

MATERIALITY ASSESSMENT

DMCC conducted its second materiality assessment exercise in 2019 with an increase in stakeholder engagement through multiple touchpoints that included online surveys, face-to-face interviews, and interactive workshops.

Results from the assessment are synthesised in a matrix below, which highlights the importance of each topic in descending order. The results of the materiality assessment inform our sustainability strategy.

The process helps to prioritise sustainability topics that concern our stakeholders the most.

We applied a four-step methodology process:

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 ten priority topics for DMCC. The qualitative feedback helped to support and add relevant interpretations of DMCC's most critical topics.

The materiality assessment resulted in an increase of six topics in comparison to 2018, a total of 24 material topics in 2019. New topics introduced included Data Protection & Cybersecurity, Green Building, Customer Privacy, Infrastructure, Economic Performance, and Emiratisation.

importance – 5 high importance). All topics scored over 3.2.

For additional information and a full description of the materiality process, please refer to the Materiality Assessment Report by visiting www.dmcc.ae/materiality-report.

The scores of the top ten topics were all between 4 and 5 on a Likert scale (1 low in

DMCC identified three pillars for its strategy framework based on its material topics.

MATERIALITY MATRIX

Importance to external stakeholders	HIGHLY SIGNIFICANT	Score: 185 - 190	Score: 191 - 195	Score: 196 - 200
		Economic Performance	Responsible Sourcing	Community
		Emiratisation	Customer Excellence	Regulatory Compliance
	MID SIGNIFICANT	Score: 173 - 174	Score: 175 - 178	Score: 179 - 184
		Gender Equality	Procurement Practices	Digitalisation
		Innovation	Infrastructure	Training & Development
		Diversity & Inclusion	Customer Privacy	Wellbeing
	Data protection & Cyber security			
	Occupational Health & Safety			
	SIGNIFICANT	Score: 154 - 159	Score: 160 - 169	Score: 170 - 172
Green Buildings		Energy	Anticorruption	
Water Use		Governance & Succession Planning	Human Rights	
Waste Management & Reduction				
		SIGNIFICANT	MID SIGNIFICANT	HIGHLY SIGNIFICANT
Increasing influence to DMCC				

DMCC's THREE PILLARS

These pillars are a result of a self-evaluation conducted in 2019 to understand what sustainability means for DMCC and how its spheres of influence and business strategy could best propel good for society.

SUSTAINABLE CITY	RESPONSIBLE BUSINESS ECOSYSTEM	OPERATIONAL EXCELLENCE
<p>OBJECTIVE: Track and improve impact locally</p> <ul style="list-style-type: none"> • Infrastructure • Energy • Water • Waste management • Green buildings • Health & safety • Community 	<p>OBJECTIVE: Create a resilient foundation for positive impact</p> <ul style="list-style-type: none"> • Customer privacy • Data protection & security • Responsible sourcing • Innovation • Digitalisation • Regulatory compliance 	<p>OBJECTIVE: Optimise organisational policies and procedures</p> <ul style="list-style-type: none"> • Procurement practices • Human rights • Training and development • Wellbeing • Gender equality • Diversity and Inclusion • Emiratization • Governance • Customer excellence • Economic performance

THE DMCC CONTEXT

We have developed a DMCC-specific definition for each of our top ten material topics in consideration of our operations, business strengths, and areas of influence. In this way, we can strategically address each to create the maximum positive impact.

1. Community: As the master developer of the community, we provide residents, business owners, and visitors with a safe, eco-friendly, sustainable, and smart environment to work and live in.

2. Regulatory Compliance: We take our commitment to the UN Global Compact seriously. Our compliance measures are guided by Principle 10 on anticorruption 'businesses should work against corruption in all its forms.' Regulatory

compliance is also a priority because of DMCC's influence over free zone member companies.

3. Responsible Sourcing: We facilitate the trade flow of coffee, tea, precious stones, and metals industries, and see it as our responsibility to inform, set norms, and build capacity for stakeholders.

4. Customer Excellence: As a government entity, customer-centricity is at our core. We build our relationships with

customers through capacity building and services to support the financial sustainability of member companies. If our customer thrives, we thrive.

5. Economic Performance: Stakeholders recognise our valuable role not only to our customers and employees but to the larger Dubai population. We contribute to ten percent of the country's GDP. Therefore, our positive growth reflects not only our own success

but the success of the UAE economy and its inhabitants.

6. Emiratization: We champion the government's strategy to increase employment for local citizens in recognition of their role in the country's long-term economic stability.

7. Digitalisation: We promote the Smart Dubai 2021 Strategy, acknowledging its two-folded benefit; firstly, the enhancement of customer ease by moving services

online, and secondly, the environmental benefits of reduced paper consumption.

8. Training and Development: We offer a wide range of opportunities for both our employees and member companies to upgrade their credentials to excel.

9. Wellbeing: In line with the National Programme for Happiness and Wellbeing, we commit to making Dubai the happiest city on earth. Our stakeholders believe that, as

the master developer of the community and free zone, we are in a unique position to provide meaningful and healthy opportunities that lead to positive emotions.

10. Procurement Practices: We acknowledge that, through our procurement decisions, we can influence how responsibly our current and potential suppliers operate. Therefore, in response to stakeholder expectations, we will adopt sustainable supply chain principles, processes, and standards.

STRATEGY

We embarked on our sustainability journey two years ago. Therefore, this was an opportune time to assess gaps, measure progress, and refresh the strategy based on lessons learned. We took a four-phase approach to the strategy development process:

1. An evaluation of DMCC's pre-existing approach
2. Peer analysis of organisations in and outside of our universe
3. SDG mapping against business strategy, activities, and material topics
4. Identification of short- and long-term targets for a data-driven approach

OUTCOMES

Management Approach: DMCC's sustainability strategy was developed to align with our business strategy and values. The 5 C's summarises its value proposition.

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, offering 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.

STAKEHOLDER RELATIONS

Stakeholders have been at the centre of the DMCC sustainability strategy.

ENGAGE WITH STAKEHOLDERS

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"> Data protection & cybersecurity Customer privacy and excellence Digitalisation 	<ul style="list-style-type: none"> Green buildings Energy Occupational health & safety Infrastructure Social impact 	<ul style="list-style-type: none"> Governance & succession planning Diversity & inclusion Gender equality Wellbeing Training & development Emiratization Economic performance 	<ul style="list-style-type: none"> Human rights Procurement practices Responsible sourcing Economic performance 	<ul style="list-style-type: none"> Anticorruption Regulatory compliance 	<ul style="list-style-type: none"> Human rights Responsible sourcing Anticorruption Regulatory compliance 	<ul style="list-style-type: none"> Social impact Economic performance

STRATEGY FRAMEWORK

The framework reflects DMCC's 5C management approach to sustainability, divided between three pillars: Sustainable City, Responsible Business Ecosystem, and Operational Excellence. Each of these is underpinned by the SDGs. These three pillars umbrella DMCC's 24 material topics.



1. Driven by the Government Road Map:

The UAE Vision 2021 and Dubai Plan 2021 serve as a blueprint for our actions. As a government entity, we are guided by the 'Dubai Model for Government Services.' Furthermore, we propel the Smart Dubai and Green Growth strategy through the implementation of initiatives within JLT.

2. A Greener Community: We commit to a green atmosphere and green operations to meet customer demands and make JLT an eco-friendly environment through the Smart and Sustainable District Strategy.

3. Cohesion with the SDGs:

We prioritise SDGs based on where we believe we can have the most significant impact, given our business strengths and influence. The SDGs and their associated targets have been considered in the framework and mapped against our material issues. Additionally, our social impact policy centres around them.

4. A Data-driven Approach: We commit to measuring what matters so that we can use the data to guide actions, develop policies, and communicate accurately. In 2019, we adopted technologies to track and monitor progress for further efficiency.

5. Convening Authority for Awareness, Knowledge, and Action: We acknowledge that there are areas in which we may not be able to have a direct impact. However, we can encourage stakeholders within our ecosystem that do have an influence. For this reason, we introduce publications and host events as a part of our thought leadership activities to engage stakeholders towards positive action.

6. Transparency: We believe that open communications and clear reporting reinforce integrity. As a committed member of the UN Global Compact, we apply transparency practices across our entire organisation. This practice reflects the trust our partners and customers have with us, resulting in long-lasting relationships.

SUSTAINABILITY SCORECARD

Our data-driven approach guides a cross-functional scorecard with targets that agree with all business units.

IMPACT AREAS	MATERIAL TOPIC	KEY PERFORMANCE INDICATOR
SUSTAINABLE CITY	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		

IMPACT AREAS	MATERIAL TOPIC	KEY PERFORMANCE INDICATOR
SUSTAINABLE CITY	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	KEY PERFORMANCE INDICATOR
OPERATIONAL EXCELLENCE	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
	Emiratisation	Support Emiratisation 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	KEY PERFORMANCE INDICATOR
RESPONSIBLE BUSINESS ECOSYSTEM	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	

For additional information and a full description of the strategy, please visit the www.dmcc.ae/sustainability-strategy.

OUR CONTRIBUTION TO THE SDGS

The UN SDGs define priorities to achieve by 2030 to address the world's most significant challenges. The UAE was a strong advocate for the formulation of the UN SDG agenda, and its commitment to sustainable development is at the heart of the country's vision for its future.

Therefore, as a government authority and global citizen, we believe we have a responsibility to help achieve these goals and establish an approach to the SDGs in our sustainability strategy. Our SDG mapping, an integral component of the strategy development process, analysed the targets in context to DMCC business strengths and sphere of influence.

5 GENDER EQUALITY

- Gender equality
- Human rights

DMCC makes an impact through its commitment to the Women Empowerment Principles and identifying gender equality as a primary pillar for its social impact program

5.1: End all forms of discrimination against all women.

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision - making in political, economic and public life.

5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

8 DECENT WORK AND ECONOMIC GROWTH

- Economic performance
- Customer excellence

DMCC makes an impact through escalating its community, building capacity for member companies and holding suppliers to a higher standard

8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product per annum in the least developed countries.

8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high - value added and labour - intensive sectors.

8.3: Promote development - oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encouraging the formalisation and growth of micro-small and medium-sized enterprises, including through access to financial services.

11 SUSTAINABLE CITIES AND COMMUNITIES

- Community
- Infrastructure
- Waste management
- Diversity & inclusion

DMCC makes an impact by making its community safer and sustainable with one out of five of its focus areas on smart mobility

11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in the particular for women and children, older persons and persons with disabilities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Procurement practices
- Responsible sourcing
- Waste management

DMCC makes an impact by reducing waste in the Master Community and integrating responsible procurement practices. As a part of its commitment to the UNGC, it promotes UNGC membership and associated reporting to its member companies

12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post - harvest losses.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6: Encourage companies, especially large transnational companies, too adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

13 CLIMATE ACTION

- Energy
- Water
- Waste management
- Green buildings
- Training & development

DMCC makes an impact by setting baselines, measuring its footprint, reducing energy consumption and implementing improvements through strategic partnerships

13.2: Integrate climate change measures into national policies, strategies and planning.

13.3: Improve education, awareness - raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Regulatory compliance
- Anti-corruption
- Governance

DMCC makes an impact by advancing its regulatory compliance and legal functions with a zero-tolerance policy to corruption

16.5: Substantially reduce corruption and bribery in all their forms.

16.6: Develop effective, accountable and transparent institutions at all levels.

16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.

17 PARTNERSHIPS FOR THE GOALS

- Governance

DMCC makes an impact by leveraging its convening ability as a government authority, owner of a free zone, and a Master Developer of its Community for good

17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi - stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.

17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.