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لتعليم القيادة
Emirates Driving

Sustainable Progress
On The Move

Emirates Driving Company

2022 Integrated Report

Table of Contents

About This Report

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

Reporting Scope And Boundary

Emirates Driving Company's (EDC) 2022 Integrated Report details how EDC creates value for all its stakeholders over the short, medium, and long-term and covers the company's business, strategy as well as its financial and environmental, social, and governance (ESG) performance.

This report covers the period from 1 January to 31 December 2022, unless otherwise stated. The reporting boundary for financial information reflects the performance of EDC, and its subsidiaries together referred to as the "Group" while the sustainability information disclosed reflects the activities of the entirety of EDC's operations excluding its real estate investment subsidiary Tabieah Property Investment.

Reporting Frameworks And Standards

The report has been prepared in accordance with the International Integrated Reporting Framework (IIRF) and applies the Integrated Reporting principles which emphasise the inclusion of all material stakeholders' needs in a reliable, complete, consistent, and comparable manner.

In addition, the sustainability content of the report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 Update, which is effective for reports published from 1 January 2023 onwards, and is aligned with the Abu Dhabi Securities Exchange's (ADX) ESG disclosure guidelines and its 31 ESG metrics.

We have also chosen to align the report with those Sustainable Development Goals (SDGs) material to our business model as well as with the Abu Dhabi Vision 2030.

Accordingly, the report complies with UAE Securities & Commodities Authority (SCA) requirements related to the preparation of Integrated Reports for the fiscal year 2022.

Assurance

We have employed a coordinated assurance approach to assess and assure the various elements of this report. Ernst & Young has audited the 2022 Financial Statements while the business, strategy, and sustainability components of the report have been reviewed by our internal audit function and a specialist independent consultancy.

BOARD RESPONSIBILITY

The Board of Directors acknowledges its responsibility for ensuring the integrity of this report and confirms that the disclosed information fairly represents EDC's material issues and that the report faithfully references the standards and frameworks used.

FORWARD-LOOKING STATEMENTS

Forward-looking statements involve uncertainty given the many external factors that could impact the environment in which the company operates. EDC holds no obligation to publicly update or revise its forward-looking statements throughout the coming fiscal year except as required by applicable laws and regulations. Finally, and as a consequence of the above, it is not within the scope of our internal audit team to form an opinion on these forward-looking statements.

FEEDBACK

For any queries or feedback about this report, please contact us at:

Email: investor.relations@edcad.ae

Phone: +971 2 502 7207

Our Chairman's Review

(GRI 2-2)

The UAE economy saw a strong rebound in 2022, with growth of %7.6 last year, the highest in 11 years according to the UAE Central Bank. The diversification of the economy away from oil, the shift towards a more sustainable economic model, and the emphasis on harnessing technology and innovation as a pillar of development, are beginning to yield positive results and have put the UAE firmly on course to reach its ambition of becoming one of the world's most dynamic economies.

This buoyant economic situation is reflected in Emirates Driving Company's (EDC) performance in 2022. EDC saw a 34.53% jump in the number of registered students to 130,926 in 2022 from 97,249 in 2021 across our three main branches and five satellite branches in the emirate of Abu Dhabi.

Net income increased by 50.84% to AED 253.41 million (or AED 2.82 per share) compared to 2021 while the net profit margin rose to 74.66% from 64.58% a year earlier. Customer revenue rose 30.50% year-on-year to AED 339.42 million in 2022.

Like the UAE economy, the business outlook for EDC in the coming years is also highly promising thanks to careful strategic planning that focuses on sustainability and innovation.

Our new five-year sustainability strategy promises to be a game-changer for the company and puts us on track to spearhead the green transition both nationally and regionally. Sustainability is now firmly embedded as a core principle in our operations and will be reflected in all initiatives moving forward.

Guided by the steady hand of the Board and executive management and with the buy-in of our highly trained staff, the sustainability strategy provides a clear pathway to a more sustainable future for EDC.

In addition, by harnessing the transformative power of innovation and advanced technology EDC is capitalizing on the disruption taking place in the mobility sector to accelerate our growth plans. Smart technology is at the forefront of our agenda and as our 2022 Integrated Report clearly shows, we are already making significant progress in a domain that promises to deliver many benefits for the company and all its key stakeholders.

The combination of our track record of more than two decades in business, our partnerships with key strategic stakeholders and leading global organizations, our world-class facilities, and our commitment to constant innovation is a winning formula that makes EDC uniquely qualified to contribute to safer road mobility in Abu Dhabi.

Our leadership position in Abu Dhabi provides a strong platform for our planned expansion into new markets in the UAE and around the GCC. With the backing of our shareholders EDC has committed to an ambitious growth strategy that will support the expansion of our operations through a combination of organic growth and acquisitions to create sustainable value for all.

The next few years promise to be a very exciting time for EDC.

Khalifa Al Romaithi,
Chairman

Our CEO's Message

(GRI 2-2)

Having spent the past few years gradually fine tuning our approach to sustainability, 2022 was the year that Emirates Driving Company (EDC) put its foot on the accelerator.

I am delighted to unveil our new five-year sustainability strategy which sets the stage for the next phase of EDC's evolution as a company that creates sustainable value for all our stakeholders.

Building on previous sustainability initiatives, the five-year strategy is the result of thorough analysis of our sustainability footprint, careful consideration of all stakeholder needs, and the evaluation of potential pathways to maximize our impact.

The strategy offers a clear roadmap based on four sustainability pillars - managing climate-related risks, harnessing smart technology, promoting female empowerment, and embedding CSR - supported by objectives, initiatives and KPIs designed to turn the strategy into a reality.

To further ensure effective implementation, in 2022 we strengthened our governance by creating a new Sustainability Management Committee responsible for executing the strategy and expanded the mandate of our Strategy Committee to address sustainability at Board level.

With sustainability now firmly embedded in our business model, EDC has laid the foundations to become a regional sustainability champion in the coming years. As a next step, we hope to become one of the first corporations to commit to a science-based target in support of the UAE's Net Zero by 2050 strategic initiative. Our decarbonization efforts will be supported by the ongoing transition to a more eco-friendly fleet of vehicles.

EDC's 2022 Integrated Report provides a comprehensive overview of our corporate strategy and details how we plan to go about achieving these ambitious objectives. The report highlights the important role that technology and innovation will play in driving the creation of sustainable value. For years, EDC has harnessed technology to enhance our operations in a multitude of ways. We have introduced solutions to help improve the overall customer experience, to facilitate training & development of our workforce, to reduce our environmental footprint, to protect customer data, and many more besides.

This process is only going to accelerate in the coming years. To offer perhaps the most eye-catching example, EDC plans to launch a new 'Smart Parking' initiative that will leverage advanced digital technology to automatically evaluate driver performance without the need for a human examiner in the car.

Innovations such as these hold the potential to revolutionize how EDC does business in future. However, while smart technology presents us with incredible opportunities, we are mindful that it can also herald a level of disruption that presents new risks that must be carefully managed if we are to ensure the long-term viability of the business.

As always, safety is EDC's number one priority. We never lose sight of the fact that, as the exclusive provider of pre-licensing services in Abu Dhabi, our mandate is to make an essential contribution to the safety of road mobility in the emirate and throughout the country.

With this in mind, and backed by our shareholders and our healthy balance sheet, EDC will continue to invest in upgrading our service offering to provide world-class driver education programs and the best possible customer experience, while making roads safer.

Khaled Al Shemaili,
Chief Executive Office

Financial Highlights

Net Profit Margin
74.66%

Net Income
253.41 million

Revenue
339.42 million

Market Cap
2,388.32 million

Debt/Asset Ratio
4.16%

Assets
1,093.47 million

FCFF
284.38 million

Equity
971.76 million

Key ESG Highlights

Female Representation

18.21% overall female presence

48.65% females amongst admin staff.

30% target by 2023 amongst our staff excluding trainers, currently at **28.9%**

New Hires and Turnover Rate

25.2% overall hire rate and **25%** female hire rate

9.1% overall turnover rate

Target of reaching **5%** amongst high-performing talent by **2023** achieved in 2022 with a rate of **2.4%**

Employee Training

38,731 training hours, a **264%** increase from 2021

Employee Engagement Results

Latest engagement survey results at 90% (favourable) – an increase of 15% from 2021

Green Buildings

New Zayed City Branch **– Pearl 1 Rated**

20% of energy needs from solar panels

Transition to **LED lighting**

Paper Consumption

Target of **100% paperless** by 2023

Local Procurement Spent

99.77% of total procurement budget spent locally

ISO Certifications

ISO 9001:2015 Quality Management System

ISO 45001:2018 Health and safety Management System

ISO 14001:2015 Environment Management System

ISO 39001:2012 Road Traffic Safety (RTS) Management System

Customer Satisfaction Survey

Overall CSAT score at 89% with our Abu Dhabi branch achieving a score of 90%

Safety Awareness

165 posts on road safety awareness in 2022, a 90% increase from 2021

Eco-fleet

Target of **50%** by 2023 and **100% by** 2026

Who We Are

(GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-28)

PROFILE

Established in 2000, Emirates Driving Company PJSC (EDC) is the leading provider of driver education and the exclusive pre-licensing driving institute for the emirate of Abu Dhabi.

EDC consistently delivers the highest standards of driver training to support safe and secure road mobility in Abu Dhabi amid rapid population growth and urban development.

Since its inception, the company has engaged in a strategic partnership with the Swedish National Road Authority (SweRoad) for the continuous development of its curricula according to global standards.

In addition, a joint quality committee with the Abu Dhabi Police ensures training programmes and methodologies are kept up-to-date and aligned with the applicable laws.

Moreover, EDC is the primary contributor to the Abu Dhabi road safety education committee and regularly contributes to the Integrated Transport Centre (ITC) through technical and educational input.

AT A GLANCE

FOOTPRINT

- Headquarters in Abu Dhabi
- Two main branches, Abu Dhabi City and Al Ain, of approximately 417,600 and 321,549 square meters, respectively
- One large branch in Zayed City
- Five satellite branches

PEOPLE

- 571 total employees
- 32 nationalities
- 18.21% female representation
- 9.1% turnover rate

CUSTOMERS

- 130,926 new students in 2022
- Over 80,000 graduates per year on average
- Abu Dhabi residents, with a very high expat ratio (~80%)
- Leading corporate clients

FLEET

- Fleet of 387 cars
- Breakdown: 284 cars, 19 heavy buses, 51 motorcycles, 24 heavy trucks, 9 heavy machinery

CURRICULUM

- Developed with international leaders (SweRoad and RoSPA)
- Offered in five languages (Arabic, English, Urdu, Malayalam and Pashto)

REGULATORY LANDSCAPE

- Licensed by the Ministry of Economy
- Listed on Abu Dhabi Securities Exchange (ADX) with the share code DRIVE and a market cap of AED 2,388,318,240 as of 31/12/2022

Our Business Partners

To strengthen our role in the UAE's road safety ecosystem, EDC is a trusted partner to various government and large corporate stakeholders. These relationships support the development of road safety policies and the adoption of best practices in the UAE. They also enable large corporates that rely on ground mobility to increase their operational efficiency.

Strategic Partners

ALLIANCES, CERTIFICATIONS/ACCREDITATIONS, AND MEMBERSHIPS

EDC's credibility as a leading provider of quality driver education services is enhanced through a series of alliances, accreditations and memberships with world renowned organisations.

As part of our strategic priorities to achieve operational excellence and imbed sustainability in our business model, EDC has obtained four important certifications:

- ISO 14001 certification (Environmental Management System)
- ISO 9001 (Quality Management System)
- ISO 45001:2018 (Occupational Health & Safety Management)
- ISO 39001 Road Traffic Safety (RTS) Management System

Moreover, we have an alliance with CEPA to incorporate Eco-Driving courses into our offering.

EDC is now a proud signatory to the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. Our commitment to its 10 principles is another step towards embedding sustainability best practices in our operations and business model.

In addition, EDC became a signatory to the Women's Empowerment Principles (WEPs), a collaboration between the UN Global Compact and UN Women, which emphasize the business case for corporates to promote gender equality and women's empowerment.

Furthermore, EDC is now a member of the Green Business Network, an initiative created by the Environmental Agency – Abu Dhabi (EAD) to connect companies that are passionate about the environment and want to make a difference in their workplace.

Alliances

Certifications / Accreditations

Memberships

What We Do

EDC offers a wide range of training courses to meet the needs of all customers while contributing to safer roads. Training programs are divided into three licensing categories.

Pre-licensing Courses

- Light vehicle
- Motorcycle
- Heavy vehicle
- Heavy Bus
- Heavy Machinery
- Light Machinery
- Light Bus

Post-licensing Courses

- School Bus Drivers
- School Bus Supervisors
- Desert Driving Training
- Light Vehicle Defensive Driving
- Heavy Vehicle Defensive Driving
- Heavy Bus Defensive Driving
- Heavy Motorcycle Driving

Specialized and Tailor-made Courses

- Crane Operator Training
- Safety Driving Awareness

Pre-licensing is mandatory for all people wishing to obtain a driver's license in the Emirate of Abu Dhabi. The curriculum comprises of a combination of classroom-based theory lessons and practical lessons and has been thoroughly designed to equip students with the knowledge they need to pass their final test and receive a license to drive the vehicle category of their choice.

After attending all the necessary theory classes, students must successfully complete an exam. The practical training that follows covers the necessary driving skills such as motor engine starting procedure, changing gears, navigating in traffic, parallel and perpendicular parking techniques, effective driving in different traffic conditions and other depending on the type of vehicle selected. These classes take place on Emirates Driving Company's premises.

Once the student successfully completes both the theory and practical components of the course, they are issued with a Certificate of Driving Course Completion which is required to process their license.

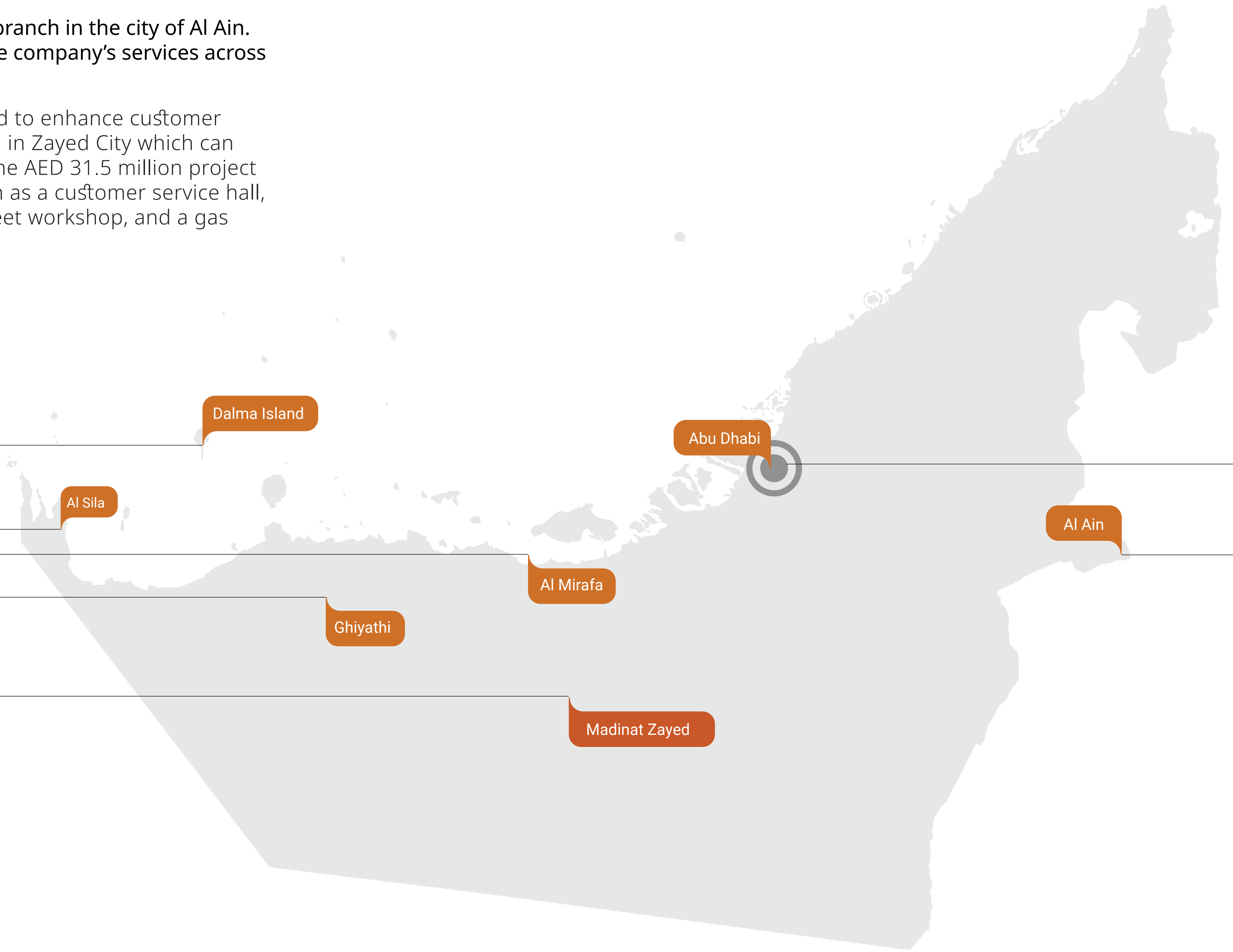
The post-licensing training program is a non-mandatory course offered for students that have already obtained a driving licence and want to develop specialist skills such as school bus driving, defence driving, desert driving, or taxi driving.

EDC runs a series of exclusive and tailor-made offerings for specialized types of vehicle. As part of our specialized training program, we have partnered with Tadano Global, the world's largest crane manufacturer, to develop a training course for heavy cranes and have also partnered with Harley-Davidson to launch the Harley-Davidson Motorcycle Program in Abu Dhabi, the first of its kind in the UAE.

Our Geographical Footprint

EDC is headquartered in the city of Abu Dhabi with a main branch in the city of Al Ain. Five additional satellite branches ensure full coverage of the company's services across the emirate.

To strengthen the services offered in the Al Dhafra area and to enhance customer experience, we established a 115,223 square meter branch in Zayed City which can accommodate a large volume of customers. In late 2022, the AED 31.5 million project was nearly completed and includes advanced facilities such as a customer service hall, waiting areas, communication towers, a yard test area, a fleet workshop, and a gas station.



Type:
Satellite Branches
Number of employees:
6
Offering:
Theory Training, Theory Exam and Yard Test

Type:
Satellite Branch
Number of employees:
4
Offering:
Theory Training, Theory Exam and Yard Test

Type:
Headquarters
Number of employees:
418
Offering:
Theory & Practical Training, Theory Exam and Yard Test

Type:
Main Branch
Number of employees:
143
Offering:
Theory & Practical Training, Theory Exam and Yard Test

Our Principles

EDC plays a crucial role in enhancing road safety in the UAE through the delivery of high-quality driving programs as well as by participating in education and road safety initiatives alongside our partners. These activities form the basis of our business principles which are embedded in our strategic decision making and our operations.

OUR VISION

- To be the leader in promoting and contributing towards safer roads in the region.

OUR MISSION

- To work efficiently and effectively towards promoting and contributing to safer roads through innovation, collaboration, investment in new technologies and smarter operating and delivery models.

OUR VALUES

- Socially Responsible
- Act with integrity
- Innovative
- Result driven
- Stakeholders- Inclusive

Our Leadership Team

EDC's leadership team is equipped with the experience and expertise required to guide the strategic direction and growth of the company and create value for all stakeholders. They set the tone for all employees to achieve the highest standards and ensure the delivery of world-class customer service.

Personal profiles for each of our Board Members can be found in our **Corporate Governance Report.**

OUR BOARD OF DIRECTORS

Mr. Khalifa Al Romaithi

Chairman

Mr. Mohamed Haji Al Khaoori

Vice Chairman

Mr. Mohamed Al Ameri

Board Member

Ms. Samia Bouazza

Board member

Mr. Ahmed Al Romaith

Board Member

OUR EXECUTIVE MANAGEMENT

Mr. Khaled Al Shemeili

Chief Executive Officer

Mr. Fadhel Al Mehairbi

Chief Services Officer

Our Ownership Structure

International Holding Company (IHC) is EDC's largest shareholder, indirectly owning %47.95 of the equity through its subsidiary Multiply Group, which directly holds an %11.24 stake in EDC and an additional %36.71 stake through its wholly owned subsidiary, SPRANZA.

MAJOR SHAREHOLDERS

SPRANZA Commercial Investment*	36.71%
Multiply Group	11.24%
Al Dhabi Capital MENA Fund	6.51%
AlDhabi Investment	5.54%
Al Nahda Investment LLC	5.00%
Cert Foundation LLC	5.00%
TOTAL	70%

**Spranza is a sole proprietorship LLC 100% owned by Multiply Group*

OUR SUBSIDIARY

EDC owns 100% of Tabieah Property Investment, a holding company established in 2017 as a vehicle to invest in the real estate asset class according to the company's asset allocation strategy. Tabieah owns a luxury residential building on Saadiyat Island in Abu Dhabi.

Top CEO Award

Khaled Al Shemeili was named one of the top 10 CEOs in the Retail, FMCG and Consumer Goods/Services category at the 2022 TOP CEO Conference and Awards. The TOP CEO Awards are one of the most prestigious and credible business awards in the region as the evaluation process is based on a transparent formula developed in conjunction with INSEAD Business School and Dubai-based Hawkamah Institute for Corporate Governance.

Our Strategy

CREATING STAKEHOLDER VALUE

While we continue to enhance our offering in our core market of Abu Dhabi, EDC is in the process expanding our services as a launchpad towards establishing a presence throughout the UAE and eventually to other GCC countries as well within five years. We will explore opportunities to expand the business through a combination of organic growth and strategic acquisitions.

While we fully understand that these markets are highly competitive, we believe that the knowledge and expertise we have developed over the years means we are strongly positioned to make an immediate impact in new markets. Any strategic moves will be preceded by in-depth research, careful risk assessment, and close consultation with our key stakeholders.

As ever, EDC will continue to create value for our stakeholders by:

1. Efficiently allocating resources
2. Focusing on our value drivers
3. Applying our competitive advantages, and Spreading our corporate culture and values

OUR VALUE DRIVERS

CONSISTENT

- 22 years of business excellence
- Market leadership
- Continuous growth, value creation & solid financial performance

20 YEARS عاما
من التعليم و الأمان
of education and safety

RELIABLE

- Strong strategic partnerships & alliances
- ADX-listed since 2005
- Multiple accreditations & ISO certifications

ISO 9001
ISO 14001
ISO 45001
ISO 39001
BUREAU VERITAS
Certification
1828

SUSTAINABLE

- Commitment to the transition to a sustainable path
- Stakeholder value creation business model
- Inauguration of our five-year Sustainability Strategy

CO_2

IMPACT-ORIENTED

- Mapping, monitoring and measuring our contribution to the relevant United Nations Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

OUR BUSINESS VALUES

- Socially Responsible
- Stakeholders – Inclusive
- Act with Integrity
- Innovative
- Results-Driven

OUR COMPETITIVE ADVANTAGE

SHAREHOLDER SUPPORT

- Continued support by our major shareholder
- IHC is publicly listed and is one of the fastest-growing holding companies in the region
- Multiply Group is a tech-focused holding with global presence

VAST RESOURCES

- Experienced leadership
- Large access to and ownership of infrastructure
- Strategic relationship with relevant government entities
- Strong balance sheet

GROWTH-ORIENTED

- Strong yearly annual performance
- Innovation is at the heart of our business model
- Committed to an ambitious & diversified growth plan

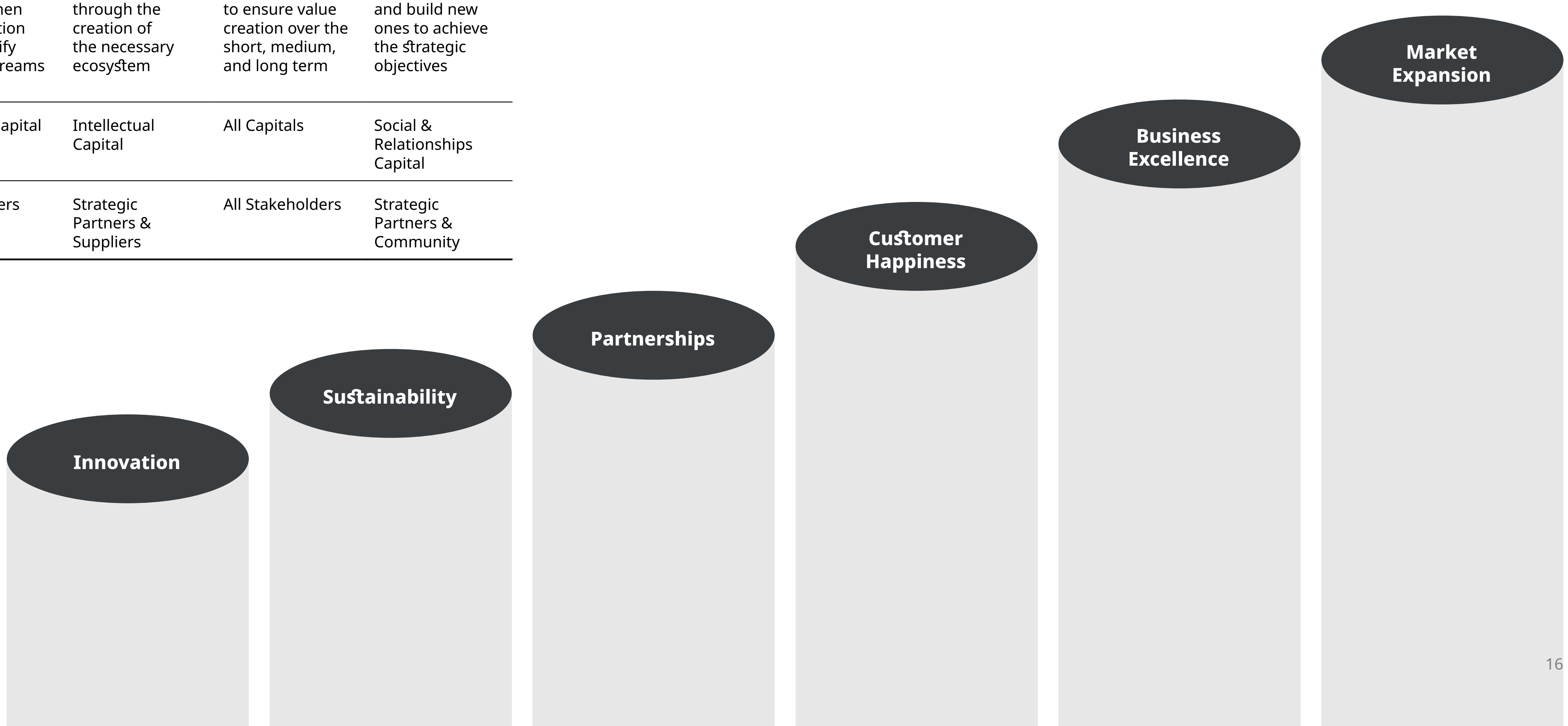
UNIQUE POSITIONING

- EDC has exclusive status in Abu Dhabi for providing pre-licensing services
- Trusted government partner in shaping legislation related to Licensing, Cars, and Road Safety

Our Strategic Pillars

In consultation with our key stakeholders, EDC developed six strategic pillars to provide the basis for business development over the next two years. The table below describes each pillar and aligns these priorities to our six capitals (Financial, Human, Intellectual, Infrastructure, Social & Partnerships, and Natural or Environmental) and their corresponding stakeholders. The reader may refer to the specific capital section where each strategic pillar and its key initiatives are discussed in more detail.

Strategic Pillar	**1** Customer Happiness	**2** Business Excellence	**3** Market Expansion	**4** Innovation	**5** Sustainability	**6** Partnerships
Description	Placing customers at the core of our business approach and meeting customer aspirations	Building the necessary internal frameworks and enhancing operational efficiency	Planning and implementing a growth strategy to strengthen EDC's position and diversify revenue streams	Embedding innovation in EDC's DNA through the creation of the necessary ecosystem	Positioning EDC onto a sustainable path to ensure value creation over the short, medium, and long term	Strengthen existing partnerships and build new ones to achieve the strategic objectives
Link to the Six Capitals	Social & Partnerships Capital	Human Capital & Infrastructure Capital	Financial Capital	Intellectual Capital	All Capitals	Social & Relationships Capital
Link to the Stakeholders	Customers	Employees	Shareholders	Strategic Partners & Suppliers	All Stakeholders	Strategic Partners & Community



Key Position Within The Value Chain

This section describes the pre-licensing process that Abu Dhabi residents must follow to obtain a driver's license and discusses EDC's key role within the value chain.

EDC's primary customers fall into one of two categories:

Category 1:

Abu Dhabi residents seeking to obtain their first driver's license

Category 2:

Abu Dhabi residents that have a driver's license issued by another country that is not on the list of 33 countries whose licenses can be automatically exchanged for a UAE license.

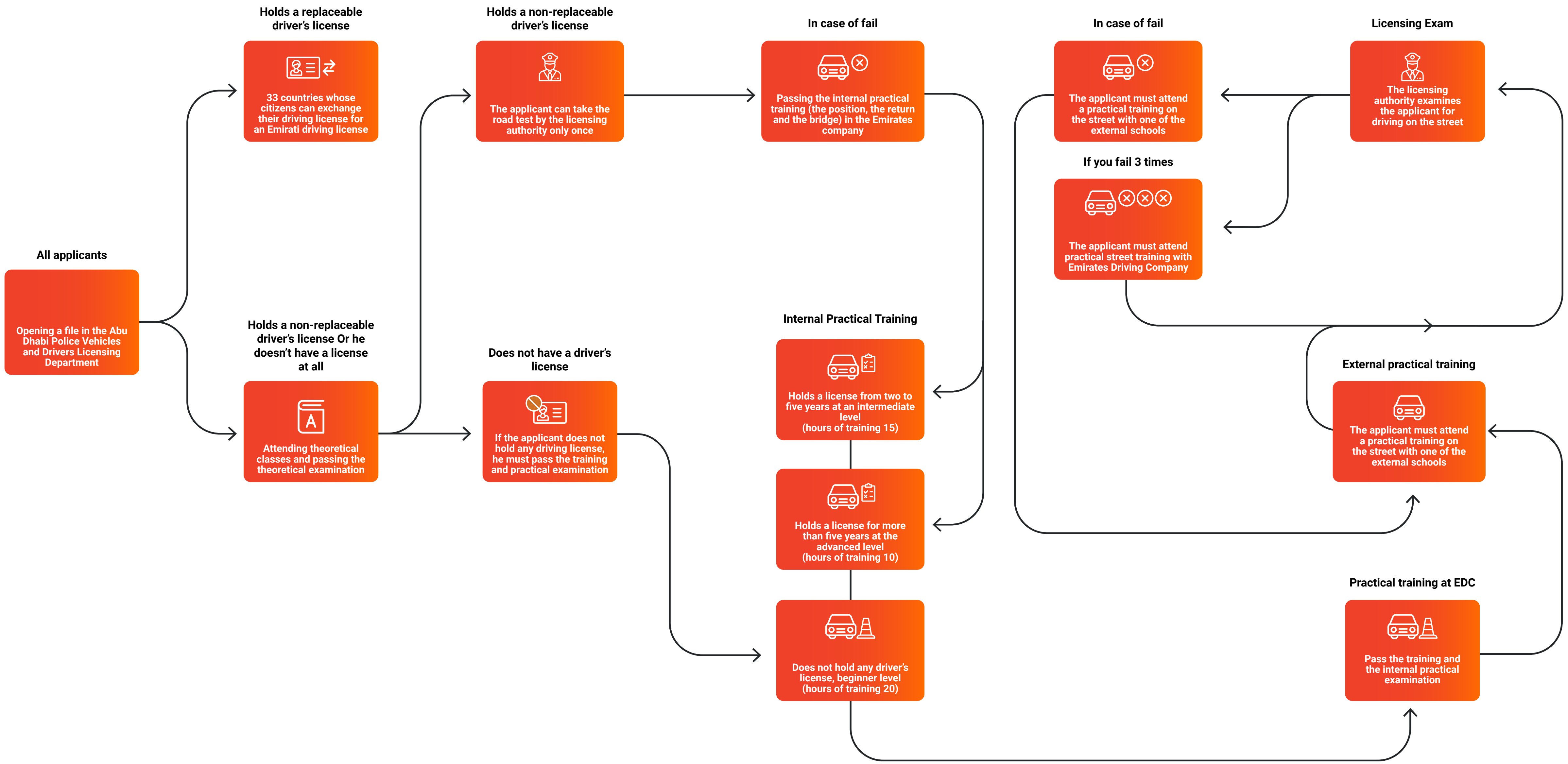
Category 1 customers must go through the entire pre-licensing process while those that fall within the second category are eligible to join the 'Golden Chance' track which allows them to bypass the practical element of the course. These customers must attend theory classes, pass a related test, and undertake simulator training.

Customers are then fast-tracked into the practical street exam conducted by the licensing authority (Abu Dhabi Police). Should they fail, they would need to register with EDC to complete the practical training classes and examination. The number of practical training lessons they are required to take will depend on their experience and capabilities as a driver.

Since 2021, it has been mandatory for those eligible for the Golden Chance track to complete EDC's simulator training to become accustomed to the UAE's driving conditions before they take to the roads. This decision was taken by the licensing authority to enhance road safety due to the noticeable level of accidents involving drivers that had not been trained by local driving institutes.

The following chart describes the process of obtaining a driver's license in Abu Dhabi:

In addition, the chart below details EDC's positioning within its value chain in relation to pre-licensing for light vehicles.



Our Position

Within The Value Chain Specific to the pre-licensing light vehicle segment

The pre-licensing programme is a mandatory course that all test-takers need to take in the emirate of Abu Dhabi and includes theoretical and practical training

OUR CUSTOMERS

Abu Dhabi Residents (Citizens & Expatriates) seeking a driver's license

	1	2	3	4	5
	REGISTRATION	**THEORY TRAINING**	**ON-PREMISE PRACTICAL TRAINING**	**STREET PRACTICAL TRAINING**	**FINAL PRACTICAL TEST & LICENSE ISSUANCE**
Description	After obtaining the traffic number at Abu Dhabi Police, registration can then be done via the EDC app (currently covering e-learning registration only) or through any of the company's main or satellite branches	Customers attend theory classes (online or on premise) designed for them to gain comprehensive vehicle driving skills. Upon passing the theory test, customers move to the next step	Practical training done on EDC premises including training through simulators. Upon passing the yard test customers move to the next step	Practical training conducted on actual streets (outside of EDC's training facilities) is provided through various third-party licensed companies	The final test is conducted via Abu Dhabi Police and license is granted post test completion
STAKEHOLDERS	• Abu Dhabi Police • IT service providers • EDC Customer Service Employees	• Sweroad: our curriculum development strategic partner • IT service providers • EDC Theory Trainers SWR	• Car suppliers • Simulator suppliers • In-house and outsourced maintenance • Insurance providers • EDC Practical Trainers	Third-party street practical training service providers	Abu Dhabi Police

شـرطـة أبـوظـبـي
ABU DHABI POLICE

Abu Dhabi Police is our primary strategic stakeholder:
Consistent & extensive communication, coordination, and alignment is performed throughout

Risk & Opportunities 1/2

EDC faces a number of potential challenges, risks and opportunities due to factors related to the external operating environment. Certain legal, commercial, social and environmental considerations may potentially affect the company's ability to create value over the short, medium, and long term. This section explores these factors, how they could potentially impact the company, and sheds light on how the company manages them.

Factor 1: Regulatory Landscape

What is it?

As the UAE continues to intensify its commitment to sustainability, and more specifically to address the impacts of climate change, we are likely to see the emergence of new legislation that compels companies to take action to reduce emissions and limit their negative impact on the environment.

The UAE signed up to the Paris Agreement and has already committed to achieving Net Zero by 2050 and this promises to have significant implications for all stakeholders in the economy. Companies need to anticipate these transitional risks and plan accordingly.

How might it affect us?

For EDC's operations, these regulatory risks fall into two main categories:

(1) Transport-related

1. Regulations related to vehicle fuel emissions reductions
2. Standards for electric/hybrid, hydrogen and autonomous vehicles
3. Regulations and incentive schemes to encourage a shift towards the electrification of road mobility

(2) Building-related

1. Regulations and environmental standards related to the construction of new buildings
2. Directives to retrofit existing buildings with technology to reduce energy consumption and emissions.

How do we manage it?

EDC has already begun the shift towards sustainable business practices which will enable us to maintain our leadership position in Abu Dhabi, align with the government's ambition, and support expansion to other areas. Under our new sustainability strategy, our first priority is to manage climate-related risks. A central feature of this strategy is to decarbonize our fleet of vehicles and buildings and this process has already begun.

Factor 2: Innovation

What is it?

The rapid evolution of technology, specifically digital technology, is supporting innovation and disruption across most business sectors. Businesses need to invest in innovation to stay ahead of the game or risk being left behind. The UAE government is committed to making the country one of the most innovative economies in the world and encourages all sectors to embrace the potential of digital technologies.

How might it affect us?

The transportation and education sectors are seeing significant disruption due to technological innovation. Recent years have seen a notable shift towards online learning and the use of virtual reality in the education sector. This could result in a drastic change in the way people learn to drive and thus reduce the need for students to physically attending classes at our branches, in which we have made considerable investments.

In the transport sector there is much excitement that artificial intelligence could be harnessed to make autonomous vehicles an everyday reality. This would revolutionise road mobility and, in the long-term, could limit the need for people to learn to drive. However, before that we are likely to see a more rapid transition towards electric vehicles, something which is gathering pace in other global markets, and will undoubtedly accelerate in the UAE in the coming years.

How do we manage it?

EDC is instilling a culture of innovation in the company and made it a central feature of both our corporate and sustainability strategies. Pillar 2 of our sustainability strategy is to 'Create innovative growth channels across the Mobility Sector'.

We already use simulators as part of our driver training programs and our existing infrastructure can be readily adapted to serve new technologies and innovations. We have embraced online learning, as evidenced by the launch of the online theory program in March 2020, and have seen strong uptake among clients. In addition, a new version of EDC's mobile application was launched in 2022 to enhance the overall customer experience. We continue to strive to enhance the app's functionality and services with a view to releasing a new version in the near future

EDC's healthy balance sheet and the support of our shareholders means the company is strongly positioned to continue innovating and enhancing our offering with the latest technology, while leading the transition to smart mobility and electric vehicles in Abu Dhabi and the UAE.

Factor 3: Cybersecurity

What is it?

Digitalization has presented humanity with previously unimagined benefits and opportunities, speeding up business processes, increasing productivity, and paving the way for a more globalized economy. However, with more and more human activity taking place in the digital realm, the risk of cybercrime has increased exponentially. Companies need to invest more than ever in cybersecurity solutions to protect themselves from theft of confidential customer data or intellectual capital or any outside interference that could disrupt their operations.

How might it affect us?

Like many companies, EDC handles large amounts of sensitive customer data and we are dutybound to protect our customers from any loss or theft. The ongoing digitalization of our services through apps, online learning and, more gradually, towards smart mobility supports the enhancement of our operations but also increases the risk of disruption from outside interference.

As a company that is fully committed to innovation and digitalization, EDC will strive to enhance our services and strengthen our infrastructure with the latest technology wherever possible. The rise of the Internet of Things (IoT), for example, means companies will increasingly rely on smart sensors to gather data from across their operations. For EDC this would mean installing sensors in vehicles and across our physical infrastructure to gather data that we can use to monitor and measure our performance and, ultimately, to enhance our operations and customer experience. EDC has already begun this process. Our new Smart Parking initiative leverages advanced technology, including artificial intelligence, to automatically evaluate driver performance of parking manoeuvres (for more details see page 38).

However, while this technology will undoubtedly bring many benefits, the greater level of connectivity it entails also raises the risk of disruption related to outside interference, such as a remote takeover.

How do we manage it?

EDC is in the process of implementing a series of measures to enhance protection of customer data. In 2022 we introduced a series of new data protection policies including GDPR Policies & Procedures (see page 39).

As regards the IoT and other advanced technologies such as AI, this is a longer-term consideration and one that we are in the early stages of factoring into our plans. However, as we intensify our efforts in this direction, we will ensure we take all necessary precautions to minimize risks while maximizing the opportunities that advanced technology offers.

Risk & Opportunities 2/2

Factor 4: Competitive Landscape

What is it?

Competition provides an essential incentive for businesses to constantly innovate and invest in enhancing their offering, for the ultimate benefit of customers. While it should keep businesses on their toes, competition also presents an external risk if they fail to maintain high standards or keep pace with rivals.

How might it affect us?

Since its establishment in 2000, EDC has been the exclusive provider of pre-licensing services in the emirate of Abu Dhabi, and this business line currently accounts for over 95% of our revenues. EDC is honoured to have been entrusted with the responsibility to make such an important contribution to safe and secure road mobility in Abu Dhabi.

The fact that we have retained the trust of the government for more than two decades is a testament to our reliability and the excellence of our services. However, we know that we cannot take our exclusive status for granted. This drives us to continuously enhance our offering and create a customer experience that is among the best in the world.

How do we manage it?

EDC never stands still. We create value by building strong long-term partnerships with key stakeholders, by attracting the best talent, by being customer-centric, and by putting sustainability and innovation at the heart of our strategy.

As an example of how we strive to maintain operational excellence in line with international standards, we are always looking to add to our ISO certifications. In 2022, we received the ISO 390001 Road Traffic Safety Management System and in 2023-2024 we are aiming to add the ISO 31000 Risk Management certification.

EDC's extensive infrastructure and the ability to train first time drivers on our internal streets guided by our communication towers, is a unique proposition and key differentiating factor of our business.

Our strong balance sheet and backing from major investors supports efforts to continuously invest in upgrading and enhancing our services and infrastructure to deliver an unrivalled level of customer excellence.

EDC is confident that these factors, combined with our successful track record over more than two decades, will allow us to maintain our pre-eminent position in Abu Dhabi, while also supporting our gradual expansion into new markets.

BUSINESS OUTLOOK

Where do we want to go?

EDC's top priority is to consolidate the company's position as the leading driving training and road safety institute in Abu Dhabi. Over the next five years, we will expand our services throughout the UAE and gradually establish a footprint in key regional markets.

We believe we are strongly positioned to achieve these goals, given that we are backed by more than two decades of experience and have a strong balance sheet, supportive shareholders, a highly skilled workforce, a track record of innovation, and are investing strategically in technology.

Our growth plan considers the disruption taking place in the mobility sector brought about by:

1. The rise of digitalization and artificial intelligence to enhance driver education and tailor it to customer needs
2. The shift towards a Net Zero economy and electric vehicles
3. The emergence of autonomous mobility

How will we get there?

Expansion & Acquisition

- By leveraging our experience to expand organically and capture market share
- By strategically acquiring existing companies in key markets

Smart Mobility

- By leveraging smart technology to maintain a competitive advantage and capture market share
- By developing partnerships with existing suppliers and by incubating smart mobility start ups

Digitalization & Artificial Intelligence

- By fully digitalizing our operations to enhance value and create a seamless customer experience
- By leveraging AI to personalize the customer learning experience and create safer roads

Sustainability

- By embedding sustainability into our business model and corporate practices
- By continuously enhancing our ESG strategy and leading the transition to a Net Zero UAE economy
- By gradually transitioning to hybrid and electric vehicles

Research & Development / Innovation

- By embedding innovation in our DNA and building our R&D capabilities
- By expanding our intellectual capital to build products & services that catalyze growth
- By collaborating with reputable global knowledge centres with mobility expertise

Sustainability at the Core

(GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-22, GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

Engaging With Our Stakeholders On What Matters Most

Stakeholder Engagement

Maintaining close relationships with our key stakeholders is critical to understanding their needs and gathering the input needed for our materiality assessment.

These are the first steps towards developing a sustainability strategy that is embedded into our business model and allows us to manage ESG risks and opportunities and to create sustainable value for all stakeholders.

The following graphic and accompanying table show our key stakeholders and the methods we use to engage with them on an ongoing basis.

EDC's Key Stakeholder Groups

Key Stakeholder Groups	Methods of Engagement
Customers	• Internal Regular customer satisfaction surveys • Regular interactions with trainees • Website • Marketing material & social media • Online customer reviews • Mystery Shopper • Independent Customer Satisfaction Survey (Analog and Digital)
Employees	• Regular employee engagement surveys • Yearly appraisals • Internal announcements • Company events • Exit interview
Board of Directors & Senior Executives	• Regular meetings • BOD and related committee meetings • Regular executive meetings • Company events
Shareholders	• Annual General Meeting • Regular update & strategic meetings • Corporate regulatory disclosures • Investor presentations
Government	• Direct engagement on public policy development • Direct engagement on road safety, driving education, and related awareness campaigns • Direct engagement through the on-site licensing department • Local forums
Community	• Local initiatives and volunteering • Community related activities (schools, universities, public spaces, etc.) • Website • Social Media
Main Suppliers	• Code of conduct of suppliers • Regular supplier audits • Regular meetings • In-Country Value Certification • Supplier evaluation

In addition to our regular engagement methods, in 2022 we conducted a number of focused engagement initiatives:

Type of Engagement & Project Lead

Customer Satisfaction Study
Independent Consultant

Mystery Shopper Assignment
Independent Consultant

Employee Engagement Survey
EDC HR Department through culture Amp platform

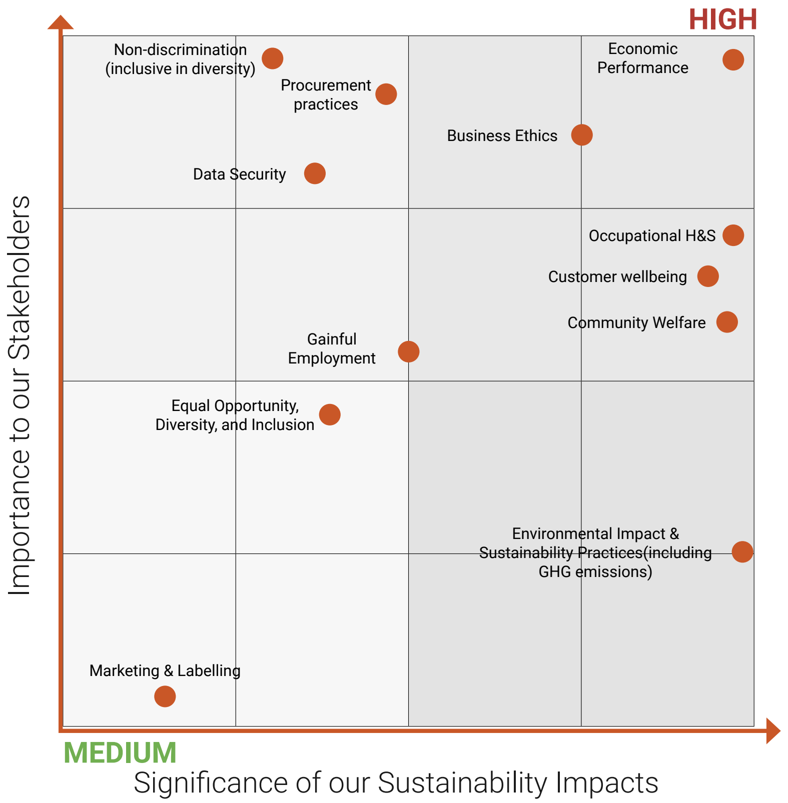
Customer Satisfaction Survey
EDC Strategy & Performance Office

Our stakeholder engagement process is based on both the Integrated Reporting Framework and GRI Standards guidance as well as the AA1000 – stakeholder engagement standard and apply the principles of inclusivity, materiality, and responsiveness.

Materiality Assessment

Based on feedback gathered from the stakeholder engagement, EDC developed a materiality matrix with the assistance of an independent consultant which allows us to assess the relative importance to the business of each material topic, and thus which topics to report on.

The topics in the top right quadrant of the matrix are considered most material to EDC's operations. In addition, and to meet the requirements of our 2021-2023 strategy and align with the strategic focus of the UAE, we have included 'Equal Opportunity, Diversity & Inclusion' and 'Environmental Impact & Sustainability Practices' as part of our key material topics as well as 'Procurement Practices' and 'Training & Development'. Our resulting material topics are depicted below:



OUR MATERIAL TOPICS

- **1** Economic Performance
- **2** Business Ethics
- **3** Occupational Health & Safety
- **4** Customer Wellbeing
- **5** Community Welfare
- **6** Equal Opportunity, Diversity & Inclusion
- **7** Gainful Employment
- **8** Procurement Practices
- **9** Training & Development
- **10** Environmental Impact & Sustainability Practices

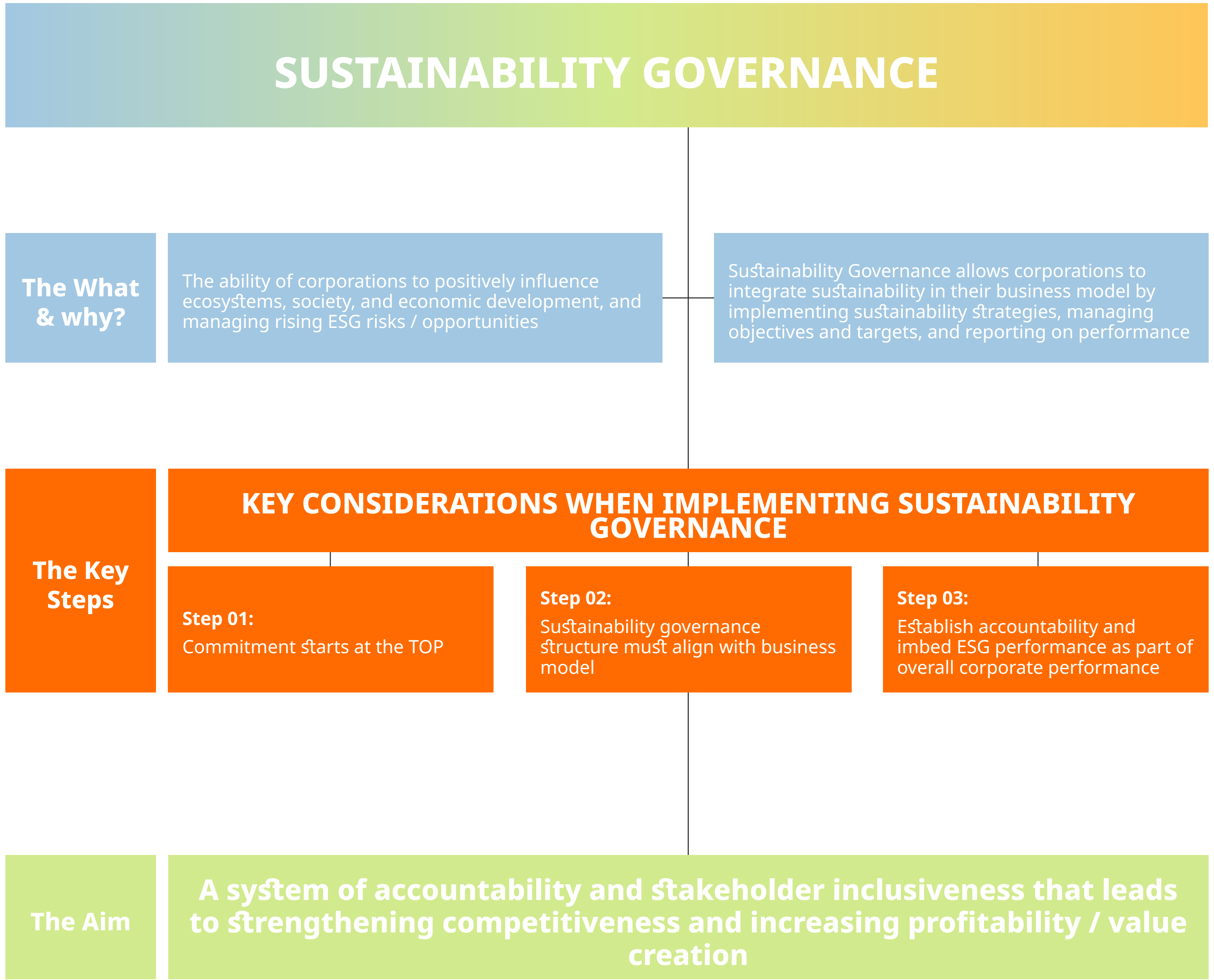
	Material Topics	GRI Standards	ADX Alignment
1	**Economic Performance**	GRI 201 - Economic Performance	
2	**Business Ethics**	GRI 205 - Anti-Corruption	S1: CEO Pay Ratio S9: Child & Forced Labor S10: Human Rights G2: Board Independence G3: Incentivized Pay G5: Ethics & Prevention of Corruption
3	**Occupational Health & Safety**	GRI 403 - Occupational H&S	S7: Injury Rate S8: Global Health & Safety
4	**Customer Wellbeing**	GRI 416 - Customer Health & Safety GRI 418 - Customer Privacy	G6: Data Privacy
5	**Community Welfare**	GRI 413 - Local Communities GRI 203 - Indirect Economic Impacts	S12: Community Investment
6	**Gainful Employment**	GRI 401 - Employment	S3: Employee Turnover S5: Temporary Worker Ratio
7	**Equal Opportunity, Diversity & Inclusion**	GRI 202 - Market Presence GRI 405 - Diversity and Equal Opportunity GRI 406 - Non-discrimination	S2: Gender Pay Ratio S4: Gender Diversity S6: Non-Discrimination S11: Nationalisation G1: Board Diversity
8	**Environmental Impact & Sustainability Practices**	GRI 306 - Waste GRI 303- Water and Effluents GRI 302 - Energy GRI 305 - Emissions GRI 307 - Environmental Compliance	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E6: Water Usage E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight E10: Climate Risk Mitigation
9	**Procurement Practices**	GRI 204 - Procurement Practices GRI 308- Supplier Environmental Assessment GRI 414- Supplier Social Assessment	G4: Supplier Code of Conduct
10	Training & Development	GRI 404 - Training and Education	

Sustainability Governance

EDC reached an important milestone in its sustainability journey in 2022 by enhancing our sustainability governance framework. Having concluded a gap analysis of our governance practices in conjunction with an independent consultant, we decided to create a structure and additional mechanisms to ensure that sustainability strategy is addressed at Boardroom level, and that there is greater transparency and accountability.

This is an important step that lays the foundations for the company to continue to evolve and adapt its sustainability framework, in line with external realities. With these pieces in place, EDC can be more responsive to growing transitional risks such as regulatory changes or legislative decrees.

The following chart explains the key considerations when establishing a sustainability governance framework.



STRATEGY & SUSTAINABILITY COMMITTEE

The role of the Strategy Committee has been expanded to include sustainability governance and ensure Board level consideration. The new Strategy & Sustainability Committee has a clear Charter in place which outlines the following:

- Its Purpose
- The responsibilities of the Committee members
- Budget and resourcing
- The Authority of the committee (including delegation)
- Its reporting procedures
- Committee members appointment and composition
- How meetings will be organised
- The committee's annual review and evaluation

SUSTAINABILITY MANAGEMENT COMMITTEE

EDC has also established a new Sustainability Management Committee to ensure that the sustainability strategy, as defined by the Strategy & Sustainability Committee, is being integrated into all relevant business functions and that efforts are aligned across the company. To ensure accountability, performance on sustainability KPIs have been included in management appraisals.

The Members of the Sustainability Management Committee are:

- Chief Executive Officer (CEO) - Chair
- Chief Corporate Service Officer (CCSO)
- Business Development & Partnership Manager
- Strategy & Performance Office Manager
- Strategic Planning & Performance Management Officer

Our Sustainability Strategy

EDC has made tremendous progress with its sustainability journey in a short period of time. Starting out by launching ad-hoc initiatives, in 2020 we achieved an important milestone when we released our first sustainability report.

The process of producing the report enabled us to sharpen our focus and take a more systematic approach to sustainability, resulting in a better understanding of the issues that really matter to our stakeholders. This led to the company embedding sustainability as a strategic priority in its 2021-2023 corporate strategy, followed by the development a five-year sustainability strategy in 2022.

With sustainability now integrated as a core element of our business model, we believe the company has laid the foundations to further accelerate our progress and become a sustainability champion in the coming years.

STRATEGY DEVELOPMENT

Led by an internal project committee with the support of an independent specialist consultancy firm, EDC conducted a thorough, five-step analysis of our customer experience value chain and the key stakeholders involved, with a view to developing a better understanding of our impact.

The resulting strategy builds upon EDC's sustainability progress to date and is aligned with the company's strategic pillars, material topics, capitals and material SDGs.

The first step was to conduct a thorough gap analysis to determine EDC's main sustainability strategic issues.

As a second step we prioritized the strategic issues in order of importance to ensure that the most critical issues are addressed in the five-year sustainability strategy plan.

During this phase, we conducted thorough engagements with internal and external stakeholders to identify any major gaps.

CUSTOMER DRIVING LICENSING EXPERIENCE

EXTERNAL (UPSTREAM)

Issuance of Traffic File at the Drivers & Vehicles Licensing Department

GOVERNMENT

OPERATIONS

- E-Learning and Theory Training Development
- On-Premise Practical Training Development
- Theory and Practical Training Tests
- Customer Happiness

CUSTOMERS

SERVICES & MAINTENANCE

- Facility & Fleet Management (Maintenance and Cleaning)
- IT Services
- Procurement Processes
- Value-Added Suppliers and Service Providers (e.g. Car Suppliers, FMC, IT Service Providers, Garages and Contractors)

MAIN SUPPLIERS

HUMAN MANAGEMENT

- Human Resources Management
- Recruitment and Training
- Employee Development
- Employee Wellbeing

EMPLOYEES

BOD and SENIOR EXECUTIVES

PARTNERSHIPS & INNOVATION

- Business Development
- Research & Development
- Innovation
- Marketing and Communication
- Local and Global Partnerships

GOVERNMENT

COMMUNITY

FINANCIAL CAPITAL

- Financial Planning
- Capital Allocation
- Investment Management

SHAREHOLDERS

EXTERNAL (DOWNSTREAM)

- Street Practical Training
- Final Practical Test & License Issuance

GOVERNMENT

MAIN SUPPLIERS

Our Sustainability Strategy

Based on the prioritized list of sustainability strategic issues, we identified four sustainability pillars that EDC will prioritize over the next five years:

1 PLANET

MANAGE CLIMATE-RELATED RISKS

- Environmental Impact & Sustainability Practices
- Procurement Practices
- Business Ethics

EDC will become a UAE/regional corporate leader in the transition to net zero by 2050 by means of applying science-based targets and addressing its scope 1, scope 2 and scope 3 emissions.

2 PROSPERITY

CREATE INNOVATIVE GROWTH CHANNELS ACROSS THE MOBILITY SECTOR

- Economic Performance
- Business Ethics

EDC will play a leading role in the future of the mobility sector by establishing a corporate venture capital (CVC) ecosystem and creating diversified business activities and sources of revenue.

3 PEOPLE

ESTABLISH FEMALE DIVERSITY, INCLUSION, AND EQUITY AS KEY CORPORATE VALUES

- Equal Opportunity, Diversity & Inclusion
- Gainful Employment
- Occupational Health & Safety
- Training & Development

EDC will integrate Diversity, Inclusion & Equality as part of its core values, with a primary focus on female empowerment.

4 PEOPLE PROSPERITY

BUILD AN INTEGRATED CSR APPROACH AND ALIGN WITH MATERIAL SDGS

- Community Welfare

EDC will establish a CSR strategy and plan as an integral part of its organizational strategy and align with material SDGs to maximize impact and contribute to the UAE's plan in achieving the Global Goals by 2030.

Each priority/pillar has an underlying set of strategic objectives, initiatives and performance indicators. The next step is to bring the sustainability strategy to life through the implementation of these actions.

The overall vision is for EDC to continue progressing along its sustainability journey and to gradually derive growth and value from ESG. In doing so, EDC aims to become an ESG leader and one of the first corporations in the region to commit to a science-based Net Zero target.

To support effective implementation, EDC has decided to create a transformation management office and develop a five-year business plan outlining the operational blueprint of the strategy.

Key strategic initiatives that EDC aims to achieve in 2023 include:

- Initiate TCFD Reporting
- Embed ESG into procurement practices
- Intensify decarbonization initiatives
- Develop plans for gender diversity in the workplace across all levels

Sustainability Through Our Capitals

OUR VALUE CREATION MODEL

Input

FINANCIAL CAPITAL
- Liquidity (cash & cash equivalent): AED 574.93 Million
- Retained Earnings: AED 769.67 Million
- Investments (property & listed equity portfolio): AED 184.73 Million

HUMAN CAPITAL
- 571 Total Employees :
- 17% increase from 2022
- 133 new hires (177% increase from 2022)
- 32 Nationalities
- 38,000+ hours of Training & Development in 2022 (264% increase from 2021)

- **INTELLECTUAL CAPITAL**

EDC's offered curricula have been developed with Sweroad (a company governed by the Swedish Transport Administration from 1983 to 2018) and follow global standards

Over 20 years of experience, track record, and relationships in driving education and road safety

INFRASTRUCTURE & NATURAL CAPITAL
- Diversified Fleet: Total of 387 vehicles including cars, light vehicles, trucks and buses
- Two Main Large branches & five Satellite branches covering Abu Dhabi emirate
- Large branch in Zayed City (in 2022)

SOCIAL & RELATIONSHIP CAPITAL
- Strategic global relationships, memberships and alliances
- Providing expertise to the government for safer roads
- Multiple involvement in sponsorship opportunities
- Continuous engagement with our customers through surveys and mystery shopper initiatives
- Local Community focused

Our Value Creation Model

Our Vision
To be the leader in promoting and contributing towards safer roads in the region.

Our Mission
To work efficiently and effectively towards promoting and contributing to safer roads through innovation,collaboration, investment in new technologies and smarter operating and delivery models.

Our Values
- Socially responsible
- Act with Integrity
- Results-Driven
- Stakeholder-Inclusive
- Innovative

2021-2023 STRATEGIC PILLARS
- Customer Happiness
- Business Excellence
- Market Expansion
- Innovation
- Sustainability
- Partnerships

SUSTAINABILITY PILLARS
- Manage Climate-Related Risks
- Create Innovative Growth Channels Across the Mobility Sector
- Establish Female Diversity, Inclusion and Equality as Key Corporate Values
- Build an Integrated CSR Approach and Align with Material SDGs

Our Offering
EDC offers a full range of training courses covering all driving competencies for a variety of vehicle types to ensure road safety as well as coverage of all customer needs

Pre-licensing Courses
- Light vehicle
- Motorcycle
- Heavy vehicle
- Heavy Bus
- Heavy Machinery
- Light Machinery

Post-licensing Courses
- School Bus Drivers
- School Bus Supervisors
- Desert Driving Training
- Light Vehicle Defensive Driving
- Heavy Vehicle Defensive Driving
- Heavy Bus Defensive Driving
- Heavy Motorcycle Driving

Specialized and Tailor-made Courses
- Crane Operator Training
- Safety Driving Awareness

130,926
New Students in 2022

Output & Outcome

SDG ALIGNMENT

FINANCIAL CAPITAL
- Revenue from Customers: AED 339.42 Million & Net Income at AED 253.41 Million
- Dividends: AED 85.30 Million (0.95 AED per share)
- EDC has AED 0 debt from banks, and a healthy Cash & Equity Ratios at 7.61 and 0.89 respectively
- Dividend from Investments & Rental Income at AED 6.39 Million

HUMAN CAPITAL
- 9.1% turnover rate
- 23.3% hire rate, an increase of 13.4% from 2021's hire rate (9.9%)
- 90% (favourable) engagement results – an increase of 15% from 2021
- 18.21% overall female presence with 48.65% amongst admin staff and a 25% total female hire rate in 2022
- 46 Emiratis working at EDC in 2022, a 24% increase from 2021 (out of which 67% are women)

INTELLECTUAL CAPITAL
- EDC continued to be Abu Dhabi's strategic and exclusive partner in ensuring road safety
- EDC completed ISO 39001:2012 ISO certification, in addition to previously completed certifications (ISO 9001:2015, ISO 45001:2018, ISO 14001:2015)
- Improvement in first-time pass rates from an average of 80% in 2021 to 82% in 2022 in Abu Dhabi, and from 77% to 81% in Al Ain

INFRASTRUCTURE & NATURAL CAPITAL
- Able to serve a large customer base: 130,926 students in total in 2022
- Able to diversify service offering without the need to build new infrastructure or purchase additional assets
- EDC is a leading innovator in the driving education sector
- Main branches in Abu Dhabi and Al Ain transitioned to LED lighting
- New Madinat Zayed Branch designed to achieve an Estidama Pearl 1 rating

SOCIAL & RELATIONSHIP CAPITAL
- EDC contributes yearly to the awareness campaigns launched by Abu Dhabi Police as well as the Integrated Transport Centre.
- 90% increase in social media posts on road safety awareness
- EDC provides expertise and is the main contributor to Abu Dhabi's road safety education committee
- More than 90% of satisfaction survey respondents rated their experience as either 'Excellent' (84%) or 'Very Good' (8%) in Abu Dhabi
- Mystery shopper results satisfactory at above 85% in Wave 2 batch
- AED 54.4 Million spent through local suppliers (99.77% of total procurement)

Financial Capital

(GRI 201-1)

Our Commitment	
Strategic Pillar	• Market Expansion • Sustainability
Sustainability Priority	• Create Innovative Growth Channels Across the Mobility Sector
Material Topics	• Economic Performance
Some of our Relevant Policies	• Organizational Excellence Policy • Sales Policy • Financial Management Policy • Enterprise-wide Risk Management Policy • Benchmarking Policy
Our Alignment	
Abu Dhabi Vision 2030	• The creation of a sustainable knowledge-based economy • A continuation of strong and diverse international relationships • Premium education, healthcare and infrastructure • A significant and ongoing contribution to the federation of the UAE
GRI Standards	GRI 201: Economic Performance
SDGs	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES

- **EDC serves over 80,000 customers per year across our three main branches and five satellite branches in the emirate of Abu Dhabi. In addition, we are the partner of choice for many leading UAE institutions who rely on us to meet their traditional as well as specialized driver training needs.**
- **Our extensive, high-quality facilities enable us to provide best-in-class driving instruction to equip students with the confidence and skills to safely take to the road. We have developed our courses in conjunction with leading driving institutions SweRoad and RoSPA.**
- **EDC has a competitive advantage in this space thanks to a track record spanning more than two decades, our status as the exclusive provider of pre-licensing driving education in Abu Dhabi, as well as being a trusted partner to the Government of Abu Dhabi for creating safer roads.**
- **We have maintained a strong balance sheet over the years, and consistently delivered returns for investors and distributed dividends to our capital providers. For fiscal year 2021, EDC distributed a total dividend of AED 44,893,200.00 (or 0.50AED per share) representing a payout ratio of 50% of our capital in addition to interim dividends which is 15% of our capital (equal to AED 13,467,960), paid quarterly starting Q2 2022 till Q4 2022, according to this, the total dividend distributed by EDC should be 95% (50%+15% for three quarters).**
- **With the support of IHC, our major shareholder and one of Abu Dhabi's largest diversified holding companies, EDC has committed to an ambitious growth plan that will allow us to diversify our revenue streams, expand our operations, and create sustainable value for all.**
- **The combination of our market-leading position and the backing of our investors, means we are strongly positioned to expand our geographic reach within our core driving education segment.**
- **Harnessing the power of innovation and advanced technology to capitalize on the disruption taking place in the mobility sector is central to our growth plan, which is based on five pillars: Expansion & Acquisition, Smart Mobility, Digitalisation & AI, Sustainability and R&D/Innovation.**

As a result of the rising interest by Institutional Investors to invest in Emirates Driving Company, EFG Hermes initiated research coverage on our company with a buy rating due to the following reasons:

- Best-in-class profitability
- Solid Free Cash Flow (FCF) generation, with one of the highest FCF margins
- Decent earnings visibility
- Strong dividend payout potential

Financial Performance

Below are some highlights of our financial performance in 2022 (percentages are in comparison to 2021). For more in-depth information, please refer to our 2022 Financial Statements.

Customer Revenue
339.42MM
+30.50%

Operating INCOME
203.93MM
+44.46%

Net INCOME
253.41MM
+50.84%

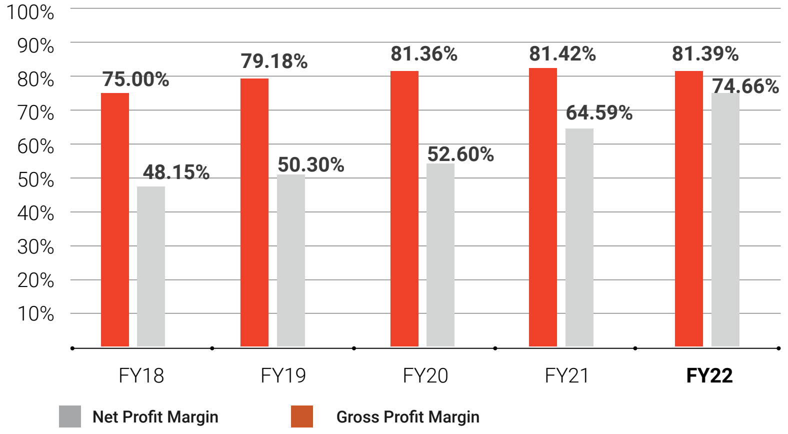
EQUITY
971.76MM
+20.63%

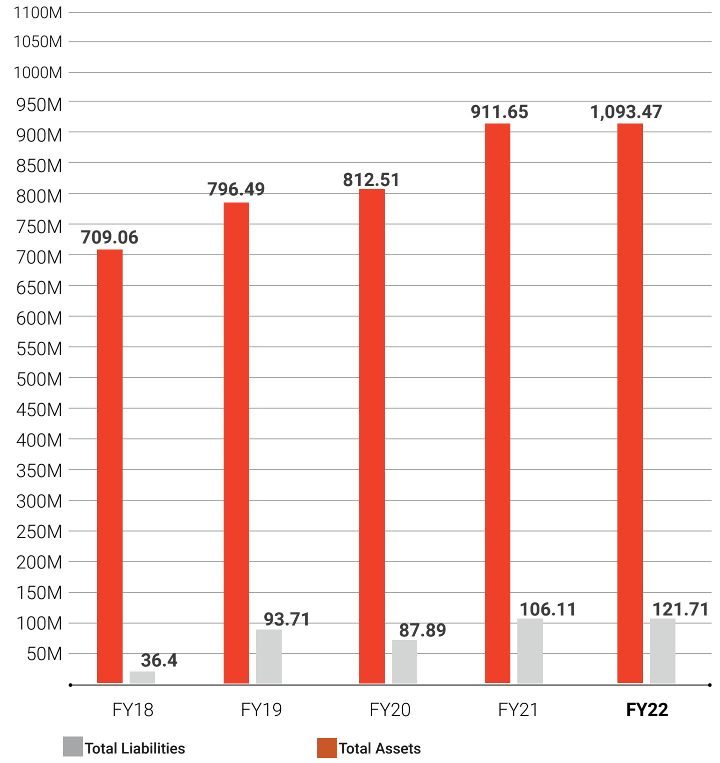
ASSETS
1,093.47MM
+19.94%

MARKET CAP
2,388.32MM
+20.07%

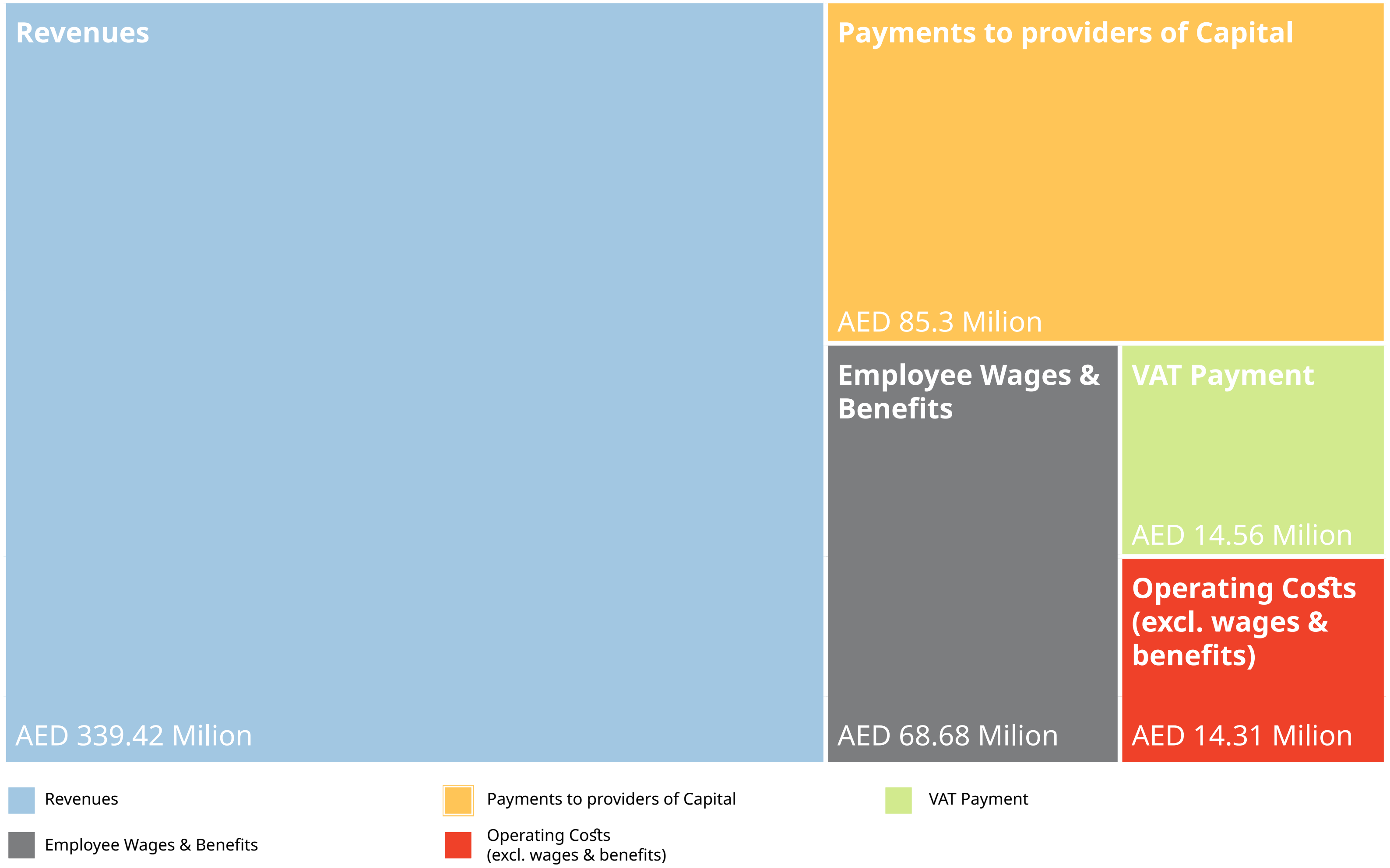
Net Gain from Equity Investment
14.97MM
+17.26%

Earnings Per Share
2.82
+50.84%





The chart below shows how EDC created value for the economy in 2022. As per the requirements of the GRI Standards, since publishing our inaugural sustainability report, we have disclosed our economic impact to demonstrate how EDC generates wealth for various stakeholders within the economy, including investors, employees and suppliers.



Direct Economic Value
Generated at
AED 339.42 Million

Economic Value
Distributed at
AED 182.84 Million

Human Capital 1/2

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, S2, S3, S4, S5, S6, S7, S8, S11, G1)

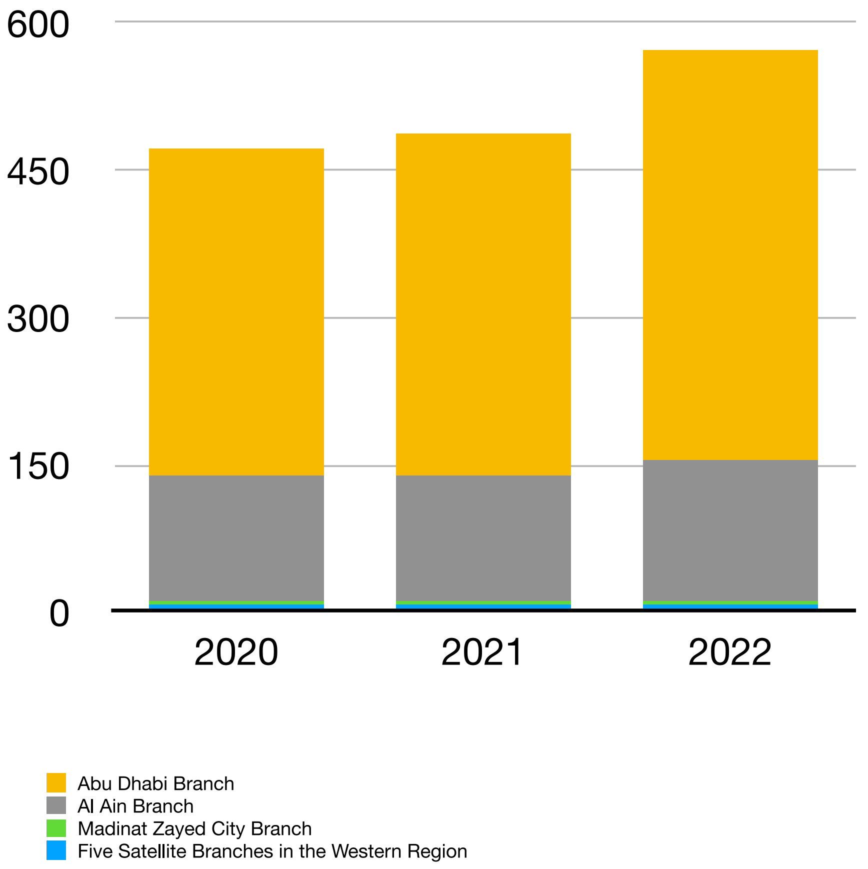
Our Commitment	
Strategic Pillar	• Business Excellence • Sustainability
Sustainability Priority	• Establish Female Diversity, Inclusion and Equality as Key Corporate Value
Material Topics	• Occupational Health & Safety • Gainful Employment • Equal Opportunity, Diversity & Inclusion • Training & Development
Some of our Relevant Policies	• Emiratization Policy • Human Resources Policy
Our Alignment	
Abu Dhabi Vision 2030	• The creation of a sustainable knowledge-based economy • Emirate resource optimization • Premium education, healthcare and infrastructure • A significant and ongoing contribution to the federation of the UAE
GRI Standards	GRI 401: Employment GRI 403: Occupational Health & Safety GRI 405: Diversity & Equal Opportunity GRI 406: Non-Discrimination
SDGs	

As our biggest asset, EDC's workforce is critical to delivering the outstanding levels of customer service we always strive to for.

We pride ourselves on being the employer of choice in this sector, attracting the best talent and providing them with a work environment that empowers and gets the best out of them. Nurturing a culture of innovation among our workforce is key to being a dynamic, high-performance company that leverages disruptive technology to drive the organization forward.

In 2022, we expanded our workforce by 17% to a total of 571 employees, all of whom are employed on a permanent, full-time basis. Almost three quarters of these are based at our headquarters in Abu Dhabi with the majority of the rest based at the Al Ain Branch.

	Abu Dhabi Branch	Al Ain Branch	Madinat Zayed City Branch	Five Satellite Branches in the Western Region	TOTAL
2020	332	126	5	7	**470**
2021	346	127	5	8	**486**
2022	418	143	4	6	**571**



GAINFUL EMPLOYMENT

To maintain our competitive edge in the market and to meet our future growth ambitions, it is crucial that EDC remains the most attractive destination for skilled workers in this sector.

For this reason, EDC hired an independent specialist HR consultant to conduct an analysis and benchmarking exercise of its employee remuneration practices. The results of the study supported the Human Capital department with the necessary data to create a salary scale that ensures all employees are fairly and competitively remunerated and that EDC can attract and retain the best talent.

However, gainful employment means providing employees with more than just a paycheck. In addition to decent wages, we offer a work environment that provides employees with opportunities to enrich themselves through self-development and growth. By providing a safe and healthy working environment that caters to their needs and supports their career ambitions, we can ensure that employees feel sufficiently invested in the company to consistently perform to the best of their capabilities.

As a way of inspiring and engaging our employees, EDC launched a new initiative in 2022 to acknowledge the value of their work. The recognition program rewards the best efforts of employees on a quarterly basis with awards for Training Superstar, CHR Superstar, Best Supervisor & Manager, Star of Teamwork, and Learning Champion.

In 2022, we updated our HR policy to reflect changes to UAE labour law while ensuring that we continue to provide the best working conditions. Changes include updating our annual leave policies while offering new opportunities for flexible working hours and remote work.

Human Capital 2/2

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, S2, S3, S4, S5, S6, S7, S8, S11, G1)

In 2022, EDC introduced new employee engagement initiatives including social gatherings, gift vouchers, and celebration of special dates.

These included:

- Women's day
- VIP gifts
- Happiness Day
- Iftar gathering
- Free eye test
- UAE Flag Day
- UAE National Day Celebrations
- Other National Days

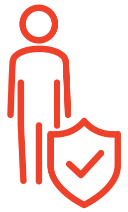
EDC's efforts to engage employees have clearly paid dividends. Our annual staff survey in 2022 showed a significant rise in employee engagement to 90% from 75% in 2021.

EDC offers the following benefits to all employees, amongst others:

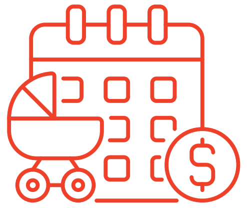
Retirement provision

Disability and invalidity coverage

Healthcare



Life insurance



Parental leave

Employment

EDC accelerated its recruitment drive in 2022, hiring 23.3% more employees during the year compared to 9.9% in 2021. The increase reflects our efforts to reignite our expansion plans as the economy continued to emerge from the shadow of the pandemic.

We were particularly successful at attracting new female employees as well as younger talent, with the female hire rate reaching 25% while the hire rate for employees below 30 y/o was 32.35%.

Our employee turnover rate was just 9.1% in 2022, a very healthy figure that provides a strong indication of a high degree of satisfaction among the workforce.

Despite our evident success at retaining employees, we are aiming to decrease employee turnover across the company even further to just 5% in 2023. However, we are pleased to say that we already achieved that target among our high-performing staff in 2022, which had a turnover rate of just 2.4%.

Despite our evident success at retaining employees, we are aiming to decrease employee turnover even further to just 5% for high-performing staff in 2023.

In addition, the female turnover rate fell significantly from 12.50% in 2020 to 6.73% in 2022.

Total New Hires by Gender

	Female	Male	Female	Male
2020	12	33	15.00%	8.46%
2021	13	35	15.48%	8.71%
2022	26	107	25.00%	22.91%

Total New Hires by Age Group

	Below 30 y/o	Between 30-50 y/o	Over 50 y/o	Below 30 y/o	Between 30-50 y/o	Over 50 y/o
2020	13	30	2	34.21%	7.21%	12.50%
2021	16	31	1	37.21%	7.18%	9.09%
2022	13	102	18	38.24%	21.89%	25.35%

Employees that Left by Gender

	Female	Male	Female	Male
2020	10	35	12.50%	8.97%
2021	6	19	7.14%	4.73%
2022	7	41	6.73%	8.78%

Employees that Left

	Below 30 y/o	Between 30-50 y/o	Over 50 y/o	Below 30 y/o	Between 30-50 y/o	Over 50 y/o
2020	5	25	15	13.16%	6.01%	93.75%
2021	3	21	1	6.98%	4.86%	9.09%
2022	5	39	4	14.71%	8.37%	5.63%

2.4% TURNOVER-RATE
Achieved For High Performing Staff

Corporate Wellness Program

Launched in partnership with EDC's parent company Multiply Group, EDC's holistic Corporate Wellness Program aims to promote work-life balance and support the mental and physical well-being of all employees.

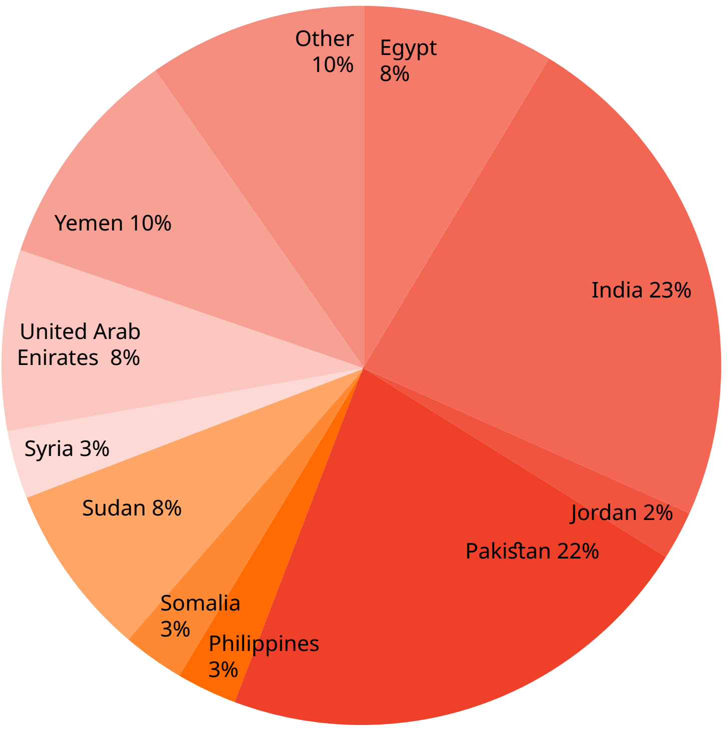
The initiative empowers employees to take charge of their well-being and includes an educational series that promotes healthy living and provides information on a host of wellness related topics, from good nutrition to avoiding workplace stress and burnout.

The program received very positive feedback from employees who benefitted from health assessments covering ergonomics, biometric screenings, and blood tests, among others. Most employees have taken advantage of the many features that are available on our mobile app, including health assessments and medical consultations.

DIVERSITY AND EQUAL OPPORTUNITY

EDC is proud of its roots as a homegrown company driven by Emirati leadership. However, we have a multi-cultural workforce that reflects the diversity of Abu Dhabi's resident population, more than 80% of which originates from overseas.

Just as the UAE has opened its doors to people from all over the world who seek to make their home and pursue their ambitions here, EDC's workforce is enriched with a diverse mix of 32 different nationalities, up from 30 in 2021.



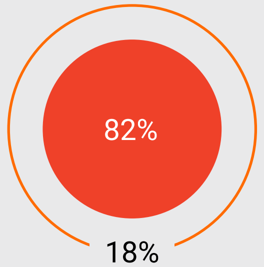
Empowering women is a key focus for EDC and indeed is one of the pillars of our five-year sustainability strategy. We are committed to increasing the proportion of women in our workforce and our efforts have already begun to bear fruit. This is highlighted by the fact that EDC has appointed a female Board member, meaning female representation on the main governance body is now at 20%, which is broadly in line with female representation across the company.

As per UAE Labour Law, we are committed to equal pay for men and women if they perform the same work or another of equal value.

In 2022, we achieved notable success at increasing female representation at the admin level – from 33.30% to 48.65% - and the mid-level categories – from 19.44% to 24.44%. Our target is to achieve a 30% female presence across the company by 2023, excluding our trainers. Currently we are at 28.9%.

2023 target:
30%
female presence
amongst our staff excluding trainers

2022 Workforce



TOTAL EMPLOYEES

	Female	Male	Female (%)	Male (%)
2020	80	390	17.02%	82.98%
2021	84	402	17.28%	82.72%
2022	104	467	18.21%	81.79%

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

	Entry-Level		Admin-Level		Mid-Level		Senior-to-Executive Level	
	Male	Female	Male	Female	Male	Female	Male	Female
2020	83.55%	16.45%	65.12%	34.88%	79.41%	20.59%	100.00%	0.00%
2021	83.85%	16.15%	66.67%	33.33%	80.56%	19.44%	100.00%	0.00%
2022	87.02%	12.98%	51.35%	48.65%	75.56%	24.44%	100.00%	0.00%

TOTAL EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP

	Entry-Level			Admin-Level			Mid-Level			Senior-to-Executive Level		
	Below 30 y/o	Between 50-30 y/o	Over 50 y/o	Below 30 y/o	Between 50-30 y/o	Over 50 y/o	Below 30 y/o	Between 50-30 y/o	Over 50 y/o	Below 30 y/o	Between 50-30 y/o	Over 50 y/o
2020	6.53%	90.34%	3.13%	23.26%	72.09%	4.65%	8.82%	85.29%	5.88%	0.00%	100.00%	0.00%
2021	7.69%	90.77%	1.54%	20.83%	75.00%	4.17%	8.33%	83.33%	8.33%	0.00%	100.00%	0.00%
2022	2.73%	83.60%	13.67%	28.38%	64.86%	6.76%	2.22%	88.89%	8.89%	0.00%	84.62%	15.38%

In 2022, we proactively sought to hire more female employees and achieved considerable success, with the female hire rate jumping to %25 from %15.48 in 2021.

Part of this was down to a concerted effort to hire more females in positions that have traditionally been predominantly filled by males. For example, we hired two female drivers – a first for EDC.

Our Human Resource Policy and Code of Ethics enshrine the principles of diversity, fair treatment, and equal opportunity for all regardless of gender, colour, race, nationality, age, religion or any other characteristic.

Emiratization

As an Emirati company in conception and origin, EDC takes its responsibility to the community seriously and recognizes that we have a duty to support local capacity building and nurture local talent. We support the Federal Government's long-term ambition to increase the proportion of UAE nationals working in the private sector.

As part of this commitment, EDC launched an Emiratization policy in 2022 that prioritizes the recruitment, development and retention of national talent. In line with this policy, we are targeting an Emiratization rate of 10% by 2023 through a variety of initiatives.

Despite facing challenges and competition to attract local workers our Emiratization rate increased to 8.1% in 2022 from 7.6% in 2021, partly thanks to efforts to provide more opportunities for female UAE nationals as well as young people. Two thirds of UAE nationals employed at EDC are women.

Current Emiratization efforts are focused on specific areas of the company. We have begun recruiting local staff for a Customer Happiness Department and are seeing particularly strong demand for these roles from women. We have also experienced some success with our efforts to recruit more local women for our operations team.

EDC has launched a paid internship scheme to provide valuable work experience opportunities for Emirati graduates which could potentially lead to further opportunities within the company. So far, we have onboarded local women in departments like procurement and business development.

Emiratization Rate	
2020	7.7%
2021	7.6%
2022	8.1%

Number of UAE Nationals		
	Female	**Male**
2020	64%	36%
2021	62%	38%
2022	67%	33%

Number of UAE Nationals			
	Entry-Level & Admin	**Mid-Level**	**Senior-to-Executive Level**
2020	66.67%	16.67%	16.67%
2021	68%	16%	16%
2022	67.39%	17.39%	15.22%

SAFETY OF OUR EMPLOYEES

As an organization that plays a major role in maintaining road safety in the UAE, health & safety is ingrained in EDC's DNA. It is crucial that we always adhere to the highest standards, including where our employees are concerned.

Health & safety is a collective effort and requires all employees to be up-do-date with our safety protocols and always abide by them. EDC has all the necessary policies and procedures in place to minimize the risk of injury and ensure a safe and secure workplace. Our systematic approach to occupational health and safety is underpinned by having ISO 45001:2018 Health & Safety Management System certification.

There was a 15.6% drop in the total number of accidents that took place on our sites, from 95 in 2021 to 80 in 2022. EDC only reported one occupational injury and one high potential incident in 2022.

	Total Number of Accidents that took place on-site
2020	59
2021	95
2022	80

Training & Education

In order to fulfil our responsibility of contributing to safer roads it is essential that all our trainers are highly qualified and equipped with the skills to deliver first-class driving instruction.

All EDC employees are given annual performance and career development reviews which help to identify strengths and weaknesses and areas for improvement. Following the review, employees are given further training to develop their skills.

38,731

Total training hours in 2022

EDC has developed a structured Learning & Development Program for its trainers and dedicates a significant budget for this purpose. We increased our training budget by 50% to AED 750,000 in 2022 from AED 500,000 in 2021.

Total training hours in 2022 increased almost four-fold to 38,731 hours in 2022 from 10,633 hours in 2021.

Total Training Hours

	Female	Male	TOTAL
2021	2,977	7,656	10,633
2022	6,649	32,082	38,731

Given the big increase in recruitment in 2022, EDC has placed particular emphasis on bringing entry-level employees up to speed with the necessary training and qualifications. Entry-level employees received a total of 31,205 hours of training in 2022 compared to 3,934 hours in 2021.

The average number of training hours per EDC employee was 97.6 in 2022 with similar levels of training for both male and female employees.

Total Training Hours

	Entry-Level	Admin-Level	Mid-Level	Senior-to-Executive Level
2021	3,934	5,770	729	200
2022	31,205	7,124	394	8

Average Training Hours per Employee

	Female	Male	TOTAL
2022	88.6	99.6	97.6

EDC launched a series of new initiatives and programs in 2022 to promote talent development. These covered a combination of professional certifications, online continuous learning, awareness sessions, an internship scheme, succession planning, and managerial training programs, among others.

- EDC initiated a variety of professional certification programs for eligible staff including: CIPD, NEBOSH, Highfield Level 3 Emergency First Aid, CIPS, AutoCAD, FMP, CMA.
- We partnered with Coursera to facilitate online and continuous learning.
- We held internal knowledge transfer and awareness sessions to enable more experienced staff to share their knowledge and expertise with more junior members of staff. Examples include ISO sessions and Eco Driving.
- In keeping with the above, we organized a "Train the Trainer" capability-building program for EDC driving instructors.
- As part of EDC's commitment to youth development, we launched a graduate internship program open to both UAE nationals and expats.
- We developed and soft launched a career development and succession planning program.
- Managers are offered online Leadership and Innovation programs through online Harvard Business School (HBS).

Infrastructure & Natural Capital

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 307-1, E1, E2, E3, E4, E5, E6, E7, E8. E9, E10)

Our Commitment	
Strategic Pillar	• Business Excellence • Sustainability
Sustainability Priority	Manage Climate-Related Risks
Material Topics	Environmental Impact & Sustainability Practices
Some of our Relevant Policies	• Environmental Policy • Water Policy • Waste Policy • Facilities Management Policy
Our Alignment	
Abu Dhabi Vision 2030	• The creation of a sustainable knowledge-based economy • Emirate resource optimization • Premium education, healthcare and infrastructure • A significant and ongoing contribution to the federation of the UAE
GRI Standards	GRI 302: Energy GRI 303: Water and Effluents GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance
SDGs	

EDC creates value for stakeholders through the efficient use of natural resources and respect for the environment. In recent years we have developed a better understanding of how our business impacts the environment as well as how environmental factors affect our operations and have gradually refined our approach accordingly.

Our Approach

The responsibility for managing our environmental impact on a day-to-day basis lies with the newly formed Sustainability Management Committee which reports to the Strategy & Sustainability Committee of the Board of Directors.

We strengthened our environmental management system in 2021 when we obtained ISO 14001 certification and have implemented the policies and procedures and introduced KPIs to track progress.

EDC has placed managing our environmental impact at the forefront of our sustainability agenda. Environmental Stewardship is one of the strategic pillars of the 2021-2023 strategy while our new five-year sustainability strategy commits to managing climate-related risks as one of its four pillars.

As part of our commitment to managing climate-related risks, we have introduced a clear set of objectives for the next five years. In 2023, EDC plans to initiate reporting using the Task Force on Climate-Related Financial Disclosures (TCFD) framework which supports organizations to understand and disclose climate-related risks and opportunities. In addition, we plan to launch a number of decarbonization initiatives and will embed ESG into our procurement practices.

Environmental Monitoring of our Premises

EDC commissioned Green Crescent Environmental Engineering Consultants (GCEEC) to conduct a thorough environmental monitoring of its facilities. The study specifically involved measuring ambient and indoor air quality, levels of particulate matters, noise levels, and light intensity levels to ensure compliance with the OSHAD/EAD standards related to occupational health and safety. The report found that EDC is fully in compliance with the regulations and that no further action was required.

Reducing Our Environmental Impact 1/2

EDC has identified the following opportunities to reduce environmental impact across our value chain and operations:

1. Lowering our GHG emissions

EDC has been computing its GHG emissions and taking efforts to reduce them since 2018. However, we plan to introduce a more systematic and holistic approach to emissions tracking and reduction by developing a plan to transition to Net Zero by 2050. We will start by analyzing how we generate GHG emissions across our entire value chain before implementing medium and long-term plans to reach Net Zero. We will provide a more detailed update on net zero plans in our 2023 report.

Methodology

EDC calculates our GHG emissions in accordance with the GHG Protocol (Corporate Standard). We have set our organizational boundary according to the 'control approach' which accounts for all GHG emissions emanating from operations the company fully controls.

Operating boundary and scope

In 2021, EDC began calculating its Scope 3 emissions by accounting for emissions stemming from water consumption and waste production. For this report we have enhanced the process further by calculating emissions stemming from paper consumption, business travel and employee commute.

Our calculation covers our three main branches in Abu Dhabi, Al Ain, and Madinat Zayed but does not include our satellite branches which have a comparatively small environmental impact.

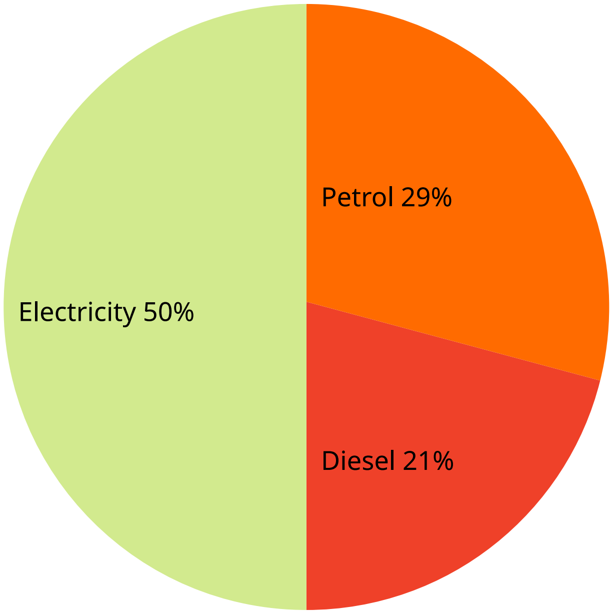
We have also not included our subsidiary, Tabieah Property Investment which currently owns one residential building on Saadiyat Island in Abu Dhabi. However, although we do not operate the building, we will include the GHG emissions of this subsidiary from next year onwards.

Energy Data:

Energy Consumption (GJ)			2020	2021	2022
Energy Consumption	Fuel Consumption	Petrol	22,764.13	27,024.90	25,750.54
		Diesel	14,243.74	12,872.39	18,752.70
	Electricity Consumption		39,123.29	41,200.07	43,722.50
Direct Energy Consumption			37,007.87	39,897.29	44,503.24
Indirect Energy Consumption			39,123.29	41,200.07	43,722.50
Total Energy Consumption			76,131.16	81,097.36	88,225.74

Energy Intensity (GJ/Employee)	2020	2021	2022
Direct Energy Intensity	78.74	82.09	77.94
Indirect Energy Intensity	83.24	84.77	76.57
Total Energy Intensity	161.98	166.87	154.51

Energy Mix:



Emissions Data:

Emissions (MT CO2 e)	Item	Sub-item	2020	2021	2022
Scope 1	Fuel consumption	Petrol	1,472.68	1,768.89	1,659.72
		Diesel	947.10	844.59	1,253.76
Scope 2	Electricity		4,455.83	4,463.47	4,736.74
Scope 3	Water		403.33	414.45	379.38
	Wastewater		105.14	108.04	98.90
	Paper Consumption		9.63	12.03	13.26
	Waste		62.97	292.43	303.28
	Business Travel		N/A	N/A	14.96
	Employee Commute	Petrol	N/A	3.54	7.02
		Diesel	N/A	18.87	57.04
Total emissions (MT CO2 e)			7,456.68	7,926.31	8,524.05

Total Emissions (MTCO2e)	2020	2021	2022
Scope 1	2,419.78	2,613.48	2,913.48
Scope 2	4,455.83	4,463.47	4,736.74
Scope 3	581.06	849.36	873.84
Total	7,456.68	7,926.31	8,524.05

Note: The increase in Scope 3 emissions is due to our continuous enhancement of our reporting scope. In 2021, we introduced Employee Commute as part of our Scope 3 calculations and in 2022, we have included Business Travel. Please refer to the previous table for a breakdown of our emissions.

Emissions Intensity (MTCO2e/Employee)	2020	2021	2022
Scope 1	5.15	5.38	5.10
Scope 2	9.48	9.18	8.30
Scope 3	1.24	1.75	1.53
Total	15.87	16.31	14.93

Reducing Our Environmental Impact 2/2

2. Switching to Eco-Friendly Cars

The bulk of EDC's GHG emissions stem from the large fleet of vehicles we use to train our customers. Therefore, transitioning our fleet to more eco-friendly vehicles offers a major opportunity for emissions reductions. By shifting to more fuel-efficient vehicles, hybrid electric vehicles and, eventually, towards more fully electric vehicles EDC can make significant and potentially quite rapid progress with our decarbonization efforts.

In the past we have achieved fuel efficiencies and emissions reductions through initiatives such as converting a portion of the fleet to compressed natural gas (CNG).

We have set a target of having eco-friendly vehicles to make up half of our fleet by the end of 2023 and 100% by 2026. We are currently in the process of selecting our preferred automobile supplier for ecofriendly cars. Any car to be purchased by EDC going forward must be eco-friendly in order to reach our transition target.

50%
of our fleet to become eco-friendly by 2023

100%
by 2026

3. Transitioning to a Paperless Workplace

Thanks to our large investments in digitalization, EDC is on track to become 100% paperless in 2023. Our main efforts focus on the paper produced by the customer service department, as it currently accounts for 73% of all paper produced across the organization. As such, EDC aims to digitalize the entire customer journey process from registration through to completion of the exam. We expect this to result into a significant reduction in the amount of paper produced, thus considerably contributing towards achieving our 2023 target. Some of our key initiatives in 2022 included our Print Management Solution deployed as of 31 December 2022 and the eProcurement platform (Phase 1) to enable suppliers to register online. In the final quarter of 2022, approximately 110 active suppliers used the platform saving 1,100 pages compared to the previous paper-driven process. In Phase 2, proposals and quotations will also become paperless through this platform.

We aim to become
100%
paperless by 2023

4. Transitioning to Green Buildings

Our new Madinat Zayed Branch is more energy efficient and has been designed to achieve an Estidama Pearl 1 rating. The Pearl Rating System (PRS) is a framework for sustainable design, construction and operation of buildings that is tailored to the climate of Abu Dhabi.

After our fleet of vehicles, EDC's building facilities are also responsible for a significant portion of our total energy consumption and emissions. We aim to address this by making our buildings more energy efficient and eventually to decarbonize them, in line with our sustainability strategy and our commitment to Net Zero.

We are also retrofitting existing buildings with energy efficiency measures. In 2022, our two main branches in Abu Dhabi and Al Ain transitioned to more energy efficient LED lighting. By the end of 2023 solar panels will provide 20% of the electricity needs of these two buildings using solar panels.

Responsible Waste Disposal and Water Consumption

EDC's approach to waste disposal and water consumption is guided by the ISO 14001 Environmental management system.

To limit any negative impact on the environment, we take all necessary precautions to dispose of the waste we produce responsibly and according to local regulations. This is especially the case where hazardous waste is concerned.

Over the past three years we have disposed of the following amount of waste. The rise is due to the rebound in activity following the pandemic.

Total Weight of Waste Generated (in MT)		
	Non-Hazardous Weight	Hazardous Weight
2020	108.64	0.53
2021	504.85	2.92
2022	522.98	3.96

In addition, we make every effort to minimize the amount of waste that goes into landfill by recycling materials such paper, cardboard, metal and other through specialist companies.

Total Weight of Waste Recycled (in MT)				
	Paper/ Cardboard	Aluminium	Used Filters and Oily Waste	Hazardous Chemicals
2020	2.67	0	0	0.53
2021	2.95	0.92	0	2.92
2022	19.6	0	0.31	3.65

Though we haven't set specific targets yet, we are in the early stages of planning initiatives to recycle water and to introduce a sensor-based solution to improve efficient usage.

Water consumption per employee fell by 22% in 2022 compared to the previous year.

Water Consumption (in m3)	2020	2021	2022
Total Consumption (m3)	148,500.00	152,596.00	139,683.76
Consumption Intensity (m3/ Employee)	315.96	313.98	244.63

Intellectual Capital

(GRI 416-1, GRI 416-2, GRI 418-1, G6)

Our Commitment	
Strategic Pillar	• Customer Happiness • Business Excellence • Market Expansion • Innovation • Sustainability • Partnerships
Sustainability Priority	• Create Innovative Growth Channels Across the Mobility Sector
Material Topics	• Customer Wellbeing
Some of our Relevant Policies	• Organizational Excellence Policy • Innovation Management Policy • Knowledge Management Policy • Vehicle Quality & Safety Policy • Technology Management Policy • Information Security Management Policy
Our Alignment	
Abu Dhabi Vision 2030	• The creation of a sustainable knowledge-based economy • Emirate resource optimization • Premium education, healthcare and infrastructure • A significant and ongoing contribution to the federation of the UAE
GRI Standards	• GRI 416: Customer Health & Safety • GRI 418: Customer Privacy
SDGs	4 QUALITY EDUCATION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES

EDC creates value for stakeholders in the form of intellectual capital which we generate through various processes, including innovation, building in-house knowledge and expertise, developing the capabilities and skillsets of our employees, and by maintaining a high level of customer satisfaction.

Over more than two decades, EDC has become firmly established as a centre of driving excellence in Abu Dhabi and the UAE, with an impeccable track record of delivering world-class driving education to customers while helping to keep the roads safe and secure.

Our courses have been developed in conjunction with Sweroad and are aligned with global best practices and we continuously review and revise our programs to ensure they remain fully up-do-date. In 2022, Sweroad conducted a gap analysis of our curriculum and training methods and identified some areas for improvement which will be reflected in our offering in 2023.

To ensure our operations and business processes remain on par with global standards, EDC has secured the following certifications:

- ISO 9001:2015 Quality Management System
- ISO 45001:2018 Health and safety Management System
- ISO 14001:2015 Environment Management System
- ISO 39001:2012 Road Traffic Safety (RTS) Management System

ISO 39001 is the latest addition to our certifications and was obtained in 2022. It enables organizations that interact with the road traffic system to reduce the number of deaths and serious injuries related to road accidents. Requirements include development and implementation of an appropriate RTS policy and development of RTS objectives and action plans.

EDC will also work towards obtaining ISO 31000 Risk Management over the next two years. The certification provides comprehensive principles and guidelines to help organizations with their risk analysis and risk assessments.

ISO 9001
ISO 14001
ISO 45001
ISO 39001
BUREAU VERITAS
Certification
BUREAU VERITAS 1828

Safe And Secure Education

Combining quality education with the highest safety standards remains our top priority. EDC takes an innovative approach to making sure we deliver cutting edge driving courses in an environment that protects the welfare of everyone involved. We continuously invest in state-of-the art infrastructure to deliver the best possible all-round customer experience.

Communication Towers

EDC was the first driving institute in the UAE to introduce communication towers at our training facilities. The towers enable instructors to monitor the performance of trainee drivers from a distance while communicating with them through a wireless headset. Learning to drive without having an instructor sitting beside them helps build the confidence of first-time drivers.

Theory Training

Investments in digital technologies have transformed and enhanced the theory side of learning to drive, while creating a more interactive experience.

Safety Hall

The safety hall harnesses technology to simulate real-life hazardous situations and helps prepare learners to react quickly in an emergency.

Smart Educational Devices

Our advanced training program is supported by smart simulators which allow trainees to virtually prepare for various real-life scenarios. The technology enables us to gather data and analyse the performance of the trainee, allowing us to provide better feedback and target specific areas for improvement.

The above measures support our efforts to enhance road safety in the UAE. They also help to ensure that leaners are well prepared when they take their exams. This is reflected by the steadily improving first-time pass rate at both our Abu Dhabi and Al Ain learning centres. In 2022, the first-time pass rate exceeded the target of 80%.

AVERAGE 1st Time Pass Rate (for theory and yard test)

	Abu Dhabi	Al Ain
2021	80%	77%
2022	82%	81%
Target	80%	80%

Our programs support efforts to continuously improve road safety in Abu Dhabi and reduce traffic accidents, injuries and fatalities.

In 2022, the number of fatalities decreased by 12% while the rate of accidents remained steady compared to 2021, taking into account a 5% increase in cars on the road.

	2019	2020	2021	2022
Total Rate of Accidents	1,798.00	1,148.00	1,257.00	1,257.00
Total Number of Cars on the Road	1,158,229.00	1,193,278.00	1,227,743.00	1,285.671
Total Number of Traffic injuries	2,547.00	1,552.00	1,620.00	1,756.00
Total Number of Fatalities	186.00	157.00	144.00	127.00

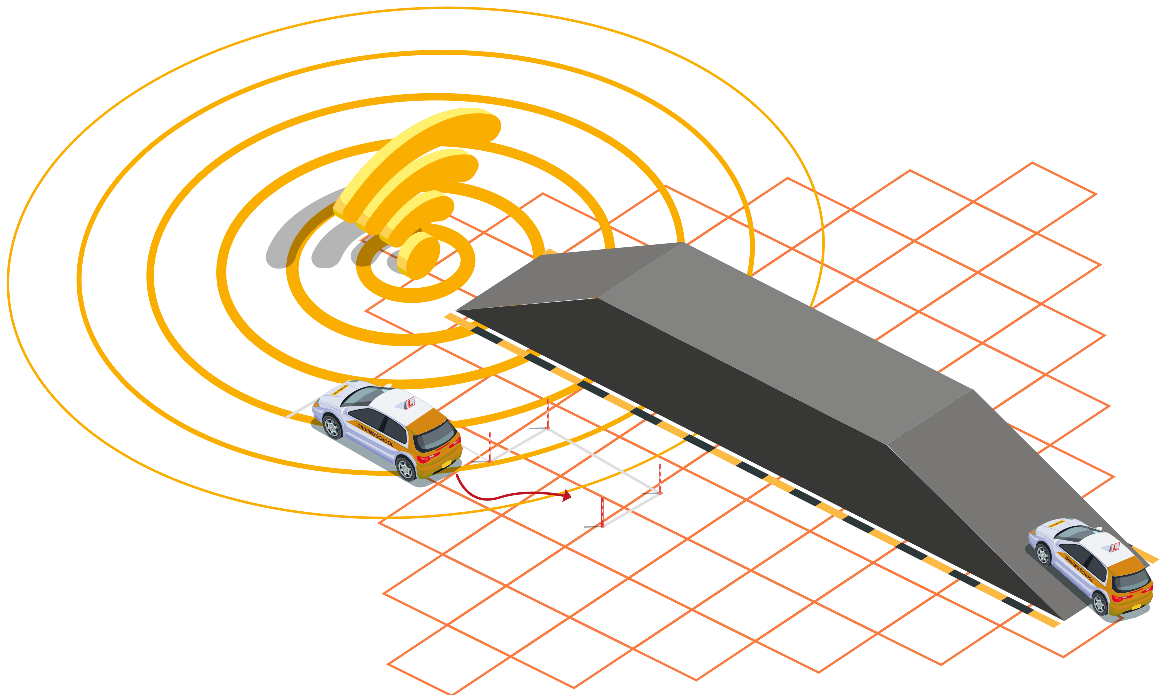
Innovation

Fostering a culture of constant innovation is the key to maintaining EDC's competitive advantage and to ensuring we always deliver a world-class experience for customers. It is also crucial to managing risks related to the emergence of disruptive technologies which could have a significant impact on the business in future. By anticipating and embracing emerging technologies, EDC aims to remain a leading innovator in the driving education sector.

We approach innovation from two angles:

1. Digitalisation & Technology to enhance customer experience,
2. Innovation to continuously enhance driving education and to prepare for the shift towards smart mobility

To further enhance customer service EDC dedicated a budget of AED 13.4 million in 2022 for investment in upgrading our IT infrastructure and for 2023 we have set aside a further AED 13 million for full digitalization. We have revamped our website and plan to update it once we have completed a planned rebranding.



Smart Parking

EDC is currently finalizing the technical evaluation for a tender for a new initiative: Smart Parking. This strategic project leverages advanced technology, including artificial intelligence, to automatically evaluate driver performance of parking manoeuvres. The system involves installing cameras and sensors on the vehicle and at our yards to capture and transmit data to the control room for evaluation. Candidates are automatically sent detailed feedback about their performance via SMS.

There is no need for an examiner to sit in the vehicle which reduces the pressure of the situation and improves the candidate's chances of successfully completing the manoeuvre.

By automating the evaluation of student performance, the system enables us to reduce the likelihood of human error, and thus the number of complaints and re-test requests from customers. Overall, we anticipate that the system will support efforts to enhance customer service and improve satisfaction levels while optimizing our use of human resources.

The system is applicable to all parking scenarios and all vehicle categories including light vehicles, motorcycles, heavy vehicles, and heavy buses.

Longer-term, EDC aims to digitalise the full customer journey. As part of this, we launched the e-learning online platform in March 2020, just as the Covid-19 pandemic was beginning to impact our operations, and this service has proved highly popular with customers. In 2022, 22% of customers opted to take the theory classes through the e-learning platform.

The total number of customers taking this option jumped by 60% to 27,938 from 17,437 in 2021.

As part of EDC's efforts to instil a culture of innovation throughout the organization, in 2021 we launched the inaugural edition of the EDC Innovation Labs with great success. We invite high-caliber speakers to participate in the sessions which are attended by key EDC personnel and are transmitted to all EDC employees online. The sessions help to produce fresh ideas for enhancing the business, divided into the theoretical, practical and examination component of EDC's driving education experience.

In 2022, EDC hosted the Mobility Education Summit along with our strategic partner Abu Dhabi Police. The first of its kind event focused on digital transformation and anticipating future innovations in road mobility and driving education. The summit targets driving schools from across the world and explores how technology can be harnessed to improve driving education for future generations.

The summit attracted the participation of prestigious transport sector organizations from all over the world, including the European Union of Education School Associations Leadership (EFA), the Emirates University Center for Mobility Research, the British Royal Society for Prevention of Accidents (RoSPA), the Dutch National Center for the Prevention of Road Accidents (CEPA), the International Road Transport Union (IRU) Academy and The International Road Federation (IRF) among others.

MOBILITY EDUCATION SUMMIT

ZERO

Case Study: Implementing "Vision Zero"

EDC embarked on a research project to evaluate how technology can be harnessed to enhance driving education and ultimately to achieve 'Vision Zero' to improve road safety and reduce the number of accidents as close to zero as possible.

More specifically, the aim was to develop a better understanding of the correlation between students' simulator performance and the outcomes of practical driving exams.

The study found that candidates who scored better in simulators were more likely to pass and achieve a better overall rating in a practical exam. From this we can induce that simulators have a key role to play in producing better drivers and enhancing road safety.

These findings provide EDC and other learning institutes with valuable insights that instructors can use to tailor practical training to the specific needs of trainees.

The findings of the study were presented at the IRF Asia Pacific Congress in Kuala Lumpur, Malaysia on 12 October 2022.

DATA SECURITY

The wider trend towards greater digitalization of business operations brings additional cybersecurity risks that all companies need to manage.

With this in mind, in 2022 EDC strengthened our data security governance mechanisms to better protect customer privacy.

As a first phase, We developed and implemented a variety of new policies to strengthen our systems. These include:

- Data Protection and Policy Framework
- Identity Governance Policies & Procedures
- Information Management Policy
- Information Security Management Policy
- Technology Management Policy

The second phase of the project will involve implementation of these policies and is schedule to take place in 2023.

IGA & IAM Implementation:

To further bolster our data privacy and IT systems, EDC has implemented a combination of Identity and Access Management (IAM) and Identity Governance and Administration (IGA) systems.

Together, these systems provide a comprehensive suite of policies and technology solutions that enable organizations to mitigate identity-related access risks within a business. They help companies to manage cyber risk, manage digital identities and access privileges, and comply with regulations related to information security.

As a result of the above efforts, EDC has received no complaints related to breaches of customer privacy over the past three years:

	2020	2021	2022
Total number of complaints received from outside parties and substantiated by the organization	0	0	0
Total number of complaints from regulatory bodies	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0

Social & Relationship Capital

(GRI 203-2, GRI 204-1, GRI 308-1, GRI 413-1, GRI 414-1, S12)

Our Commitment	
Strategic Pillar	• Customer Happiness • Business Excellence • Sustainability • Partnerships
Sustainability Priority	Build an Integrated CSR Approach and Align with Material SDGs
Material Topics	• Customer Wellbeing • Community Welfare • Procurement Practices
Some of our Relevant Policies	• Corporate Social Responsibility Policy • Business Development Policy • Customer Relationship Management Policy • Procurement Policy
Our Alignment	
Abu Dhabi Vision 2030	• A continuation of strong and diverse international relationships • Premium education, healthcare and infrastructure • Maintaining Abu Dhabi's value, culture and heritage • A significant and ongoing contribution to the federation of the UAE
GRI Standards	• GRI 203: Indirect Economic Impacts • GRI 204: Procurement Practices • GRI 308: Supplier Environmental Assessment • GRI 413: Local Communities • GRI 414: Supplier Social Assessment
SDGs	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES

ENHANCED CUSTOMER EXPERIENCE

EDC constantly strives to find new ways to enhance the customer experience. From the first point of contact through to providing them with their driving license, customer satisfaction is at the top of our list of priorities.

These efforts are supported by our ISO9001 Quality Management System certification and the various related policies and procedures we have implemented to ensure we deliver outstanding service.

EDC plans to introduce a new customer journey in 2023 to enhance customer experience.

500
new students per day

+ 80,000
graduates per year

130,926
students in 2022

Customer Satisfaction Surveys:

Engaging directly with our customers to gather their feedback is an essential part of the process of continuously reviewing and enhancing our service offering.

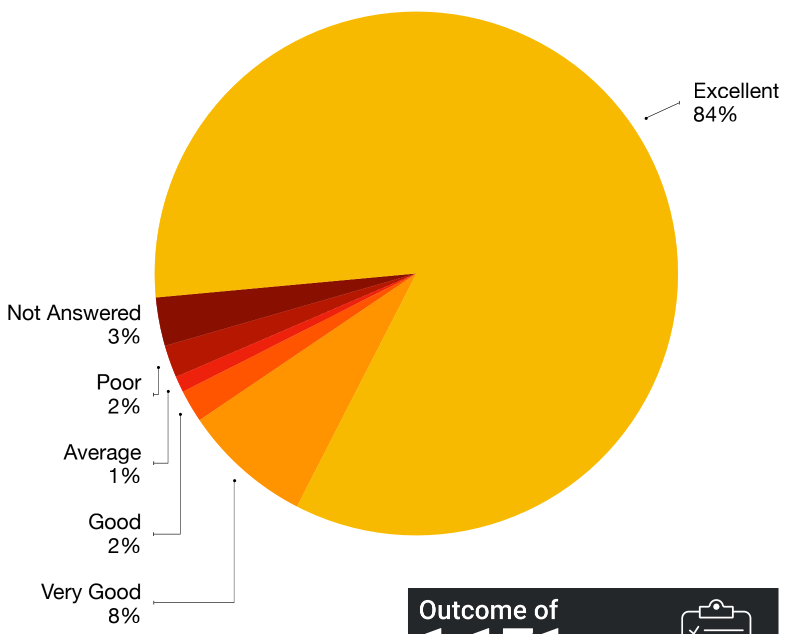
Customer satisfaction surveys provide EDC with a valuable tool to gather and analyze customer feedback in a systematic way. They allow us to collect data related to the overall customer experience as well as the various elements of our offering, including registration, theory and practical lessons, the competence of our instructors, safety standards, and more.

In addition to its ongoing internal satisfaction surveys, EDC introduced an additional customer satisfaction surveys and mystery shoppers conducted by independent consultants in 2021 as effective means to systematically review our services and identify areas for improvement.

Internal Survey Results

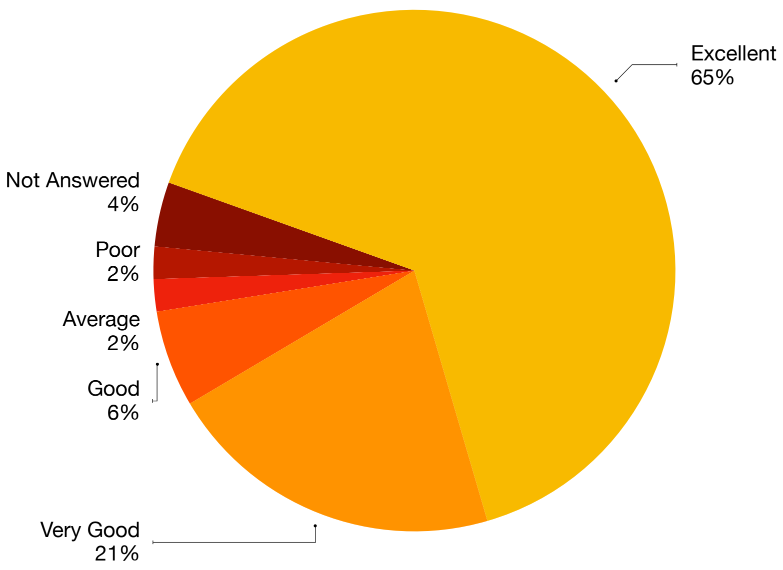
Surveys carried out in 2022 show that customers express a very high degree of satisfaction overall. Our overall CSAT score was at 89%, with our Abu Dhabi branch achieving a score of 90%.

Customer Experience Abu Dhabi 2022:



Outcome of **1,171** surveys

Customer Experience Al Ain 2022:



Outcome of **768** surveys

Independent External Survey Results

We conducted an independent survey of 1,010 customers comprising of both individual and corporate clients across our Al Ain and Abu Dhabi main branches. The survey found that overall customer satisfaction was consistent at 89% at both branches.

Overall satisfaction index

Total
W2: 89%
Abu Dhabi; W2 (88%)
Al Ain; W2 (90%)
W1: 89%
Abu Dhabi (89%)
Al Ain (88%)

Individual
W2: 88%
W1: 88%

Corporate
W2: 91%
W1: 92%

Customers that are not satisfied with our service have the opportunity to raise complaints through various channels including in person at our driving centres, via telephone or online via email. They can also provide feedback via our complaints and suggestion box or on our social media accounts.

Mystery Shopper:

EDC has found using mystery shoppers to be another useful tool to anonymously and independently assess the quality and consistency of all our services and evaluate our performance across every stage of the customer journey, from theory classes to the exam.

The process has enabled us to evaluate and track the performance of frontline staff against established service standards. In the same way we can also evaluate our call center, website, and social media platforms.

The findings of the process enable us to identify areas for improvement and to swiftly take appropriate action. The mystery shopper process is as follows:

ASSESSING DIFFERENT CHANNELS

Actual Visits	Inquiry Visits	Emails	MS Calls	Website

Methodology/Approach

1. RAISE FINDINGS
Any case observations during the visits, the shopper report these findings and the team reports to the concerned department, in order to work on the improvement plan

2. MEASUREMENT
Within the Mystery Shopper program, the team visits the EDC location on regular basis

3. MONITORING
Service access information (service name, location, date, time, center accessibility, reception/information area, environment & premises, class etc.

Our overall score from the mystery shopper process has been satisfactory at above 80% though we continue to strive for further improvements.

Overall Scores

Total
W2: 85%
W1: 81%

Service improvements introduced in response to customer feedback have resulted in a 76% decline in the number of complaints, from 156 in 2021 to just 37 in 2022.

Number of Complaints Received from Customers

	2021	2022
AD	152	25
Al Ain	4	12
Total	156	37

COMMUNITY SUPPORT

By playing a critical role in ensuring high standards of road safety in Abu Dhabi, in tandem with our strategic partner Abu Dhabi Police, EDC makes a vital contribution to the safety and wellbeing of society as a whole. This is the cornerstone of our commitment to the wider community in which we operate.

In addition to the task of preparing drivers to safely take to the roads, EDC participates in road safety campaigns, leveraging social media as an effective tool to reach a wide public audience and share safety tips or warn against specific hazards or threats.

We continue to ramp up activity on our owned social media channels and issued 165 posts in 2022, almost double the number of the previous year and four times as many as 2020.

Total Number of Posts

2020	42
2021	87
2022	165

In addition, EDC contributes to annual awareness campaigns run by Abu Dhabi Police as well as the Integrated Transport Centre (ITC), while we are also a member of Abu Dhabi's Road and Safety Education Committee.

In 2022, we participated in eight industry events either as exhibitor, sponsor or attendee. We were particularly honoured to sponsor the Abaya Rally, which took place on Emirati Women's Day in 2022, as part of our commitment to improving gender equality in the mobility sector. With more than 280 attendees the event featured a car parade at Yas Marina Circuit involving 100 cars driven by women dressed in Abayas and culminated with the Emirati Women of Achievement Awards at Al Raha Beach Hotel.

We also had the opportunity to showcase our Eco-Driving training program at the World Future Energy Summit (WFES) in Abu Dhabi in January 2022 where we were the official Eco-Driving Partner. WFES is part of Abu Dhabi Sustainability Week, hosted by Masdar City, which has become one of the largest sustainability platforms in the world. EDC offered free theoretical and practical training sessions to educate the public about green driving and its methods.

	Event	Start date	End date	EDC 's ROLE
1	World future energy summit	17-Jan-22	19-Jan-22	Exhibitor
2	Roads & Traffic ME 2022 EXPO	17-May-22	18-May-22	Exhibitor
3	CIECA Congress 2022	7-Jun-22	10-Jun-22	Attendee
4	Abaya Rally	28-Aug-22	28-Aug-22	Sponsor
5	InnoTrans 2022	20-Sep-22	23-Sep-22	Attendee
6	GITEX Global 2022	10-Oct-22	14-Oct-22	Attendee
7	The World Day of Remembrance for Road Traffic Victims at ITC	25-Nov-22	25-Nov-22	Attendee
8	Mobility Education Summit	14-Nov-22	17-Nov-22	Organizer

Our Strategic Partnerships

EDC establishes strategic partnerships with key industry stakeholders to explore avenues to collaborate and create mutual value. In 2022 we signed the following partnerships:

Strategic Research Partnership with UAE University

EDC and The United Arab Emirates University launched a strategic partnership to carry out research in the field of driving and traffic safety at the University's Al Ain campus which is home to the Emirates Center for Mobility Research. The partnership will contribute to the establishment of a multilateral national platform to study key issues for road safety and contribute to achieving the Abu Dhabi government's zero road accident deaths strategy.

MoU with ITC to explore technology opportunities

EDC signed a Memorandum of Understanding (MoU) with The Integrated Transport Centre (ITC) of the Department of Municipalities and Transport (DMT) in Abu Dhabi to advance technology developments in the transport sector. The partnership aims to enhance the training and qualifications of drivers, developing their skills and improving their efficiency through the use of innovative training methods based on international best practices.

MoU with Emirates Transport to cooperate and enhance services

EDC and Emirates Transport (ET) signed a memorandum of understanding (MoU) to strengthen cooperation between the two sides. The collaboration will focus on a variety of initiatives, including the training of drivers, including school bus drivers and supervisors, the provision of auto maintenance services for EDC's fleet of vehicles, the selling of EDC-owned used vehicles and motorcycles, and providing private security services for EDC's sites and buildings.

MoU with ATCUAE to cooperate and enhance services

EDC and ATCUAE have signed a memorandum of understanding to strengthen the relationship between both parties. The collaboration will focus in enabling EDC to issue International driving school.

Procurement

EDC abides by strict practices when it comes to procurement and has a Supplier Code of Conduct that all approved suppliers must agree to follow. All new suppliers since November 2020 have signed up to the most recent version of the Code which covers respect for human rights and prohibits child labour or discrimination of any kind, among other requirements.

To support the development of the Abu Dhabi and UAE economy, EDC makes every effort to prioritise local suppliers whenever possible and we are pleased to say that almost all our procurement is with local suppliers.

	Total Number of Suppliers	Percentage of Local Suppliers
2020	1212	99.99%
2021	1724	99.96%
2022	1998	99.90%

	Total Procurement Spending (in AED)	Procurement Spending on Local Suppliers
2020	29,232,904.97	99.52%
2021	67,063,432.43	99.21%
2022	54,389,622.42	99.77%

By prioritizing local procurement, EDC increased its In-Country Value (ICV) to 74% in 2022 from 66.34% in 2021. The ICV Programme was launched to drive Emiratization, GDP diversification and localisation of critical areas of the UAE's supply chain.

In addition, as part of our sustainability strategy, EDC intends to gradually move towards fully embedding ESG criteria into our procurement process and will screen suppliers using environmental and social factors.

Led By Purpose

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G2, G3, G4, G5)

Our Commitment	
Strategic Pillar	• Business Excellence • Sustainability
Sustainability Priority	• Covered Across all Sustainability Pillars
Material Topics	• Business Ethics
Some of our Relevant Policies	• Corporate Governance Policy • Ethics Policy • Sharing Best Practices Policy
Our Alignment	
Abu Dhabi Vision 2030	• A continuation of strong and diverse international relationships • A significant and ongoing contribution to the federation of the UAE
GRI Standards	• GRI 205: Anti-Corruption
SDGs	

A robust corporate governance framework is essential to ensure responsible and effective oversight of the company while creating value for all stakeholders and protecting their interests. It defines the structures, policies, procedures, and mechanisms for good governance and internal control, promotes transparency and accountability, and provides assurance for investors and potential investors that the company is managed responsibly and according to best practices.

This section outlines EDC's basic corporate governance structure and mechanisms. For more in-depth information, please refer to our 2022 Corporate Governance Report.

Board of Directors

The Board of Directors sets the strategic direction for the company and oversees senior management's execution of the business strategy and delivery of key objectives.

The Board is responsible for establishing the various structures, policies and procedures that make up the corporate governance framework and supervising its application.

Important governance areas that the Board is responsible for include, but are not limited to, risk management, legal & compliance, internal control and audit, ethical business practices, disclosure of appropriate information, and ensuring accountability and transparency at all levels of the company.

Board Composition

EDC's Board is comprised of five independent and non-executive board members, all of whom are experienced and reputable members of the business community and possess the expertise and acumen required to execute their duties.

- Chairman
  Mr. Khalifa Al Romaithi
- Vice Chairman
  Mr. Mohamed Haji Al Khoori
- Board Member
  Ms. Samia Bouazza
- Board Member
  Mr. Mohamed Al Ameri
- Board Member
  Mr. Ahmed Al Romaithi

Board Committees

The Board has established committees to support its decision-making in relation to four key areas.

These are:

- Audit Committee
- Nomination & Remuneration Committee
- Supervision and Follow Up Committee of Insiders' Transactions (currently performed by the audit committee)
- Strategy & Sustainability Committee

In 2022, the mandate of the Strategy Committee was expanded to become the Strategy & Sustainability Committee, bringing responsibility and oversight of the latter into the Boardroom.

Board committees meet regularly to manage the strategic direction of the company and serve as a catalyst for value creation.

Internal Control System

The Board is responsible for the company's internal control system, reviewing its work mechanisms and ensuring its effectiveness.

An Internal Audit Charter defines the nature, purpose and scope of the internal audit activity and delegates authority to the Internal Audit Manager. The Charter defines and regulates the functions and responsibilities of the Internal Control Department.

The Internal Oversight Department reports independently to the Board of Directors through the Audit Committee. Its role is to create a strong internal control environment by ensuring:

- Compatibility of information and data
- Adherence to policies, plans, procedures and laws
- The extent to which operations and activities are appropriate to specific objectives and to verify their applicability
- Emphasis on preventive control to avoid undesirable events

The Internal Audit Manager reports any major problems that may arise to the Audit Committee. In 2022, the company did not face any incidents requiring the intervention of the Audit Committee.

Policies

EDC has a comprehensive list of corporate policies that are designed to ensure the company consistently and effectively adheres to the highest standards of business practices and protects the interests of the company and its stakeholders.

In 2022, EDC conducted a wholesale review of its business policies to identify gaps and areas for improvement. More than 25 policies were either created or revised, some of which are listed below:

- Corporate Communication policy
- Marketing management Policy
- Business Development Policy
- Innovation Management Policy
- Sales Policy
- Customer Feedback Policy
- Technology Management Policy
- Facilities Management Policy
- Emiratization Policy
- Human Resources Policy

Appendix

GRI and ADX Content Index

GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
GRI 1: FOUNDATION 2021				
Statement of Use	Emirates Driving Company (EDC) has reported the information cited in this GRI content index for the period 1 January – 31 December 2022 in accordance with the GRI Standards			
GRI 2: GENERAL DISCLOSURES				
The Organization and its Reporting Practice				
2-1	Organizational details		3	
2-2	Entities included in the organization's sustainability reporting	G7: Sustainability reporting G8: Disclosure Practices G9: External Assurance	3-5, 23	
2-3	Reporting period, frequency and contact point	G7: Sustainability reporting G8: Disclosure Practices	3	
2-4	Restatements of information		3	
2-5	External assurance	G10: External Assurance	3	
Activities and workers				
2-6	Activities, value chain and other business relationships		8-17	
2-7	Employees	S3: Employee Turnover S4: Gender Diversity	8, 30	
2-8	Workers who are not employees	G4: Supplier Code of Conduct	8-17	
Governance				
2-9	Governance structure and composition	G1: Board Diversity	13-14	
2-10	Nomination and selection of the highest governance body	G2: Board Independence	13, 43	
2-11	Chair of the highest governance body		43	
2-12	Role of the highest governance body in overseeing the management of impacts		43	
2-13	Delegation of responsibility for managing impacts		43, 23	

GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized Pay	443, 23	
2-15	Conflicts of interest	G6: Ethics & Anti-Corruption	443	
2-16	Communication of critical concerns		43	
2-17	Collective knowledge of the highest governance body		43	
2-18	Evaluation of the performance of the highest governance body		43	
2-19	Remuneration policies	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	31, 43	
2-20	Process to determine remuneration	S2: Gender Pay Ratio	43	
2-21	Annual total compensation ratio	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	43	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	G8: Sustainability reporting G9: Disclosure Practices E8 & E9: Environmental Oversight	3, 21-26	
2-23	Policy commitments		43	
2-24	Embedding policy commitments		43	
2-25	Processes to remediate negative impacts		43	
2-26	Mechanisms for seeking advice and raising concerns		43	
2-27	Compliance with laws and regulations	G6: Ethics & Anti-Corruption	43	
2-28	Membership associations	S1: CEO Pay Ratio	9	
Stakeholder engagement				
2-29	Approach to stakeholder engagement		21	
2-30	Collective bargaining agreements			Not applicable for companies operating in the UAE

GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics		22	
3-2	List of material topics		22	
3-3	Management of material topics		22	
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 201 Topic Specific				
3-3	Management Approach		27	
201-1	Direct economic value generated and distributed		27-28	
GRI 202: Market Presence 2016				
GRI 202 Topic Specific				
3-3	Management Approach		32	
202-2	Proportion of senior management hired from the local community	S11: Nationalisation	32	
GRI 203: Indirect Economic Impacts 2016				
GRI 203 Topic Specific				
3-3	Management Approach		40	
203-2	Significant indirect economic impacts		40-43	
GRI 204: Procurement Practices 2016				
GRI 204 Topic Specific				
3-3	Management Approach		42	
204-1	Proportion of spending on local suppliers	G4: Supplier Code of Conduct	42	
GRI 205: Anti-Corruption 2016				
GRI 205 Topic Specific				
3-3	Management Approach		43	
205-1	Operations assessed for risks related to corruption		43	Practice still under development
205-2	Communication and training about anti-corruption policies and procedures		43	Practice still under development
205-3	Confirmed incidents of corruption and actions taken	G5: Ethics & Prevention of Corruption	43	Practice still under development
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				

GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
GRI 302 Topic Specific				
3-3	Management Approach	E10: Climate Risk Mitigation	34	
302-1	Energy consumption within the organization	E3: Energy Usage	35	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	35	Information Not Available
302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	35	
GRI 303: Water and Effluents 2018				
GRI 303 Topic Specific				
3-3	Management Approach		34-36	
303-5	Water Consumption	E6: Water Usage	36	
GRI 305: Emissions 2016				
GRI 305 Topic Specific				
3-3	Management Approach	E8 & E9: Environmental Oversight	34-35	
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	35	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	35	
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions	35	
305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity	35	
GRI 306: Waste 2020				
GRI 306 Topic Specific				
3-3	Management Approach		34-36	
306-3	Waste generated	E7: Environmental Operations	36	
GRI 307: Environmental Compliance 2020				
GRI 306 Topic Specific				
3-3	Management Approach		34	
307-1	Non-compliance with environmental laws and regulations		34-36	
GRI 308: Supplier Environmental Assessment 2016				
GRI 308 Topic Specific				
3-3	Management Approach		42	
308-1	Proportion of spending on local suppliers		42	
GRI 400: Social Standard Series				

GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
GRI 401: Employment 2016				
GRI 401 Topic Specific				
3-3	Management Approach		30	
401-1	New employee hires and employee turnover	S3: Employee Turnover	30	
401-2	Benefits provided to full-time employees that are not provided to part-time employees		30	
GRI 403: Occupational Health & Safety 2018				
GRI 403 Topic Management Disclosures				
3-3	Management Approach		32	
403-1	Occupational health and safety management system	S8: Global Health & Safety	32	
403-2	Hazard identification, risk assessment, and incident investigation		32	
403-3	Occupational health services		32	
403-4	Worker participation, consultation, and communication on Occupational health and safety		32	
403-5	Worker training on occupational health and safety		32	
403-6	Promotion of worker health		32	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		32	
GRI 403 Topic Specific				
403-8	Workers covered by an occupational health and safety management system	S8: Global Health & Safety	32	
403-9	Work-related injuries	S7: Injury Rate	32	
GRI 404: Training & Education 2016				
GRI 404 Topic Specific				
3-3	Management Approach		33	
404-1	Average hours of training per year per employee		33	
404-2	Programs for upgrading employee skills and transition assistance programs		33	
404-3	Percentage of employees receiving regular performance and career development reviews		33	

GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
GRI 405: Diversity and Equal Opportunity 2016				
GRI 405 Topic Specific				
3-3	Management Approach		31	
405-1	Diversity of governance bodies and employees	S4: Gender Diversity	31	
		S6: Non-Discrimination	31	
		S11: Nationalisation	32	
		G1: Board Diversity	13	
405-2	Median Compensation		31	
GRI 406: Non-Discrimination 2016				
GRI 406 Topic Specific				
3-3	Management Approach		31	
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination	31	
GRI 413: Local Community 2016				
GRI 413 Topic Specific				
3-3	Management Approach		41	
413-1	Operations with local community engagement, impact assessments, and development programs	S11: Nationalisation S12: Community Investment	41	
GRI 414: Supplier Social Assessment 2016				
GRI 414 Topic Specific				
3-3	Management Approach		42	
414-1	New suppliers that were screened using social criteria	S11: Nationalisation S12: Community Investment	42	
GRI 416: Customer Health and Safety 2016				
GRI 414 Topic Specific				
3-3	Management Approach		40-41	
416-1	Assessment of the health and safety impacts of product and service categories		40-41	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services (GRI 416-2)		40-41	
GRI 418: Customer Privacy				
GRI 418 Topic Specific				
3-3	Management Approach		39	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G6: Data Privacy	39	

Corporate Governance Report 2022

BOD Report and 2022 Audited Financial Statements

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