



Biotechnology

Driving forces

Biotechnology companies continue to face scrutiny related to pricing and reimbursement of their products, as resource-constrained governments seek to slow the rise in health care costs and as public criticism of drug pricing practices remains a steady and contentious political issue. Companies must demonstrate the value of their products and ensure that corresponding pricing is economically and medically justified and sustainable for payers. Access to treatment for disadvantaged populations is also an important issue for the industry both for developed and emerging markets alike. The biotechnology industry relies heavily on human capital for innovation and the continuous development of novel medicines. The industry is characterized by extensive R&D efforts and a high risk of failure in product development, which makes attracting and retaining the most talented researchers/scientists as well as the management of their intellectual property key success factors in product development. Finally, business ethics, competitive practices and product quality and safety remain important aspects contributing to the sector's license to operate. Violations have the potential of causing significant reputational and financial damage, the impact of which has grown with the speed of information flow from social media and increased regulatory oversight.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Innovation Management
- Product Quality and Recall Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency

Social Dimension

- Addressing Cost Burden
- Health Outcome Contribution
- Strategy to Improve Access to Drugs or Products
- Talent Attraction & Retention

Sustainability leaders 2018

| RobecoSAM Gold Class | |
|------------------------|---------------|
| AbbVie Inc | United States |
| RobecoSAM Silver Class | |
| Biogen Inc* | United States |

* RobecoSAM Industry Mover

Industry statistics

| | |
|--------------------------------------------------------------------------------|----|
| Number of companies in universe | 41 |
| Number of companies assessed by RobecoSAM in 2017 | 28 |
| Assessed companies to total companies in universe (%) | 68 |
| Market capitalization of assessed companies to total market capitalization (%) | 92 |

Results at industry level

| Dimension | Average score | Best score | Dimension weight |
|---------------|---------------|------------|------------------|
| Economic | 41 | 83 | 49% |
| Environmental | 30 | 87 | 9% |
| Social | 27 | 88 | 42% |

Total score

