

Diversity and Inclusion Position Statement



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Background

The concepts of Diversity and Inclusion (D&I) may intersect, but each one is unique and distinctly relevant. There is a clear correlation between companies that embed diversity and inclusion principles in their processes that enhance overall performance. This demonstrates that different perspectives, backgrounds, and points of view encourage creativity and boost innovation, in turn improving decision making and business performance.

Diversity refers to the existence of people with different identities, characteristics, and skills within an organization. Inclusion, on the other hand, is defined as the measures taken to ensure that people from diverse backgrounds feel free, welcome, valued, and empowered to participate and share their perspectives. When embedded within a company's DNA and culture, D&I can improve employee retention rates, strengthen talent acquisition, and reduce the risk of groupthink.ⁱ

National Outlook on D&I

Home to over 200 nationalities, the UAE has taken a robust stance on D&I. The leaders of the UAE have been implementing a vision of creating a multicultural hub for individuals from across the globe to live together harmoniously. The UAE considers diversity a key strength and has therefore made efforts to build awareness and promote cultural diversity values.

The UAE emphasizes the importance of gender balance and equality. The country established the UAE Gender Balance Council – a federal entity responsible for developing and implementing the gender balance agenda in the UAE.ⁱⁱ The UAE Labour Lawⁱⁱⁱ also ensures female workers are granted an equal wage to that of their male counterparts if they perform the same work.

Additionally, the UAE believes in creating an inclusive environment where it has implemented legislation to prohibit discrimination and hatred based on race, religion, or ethnic origin.^{iv} The country is one of the signatories to the Convention concerning Discrimination in Respect of Employment and Occupation^v, created to promote equality of treatment and opportunities.

The UAE has also stressed the importance of equality and inclusion for people with disabilities in government and business by enforcing the People of Determination Law^{vi}, and Resolution No. 43 of 2018. This legislation aims to support the rights of People of Determination in employment by facilitating access to opportunities in the labour market.^{vii}

Philosophy

At ADQ we recognize our responsibility to embed D&I in our portfolio companies, in line with our ESG policy and framework, as well as our commitment to sustainable investing. ADQ's D&I philosophy revolves around three main principles:

1. **Our people:** our people are our most valuable asset. We believe that creating a welcoming working atmosphere that encourages diverse backgrounds to work harmoniously together is one of our top priorities.
2. **Our operations:** we aim to integrate D&I considerations across our day-to-day operations from recruitment to workforce planning and training because we believe this will create a positive impact on our wider portfolio.

3. **Our society:** we support all types of individuals in the communities where we operate in order to contribute towards fostering greater inclusion and accessibility for people in wider society.

Approach

D&I in Operations

D&I are integrated into our organization's culture, policies, and human capital management. We aim to build an inclusive workplace that promotes collaboration and improves productivity and decision making. We recognize diversity in its wider definition includes gender, skills, and background.

ADQ acknowledges the positive impact of inclusion and encourages promoting it across the portfolio boards, management teams and wider organization. Additionally, we work with our portfolio companies to better assess how to develop and integrate policies and processes of inclusion.

We base our recruitment and promotion processes on merit and performance, and believe that any form of discrimination, harassment, violence, intimidation, or abusive behavior at the workplace is not acceptable.

D&I in Investments

Screening and Portfolio Reviews

We identify and manage D&I risks when approaching investments by following the guidelines in our ESG risk management framework. We commission an independent third party to review our portfolio's ESG maturity and progress including D&I risks. We review the adequacy and existence of the D&I commitments and policies disclosed by our portfolio companies and assess whether these are supported with concrete quantitative targets. In addition, we look at the efficiency of D&I measures deployed by our portfolio companies to make the workplace more accessible to women, People of Determination, and other minorities. Such measures include raising awareness, transparent reporting, grievance mechanisms, and other tools to support the development of an inclusive, welcoming working environment, free from prejudices. Finally, we assess the portfolio companies' actual performance and credentials in this area by assessing key KPIs, including the percentage of women, People of Determination and other segments of the community that are part of their workforce, management, and leadership teams, and on the boards. This assessment results in a quantitative score and the compilation of a report that informs ADQ's engagement and stewardship strategy.

Stewardship of investment community stakeholders

ADQ takes an engagement approach with our investment community and the stakeholders in our portfolio to encourage positive D&I action and reduce related risks. We strive to improve our business practices through encouraging high-level discussions with our companies on D&I policies, processes, and targets. To do this, we engage with our assets via direct communications and training sessions in addition to issuing associated public position statements and guiding documents.

Training

ADQ offers D&I training to all employees and suppliers via our Code of Conduct. We also plan to roll out dedicated sessions to raise employees' awareness of conscious and unconscious bias. We intend to highlight the appropriate course of action when biased behavior is identified and familiarize stakeholders with our grievance mechanism.

Grievance Mechanism

We have established a whistleblowing mechanism and reporting channels which provide corrective measures and access to remedy for those subjected to any violations or discrimination. These channels are communicated to employees and external stakeholders in our Code of Conduct.

Monitoring and Reporting

ADQ internally monitors its own D&I performance indicators as part of our ESG assessment and human capital management reviews. This helps ADQ obtain useful insights about the equality status in the company and react promptly if there are any violations of ESG principles. We ensure that similar measures are in place within our portfolio companies.

Review

ADQ's D&I position statement and related strategies are reviewed periodically by ADQ Management to comply with the latest D&I policy trends and national and international stakeholders' expectations. ADQ management conducts periodic internal reporting to the board on all D&I-related matters.

References

ⁱ[Diversity wins: How inclusion matters](#)

ⁱⁱ[UAE Gender Balance Council](#)

ⁱⁱⁱ[UAE Labour Law](#)

^{iv}[Anti-discrimination/Anti-hatred law](#)

^v[Discrimination \(Employment and Occupation\) Convention](#)

^{vi}[Protecting the rights of people of determination](#)

^{vii}[People of determination](#)