

Pharmaceuticals & Biotechnology Sector

2019 Report – Key findings

150 companies in the sector



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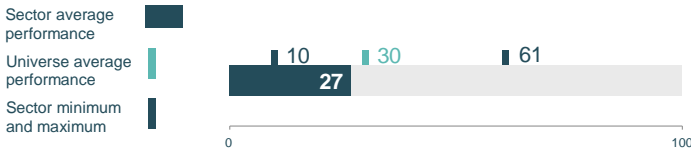
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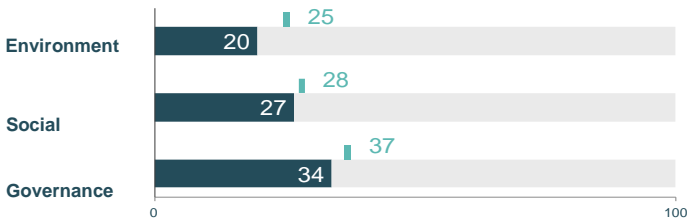
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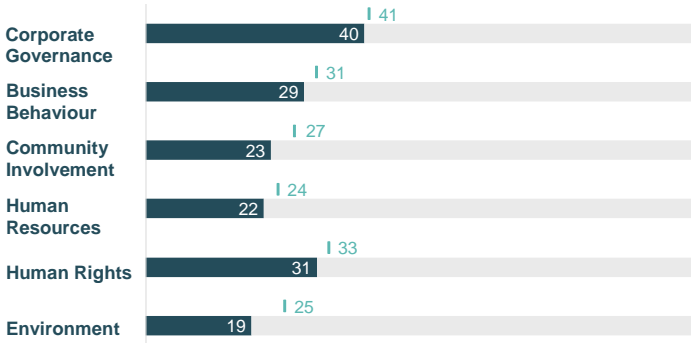
Key Findings 2018 – Pharmaceuticals Biotechnology sector



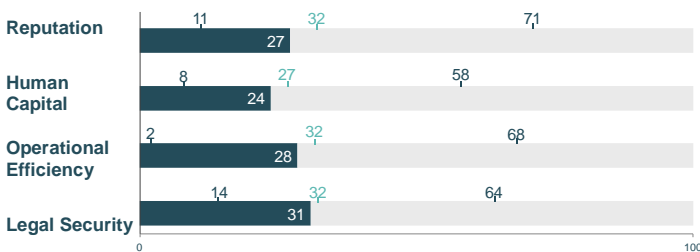
ESG PERFORMANCES – Sector & Universe



DOMAIN PERFORMANCES – Sector & Universe



RISK MITIGATION – Sector & Universe



TAKEAWAYS

- ▶ The sector's response to opioid's risks and harmful societal effects appears mild, with remediative actions not systematically adopted
- ▶ Increasing prices, antitrust practices, and high R&D costs: among challenges to be tackled to expand access to medicines.
- ▶ Practices to reduce environmental impacts from disposal of not-used medicines remain lacking
- ▶ The sector is scaling up through M&A but insufficient efforts to address the impact on employees
- ▶ The sector is vulnerable to corruption but demonstrates limited capacity to mitigate associated risks
- ▶ The industry's approach takes into account ESG elements

TOP PERFORMERS

Europe: GlaxoSmithkline (61/100)
 North America: Johnson & Johnson (52/100)
 Asia Pacific: Takeda Pharmaceutical (44/100)
 Emerging Markets: Dr Reddys Laboratories; Aspen Pharmacare Holdings (34/100)

MOST IMPROVED since 2017

Europe: Novozymes (+9)
 North America: Mylan (+14)
 Asia Pacific: No progress
 Emerging Markets: Shanghai Fosun Pharma (+34)

MOST MATERIAL DRIVERS

ADVANCED (60-100)	
ROBUST (50-59)	
LIMITED (30-49)	<ul style="list-style-type: none"> • Board of Directors • Information to patients • Corruption • Fundamental human rights
WEAK (0-29)	<ul style="list-style-type: none"> • Product safety • Anti-competitive practices • Sustainable healthcare systems • Career management • Access to medicines • Accidental pollution • Responsible lobbying

CARBON FOOTPRINT

Share of companies in each level of carbon footprint



ENERGY TRANSITION

Share of companies in each level of energy transition performance



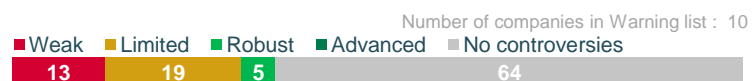
SUSTAINABLE GOODS & SERVICES

Share of companies in each level of involvement in goods and services contributing to sustainable development



CONTROVERSIES RISK MITIGATION

Share of companies in each performance level in terms of controversy risk management



Number of companies in Warning list : 10

About this document

This document is an extract of the Vigeo Eiris 2019 Report on the Pharmaceuticals Biotechnology sector.

The full report contains:

- More detailed information on performances and impacts highlighted here (data for each zone, historical evolution on 3 years of global performance and on each criterion, top performers on each domain, etc.)
- Detailed description of each takeaway on risks and opportunities
- The overview of methodological framework applied to the sector (weights of criteria, nature of stakeholders' expectations and their vulnerability on each topic).
- Detailed description of the methodology of all Vigeo Eiris research lines.

If you are interested in knowing more, please contact our customer services team at: investorcustomer.service@vigeo-eiris.com.

About Vigeo Eiris

Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:

- **For investors:** decision-making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more)
- **For companies & organisations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris obtained ISO 9001: 2015 certification for its processes relating to methodology, rating, sale and delivery of its data to all types of investors.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Brussels, Casablanca, Hong Kong, Milan, Montreal, New York, Rabat, Santiago and Stockholm. The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan.

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