated fields
- Regional leaders

### Gap analysis

The gap analysis conducted in 2018 offered a baseline to DMCC’s sustainability performance. Its’ objective was to evaluate DMCC’s sustainability maturity level by identifying its objectives, actions and gaps. Outcomes of the gap analysis have influenced the scorecard, which guides DMCC’s current sustainability measurement. As part of the strategy review process, the gap analysis was updated.

## MANAGEMENT APPROACH

**DMCC Vision: Consolidate Dubai’s position as the centre of global trade.**

DMCC Mission: Drive economic development by empowering businesses located in DMCC free zone and strengthening the supply chain of commodities across the world.

STRATEGY	Made for Trade	Be The #1 Free Zone in the World		Grow Dubai	
	Attract, facilitate, and promote trade to bring economic prosperity globally. Work with industry peers to ensure all stakeholders are protected throughout the trade process.	As a world-leading free zone and a Dubai Government Authority, it is incumbent on DMCC to place sustainability at the forefront of its growth strategy.		Help SMEs grow their businesses in line with Dubai’s entrepreneurial spirit. Beyond facilitating registration, offer capacity building, network and community to thrive.	
VALUES	High Performance	Committed	Boundless	Collaborative	Clarity
	Deliver consistent high-performance services.	Commit to stakeholders, employees, members, partners, and residents.	Seek new opportunities through bold and visionary ideas.	Pull together a diverse team and work with members and partners to understand each other’s needs.	Stand by decisions and take responsibility for actions.
FUTURE OF TRADE	Convene	Connect	Communicate	Capacity Build	Care
	Leverage the free zone’s position to catalyse action, build capacity, and advocate for sustainable business practices.	Connect a diverse set of stakeholders to grow their network and share best practices.	Disclose sustainability practices through annual reporting, and drive thought leadership in the industry.	Offer trainings, conferences, and seminars to both internal and external stakeholders to build their knowledge around sustainable business practices.	Support projects globally in line with specific SDGs, by dedicating 0.5% of the company’s net profit to social impact.

## SUSTAINABILITY GOVERNANCE

The governance responsibility for sustainability resides with the Executive Committee.

The SDG Steering Committee ensures the collaborative implementation of the sustainability strategy allowing DMCC to meet its commitments to the UNGC, UN WEPs and the SDGs.

In 2021 a Sustainability Ambassador programme will be formalised to ensure targets and KPIs in the scorecard progress. The intention of activating the council is to engage all internal stakeholders underlining the collective responsibility of strategy implementation.

The Chief Operating Officer, Feryal Ahmadi, and the Executive Director of Commodities & Financial Services, Sanjeev Dutta, lead the DMCC sustainability agenda and departmental operations.

## ENGAGEMENT WITH STAKEHOLDERS

DMCC interacts with a diverse range of stakeholders that are a part of its value chain and integral to the sustainability agenda.

Customers	Communities	Colleagues	Suppliers	Institutions & Policy Makers	Industry Peers	NGOs and Community Partners
DMCC is a customer focused company. Understanding and meeting the needs of their member companies is at the core of what they do.	DMCC is closely connected with its community where 100,000 people live and work and 17,000 companies are registered.	DMCC wants its employees to be ambassadors for its activities putting their development at the forefront.	DMCC suppliers are valued business partners. Stable and long term relations are key to mutual growth.	DMCC, a government authority, plays the dual role of developing and implementing policies. DMCC follows UAE Vision 2021 and the Dubai Plan 2021.	DMCC recognises that some topics are best addressed collectively. DMCC works with industry peers to define industry standards and common solutions to shared risks.	DMCC continues to formalise its social impact strategy. This will ensure the relationship with NGOs and community partners become more strategic.

## HOW DMCC ENGAGES

Customers	Communities	Colleagues	Suppliers	Institutions & Policy Makers	Industry Peers	NGOs and Community Partners
Help customers grow their business by offering capacity building initiatives, financial services, infrastructure and networking opportunities while supporting them in their sustainability journey.	Create a safe, green, and leisurely family friendly environment where residents can live and businesses can operate responsibly. Continuously enhancing mechanisms for feedback and open communications.	Commit to being an employer of choice by offering diverse capacity building opportunities, conducting satisfaction surveys, and always exploring new ways for more open communications and enhanced diversity.	Facilitate a transparent and digital procurement process, while advocating for a responsible supply chain supplemented with capacity building and open dialogue.	Implement and create awareness for local laws, new and old, to encourage best practice. Engaging on special committees, maintaining dialogue and using the DMCC platform to host events.	Multi-stakeholder initiatives such as the Kimberley Process, OECD governance group, and Diamond Development Initiative to ensure protection to the most vulnerable in the value chain reducing the flow of conflict diamonds.	Maintain transparency through annual reporting and open dialogue on project progress with focus on data driven stories.

## MATERIAL TOPICS THAT MATTER THE MOST

Customers	Communities	Colleagues	Suppliers	Institutions & Policy Makers	Industry Peers	NGOs and Community Partners
<ul style="list-style-type: none"> <li>Data protection &amp; cybersecurity</li> <li>Customer privacy and excellence</li> <li>Digitalisation</li> </ul>	<ul style="list-style-type: none"> <li>Green buildings</li> <li>Energy</li> <li>Occupational health &amp; safety</li> <li>Infrastructure</li> <li>Social impact</li> </ul>	<ul style="list-style-type: none"> <li>Governance &amp; succession planning</li> <li>Diversity &amp; inclusion</li> <li>Gender equality</li> <li>Wellbeing</li> <li>Training &amp; development</li> <li>Emiratization</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> <li>Procurement practices</li> <li>Responsible sourcing</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Anticorruption</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> <li>Responsible sourcing</li> <li>Anticorruption</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Social impact</li> <li>Economic performance</li> </ul>

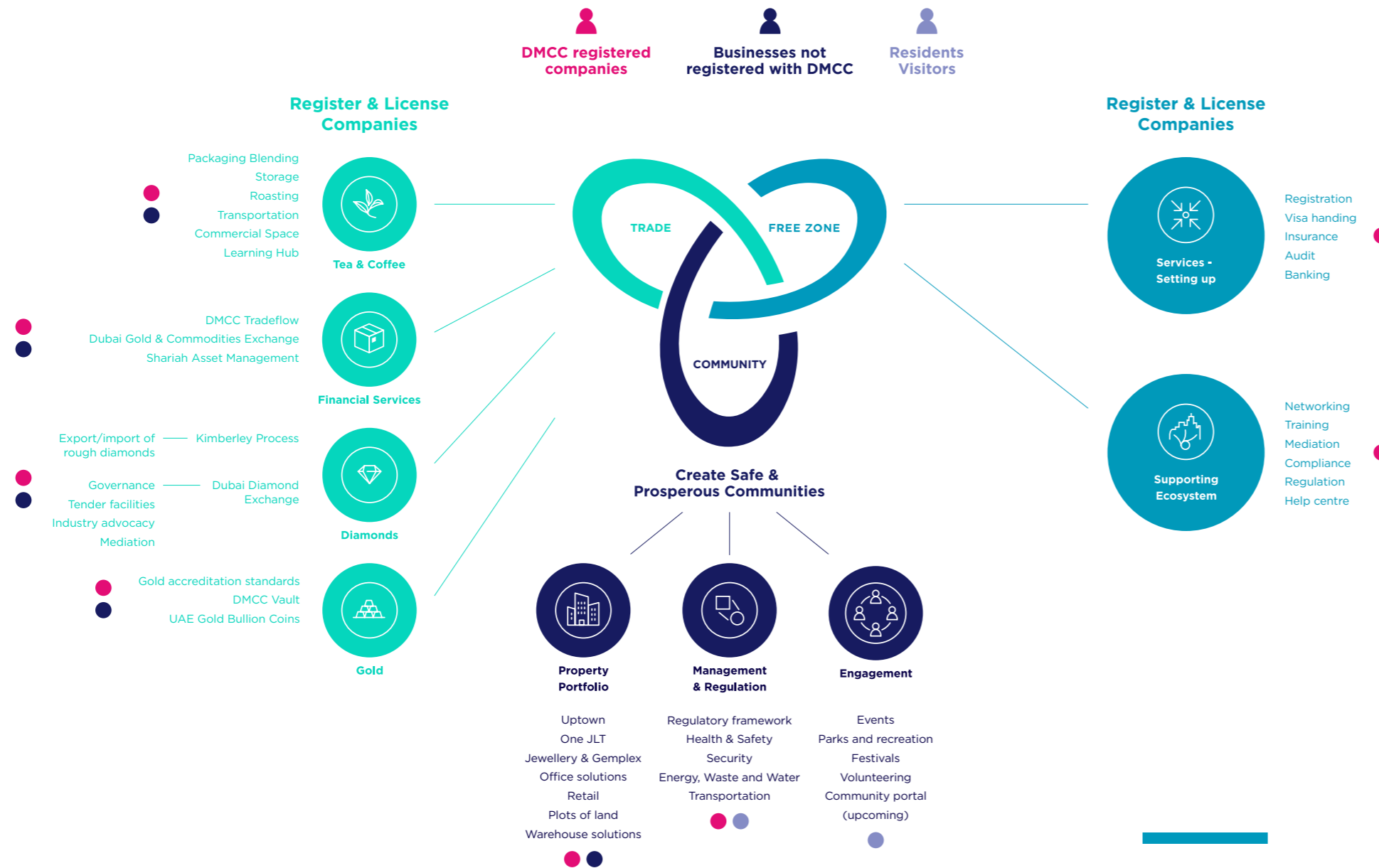
## STRATEGY FRAMEWORK

The strategy is defined by three impact areas underpinned by the UN Global Compact universally accepted Ten Principles, and the SDGs. The framework provides internal and external stakeholders with a succinct overview of DMCC's 'Future of Trade' priorities.



## VALUE CHAIN

DMCC recognises that every dimension of its value chain has potential negative and positive impacts. Therefore, it sees it as its responsibility to share the complexity of its ecosystem concerning its stakeholders. The value chain image below represents two main stakeholders that interact with DMCC, a business owner and a non-business owner.



## A GREENER COMMUNITY

DMCC's priority is its community of business owners, residents, and visitors because it knows that its actions impact thousands of stakeholders. Therefore, DMCC is proactive in creating a green atmosphere and green operations to meet customer demands and make its master community an eco-friendly environment.

Furthermore, in line with the UAE national priorities, DMCC supports the UAE's 'Green Growth' strategy establishing partnerships with Etisalat and Careem to support countrywide ambitions. Under the terms of the Etisalat partnership, it will roll out smart devices, services, and platforms to drive efficiencies across public amenities, energy consumption, asset and building management. Through the partnership with Careem, bike-sharing was introduced to JLT, allowing for environmentally friendly mobility within the community. Additionally, there is on-going development to implement technology systems within the community that facilitate measuring and managing property. This will empower property owners with more accurate information to share, which leads to the preservation of resources and cost reduction.

## SOCIAL IMPACT

In 2019, DMCC adopted a Social Impact Policy that guides its strategy on community giving, contributions to the society as whole, locally and internationally. In line with the Policy, DMCC agreed to dedicate 0.5% of the company's net profit annually to social impact projects. This allocated budget has required formalising its social impact approach. DMCC will provide guidelines for partnership building, reporting and eventually impact measurement. Priority areas aligned with the SDGs have been determined:

- SDG 5 Gender Equality
- SDG 9 Industry Innovations and Infrastructure
- SDG 11 Sustainable Cities and Communities
- SDG 12 Responsible Consumption and Production

## A DATA-DRIVEN APPROACH

A balanced scorecard is integrated to internal stakeholders to ensure the progress is made on sustainability targets. The sustainability department verifies the progress of each indicator and advises departments on how to best implement them. This oversight by the sustainability department supports each function to reach set targets and create a holistic impact through the organisation.

IMPACT AREAS	MATERIAL TOPIC	KPI
<b>SUSTAINABLE CITY</b>	Infrastructure	Continuation of #1 Free zone in the world
	Health & Safety	Education of stakeholders
		Health and Safety Excellence (Uptown Dubai)
		HSE Compliance (Community Developments non DMCC)
		Management of HSE Suppliers
		Smart City HSE
		Reduction of Community Fire Risk
	Green Building	Reduction of carbon emissions
		Improvement of building operations through initiatives
	Water Use	Improvement of infrastructure
		Improvement of data tracking and monitoring
		Integration of green practices amongst DMCC departments and community stakeholders
	Waste Management	Facilitation of recycling
		Improvement of water quality for master community lakes
		Integration of green practices amongst DMCC departments and community stakeholders
		Reduction of plastic and paper consumption
	Energy	Improvement of data tracking and monitoring
		Integration of green practices amongst DMCC departments and community stakeholders
		Communicate understanding of objective to all stakeholders
	Community	Implementation of Smart and Sustainable District strategy

IMPACT AREAS	MATERIAL TOPIC	KPI
<b>OPERATIONAL EXCELLENCE</b>	Procurement Practices	Awareness of suppliers concerning sustainable practices
		Integration of sustainability principles in the supplier selection process
		Improvement of measurement of suppliers who are procured with sustainable practices by ESG
	Human Rights	Improvement of human rights across the supply chain
	Emiratization	Support Emiratization national strategy
	Gender Equality	Female representation on DMCC's newly established board
		Recruitment of female led business to free zone
		Mobilisation of commitment to WEPs and other gender focused national priorities
	Training & Development	Improvement of rate of engagement
	Governance	Implementation of best practices in governance
	Diversity & Inclusion	Creation of a diverse and productive culture for everyone to thrive
	Wellbeing	Formalisation of DMCC employee wellbeing approach
		Measurement of employee wellbeing
	Customer Excellence	Adoption of new services to address customer needs
Customer Satisfaction		
Training and development of members		

IMPACT AREAS	MATERIAL TOPIC	KPI
<b>RESPONSIBLE BUSINESS ECOSYSTEM</b>	Digitalisation	Implementation support of Dubai's Smart City strategy
	Customer Privacy	Mitigation of security incidents
	Data protection & cybersecurity	Enhancement of digital environment
	Innovation	Development of unique solutions to commodities trading
		Integration of R&D activities across all pillars of DMCC
	Regulatory Compliance	Improvement of and facilitate stakeholder understanding of regulations
	Responsible Sourcing Ecosystem	Engagement with international partners in supporting responsible and sustainable
	Anticorruption	Zero incidents of fraudulent behaviour sourcing
*To be defined in 2020 based on the environmental data management project		
<b>KEY</b> <b>Impact Areas:</b> Pillars identified by DMCC under its strategy framework <b>Material Topic:</b> Topics identified as priorities for DMCC's sustainability strategy <b>KPI:</b> Long term achievement for material topic		

## DMCC IMPACT ON THE SDGS

Strong potential for positive impact on a systemic level  
**The Future of Trade**



Potential direct/indirect positive impact through business activities and practices  
**Responsible Citizenship**



Positive impact on society  
**Social Impact**



The above mapping shows how DMCC contributes positively to the SDGs.

### Positive impact on a systemic level - a macro perspective

**Goal 8:** DMCC contributes significantly to Dubai's GDP and supports the SME ecosystem to achieve higher levels of economic productivity on a country level.

**Goal 12:** Beyond DMCC's direct operations, it influences retail, developers and residents operating and living in JLT. DMCC encourages these stakeholders towards sustainable business practices.



### **Positive impact on business – micro perspective**

**Goal 3:** Wellbeing has been identified as a material topic and therefore, addressed accordingly (please see the ‘Methodology’ section for more information).

**Goal 11:** DMCC consistently makes improvements to its master community and Uptown district to enhance safety, security, and wellbeing, so that its residents can work, live and thrive.

**Goal 13:** DMCC focuses on reducing its environmental footprint and creating a greener community (please see the ‘A Greener Community’ section for more information).

**Goal 16:** Regulatory compliance is a material topic for DMCC (please see the ‘Methodology’ section for more information).

### **Social Impact – a more significant community investment**

**Goal 5:** Women empowerment is important to DMCC, as a WEPs signatory it is committed to uplifting women. Currently, 31% of DMCC’s employees are women and is dedicated to maintaining and increase this number so that they become equal participants in the economy.

**Goal 9:** Through partnerships with NGOs, DMCC aims to support the communities in Africa involved in artisanal mining of rough diamonds.

**Goal 11:** Will need more clarity on DMCC’s intentions.

**Goal 17:** Social impact projects are implemented through strategic partnerships to achieve long-term outlook. A reporting mechanism must be in place to ensure transparency and accountability in the relationship.