

# Healthcare and Life Sciences Sector Position Statement



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## Background

Healthcare and life sciences are fundamental to global well-being. They embody the collective pursuit of understanding the intricacies of human existence, extending their influence far beyond traditional hospital and research environments. These domains significantly impact economies, inform public policy and contribute to realizing human potential. In a time governed by rapid technological advancement and unprecedented health challenges, the role of healthcare and life sciences is increasingly becoming imperative for societies worldwide. As exemplified by the COVID-19 crisis, the possibility of pandemics has underscored the intersectoral consequences of an overburdened healthcare system and emphasized the urgent need for sustainable and resilient healthcare infrastructure.

## Global and National Outlook

On a global scale and under consideration of Environmental, Social and Governance (ESG) principles, the significance of the healthcare and life sciences sector is evident in the context of initiatives such as the United Nations (UN) Sustainable Development Goals (SDGs) and those led by the World Health Organization (WHO). Health and well-being are captured in the Sustainable Development Goal (SDG) 3 and the UN 2030 Agenda for Sustainable Development, which aims to end several epidemics and reduce preventable deaths by 2030<sup>i</sup>. And in Europe, the WHO Regional Committee for Europe has set a roadmap to implement the health elements of the UN 2030 Agenda for Sustainable Development, which includes policies with a high social return on investment<sup>ii</sup>. Additionally, the European Commission has issued a Policy Guidance for the European Structural and Investment Funds, which outlines more than ten thematic objectives for investments in health<sup>iii</sup>.

On a national level, the UAE has long recognized the importance of healthcare. The country has a comprehensive, historically government-funded health service and rapidly developing private sector participation that delivers a high standard of healthcare to the population<sup>iv</sup>. It may be counted amongst the most resilient in the world, as demonstrated in the UAE's ability to recover comparatively swiftly from the impact of the COVID-19 pandemic. The UAE's National Agenda<sup>v</sup> has set high ambitions. It emphasizes the importance of preventive medicine and seeks to reduce the burden of lifestyle-related diseases such as diabetes and cardiovascular diseases to ensure a longer and healthier life.

Recognizing the opportunity to fortify the sector, the Government in collaboration with leading organizations has been working towards enhancing the healthcare services infrastructure and delivering high-quality medical services. Proactive measures and investments in medical tourism, pharmaceutical and life sciences business segments and an increase in partnerships between private and public sector healthcare services providers exemplify these concerted national efforts.

ADQ is committed to fostering quality, accessibility, innovation and sustainability within the healthcare and life sciences sector. Our strategic investments aim to leverage technology to shape the future of healthcare while keeping patient-centric care, diagnostics and clinical excellence at the core.

## Our Approach

Healthcare and life sciences is a sector witnessing sustainable growth in an adverse economic macro context. Historically, while demand for healthcare services has been always growing, it was less impacted by economic swings since it is an essential service for any community<sup>vii</sup>. Moreover, the sector benefits from ever-increasing demand due to population growth as well as the growth of the middle class worldwide<sup>viii</sup>.

At ADQ, we are building integrated healthcare and life sciences platforms to deliver a sustainable, low cost and efficient healthcare system, in partnership with the private sector, for the citizens and residents of Abu Dhabi, the UAE and other countries.

To deliver on this ambition responsibly, ADQ considers ESG factors in its due diligence process for healthcare and life sciences investments. The screening assesses the potential targets' high-level ESG performance, associated risks and potential impact on ADQ's portfolio. This provides a level of assurance that our investments address the associated risks identified, which supports the long-term sustainability of the business.

Additionally, we assess the ESG performance of our companies by evaluating adherence to commitments such as corporate policies and standards, the effectiveness of implemented measures against respective commitments and finally, measure the performance through key performance indicators (KPIs).

## Our Action

ADQ intends to make further contributions to the UAE's healthcare ambitions by building a global hub for progressive healthcare and life sciences.

Through our investments, we aim to develop an accessible, patient-focused, digitally enhanced local healthcare system anchored in world-class clinical excellence. In doing so, we aim to lower the cost of care while maintaining high quality through a privatized healthcare sector that reduces the financial burden of the government.

ADQ seeks to enable and facilitate innovation by investing in healthcare and life sciences companies that offer novel and innovative treatments.

We aim to work closely with our portfolio companies, partners and stakeholders where applicable on the following:

1. Benchmark against relevant best practices to further elevate our efforts;
2. Assess our portfolio companies' operations to identify areas for improvement;
3. Identify synergies and collaboration opportunities within the portfolio to create innovative solution and address shared challenges;
4. Make investments that support the development of the healthcare and life sciences sector;
5. Raise awareness of the importance of developing the sector internally and externally;
6. Provide support to stakeholders on national projects related to the healthcare and life sciences sector.

## Our Role and Responsibilities

ADQ's position on the healthcare and life sciences sector is supported and endorsed by senior leadership and cascaded to our portfolio companies. We acknowledge the challenges in the healthcare and life sciences industry, such as access to care and treatments, data privacy and increasing costs. We are committed to addressing such challenges in alignment with our ESG framework.

## Review

We acknowledge the importance of continuous improvement. ADQ strives to stay up to date on ESG opportunities, challenges and trends and aims to address these appropriately through policies, position statements, benchmarking exercises and other activities.

ADQ Management periodically reviews all position statements and related strategies to ensure the organization's alignment with the latest trends in the sector and to meet stakeholder expectations.

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<sup>i</sup> [Transforming our world: the 2030 Agenda for Sustainable Development](#)

<sup>ii</sup> [Health and well-being and the 2030 Agenda for Sustainable Development in the WHO European Region: an analysis of policy development and implementation](#)

<sup>iii</sup> [Policy Guide for the European Structural and Investment Funds \(ESIF\) 2014-2020](#)

<sup>iv</sup> [Embassy of the UAE in Washington D.C.: Healthcare overview](#)

<sup>v</sup> [UAE Cabinet: National Agenda](#)

<sup>vi</sup> [National Bureau of Economic Research: Is healthcare employment resilient and recession-proof?](#)

<sup>vii</sup> [The Health Foundation: Relationship between income and health](#)

<sup>viii</sup> [Visual Capitalist: The world's growing middle class \(2020–2030\)](#)