



DMCC MATERIALITY ASSESSMENT

INTRODUCTION

This report summarises the approach and results of DMCC's 2019 materiality assessment with the purpose to further improve the integration of stakeholder feedback into DMCC's sustainability strategy and core business.

DMCC has aligned itself to international standards, such as the United Nations Global Compact, the Global Reporting Initiative, and the UN Sustainable Development Goals, to ensure expectations of key stakeholders are met.



METHODOLOGY

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 a foundation and set the priorities of its strategy. The output is a materiality matrix showcasing the importance of each topic to DMCC stakeholders.

Topic list

Conduct 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 most important ones were consolidated.

Stakeholder surveys (internal and external)

A quantitative analysis was conducted with both internal and external stakeholders. For the survey, a Likert Scale of 1-5 was adopted, where respondents rates 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.

Stakeholders discussions

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

Results analysis

After data collection, an analysis of the surveys was performed using the 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. ▢

Stakeholders

A diverse range of external stakeholders from relevant groups was engaged in both quantitative surveys and qualitative interviews. Stakeholders were categorised as follows:

- Employees
- Industry associations
- Government entities
- Regulatory bodies
- Multinationals and SMEs

BACKGROUND

DMCC conducted its first materiality assessment in 2017, which informed the direction of its Communication on Progress to the Global Compact. The same assessment was used for its 2018 sustainability report. Following best practice, DMCC refreshed its materiality matrix in 2019 by conducting a rigorous stakeholder engagement process following the GRI framework.

DMCC refined and complemented the 2017 methodology with additional project steps (e.g. leadership workshops, in-person interviews, and survey structure) in order to further enhance the strategic value of the materiality assessment for DMCC. The list of topics identified in 2017 served as a basis for horizon scanning. The survey

structure evolved by offering more guidance to stakeholders on definitions of topics and providing a distinction between current and future priorities.

The results of the 2019 assessment will further facilitate the implementation of DMCC's sustainability strategy across its business.

MATERIAL TOPICS IDENTIFIED AFTER HORIZON SCANNING

After consulting stakeholders, it was decided that the existing framework can be improved by breaking down a number of topics and adding additional areas.

24 topics were identified. Each topic was associated with a DMCC contextualised definition.

2017	2019
Water, waste, and energy	Waste management and reduction Water use Energy
Diversity, gender equality, and women empowerment	Diversity and inclusion Gender equality
Innovation and digitalisation	Innovation Digitalisation
Governance	Governance and succession planning
People	Well-being Training-development
Responsible sourcing	Procurement practices Responsible Sourcing
Local communities	Community
Env. socio-economic compliance	Regulatory compliance
Customer excellence	Customer excellence
Human rights	Human rights
Anti-corruption	Anti-corruption
Health and safety	Health and safety
	Data protection and cyber security
	Green building
	Customer privacy
	Infrastructure
	Economic performance
	Emiratisation

■ Common Topics
■ Additional Topics

SYNOPSIS OF IMPLEMENTATION

Once material topics were identified, surveys were sent out to stakeholders. Simultaneously, in-person interviews were conducted for deeper insights. The interviews also served as a reinforcement opportunity for stakeholders to provide value through recommendations and experiences.



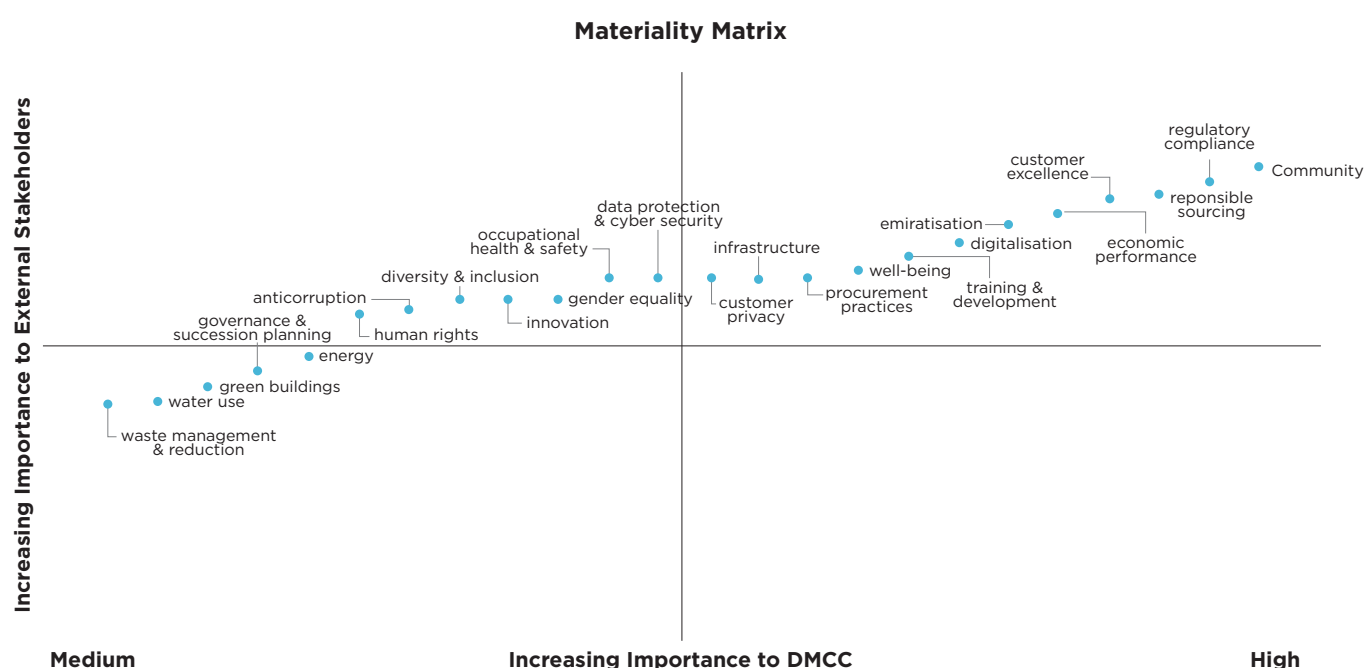
Data Collection

- Out of the 78 surveys sent out, there were 47 responses
- Out of 16 interviews, 11 were internal, and 5 were external stakeholders

OUTCOMES

Quantitative

The following matrix is the result of surveys sent out to both internal and external stakeholders.



Findings

- All topics ranked from medium to high importance
- The top 10 issue areas had an average score of 4 out of 5
- All top 10 material topics ranked at very high importance
- All topics ranked higher than previous assessments, indicating a growing commitment and higher expectations from stakeholders
- All scores were over 3.2; hence, the graph only reflects a medium to high range
- No issue area ranked low importance. A reason for the absence of a low rank could be reservations in suggesting any topic as 'not important', due to their well-intended nature
- All topics associated with environmental performance had an increased score, although still not making it to the top 10. The increased scores suggest the growing importance of the topic
- Social impact was not considered in the initial assessment and hence not reflected in the assessment.

INSIGHTS FOR STRATEGY

Below is a summary of the in-person interviews complemented by desktop research to inform the revised sustainability strategy.

Driven by the Government Road Map

DMCC aligns itself with the UAE and Dubai government strategies, incorporating key indicators and initiatives within each department to mirror both federal and local government mandates.

During interviews, DMCC's internal stakeholders reinforced their position on using the UAE road map as its blueprint. For example, Smart Sustainable Cities and UAE Vision 2021 National Agenda initiatives were mentioned as guidelines to increase mobility, along with creating efficient green buildings within the Master Community.

Furthermore, DMCC actively updated current practices to the Rules and Regulations stipulated by Dubai Land Department, such as abiding by an updated Law 6 on Joint Real Estate Ownership in Dubai. DMCC reviewed the new Civil Defense Regulations and implemented its requirements in its Master Community.

DMCC is also propelling Emiratisation for a more robust knowledge economy through

proactive hiring practices, amongst other UAE led initiatives.

Commitment to the United Nations Global Compact and the SDGs

The commitment to the Global Compact and the SDGs vibrates throughout the organisation. The internal stakeholders were aware of their responsibility to uphold the Global Compact 10 principles and the SDGs, however they were at times unclear on how to achieve them. The stakeholders were enthusiastic to know more, and keen to integrate measurement into the process.

DMCC: A Convening Authority for Awareness, Knowledge, and Action

DMCC stakeholders recognise their wide

sphere of influence beyond its member companies but to the overall industry and want to leverage it for positive impact. They see it as a driver of knowledge given the success of previously released publications, such as the Future of Trade report.

DMCC believes in creating a sustainable impact by driving thought leadership, hosting conferences and nurturing partnerships. DMCC has hosted conferences such as the Dubai Diamond Conference and Dubai Precious

Metal Conference to help catapult best practices to a wide range of stakeholders. Therefore, it was recommended that this convening power be directed towards sustainability.

DMCC Value Proposition for Economic Prosperity

Stakeholders have recommended that DMCC focus on building the capacity of its member companies, particularly young and smaller businesses – supporting them in becoming more responsible and ethical while offering an environment in which they survive. Economic performance and a customer-centric approach are vital for DMCC; therefore, it is mutually beneficial for registered businesses to be provided with support and education. The UAE sees young businesses as an engine of growth for its economy, therefore, like other government-led initiatives, DMCC has a responsibility to support this ambition.

Growing Focus on the Environment

There is a collective recognition that environmental responsibility is a growing priority for DMCC and its associated

stakeholders. Stakeholders were proud to support Smart Dubai initiatives, recognising the connection between technological advancement and environmental stewardship. There was an understanding that by leveraging technology, DMCC takes a data-driven approach to environmental performance while accurately tracking and measuring progress. This approach is a vital initiative for organisations dedicated to progressing on the SDGs. Stakeholders also raised the importance of partnership, collaboration, and supply chain engagement in reducing DMCC's overall footprint.

Transparency

Stakeholders congratulated DMCC's efforts towards transparency as it embraces voluntary public reporting for a third year. However, there was also an acknowledgement of the need to grow this effort and engage different parts of DMCC's value chain. Stakeholders specifically highlighted that the supply chain is often an area of risk for entities, therefore may deserve additional attention beyond controls already in place. Stakeholders once again expressed a need for measurement and targets around reporting.

MOVING FORWARD

With the above information, DMCC will structure the content of its reporting and develop a future value proposition that better meets societal expectations. The enhanced sustainability strategy will reflect the results of the materiality review report while providing further analysis on the top sustainability priorities distinguished through the assessment.

APPENDIX

Waste management

Activities and actions required to manage and reduce waste from its inception to its final disposal. This includes the collection, transport, treatment, and disposal of waste.

Water use

Describes the total amount of water withdrawn from its source to be used. Measures if water usage helps to evaluate level of demand by users.

Green buildings

Structure and the application of processes that are environmentally responsible and resource efficient throughout a building's lifecycle - both owned buildings and buildings that are a part of the JLT community should be included.

Energy

The kilowatt hours per square foot; production, logistics, procurement and maintenance.

Governance and succession planning

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled under the board.

Human rights

Principles distinguished under the International Declaration of Human Rights: Rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, religion, and any other status; including the right to life, liberty, freedom, and much more.

Anticorruption

Policies and procedures designed to eliminate dishonest or fraudulent behaviour.

Occupational health and safety

Includes the laws, standards, and programs that are aimed at making the workplace better for workers, co-workers, family members, customers, and another stakeholder.

Diversity and inclusion

The recruitment of diverse ages, races, nationalities, and people with determination at all levels.

Gender equality	Equal opportunity, access to resources, economic participation, decision making, valuing behaviour, needs, and aspiration regardless of gender.
Data protection and cyber security	Involving any type of information or information system that ensures security in the cyber realm.
Customer privacy	The handling and protection of sensitive personal information that individuals provide in the course of everyday transactions.
Infrastructure	The policies, processes, equipment, data, human resources, external contacts for overall effectiveness.
Procurement practices	Specific policies put in place for the selections of suppliers, products, methods and procedures of sourcing and purchasing such services.
Well-being	The cultivating of a satisfying environment by taking into consideration work life balance.
Training and development	An education program or activities put in place to enhance knowledge and skills of its employees with the goal of increasing performance.
Digitalisation	The use of digital technologies to upgrade processes and everyday life.
Emiratisation	An initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors.
Economic performance	The company profitability and over overall market strength.
Customer excellence	Putting the customer at the centre of everything in order to meet their expectations and needs.

Regulatory compliance

Adherence to laws, regulations, guidelines, and specifications relevant to business processes.

Responsible sourcing

A commitment by companies to take into account social & environmental considerations when managing their relationship with their suppliers.

Community

For the purposes of DMCC it includes JLT/local companies and residents.

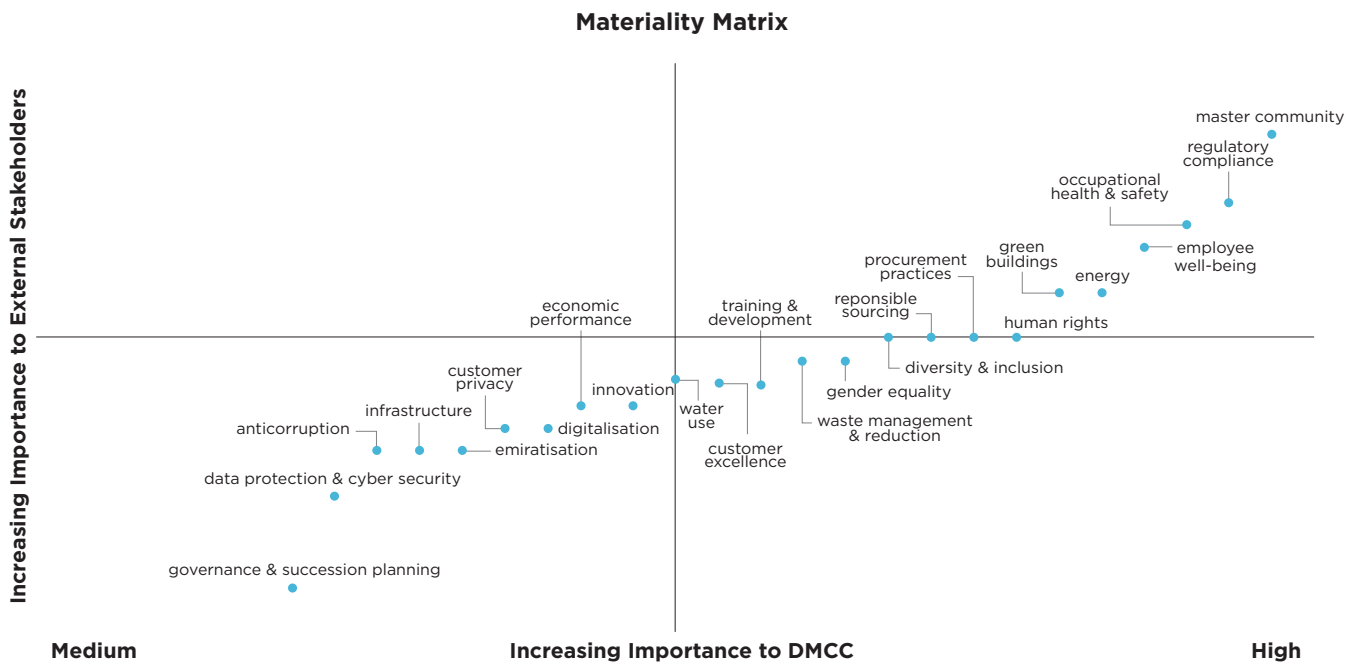
Innovation

The process of translating an idea or invention into a product or service.

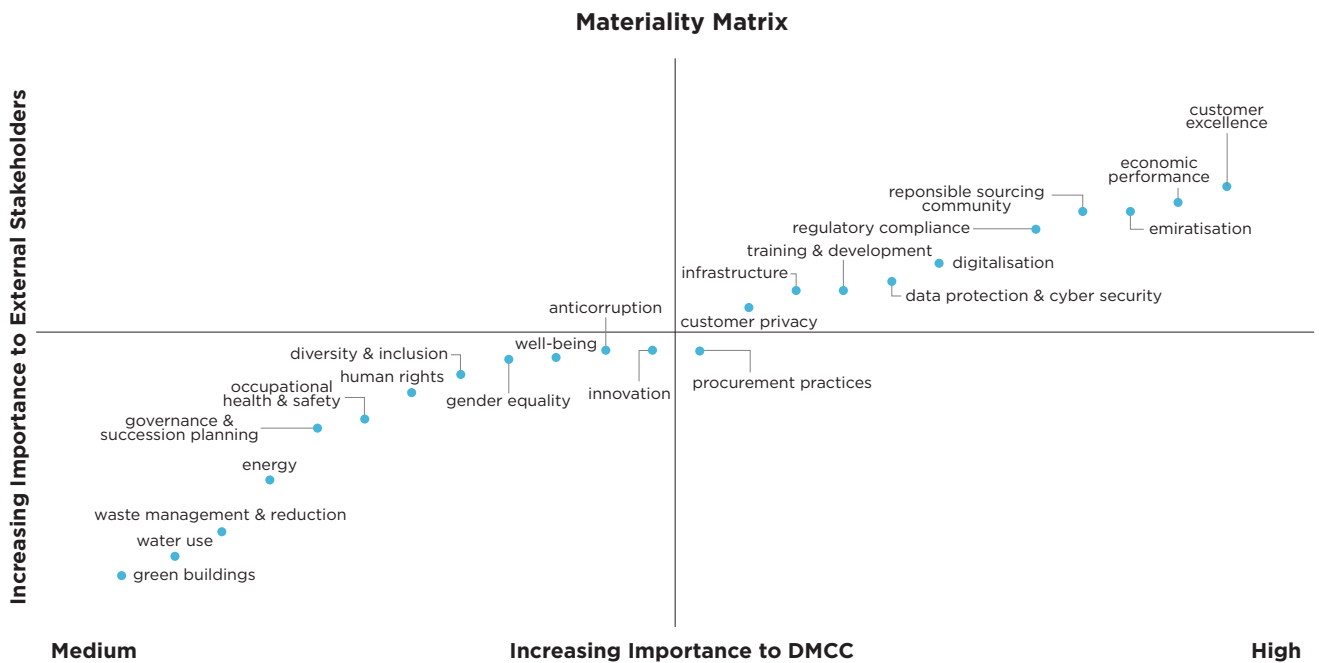
Average scores for top material issues

Community	4.23
Regulatory compliance	4.17
Responsible sourcing	4.12
Customer excellence	4.10
Economic performance	4.04
Emiratisation	4
Digitalisation	3.91
Training and development	3.87
Well-being	3.80
Procurement practices	3.78

Materiality Mapping Reflecting Only Internal Stakeholder Feedback



Materiality Mapping Reflecting Only External Stakeholder Feedback



COMMUNITY



QUESTION:

To what extent do you believe DMCC can have an impact on Community?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	10.6
Somewhat important (3)	8.51
Important (4)	27.6
Very Important (5)	53.1

Stakeholder Responses	Score
Internal	3.96
External	4.63

Average rating **4.23**

REGULATORY COMPLIANCE



QUESTION:

To what extent do you believe DMCC can have an impact on Regulatory Compliance?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	2.13
Somewhat important (3)	19.1
Important (4)	38.3
Very Important (5)	40.4

Stakeholder Responses	Score
Internal	3.92
External	4.5

Average rating **4.17**

RESPONSIBLE SOURCING



QUESTION:

To what extent do you believe DMCC can have an impact on Responsible Sourcing?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	0
Somewhat important (3)	19.1
Important (4)	48.9
Very Important (5)	31.9

Stakeholder Responses	Score
Internal	4.04
External	4.22

Average rating **4.12**

CUSTOMER EXCELLENCE



QUESTION:

To what extent do you believe DMCC can have an impact on Customer Excellence?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	2.13
Somewhat important (3)	17.0
Important (4)	48.9
Very Important (5)	31.9

Stakeholder Responses	Score
Internal	4.15
External	4.13

Average rating **4.10**

ECONOMIC PERFORMANCE



QUESTION:

To what extent do you believe DMCC can have an impact on Economic Performance?

Overall Responses	Percentage
Not important (1)	2.12
Of little importance (2)	6.38
Somewhat important (3)	17.0
Important (4)	34.0
Very Important (5)	40.4

Stakeholder Responses	Score
Internal	4.07
External	4.09

Average rating **4.04**

EMIRATISATION



QUESTION:

To what extent do you believe DMCC can have an impact on Emiratisation?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	6.38
Somewhat important (3)	23.4
Important (4)	34.0
Very Important (5)	36.1

Stakeholder Responses	Score
Internal	4.04
External	4.00

Average rating **4.04**

DIGITALISATION



QUESTION:

To what extent do you believe DMCC can have an impact on Digitalisation?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	8.51
Somewhat important (3)	17.0
Important (4)	48.9
Very Important (5)	25.5

Stakeholder Responses	Score
Internal	3.81
External	4.04

Average rating **4.91**



TRAINING & DEVELOPMENT



QUESTION:

To what extent do you believe DMCC can have an impact on Training and Development?

Overall Responses	Percentage
Not important (1)	0
Of little importance (2)	8.51
Somewhat important (3)	21.2
Important (4)	44.6
Very Important (5)	25.5

Stakeholder Responses	Score
Internal	3.70
External	4.13

Average rating **3.87**

WELLBEING



QUESTION:

To what extent do you believe DMCC can have an impact on Wellbeing?

Overall Responses

Percentage

Not important (1)	2.12
Of little importance (2)	10.6
Somewhat important (3)	25.5
Important (4)	27.6
Very Important (5)	34.0

Stakeholder Responses

Score

Internal	3.41
External	4.40

Average rating **3.80**

PROCUREMENT PRACTICES



QUESTION:

To what extent do you believe DMCC can have an impact on Procurement Practices?

Overall Responses

Percentage

Not important (1)	4.25
Of little importance (2)	6.38
Somewhat important (3)	29.7
Important (4)	25.5
Very Important (5)	34.0

Stakeholder Responses

Score

Internal	3.44
External	4.22

Average rating **3.78**

DMCC