



MARTIN CURRIE

STEWARDSHIP MATTERS

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For institutional, professional and wholesale investors only

INVESTING IN THE UN SDGS: GOOD HEALTH AND WELLBEING



Analysis of company contributions to the UN Sustainable Development Goals (SDGs) is one of multiple lenses Martin Currie's investment teams use to assess the impact of our investments.

The analysis can be complex, the goals were ostensibly targeted at governments and, in our view, it is the underlying 169 targets that are most relevant to corporates. Our teams have therefore developed proprietary frameworks to assess how a firm's specific products and services directly contribute to the targets.

At the start of 2021, we [reported on our progress](#) in adopting these frameworks. In this series we have focused on specific SDGs and the structural trends behind them. Using our knowledge and engagement with corporates, we also highlight several examples of companies making material contributions to these specific SDGs.

SDG 3: Good health and wellbeing

SDG 3 'Good health and wellbeing, seeks 'to ensure healthy lives and promote wellbeing for all at all ages'. Myriad targets include the provision of affordable access to healthcare, ending disease, preventing infant mortality and the development of vaccines. Addressing these are a major factor in reducing inequality, fighting poverty and improving quality of life. These challenges have been amplified by the aftermath of the pandemic and changing demographics - notably growing, and aging populations.

Challenges in this area create significant opportunities for companies to both provide solutions and potentially generate long-term sustainable growth for investors. Examples include insurance providers working closely with healthcare services to provide direct care, training health professionals and the role of genomics firms tackling diseases and developing medicines.

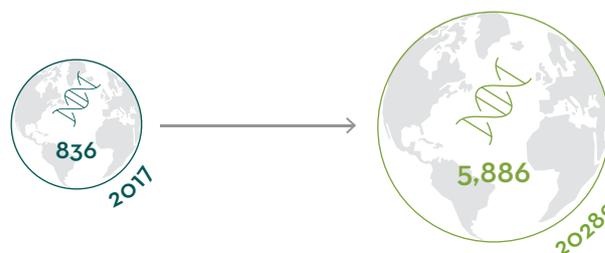
 **Access to affordable healthcare** is a global challenge

Less than half the world's population is covered by essential health services¹ - corporate healthcare providers **have a role to play**



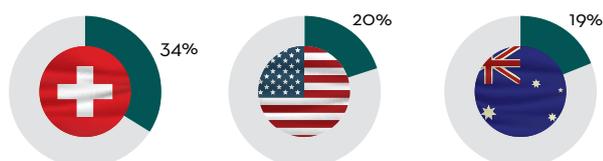
 **Genomic Next Generation Sequencing (NGS)** is a rapidly growing market with an essential role to play

Global NGS informatics and clinical genomics market growth (US\$ millions)³



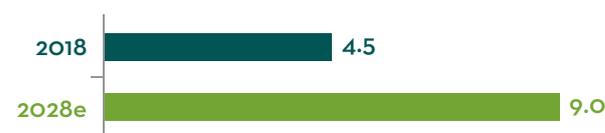
 Healthcare affordability is **not limited to developing markets**² due to aging populations

% of older adults reporting out-of-pocket health costs in high income countries



 The pharmacogenomics market is **forecast to double by 2028**.⁴ This is the study of how variations in the human genome dictate a person's response to medications

Pharmacogenomics market size (US\$ billions)



¹Source: World Health Organisation and United Nations Statistics Division, December 2017.

²Source: Statista, Commonwealth Fund; SSRS, October 2021. Percentage of adults aged 65 and older who reported out-of-pocket health costs of more than US\$2,000 in the past year in select high-income countries in 2021.

³Source: Statista and BIS Research as at December 2018.

⁴Source: Statista and BIS Research as at June 2019.



Medibank Private – Australia

Improving the health and wellbeing for the Australian population

Medibank Private (MPL) is Australia’s largest health insurance provider with a core offering of hospital care and extra benefits for residents. Ethical and responsible business practices are embedded into MPL’s governance approach, guiding the company’s alignment with the Sustainable Development Goals (SDGs) and helping to set the future strategic direction. Martin Currie’s Australian investment teams’ SDG mappings are ranked as being either a notable ‘contribution’ or a ‘high contribution’. These are based on our fundamental insights and peer review process. We expand below on three areas where Medibank is making a material contribution to SDG 3.



Target 3.3: End key diseases

To better support customer needs and provide quality care, Medibank works closely with hospitals for the provision of care for patients. The firm is increasingly providing direct care through telehealth and home care services.



Target 3.4: Reduce premature mortality and promote mental health and wellbeing

The firm has a focus on care outcomes and the provision of wellbeing programs, an initiative extended to their staff. Community programs have been established with a focus on preventative healthcare and mental health. At a national level, Medibank has formed partnerships to address Australia’s wider health problems.



Target 3.8: Universal healthcare coverage

The company is an advocate for affordable healthcare. During the COVID-19 pandemic, Medibank’s stance was that it should not benefit at the expense of policy holders. This took the form of returning savings on premiums back to customers. The outcome was higher customer advocacy and a growth in policyholders.

That latter point demonstrates that alignment with SDGs and embedding transparent ethical and responsible business practices has been of benefit to the company. We believe Medibank will remain a leader in the Australian private health insurance industry due its ability to innovate, manage costs and find new sources of growth as it pursues a broader role in the healthcare system.

The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the securities discussed here were, or will prove to be, profitable.

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Odontoprev - Brazil

Facilitating convenient access to affordable and quality dental care

Odontoprev is the leading dental insurance provider in Brazil, facilitating broad access to dental care at a reasonable cost. It has three main segments: corporate, private and small/medium-sized enterprises. The latter is a key growth opportunity for the coming years as, despite the availability of dentists, Brazil remains a fairly underpenetrated market. The Global Emerging Markets team's SDG mapping work highlights Odontoprev's material contribution to **Target 3.8 - Universal Healthcare**. This is through the firm's provision of dental healthcare services that are **cheaper than pay as go services**, of an **audited quality standard** and with **financial risk protection**.



Target 3.8: Universal healthcare coverage

Odontoprev's network of accredited dentists provides clients with:



Local and affordable care

Provides affordable, qualified dentistry in a convenient proximity



Higher standards of oral health

Accessible oral care provides both timely and preventative care



Management of costs

The large number of dentists helps minimise the impact of inflation on dental service costs

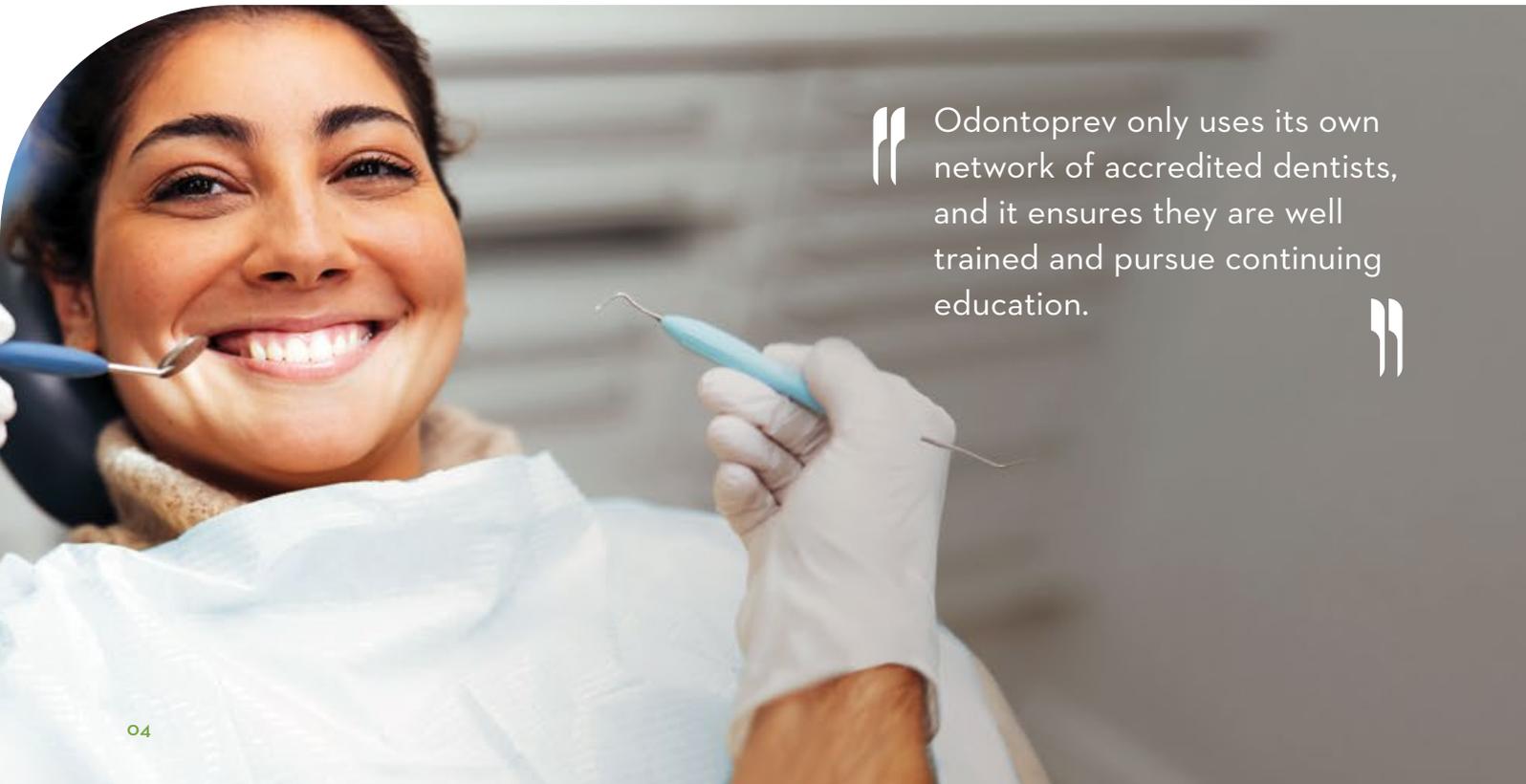


Providing high quality dental treatment

As highlighted above, an ESG strength of firm is the quality of treatment. Odontoprev only uses its own network of accredited dentists, and it ensures they are well trained and pursue continuing education. The Quality Management Department reviews all treatments and can follow up if any issues are flagged. This ensures high standards of treatment, best practice and avoiding the risks of over treatment.

Finally, the company's use of digitisation helped to establish the resilience of the business model during the COVID-19 pandemic. Patients were able to interact with members digitally via the company app, rather than being routed via a call centre. This provided safe access to the firm's services. Digital expansion remains a key opportunity area, through digital partners and growth in its digital customer base.

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illumina - United States

The global leader in next generation sequencing (NGS) and array-based solutions for genetic analysis.

The cost to generate genomic data has fallen dramatically since it was initially commercialised in 2007, making the technology more accessible. With more precise and clinically personalised applications across a range of medical fields, genome sequencing has an important role to play in meeting SDG 3's targets from tackling infant mortality to the development of new vaccines.

The GLTU team's SDG framework rates a company from 1-5 across each of the SDG targets, with '1' being a very strong positive contribution. Below we have highlighted where we believe Illumina is making a very strong positive contribution (rated as a '1') to the targets of SDG 3.



Target 3.2: End preventable deaths of newborns and children

NGS can be used for both non-invasive pre-natal testing (NIPT) and providing a diagnosis for children with rare diseases. Illumina's iHope program is an initiative to make clinical whole-genome sequencing accessible to underserved children.



Target 3.4: Reduce premature mortality and promote mental health and wellbeing

NGS can unlock the insights to diagnose, treat and possibly cure a wide variety of diseases, including cancer. Illumina sequencers can provide information enabling oncologists to diagnose and treat rare cancer types, it has applications in immunotherapy and reducing the rate of tumour growth through early detection.



Target 3.7: Universal access to reproductive healthcare

NIPT offers a lower risk pre-natal diagnostic to allow parents to make informed decisions on genetic conditions pre-term. Illumina's NIPT can be applied as early as 10 weeks.



Target 3.b: Support for research and development (R&D) of vaccines and medicines

Genomics is a key part of global R&D in contemporary medicine such as mRNA vaccines and gene therapies. The technology helps to understand the receptors, pathways or mechanisms to target with a drug, allowing the development of more effective treatments.

With the increasing ease of use, decreasing cost and time-to-result time, NGS is enabling ever-increasing industry applications and sustaining rapid market growth. With continued innovation, Illumina is in a strong position to benefit from these structural growth trends, while contributing to the targets of SDG 3.

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