

The three pillars are a result of a self-evaluation conducted in 2019 to understand what sustainability means for DMCC and how it can best influence the environment and the community where it operates through its business activities. Since 2019, we have updated our material topics in alignment with new GRI Standards and have mapped our three pillars with new material topics based on our materiality assessment approach. The three pillars still guide our sustainability strategy and commitments.

SOCIAL IMPACT STRATEGY

Our approach to social impact was formalised with the creation of our social impact policy mapped to the SDGs, and the launch of the DMCC's social impact strategy last year solidified our commitment. This is represented by the '5th C' under our strategy, 'Care'. Giving back 0.5% of the company's net profit annually towards social impact reinforces our strategic commitment to addressing entrepreneurship, vulnerable communities, and gender equality as a cross-cutting topic.

Entrepreneurship

DMCC has distinguished itself as an award-winning free zone and community as the 'Global Free Zone of the Year from the Financial Times fDi magazine for seven years. This acknowledgment stems from our role in advancing the entrepreneurship ecosystem in Dubai. The development of seamless services and education to foster business success is part of whom we are, making entrepreneurship part of our core pillars within our social impact strategy.

Vulnerable Communities

DMCC promotes and enhances the diamond trade in the UAE and globally because it recognises that vulnerable communities are impacted by the precious metals industry. DMCC is a member of the World Diamond Council through its Dubai Diamond Exchange and Kimberley Process through the Ministry of Economy and acts as a 'connector' to advocate for responsible sourcing. The Kimberly Process exists to reduce the flow of conflict diamonds, includes 82 member countries, industry representatives and NGOs that implement projects to safeguard artisanal miners. We advocate for and protect vulnerable communities through our ability to influence the standard of precious metal trade and operations.

Gender Equality

Gender equality intersects the entrepreneurship pillar of the social impact strategy. DMCC aims to support female entrepreneurs and partner with organisations focused on female equality and development. In 2021, we signed a pledge with the UAE Gender Balance Council to maintain and promote the increase in women in managerial positions across the UAE.

Our Engagement

DMCC's stakeholders are diverse and highly regarded, contributing to the value of our services and community. The SDG Steering Committee has identified stakeholders based on how we impact and can potentially impact their financial, social, and environmental operations through engaging with us. We engage directly with all stakeholders, including our materiality assessment process. We revisit the relevance of these stakeholders every two years at the time of a materiality review.

OUR MATERIALITY APPROACH

Following the best practice, in 2021, DMCC redefined its material topics and updated its methodology in alignment with Global Reporting Initiative Universal Standards. Due to the evolution of the stakeholder engagement process, there was a reduction in material topics. In previous years, a quantitative survey was distributed to relevant stakeholders, and a subset of interviews was conducted to reinforce the quantitative data gathered.

In 2021, DMCC's approach was first to identify key business relationships within its value chain that it influences and impacts and then conduct in-depth feedback consultations with stakeholders to identify actual and potential negative and positive impacts.

These changes resulted in a new set of material topics for DMCC.

IDENTIFICATION

DMCC's value chain is complex, with stakeholders intersecting multiple business activities. DMCC's main activities in the UAE include trade infrastructure (developing ecosystems for gold, diamond, tea and coffee industries along with new areas and financial services), free zone (company registration, supporting ecosystem), and community (property development, management, and engagement). Within each main activity, DMCC classified each stakeholder into tiers 1-3 based on DMCC's proximity of potential impact.

DMCC interviewed various internal directors and managers within each business activity to ensure a robust and accurate list of appropriate stakeholders. The interviews included a breakdown of their business operations and recommendations for external stakeholder engagement exercises.

This process resulted in a thorough list of 30+ relevant stakeholders and experts with whom to engage to gather feedback on material topics for DMCC. A second review of the final list took place by DMCC's management team to gather contact information and verify stakeholder accuracy.

ENGAGEMENT

Sustainability team conducted in-depth discussions with stakeholders, including customers, employees, suppliers, policymakers, industry peers, NGOs, and community organisations to gain perspective on how they perceive us impacting them. After contacting all external stakeholders for consultations, 30 individuals and organisations participated in a 1-2-hour dialogue to assess DMCC's impact.

Given DMCC's complex value chain and business activities, some stakeholders were classified under one business activity but during the interview provided their feedback on more due to the their broad scale of operations. Within DMCC's trade infrastructure services, 8 stakeholders were engaged across all four verticals. In the community business activities, 18 stakeholders were consulted, of which 13 were the residents living in Jumeirah Lake

Towers. The free zone activities are the most intersectional given that many stakeholders operating within trade and community are licensed member companies. For the free zone pillar, we specifically engaged 4 additional stakeholders. However, many more stakeholders we engaged on community and trade provided us with their observations on the free zone ecosystem.

DMCC created educational resources before consulting stakeholders on the organisation's impact on them. DMCC provided context to each stakeholder

ANALYSIS

The conversations with each stakeholder were transcribed and analysed on the actual, potential, negative, and positive impacts on the economy, environment and people. The analysis took into consideration all DMCC activities and business relationships mentioned during the meetings. The sustainability team considered all aspects of the DMCC's complex value chain to guarantee that stakeholders' feedback was analysed according to the organisational context.

Once the classification of all actual, potential, negative, and positive impacts

before each interaction to ensure an understanding of the intended outcome of the consultation and to inform them of the GRI Standards update. Examples include a presentation deck describing what "positive and negative impact" could mean to a stakeholder, why their feedback matters to DMCC and open-ended questions to guide the conversation towards points of potential issues and improvements. DMCC then prompted stakeholders to ask questions for further clarification if necessary.

was completed, a cross-reference to a constructed universe of ESG (environmental, social, and governance) topics sourced from GRI Standards 2021 and SASB (Sustainability Accounting Standards Board) was consolidated to reflect a list of relevant material topics for DMCC based on its business activities and stakeholders feedback.

Material topics were then identified and selected so they would cover each impact identified earlier. Once all appropriate material topics were ascertained, a prioritisation process began.

PRIORITISATION

The sustainability team conducted a prioritisation exercise by scoring each material topic identified in line with the stakeholders' feedback. We re-examined all consolidated transcribed consultations and considered the importance and the severity of the impacts highlighted by stakeholders, which allowed us to rank the material topics internally.

In the result of the exercise, we were able to prioritise the material topics successfully, however the final decision was made to keep all topics in the final list to eliminate any risk of non-compliance with the GRI Universal Standards and ensure that all impacts identified in the course of the stakeholder engagement exercise are covered in this report.

MATERIAL TOPICS

A total of 12 topics were identified, each having 3-5 underlying sub-topics directly aligned with GRI 2021 disclosures. The final topics reflected the most significant values across all three rankings once averaged based on prioritisation. DMCC's leadership reviewed each topic to ensure understanding and appropriateness. Below is the list of topics identified as material.

- Climate Change and Energy
- Community and Giving
- Customer Satisfaction and Engagement
- Economic Performance
- Ethical Business Conduct
- Governance and Leadership
- Labour Practices
- Occupational Health and Safety
- Supply Chain Sustainability and Responsible Sourcing
- Talent attraction, Development and Retention
- Waste Management
- Water Effluents



SUSTAINABLE CITY