Investor-led Collaborative Engagement on Access to Medicine and SDG3

FREQUENTLY ASKED QUESTIONS (FAQ)

What is the background of the collaborative engagement?

- The Access to Medicine Index ranks 20 of the world’s largest research-based pharmaceutical companies on the basis of how they manage risks and opportunities related to access to medicine in low- and middle-income countries. The Index measures a range of value drivers within the pharmaceutical business, including pricing, R&D, governance and compliance.
- The Index is viewed by investors as one of the most credible sources of information for assessing how pharmaceutical companies strengthen their licence to operate globally and expand in international markets. It is endorsed by a group of 90+ signatory investors – collectively managing assets worth more than USD 13 trillion – which have signed the Access to Medicine Index Investor Statement and committed to using the Index in their investment analysis and engagement with companies.
- Since the launch of the 2018 Access to Medicine Index, numerous investors expressed strong interest in a collaborative engagement with pharmaceutical companies based on the Index results. In May 2019, the Access to Medicine Foundation published the first-ever 10-year report which offered a rigorous baseline for encouraging pharmaceutical companies to further expand the progress that has been made towards SDG 3.

What is the overall and company-specific objective of the collaborative engagement?

- The collaborative engagement is a long-term engagement project for tracking the progress of pharmaceutical companies towards SDG 3 by 2030. It represents a unique opportunity for investors to collectively drive pharmaceutical companies forward to achieve the SDG 3, as well as to track the progress and impact through the engagement.
- The collaborative engagement covers the 19 listed companies in the 2018 Access to Medicine Index (with Boehringer Ingelheim as the only exception since it is a private company). These companies together account for approximately 60-70% of global pharmaceutical revenues.
- The company-specific opportunities included in the company report cards in the Index will form the basis for engagement and tracking progress. The key areas for improvement across the companies include R&D, access planning, equitable pricing, governance, as well as patents and licensing. These priorities have been reinforced by company representatives and industry experts during the Amsterdam workshop in July 2019.

Timeline

- The collaborative engagement will be a long-term engagement project, with the Access to Medicine Index (published every 2 years) as the building block for tracking the progress.
- Lead investors are expected to reach out to the companies for a first call/meeting in Q4 2019.
- Lead investors will follow-up with the companies in Q1/Q3 of 2020 on their progress before the publication of the 2020 Access to Medicine Index.

Who is participating in the collaborative engagement?

- 93 investors (as of November 2019) have confirmed participation in the collaborative engagement. The list of confirmed participating investors can be found in Appendix 1 of this document. The vast majority of participating investors are signatory investor of the Access to
What is the format of the collaborative engagement?

- The engagement will take place mainly in the format of one-on-one or group calls/meetings with companies. The format may vary depending on the lead investors’ approach and the regional context, as well as the company’s response. It is encouraged that the lead investors would enable more participating investors to join the call/meeting, wherever feasible. The feedback and outcome from the calls/meetings will be shared with all participating investors.

What is the role of the Access to Medicine Foundation in the collaborative engagement?

- The engagement was conceived and is led by investors. The Access to Medicine Foundation plays a supportive role, as needed.
- The Access to Medicine Foundation will remain independent and not participate in the investor-led engagement meetings/calls with the companies. The Foundation will provide full research support wherever needed, in the format of written response or calls to clarify on questions that investors have. The Foundation will also coordinate the communication and share lead investors’ feedback with the group of participating investors.

Who are lead investors in the collaborative engagement?

- There is one lead or two co-lead investors for each of the 19 listed companies in the Access to Medicine Index. The list of confirmed lead investors can be found in Appendix 2 of the end of this document.

What is the responsibility of lead investors?

- Lead investors will be responsible for initiating the calls/meetings with the respective companies to discuss their progress in response to the opportunities highlighted in the Access to Medicine Index. After the engagement, the lead investors will share the feedback from the calls/meetings. The Access to Medicine Foundation will coordinate the sharing of update on a quarterly basis, which will also be shared via the PRI platform.

Tools and links for investors

- Access to Medicine Index Investor Statement
- 2018 Access to Medicine Index (published in November 2018)
- Report Card of 19 listed pharmaceutical companies included in the collaborative engagement
- 10-year Progress Analysis Report (published in May 2019)
- Amsterdam workshop summary report (published in July 2019)
- Comparison Hub with filter by company and topic
- Best & Innovative Practices with filter by company, disease, region and topic
Appendix 1 – List of lead investor for 19 listed companies in the 2018 Access to Medicine Index

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Lead Investor</th>
<th>Represented by</th>
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<tbody>
<tr>
<td>AbbVie Inc.</td>
<td>BMO Global Asset Management United Church Funds (on behalf of ICCR)</td>
<td>Catherine McCabe, Katie McCloskey</td>
</tr>
<tr>
<td>Astellas Pharma Inc.</td>
<td>Amundi Asset Management</td>
<td>Shizuko Ohmi</td>
</tr>
<tr>
<td>AstraZeneca plc</td>
<td>Janus Henderson, Öhman</td>
<td>Antony Marsden, Fredric Nyström</td>
</tr>
<tr>
<td>Bayer AG</td>
<td>Aviva Investors, BNP Paribas Investment Partners</td>
<td>Sora Utzinger, Helena Viñes Fiestas</td>
</tr>
<tr>
<td>Bristol-Myers Squibb Co.</td>
<td>Mercy Investment Services (on behalf of ICCR)</td>
<td>Donna Meyer</td>
</tr>
<tr>
<td>Daiichi Sankyo Co. Ltd.</td>
<td>Lord, Abbett &amp; Co. LLC</td>
<td>Onusa Chantanapongwanij</td>
</tr>
<tr>
<td>Eisai Co. Ltd.</td>
<td>Domini Impact Investments LLC</td>
<td>Shin Furuya</td>
</tr>
<tr>
<td>Eli Lilly &amp; Co.</td>
<td>Aberdeen Standard Investments, Calvert Research and Management</td>
<td>Andrew Mason, Stuart Dalheim</td>
</tr>
<tr>
<td>Gilead Sciences Inc.</td>
<td>Mirova</td>
<td>Marina Iodice</td>
</tr>
<tr>
<td>GlaxoSmithKline plc</td>
<td>Nomura Asset Management, Rathbone Greenbank Investments</td>
<td>Alex Rowe, Perry Rudd</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>Achmea, NEI Investments (on behalf of ICCR)</td>
<td>Frank Wagemans, Rosa van den Beemt</td>
</tr>
<tr>
<td>Merck &amp; Co., Inc</td>
<td>ClearBridge Investments, Hermes Investment Management</td>
<td>Mary Jane McQuillen, Kimberly Lewis</td>
</tr>
<tr>
<td>Merck KGaA</td>
<td>ACTIAM, Candriam Investors Group</td>
<td>Colette Grosscurt, Sophie Deleuze</td>
</tr>
<tr>
<td>Novartis AG</td>
<td>AXA Investment Managers, NN Investment Partners</td>
<td>Yo Takatsuki, Mark Belsey</td>
</tr>
<tr>
<td>Novo Nordisk A/S</td>
<td>Alecta, SEB Investment Management AB</td>
<td>Rebecca Rehn, Anette Andersson</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>Trinity Health (on behalf of ICCR)</td>
<td>Cathy Rowan</td>
</tr>
<tr>
<td>Roche Holding AG</td>
<td>Bank J. Safra Sarasin, Lord, Abbett &amp; Co. LLC</td>
<td>Nico Frey, Onusa Chantanapongwanij</td>
</tr>
<tr>
<td>Sanofi</td>
<td>Amundi Asset Management, La Banque Postale Asset Management</td>
<td>Emmanuelle Chastenet, Benoit Humeau</td>
</tr>
<tr>
<td>Takeda Pharmaceutical Co. Ltd.</td>
<td>UBS Asset Management</td>
<td>Karianne Bail-Lancee</td>
</tr>
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Appendix 2 - List of participating investors (as of November 2019)

Aberdeen Standard Investments
Achmea
ACTIAM
Adrian Dominican Sisters
Aequo Shareholder Engagement Services
Alecta
AMP Capital
Amundi Asset Management
ASN Beleggingsfondsen
ASR Nederland NV
Australian Ethical Investment
Aviva Investors
AXA Investment Managers
Bank J. Safra Sarasin
BMO Global Asset Management
BNP Paribas Investment Partners
Bon Secours Mercy Health
Boston Common Asset Management
Boston Trust Walden Company
Calvert Research and Management
Candriam Investors Group
Central Finance Board of the Methodist Church
Church of Sweden
ClearBridge Investments
CM-CIC Asset Management
Comgest
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Dignity Health
Domini Impact Investments LLC
Ecofi Investissements
EdenTree Investment Management
EFG Asset Management
Epworth Investment Management
Ethos
Etica Sgr - Responsible Investments
Forma Futura AG
GAM Investments
Groupama Asset Management
Groupe MACSF
Hermes Investment Management
Hexavest
ICCR
Impax Asset Management
Janus Henderson
JLens Investment Network
Kempen Capital Management
La Banque Postale Asset Management
La Financière de l’Echiquier
Länsförsäkringar AB
Local Government Super
Lord, Abbett & Co. LLC
Mercy Investment Services
Miller/Howard Investments
Mirova
MN
Natixis Asset Management
NEI Investments
NN Investment Partners
Nomura Asset Management
Nordea Asset Management
Northwest Coalition for Responsible Investment
OFI Asset Management
Öhman
Pax World Funds
Rathbone Greenbank Investments
Reynders, McVeigh Capital Management, LLC
Robeco
Royal London Asset Management
Schroders
SEB Investment Management AB
SPH
Stewart Investors
Storebrand Asset Management
Sumitomo Mitsui Trust Asset Management
Sycomore Asset Management
The Congregation of St. Joseph
The Dai-ichi Life Insurance Company, Limited
The Sisters of St. Francis of Philadelphia
The Sustainability Group of Loring, Wolcott & Coolidge
Tokio Marine Asset Management Co., Ltd.
Trillium Asset Management
Trinity Health
Triodos Investment Management
Trusteam Finance
UBS Asset Management
United Church Funds
Vancity Investment Management
Varma Mutual Pension Insurance Company
Vontobel
WHEB Asset Management
Zevin Asset Management