



ICD 2022

Investment Corporation of Dubai

Pillar 1: Legal

Legal framework, objectives, and coordination with macroeconomic policies

Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

The Investment Corporation of Dubai ("ICD") is an entity wholly owned by the Government of Dubai (the "Government"). It was established in Dubai on 3 May 2006 under [Law No. \(11\) of 2006 "Establishing the Investment Corporation of Dubai"](#) issued by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates ("UAE") and The Ruler of Dubai.

Law No. (11) of 2006 provides ICD with financial and administrative autonomy and the full capacity required to achieve its objectives in accordance with the laws, decrees, and regulations issued by the Government.

Law No. (11) of 2006 sets out the functions and responsibilities of the entity, the governing entity and the management.

Law No. (11) of 2006 is publicly available on the Dubai Legislation Portal.

Principle 2

The policy purpose of the SWF should be clearly defined and publicly disclosed.

ICD's mandate is outlined in Law No. (11) of 2006 "Establishing the Investment Corporation of Dubai" issued by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates ("UAE") and The Ruler of Dubai.

ICD's mandate, pursuant to its establishing decree, is at a high level to invest the assets of the Government of Dubai to promote the role of the private sector by privatising public assets.

ICD's [vision](#) is to secure a prosperous future for Dubai and its people through a world-leading professional organisation.

ICD's [mission](#) is to invest in attractive opportunities to achieve appropriate risk-adjusted returns over the long term by partnering with high-quality managers and investors and engaging responsibly and sustainably across a range of asset classes, sectors and geographies.

Principle 3

3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

Through its investment operations, ICD contributes to the diversification of Dubai's industries and the promotion of growth within such industries to develop a strong and sustainable multi-sector economy and stimulate private sector growth.

ICD coordinates its activities with the government by providing annual independently audited and half-yearly independently reviewed consolidated financial statements to the Department of Finance of the Government of Dubai and more detailed financial information and data to the Public Debt Management Division of the Department of Finance of the Government of Dubai.

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

Upon ICD's incorporation, a portfolio of Government companies was transferred to ICD from the Dubai Department of Finance's Investment Division.

ICD does not automatically receive contributions (monetary or otherwise) from the Government, and ICD has not, to date, sought any such contributions from the Government. ICD is self-funding, and its requirements are typically met by funds raised by ICD itself through profits generated by and distributions received from its portfolio companies, through proceeds generated by the disposal or divestiture of its holdings or through third-party debt financing that it has obtained for its own account. ICD's approach to funding is to be self-sustaining and, to date, it has not been necessary for the Government to provide any financial support to ICD.

Accordingly, there is no specific budget to determine the amount of funding ICD receives from (or is required to pay to) the Government. In addition, ICD itself is not a recipient of the Government's annual general budget allocations and has neither received nor requested any payments, budget allocations or other financial support from the Government.

The Government has, however, from time to time, made monetary and non-monetary contributions, primarily in the form of capital expenditure, strategic growth and acquisition-related contributions, company ownership interests (including upon ICD's incorporation) and land grants to support ICD's strategic objectives.

ICD, from time to time, makes distributions of dividends to the Government, and any such distributions are decided by the Board after having: (i) considered the best interests of ICD and the Group as a whole; (ii) applied its investment and other income towards, among other things, payment of interest and maturing debt liabilities; and (iii) budgeted for retention of certain of its income for future investment purposes and for ICD's own general corporate purposes.

ICD may also contribute a portion of the profits it derives from its portfolio companies towards the Government's annual budget, such amount being agreed upon between ICD and the Government prior to publication of its budget. ICD is under no obligation to make such a contribution.

Principle 5

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

The Finance Department provides annual independently audited and half-yearly independently reviewed consolidated financial statements to the Department of Finance of the Government of Dubai in line with the timelines agreed. Further, the Treasury and Capital Markets Department submit detailed financial information and data to the Public Debt Management Division of the Department of Finance of the Government of Dubai. ICD also reports inflows and outflows from transactions entered into with foreign counterparties to the Central Bank twice a year for statistical reporting purposes.

Pillar 2: Institutional

Institutional Framework and Governance Structure.

Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

ICD's Board has oversight of the organisation's corporate governance affairs and related policies and procedures. It is responsible for the stewardship of ICD, seeking to ensure that ICD's investment management and operational arrangements are functioning effectively.

The Board is composed of a Chairman, a Deputy Chairman, the Managing Director, and other Board members who are appointed by a Decree of the Ruler of the Emirate of Dubai. The composition of the Board of Directors is disclosed in ICD's Annual Report.

Law No. (11) of 2006 provides for ICD to establish and implement a strategy to invest the assets of the Government.

Law No. (11) of 2006 further provides for the Managing Director to be responsible to the Board of Directors for the implementation of the general policy of ICD, the efficiency of its bodies, and to manage ICD and supervise its affairs.

The Board has put in place appropriate delegations for the management of the operations of ICD. Delegated authority allows for the efficient day-to-day management of ICD and promotes responsibility and accountability.

The management of ICD's investment and operational activities is conducted by investment and related professionals who act independently from day-to-day government activities.

The Government of Dubai is not involved in the investment or operating decisions taken by ICD or its portfolio companies or subsidiaries, save in the capacity as a regulator or in relation to legal or regulatory matters.

A number of Committees support the overall Board and Management Governance Framework as outlined below:

The Investment Committee comprises three Board members. The Investment Committee is primarily responsible for the review and recommendation to the Board of ICD's investment strategy, oversight of the performance of investments made by ICD, and approval of investment transactions.

The Audit Committee comprises four Board members. The Audit Committee is primarily responsible for the oversight of ICD's financial reporting and the audit process, its system of internal control, and its process for monitoring compliance with applicable standards, laws and regulations.

The Remuneration Committee comprises three Board members. The Remuneration Committee is primarily responsible for the review and approval of the remuneration of executive directors, oversight of ICD's compensation and benefits plans, and the review and approval of the corporate performance-related objectives of ICD.

The Management Committee comprises the senior management team of ICD and has the responsibility for overseeing its day-to-day operations.

The Risk Management Committee is comprised of all department heads and is primarily responsible for recommending and overseeing the implementation of a sound risk management framework. This committee provides guidance to ICD departments in their efforts to enhance internal control systems and processes necessary to ensure risks are effectively managed.

The ESG Management Committee is comprised of three members of ICD's management team and performs an oversight and monitoring role in relation to ICD's management of its own ESG responsibilities and the implementation of ICD's ESG framework and strategy.

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

As detailed above in Principle 2, ICD's mandate is outlined in its incorporating decree (issued by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates ("UAE") and The Ruler of Dubai), which is underpinned by an overriding objective of supporting the long-term economic growth of Dubai and to:

- consolidate and manage the existing portfolio of companies and investments of the Government of Dubai;
- provide financial and strategic oversight of the portfolio in order to preserve wealth and grow value sustainably; and
- efficiently deploy and recycle capital by making new investments, either locally, if commercially sound and strategically aligned with ICD's mandate, or internationally, to enhance returns and diversification.

The Board is composed of a Chairman, a Deputy Chairman, the Managing Director, and other Board members who are appointed by a Decree of the Ruler of the Emirate of Dubai. The board members are selected on the basis of their experience and expertise.

ICD provides periodic reporting to the Department of Finance of the Government of Dubai as outlined in Principle 5.

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

ICD's Board of Directors, comprising a majority of independent members, provides overall strategic guidance and policy direction to ICD management.

ICD Board of Director members are appointed by the Ruler of Dubai based on their professional experience and qualifications in various sectors, including finance, investments, accounting, tourism, development and the overall economy.

Principle 9

9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.

Investment, divestment and other operational decisions are made by ICD management, who are ultimately responsible to the ICD Board. Delegation is formalised in the ICD Authority Matrix that details authority levels delegated to management, who may exercise such delegated authority without reference to ICD's ultimate owner.

In addition to the delegated authority provided to operational management, the Managing Director, Investment Committee and Deputy CEO have delegated to them a certain authority which allows investment/divestment to be authorised without reference to the Board or ICD's ultimate owner.

Principle 10

10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

The Board has oversight of the organisation's corporate governance affairs and related policies and procedures. It is responsible for the stewardship of ICD, seeking to ensure that ICD's investment management and operational arrangements are functioning effectively.

The governance of ICD is achieved through the delegation of certain authorities, including various committees that report to and operate under the overall oversight of the Board of Directors.

The Board has put in place appropriate delegations for the management of the operations of the ICD. Delegated authority allows for the efficient day-to-day management of ICD and promotes responsibility and accountability.

See further details provided on the governance structure in response to Principle 6.

Principle 11

11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

ICD produces its financial statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") that are reviewed and recommended by the Audit Committee and approved by the MD and Board in line with ICD's governance framework. These include disclosures around contingent liabilities and off-balance-sheet items.

ICD has made both its interim and annual financial statements publicly available since 2013. ICD has its consolidated financial statements audited by independent auditors, Pricewaterhouse Coopers (Dubai Branch), and has done so each year since its inception. In addition, its interim half-year financial statements are subject to review by its external auditors.

In addition to the financial statements, ICD also prepares an Annual Report, which is published on ICD's website. The Annual Report includes further information on ICD's Operating Model and Investment Strategy, as well as the portfolio breakdown by sector, further information on individual portfolio companies and an overview of ICD's ESG and CSR initiatives.

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

As noted in the response to Principle 11, the ICD produces its financial statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). ICD's consolidated financial statements are audited in accordance with the International Standards of Auditing ("ISA") by independent auditors each year, and its interim half-year financial statements are subject to review by its external auditors, Pricewaterhouse Coopers (Dubai Branch). The annual consolidated financial statements are further examined by the Dubai Government's Financial Audit Authority ("FAA"). ICD has made both its interim and annual financial statements publicly available for a number of years.

In addition to the role of the external auditor relating to the financial statements, the Internal Audit function within ICD undertakes internal audits across ICD's operations following a risk-based plan that is approved by the Audit Committee. The Internal Audit function's internal audit process is independent of operational management and reports directly to the Board's Audit Committee. The internal audit activities are undertaken in line with the Institute of Internal Auditor's International Professional Practices Framework, which is the internationally recognised standard for the internal audit profession.

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

ICD expects its employees to observe the highest standards of conduct in the workplace. ICD's employees must adhere to the ICD Code of Conduct, which outlines the need to follow the law, act with integrity in all matters, treat each other fairly and with dignity, and be accountable for actions. The Code of Conduct has a very clear focus on ICD's Core Values:

- Excellence: We focus on achieving outstanding performance and being the best in whatever we do through a culture of innovation and quality
- Commitment: We consistently deliver on our promise and meet the objectives of our organisation
- Sustainability: We are committed to creating value and delivering consistent and superior performance in the long-term interest of our stakeholders
- Integrity: We maintain high ethical standards by being fair, responsible and transparent in our dealings with others
- Respect: We are mindful of the rights, feelings and dignity of others and strive to treat them as we want to be treated

ICD's Code of Conduct covers a number of potential conduct risk issues, including, *inter alia*, conflicts of interest, anti-corruption and bribery, and confidential information, and has been developed based on best practices with respect to professional and ethical standards.

ICD's policy framework also includes policies on Procurement (including a Supplier Code), Economic Sanctions, Anti-Money Laundering, Information Security, Insider Trading, Corporate Communication and ESG.

All ICD employees are required to complete a declaration on joining and on an annual basis that they have read, understand and abide by the Code of Conduct.

An induction process for new Board members and staff is in place. Periodic refresher training is also provided to all staff on the Code of Conduct and other compliance-related policies by the Legal Department.

ICD maintains appropriate D&O insurance coverage. Adequate legal protection is provided for Board members and staff acting in good faith conduct of their official duties through indemnification and insurance as well as statutory immunity from civil liability.

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

All dealings with third parties for the purpose of ICD's operational management are based on economic and financial grounds.

ICD's Procurement Policy outlines clear policies and procedures to be followed in respect of the due diligence and screening required to be performed on third parties.

ICD's Supplier Code defines the standards that ICD requires of each of its suppliers when performing work for or on behalf of ICD. ICD requires each of its suppliers to confirm that it will comply with the requirements set out in the Supplier Code.

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

ICD does not conduct day-to-day operations or activities in foreign countries other than its investments made outside of the UAE. Legal and tax advice is obtained in respect of any investments or prospective investments in jurisdictions outside of the UAE to ensure compliance with the relevant local laws, including any related disclosure requirements. The Legal and Tax departments actively monitor developments in jurisdictions in which investments are held with the support of third-party legal and tax advisors.

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

[ICD's governance framework and investment strategy](#) are publicly disclosed on ICD's website and in its annual report.

See the response to Principle 6 for further details on the governance framework.

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

ICD's key financial information is disclosed in its [Annual Report](#) and on its website. This includes financial information on assets (by segment), revenue (by segment), profit/ (loss) for the year, equity attributable to the shareholder, and material individual investments.

ICD has made both its interim and annual financial statements publicly available since 2013.

Pillar 3: Investment

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Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

ICD's investment policy is outlined within the mission statement: to invest in attractive opportunities to achieve appropriate risk-adjusted returns over the long term by partnering with high-quality managers and investors and engaging responsibly and sustainably across a range of asset classes, sectors and geographies.

ICD's investment strategy is derived from the mandate given in its governing law to:

- i. Consolidate and manage the existing portfolio of companies and investments of the Government of Dubai;
- ii. Provide financial and strategic oversight of the portfolio in order to preserve wealth and grow value sustainably; and

- iii. Efficiently deploy and recycle capital by making new investments, either locally, if commercially sound and strategically aligned, or internationally, to enhance returns and diversification.

Significant progress was made with regard to the first part of this mandate in ICD's early years. The composition of the core portfolio has remained relatively stable whilst achieving growth and performing well over cycles.

For some time now, ICD's focus has been directed towards portfolio management and capital deployment, both critical to the successful second limb of the mandate.

In recent years, as a natural evolution of the strategy, ICD has increasingly emphasised capital deployment in international markets and in diversifying asset classes to enhance the long-term risk-adjusted return potential of ICD's investment portfolio.

ICD's approach to asset allocation and investment selection is underpinned by the following features:

- The maintenance of a high level of visibility on ICD's short and long-term cash flows and funding requirements to support robust capital budgeting, giving consideration to existing commitments, the effective build-out of long-term investment themes, and well-timed capital recycling;
- A clear framework for capital allocation across asset classes and sectors internationally;
- A willingness to partner with external managers to secure the best access to high-quality investments globally;
- The continuous review and calibration of market dynamics and industry trends to develop views on asset classes and sector attractiveness, encourage the development of new investable hypotheses and shape the approach to possible allocation; and
- Professional and efficient transaction execution balancing thoughtful and quality execution with nimbleness and an ability to respond to opportunities with appropriate speed.

Taking these features into consideration, asset allocation is determined by balancing commitments to strategic initiatives, support of portfolio companies, capital recycling events and new investments in target verticals.

Whilst investments in Dubai have historically favoured a significant degree of influence and active engagement, our approach to international investments leverages the expertise of highly credentialed external managers offering access to the target asset classes, sectors, and geographic markets.

ICD aims to strike a balance between strong conviction in investment decisions based on sector knowledge and deep due diligence and diversification of exposure and reliance on external managers.

ICD's approach is to carefully select and partner with external managers with established track records in the relevant sector through fund commitments and co-investments. ICD looks for partners with well-tested strategies and a history of superior risk-adjusted performance. ICD ultimately seeks exposure to companies with strong market positions, capable management teams, leading products and services, and clear roadmaps for value creation.

ICD, from time to time, may solicit third-party funding to support its activities. ICD monitors and manages this leverage conservatively through objectives set within ICD's investment, risk and governance frameworks.

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

A core principle underpinning ICD's investment strategy is to aim to achieve an attractive long-term risk-adjusted return.

As an institution with a mission to create wealth and long-term value, with a focus on sustainability, ICD has adopted several guiding principles designed to inform its investment process:

- Emphasis should be placed on capital preservation and prudent appreciation, adjusted for inflation;
- Capital allocation decisions should be the result of disciplined and thorough evaluation;
- Decisions to invest, manage and exit investments should be made on commercial principles;
- Investments should demonstrably provide either strategic or diversification benefits and contribute to risk-adjusted returns and overall portfolio construction objectives; and
- Performance should be monitored and assessed regularly through ongoing oversight and appropriate levels of engagement.

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

Article 14 of Law No. (11) of 2006 requires ICD to follow the principles of justice, transparency, and openness and to promote fair competition.

ICD does not have, nor does it seek, access to privileged information or inappropriate influence through the Government to compete with private entities.

ICD has a robust approach to dealing with confidential information and, as required, maintaining appropriate lists of employees who receive information on a "need-to-know basis." ICD seeks to avoid and proactively manages any conflicts of interest issues and deals with these through the ICD Code of Conduct and the Insider Trading Policy, together with periodic training by the Legal Department.

Appropriate confidentiality agreements and wall-crossing arrangements are put in place at all times for relevant transactions.

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

By participating in the formation of high calibre and experienced Boards and Management Teams, ICD plays an important governance role in respect of its portfolio companies.

ICD does not direct the day-to-day operations of its portfolio companies. Each of the portfolio companies is managed by its respective management and guided and supervised by its own Board of Directors. However, in its capacity as a shareholder, ICD does have the ability to actively engage various stakeholders, including the boards and management of its portfolio companies. Shareholder activity is carried out to implement ICD's mandate to supervise and monitor its portfolio companies and any coordination between them.

Where ICD has significant influence, it encourages sound governance, effective decision-making and strong execution. When ICD is a minority investor, it remains actively engaged with its partners and aims to be a reliable, responsive, and trusted investment partner.

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

On a semi-annual basis, the Finance department review and consolidate portfolio company accounting data to ensure consistency across all entities.

ICD's valuation policy requires that for the actively managed portfolio:

- semi-annual valuations of non-listed assets are prepared by the Investment Department and reviewed internally by the Investment Accounting function and that
- year-end valuations of non-listed assets are also subject to a further independent external review by a third-party firm that opines the value of these individual investments.

The investment performance of assets within the actively managed portfolio (absolute and relative to benchmarks) are measured and reported according to clearly defined Financial Key Performance Indicators.

Semi-annually, the performance is reported to members of the Investment Committee, who have oversight of the Investment Strategy and of the performance of investments made by ICD. Asset performance is also presented to the ICD Board of Directors, who have overall oversight of ICD.

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

ICD shall regularly review its implementation of the GAPP and reports on any updates in this updated self-assessment report.