

Do no harm, do good and do well:
The role of investors in pharma companies
to respect the right to health, contribute to
SDG 3 and expand access to medicine

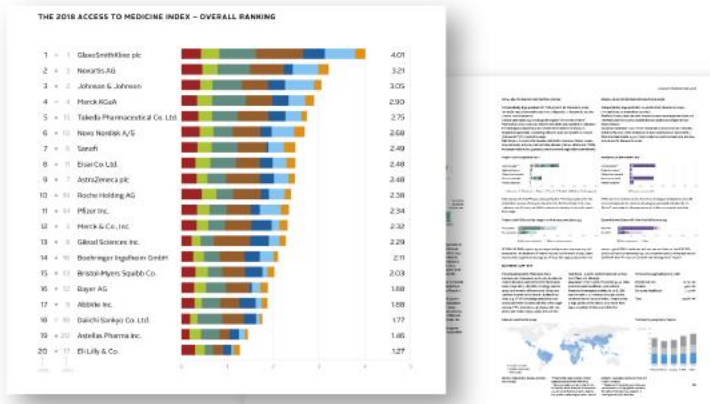
Damiano de Felice, Director of Strategy
IRBC Insurance Sector, 16 June 2020

Who we are

- Non-profit research organisation
- Fully independent from pharmaceutical companies
- Main activities:
 - conducting research on how different companies manage risks and opportunities related to global health priorities
 - comparing their performance one against the other
 - identifying best practices and areas for improvement
- Dedicated investor engagement team and 10+ analysts
- First Access to Medicine Index was published in 2008

What we do

ACCESS TO MEDICINE INDEX



AMR BENCHMARK



ACCESS TO VACCINES INDEX



THEMATIC STUDIES



ADVANCING THE DEBATE



100+ signatory investors: AUM > USD 14 trillion



How investors work with us

Market intelligence

Industry trends and risks

Direct access to 10+ analysts

Integration into investment analysis

Quantitative rankings and scores in proprietary frameworks

“Red flags” and indicators for systematic opportunities

Engagement and stewardship

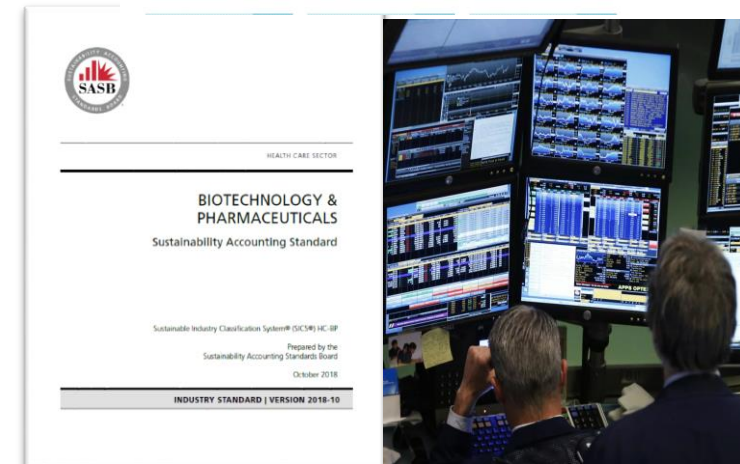
Support to bilateral meetings with companies

Coordination of collaborative engagements

Impact investing

Framework to measure companies' contribution to SDG 3

Easy comparison of companies' initiatives



Access to medicine as a component of the human right to health

Access to medicine is a key component of the right to health



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Medicines and health products

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Access and innovation

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Access to essential medicines as part of the right to health

Access to essential medicines as part of the right to the highest attainable standard of health ("the right to health") is well-founded in international law. The right to health first emerged as a social right in the World Health Organization (WHO) Constitution (1946)* and in the Universal Declaration of Human Rights (1948)*. The binding International Covenant on Economic, Social, and Cultural Rights (ICESCR) of 1966* details the

"The States Parties to this Constitution declare... The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition."

Meetings & events

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Access to medicines - fundamental to the right to health

If access to medicines was a movie, the title would be "A Tale of Grand Inequity, Inequality and Injustice". These words from Leah Hoxtor representing the International Commission of Jurists (ICJ) addressing an expert consultation in Geneva, organized at the invitation of the Human Rights Council, on access to medicines as a fundamental component of the right to health.

The consultation heard from a range of international experts including

See also

Access to medicines – a fundamental element of the right to health

Technical mission report, MDG 8 target E on access to essential

Pharma companies have a clear responsibility to respect the right to health

access to
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INSIGHTS

Human rights due diligence of pharmaceutical companies: An important first

Jun 08, 2016



GLOBAL FORUM
ON RESPONSIBLE
BUSINESS CONDUCT

Damiano de Felice, Deputy Director Strategy, Access to Medicine Foundation (@damidefelice)

On Thursday 9 June, I will moderate the first ever session on pharmaceutical companies to be held at either the UN Forum on Business and Human Rights or the OECD Global Forum on Responsible Business Conduct. For starters, these conferences represent the two most important annual events organized by international organizations to promote corporate respect for human rights.

There are several reasons why it is surprising that a panel on pharmaceutical companies has been absent for so long.

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Access to medicine as a target for SDG3

Expanding access to medicine is key to achieving SDG 3

SDG 3 Ensure healthy lives and promote well-being for all at all ages

Target 3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.

Biotech and pharma have the highest impact on SDGs

SDG	RANKING	SECTOR	SCORE
SDG Total	1	Health Care	34.95
	2	Consumption	34.33
	3	Resource Transformation	26.99
	4	Nonrenewable Resources	26.66
	5	Renewable Resources and Alternative Energy	22.97
	6	Technology & Communications	22.35
	7	Infrastructure	20.34
	8	Transportation	16.89
	9	Services	16.87
	10	Financials	14.49

Source: MIT Sloan Management Review

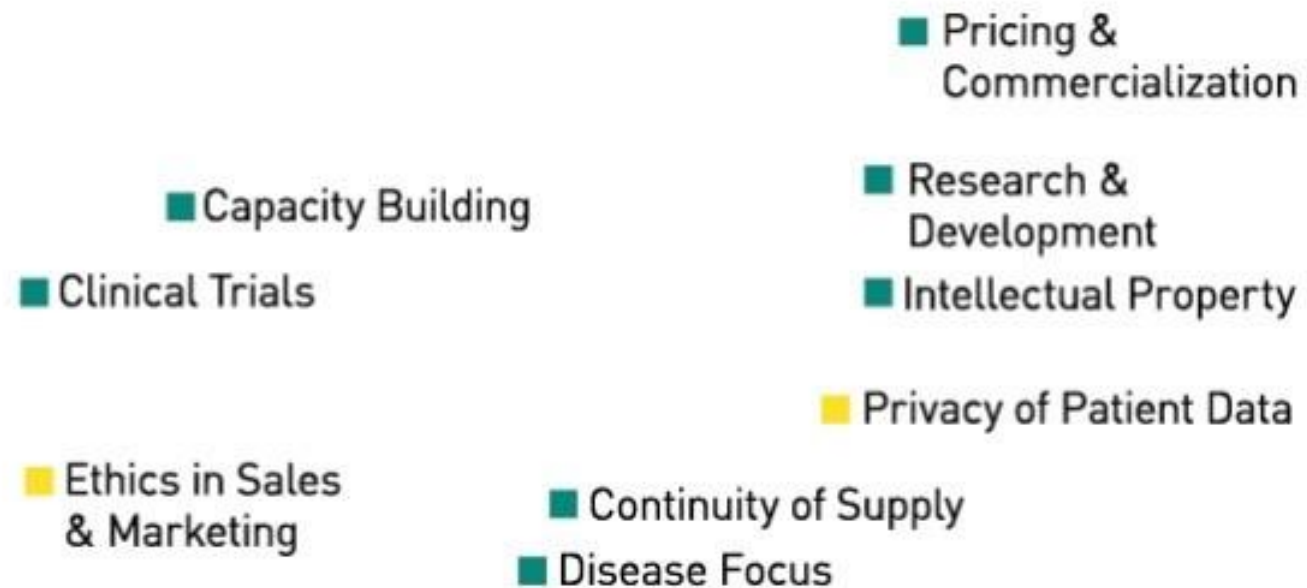
Access to medicine as a material risk and opportunity

MSD's materiality assessment



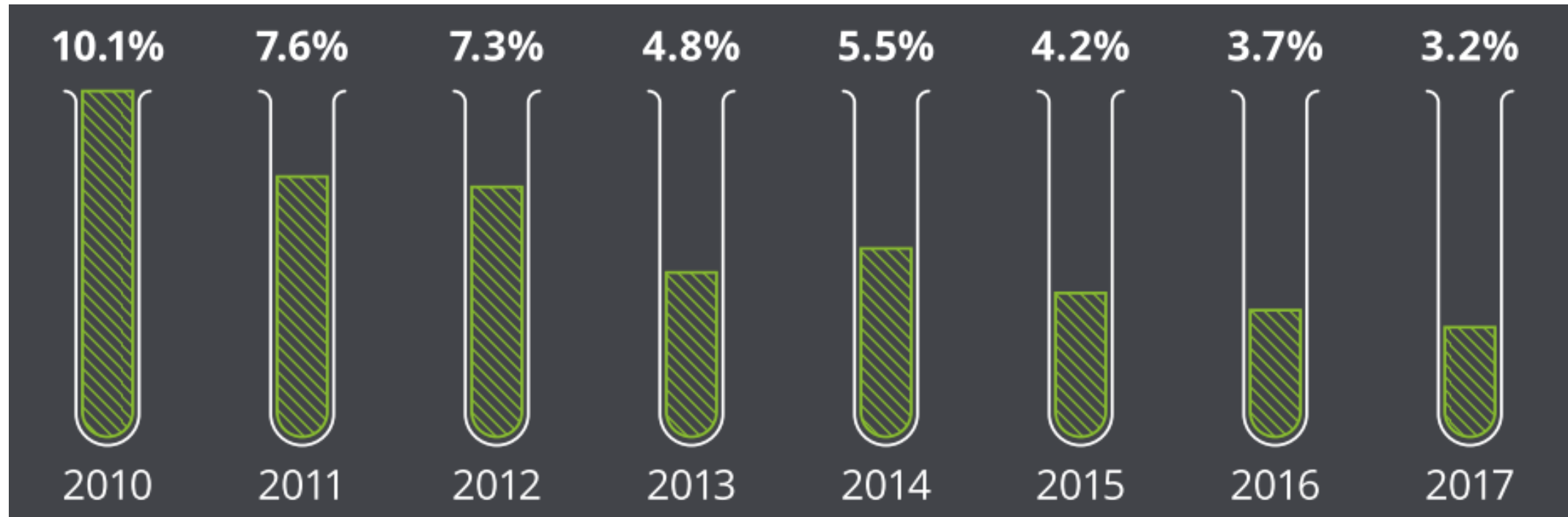
Source: MSD

MSD's materiality assessment (zoomed in)



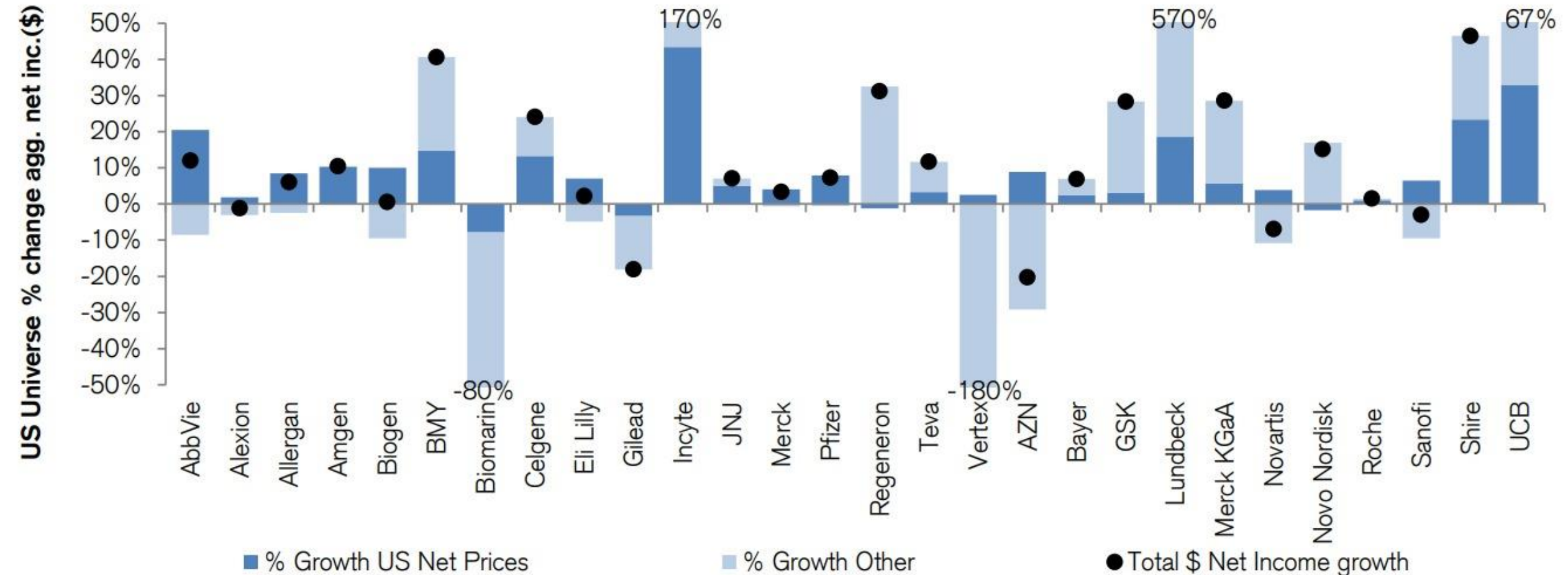
Source: MSD

Projected R&D returns continue to decline



Source: Deloitte

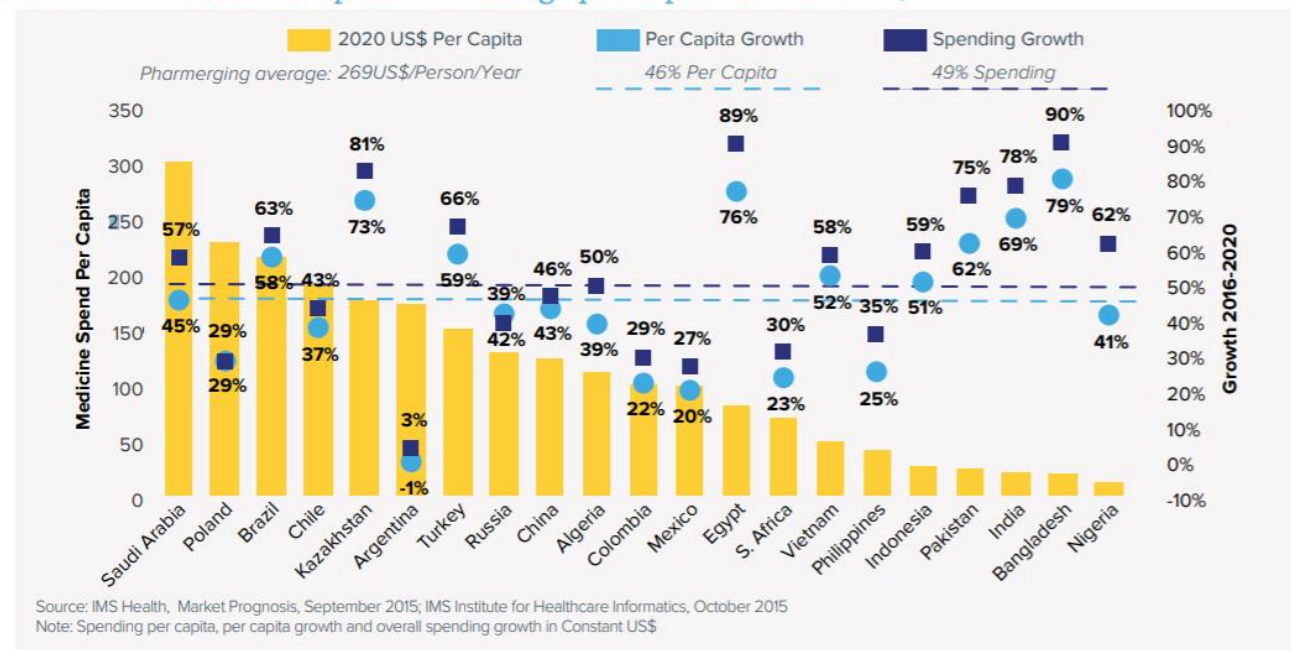
Price increases account for the majority of pharma growth in high-income markets



Source: Credit Suisse

Pharma growth in emerging markets is stable

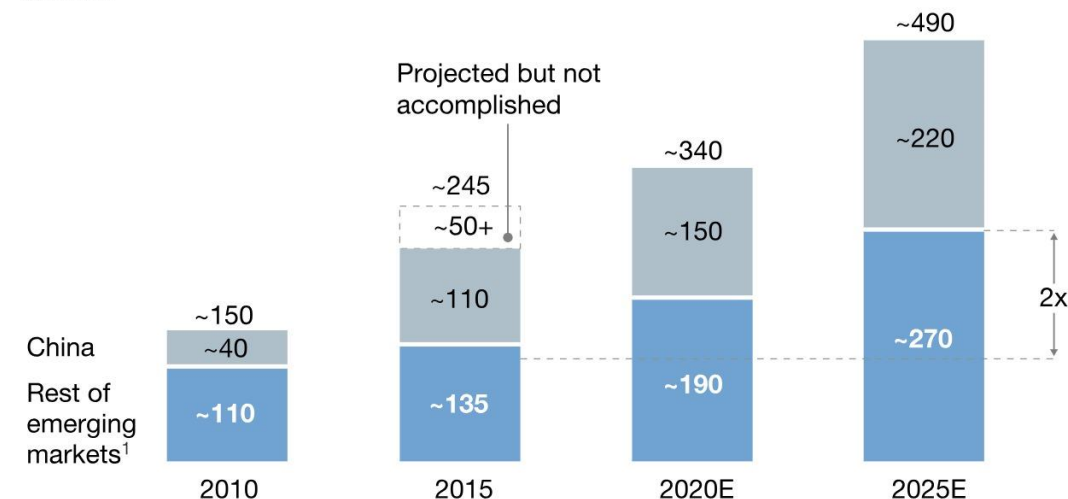
Exhibit 16: Medicines Spend and Change per Capita Constant US\$



Source: IQVIA, McKinsey & Company

Emerging-market pharma revenues

Pharma-market projections,
\$ billion



¹Brazil, India, Russia; Tier 3: Algeria, Argentina, Bangladesh, Chile, Colombia, Egypt, Indonesia, Kazakhstan, Mexico, Nigeria, Pakistan, Philippines, Poland, South Africa, Saudi Arabia, Turkey, Vietnam.

Pharma reputation continues to decline

	Total positive	Neutral	Total Negative	Net positive
	%	%	%	
Restaurant industry	66	25	8	+58
Computer industry	61	28	11	+50
Grocery industry	58	27	15	+43
Farming and agriculture	58	24	17	+41
Travel industry	52	35	13	+39

----- 15 more sectors from top to bottom -----

Oil and gas industry	39	25	36	+3
Advertising and public relations industry	33	32	34	-1
Healthcare industry	38	14	48	-10
The federal government	25	23	52	-27
Pharmaceutical industry	27	15	58	-31

Source: Gallup

Access to medicine

The responsibilities of pharmaceutical companies

HANS HOGERZEIL
Chair, em. Professor of Global
Health, University of Groningen,
the Netherlands



EMILY BLEIMUND
Director of Trade and Health,
U.S. Department of Health and
Human Services (HHS)
Office of Global Affairs



GITHINJI GITAH
Group CEO,
Amref Health Africa



FUMIE GRIEGO
Deputy Director General and
Chief Operating Officer, IFPMA



KIBACHIO JOSEPH MUIRURI MWANGI
Head of the Department of Strategic
National Public Health Programs,
Ministry of Health, Kenya



ANDREW RINTOUL
Scientist, WHO Essential Medicines and
Health Products



DENNIS ROSS-DEGNAN
Associate Professor, Harvard Medical School;
Director of Research, Harvard Pilgrim Health
Care Institute



KAWALDIP SEHMI
CEO, International Alliance
of Patients' Organizations
(IAPO)



ALAN STAPLE
Vice President and Head of the
Global Market Access Team,
The Clinton Health Access
Initiative (CHAI)



YO TAKATSUKI
Head of ESG Research
and Active Ownership,
AXA Investment
Managers



PRASHANT YADAV
Visiting Fellow at the Center for
Global Development;
Affiliate Professor of Technology
and Operations, INSEAD

access to
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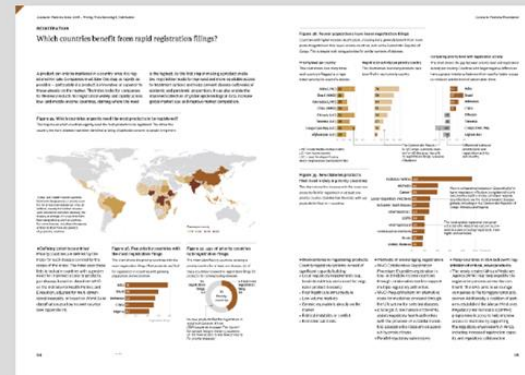
Expert Review
Committee
2019

ANALYTICAL FRAMEWORK FOR THE 2020 ACCESS TO MEDICINE INDEX

3 TECHNICAL AREAS	14 PRIORITY TOPICS	Indicators per topic
A GOVERNANCE OF ACCESS 20%	Responsible business practices	4
	Governance and strategy	3
B RESEARCH & DEVELOPMENT 25%	Access planning	4
	Product development	3
	Building R&D capacity	1
C PRODUCT DELIVERY 55%	Equitable access strategies	4
	Intellectual property strategy	3
	Quality and supply	3
	Licensing quality	2
	Product donations	2
	Registration	1
	Inclusive business models	1
	Local manufacturing	1
	Health systems strengthening	1

The 2020 Access to Medicine Index analyses company behaviour using a framework of 33 indicators organised in three Technical Areas. In line with previous Index methodology reviews, the emphasis has increased on R&D and product delivery strategies such as pricing and licensing. The new framework enables more sensitive comparisons of the access approaches being used by pharmaceutical companies in different markets and territories.

A comprehensive report and a website rich of data and comparisons



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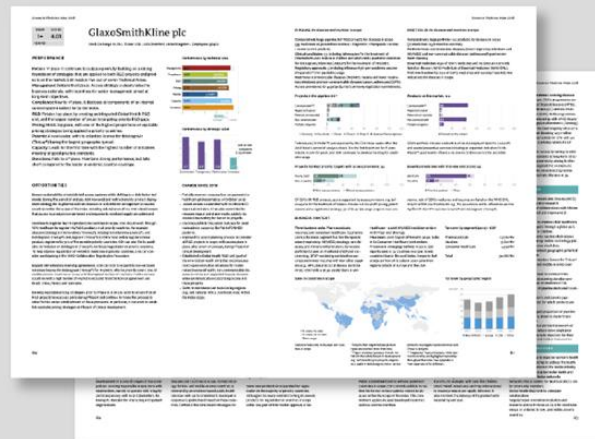
KEY FINDINGS

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LEADING GRAPHICS

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TECHNICAL AREAS



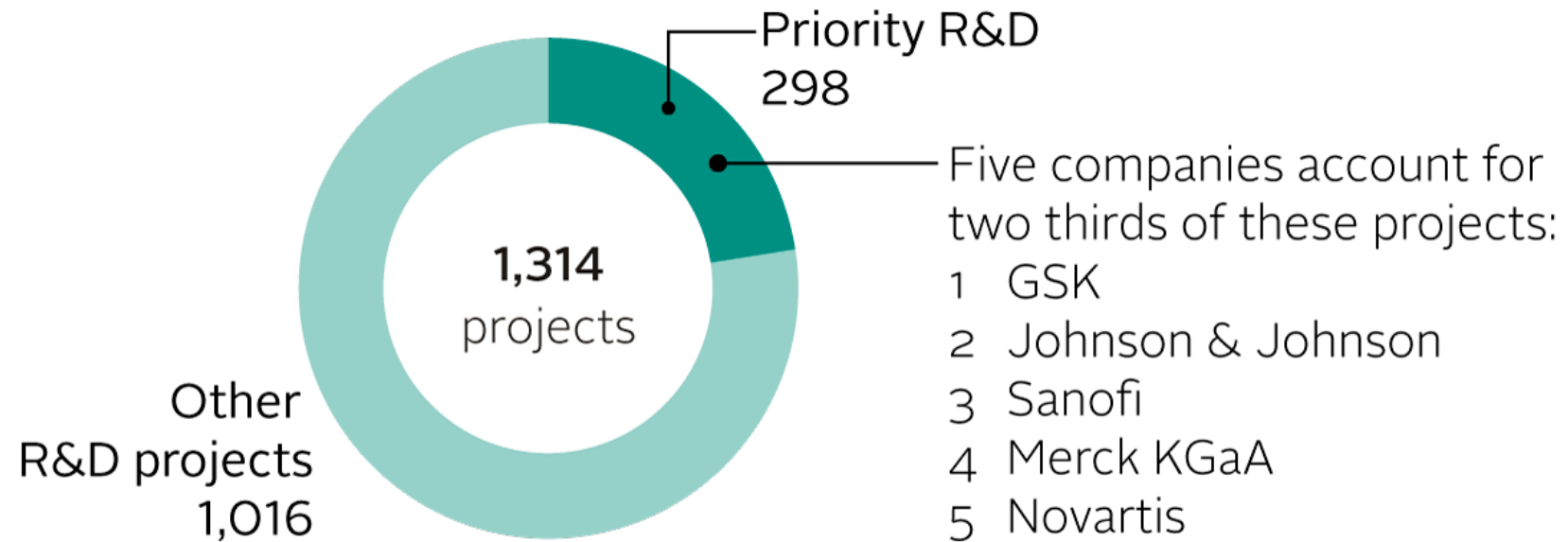
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DETAILED COMPANY REPORT CARDS

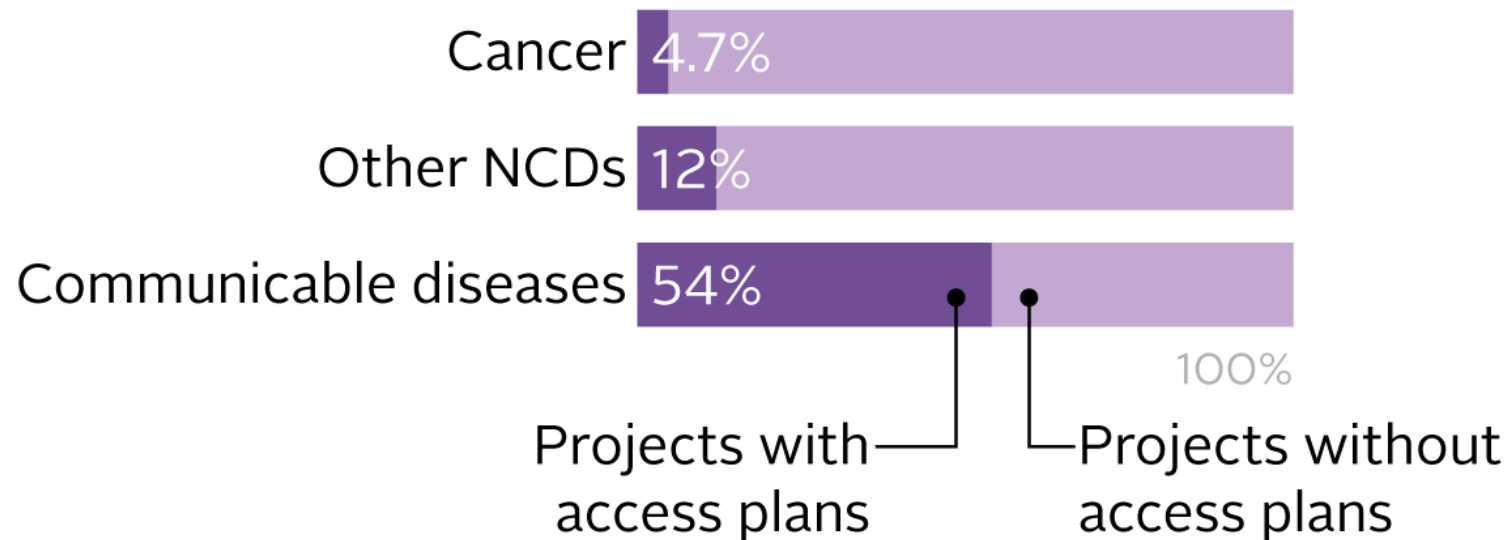
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BEST AND INNOVATIVE PRACTICES

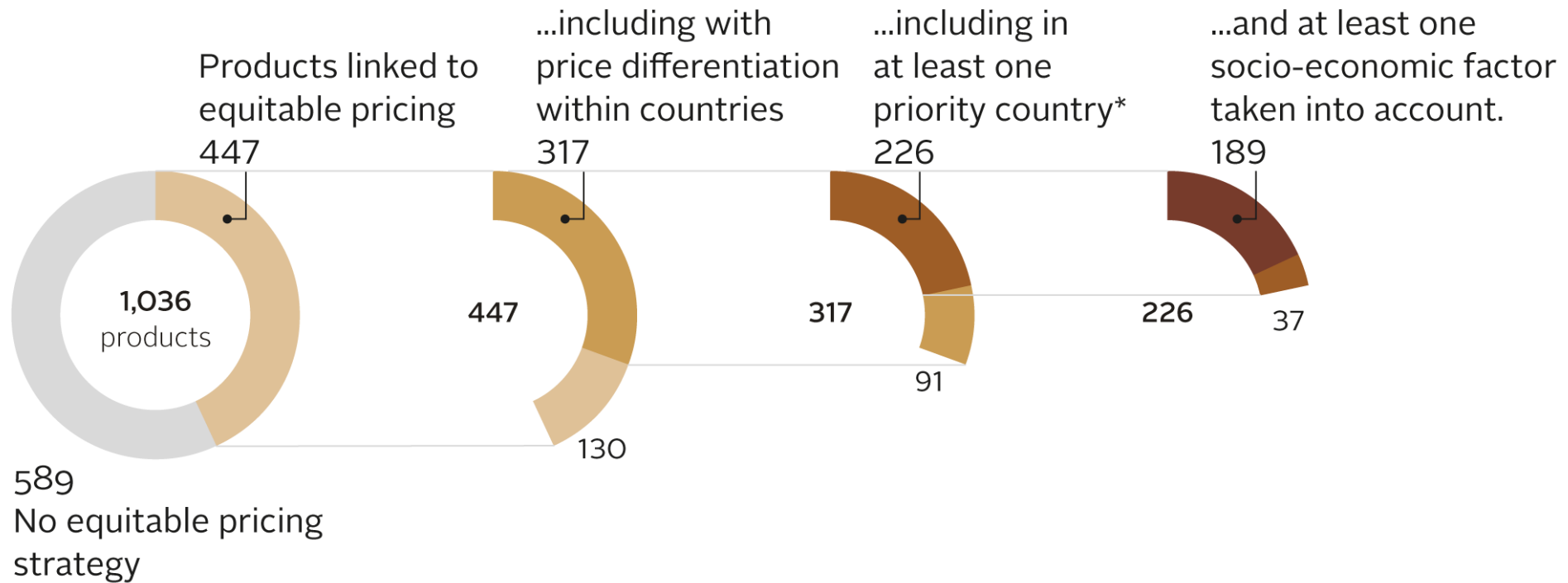
A few companies account for the large majority of global health priority projects



Pharma companies do not plan for access during R&D for blockbuster cancer medicines



The price for half of the products controlled by pharma companies do not take affordability into consideration



The Access to Medicine Foundation

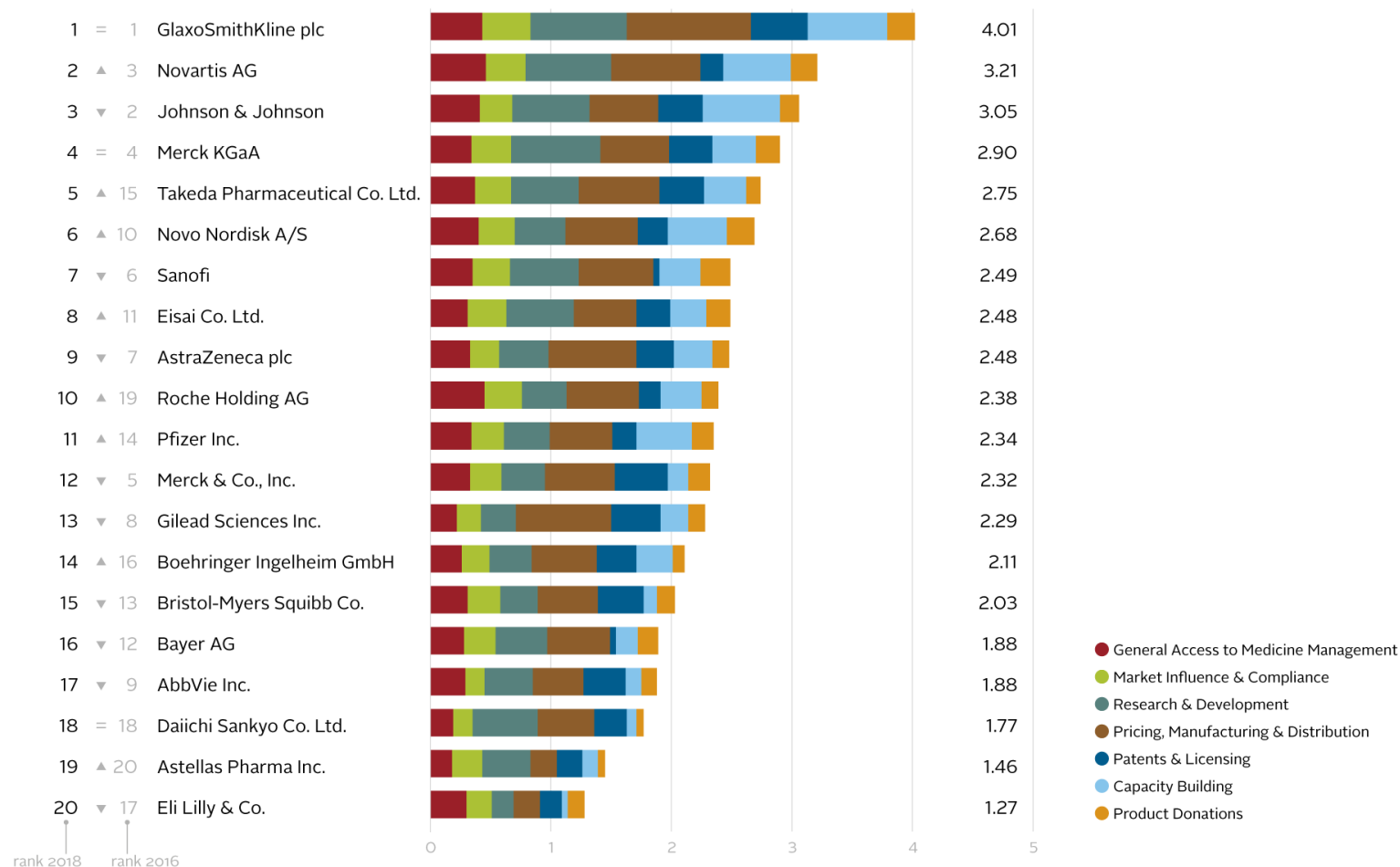
Collaboration with institutional investors

Collaborative engagement on SDG 3

Through this, investors can:

- Engage with companies on material issues for the sector (“do well”)
- Support the achievement of the SDGs (“do good”)
- Comply with business and human rights expectations (“do no harm”)

2018 ACCESS TO MEDICINE INDEX – OVERALL RANKING



Achmea-led Investor Statement on COVID-19

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Asset managers, pension funds and insurers call for international co-operation within the pharmaceutical industry to combat coronavirus

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Asset managers, pension funds and insurers call for international co-operation within the pharmaceutical industry to combat coronavirus

Zeist, 16 April 2020

A large group of Dutch and international investors are calling on the pharmaceutical industry to internationally co-operate with the combat against the coronavirus. Led by the asset manager Achmea Investment Management, they have drawn up an *Investor Statement*. In the next few days, letters will be sent to pharmaceutical companies asking them to join forces and to do their utmost to minimise the spread of the virus and its consequences.

In addition to Achmea Investment Management, the group includes among others: Actiam, a.s.r., Gothaer, LocalTapiola, Nomura, Nordea, ONVZ, PGGM, Robeco and SPH, the general practitioners' pension fund. In total, more than 40 investors have joined the initiative (asset managers, pension funds and insurers). Overall, the group represents total assets of €1.000 billion. Other interested parties may still join.

Financial considerations will now take second place

The asset managers and pension funds note that the pharmaceutical industry has launched several initiatives to curb the coronavirus. Unfortunately, at the same time, they have seen some examples of priority being given to short-term financial and competitive considerations, and this hinders the optimal action against the virus. This group of engaged shareholders believes that right now financial considerations should take second place in the global challenge of getting the coronavirus under control as quickly as possible.

The Investor Statement calls on all pharmaceutical companies to abide by the following principles during this crisis:

1. Ensure that your employees are safe and healthy, and look after their well-being;
2. A core responsibility of the pharmaceutical sector is to develop and provide affordable worldwide access to health products, including diagnostics, medicines and vaccines. The negative societal and financial impact of the COVID-19 crisis is unprecedented and needs to be resolved soon. Enforcing patents, excessive price setting, not disclosing relevant findings or securing extended market exclusivity through, for example, orphan drug designation should not run counter to this responsibility.
3. Proactively and innovatively reach out, collaborate and share relevant data in a timely manner with governments, the health sector, academia and your

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Investor Year of Action on Antimicrobial Resistance

- A 'One Health' collaboration backed by the UNPRI, the Access to Medicine Foundation and the UK Department of Health and Social Care
- Official launch at WEF, Davos
- Will recruit investor partners soon



Practical steps you can take

- Sign the Access to Medicine Index Investor Statement
- Join the investor collaborative engagement on access to medicine and SDG 3
- Support the Achmea-led engagement on COVID-19
- Integrate ATMI and AMRB company scores into valuation models
- Use ATMF research to identify systemic risks across the pharma industry
- Obtain tailored analysis from ATMF on specific issues or companies
- Engage with ATMF analysts to design impact frameworks aligned with SDG3
- Participate in the Investor Year of Action on AMR

<https://accesstomedicinefoundation.org/about-us/investors>

Contact us

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