

Laboratorios Farmacéuticos Rovi SA

Pharmaceuticals | Spain | MCE:ROVI

21.8 Medium Risk



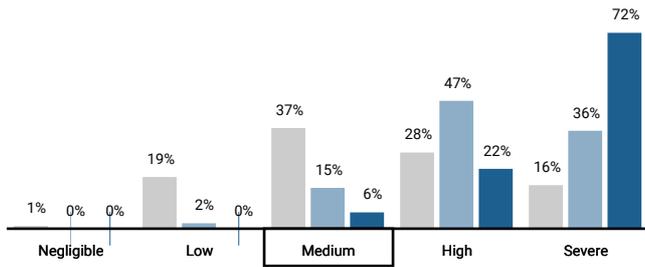
Rating Overview

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

Momentum Score

Not available due to a lack of comparable historical information

ESG Risk Rating Distribution



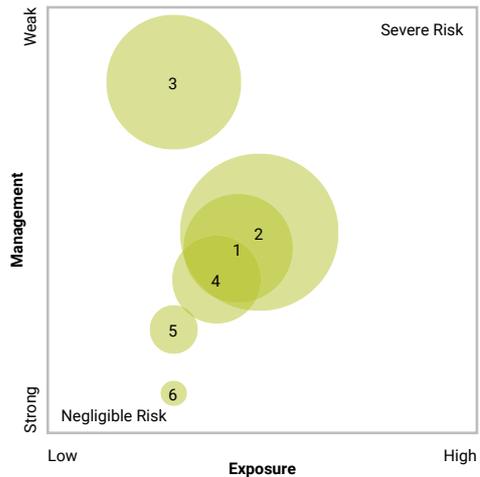
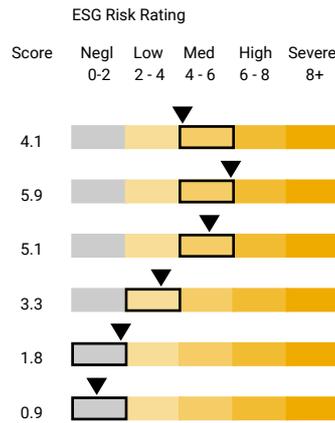
Relative Performance

	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	3242 out of 12520	27 th
Pharmaceuticals (Industry Group)	30 out of 750	5 th
Pharmaceuticals (Subindustry)	2 out of 360	1 st

Attribution Analysis

Top Material Issues

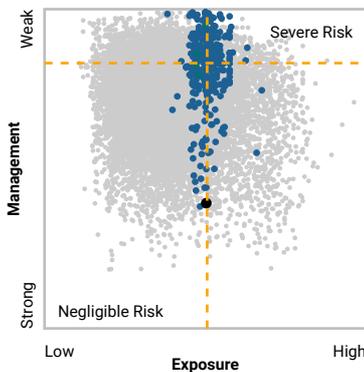
- Corporate Governance
- Product Governance
- Access to Basic Services
- Business Ethics
- Bribery and Corruption
- Human Capital



△ = Significant event

○ Circle size = Contribution to ESG Risk Rating

Risk Analysis



Peers (Market cap \$1.9 - \$1.9bn)

Peer	ESG Risk Rating	Exposure	Management
1. Laboratorios Farmacéuticos Rovi SA	21.8 Medium	50.3 Medium	60.8 Strong
2. Tsumura & Co.	38.7 High	47.9 Medium	20.6 Weak
3. NATCO Pharma Ltd.	39.3 High	47.0 Medium	17.6 Weak
4. Guangxi Wuzhou Zhongheng Group Co., Ltd.	41.3 Severe	47.5 Medium	14.0 Weak
5. Zhejiang Hisoar Pharmaceutical Co., Ltd.	47.6 Severe	50.0 Medium	5.1 Weak

- Global Universe
- Pharmaceuticals (Subindustry)
- Laboratorios Farmacéuticos Rovi SA
- Peers
- + SubIndustryAvg.

Laboratorios Farmacéuticos Rovi SA

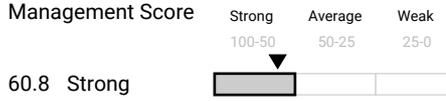
Pharmaceuticals | Spain | MCE:ROVI

21.8 Medium Risk



ROVI's portfolio of low-molecular-weight heparins and other forty own and licensed specialty drugs exposes the company to quality and safety risks. Bemiparin, one of the company's flagship products, is pending marketing approval in several countries. Manufacturing errors or unreported side effects could lead to delays or even the denial of such authorization. In addition, ROVI has an extensive portfolio of products in the R&D phase, focused on glycomics, drug release technologies and multilayer technologies for urethral catheters. Unethical research practices could lead to reputational damage and delays in bringing new products to the market. At the same time, the success of ROVI's R&D efforts depends on its ability to recruit and retain qualified scientific personnel. Human capital mismanagement could trigger skill shortage, preventing the company from executing on its strategy.

The company's overall exposure is medium and is similar to subindustry average. Product Governance, Business Ethics and Human Capital are notable material ESG issues.



ROVI's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. The company's ESG-related issues are overseen by the board or the executive team, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

Attribution Details

Issue Name	Contribution to							ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Manageable Risk Factor	Management Score	Management Weight	ESG Risk Rating		
Corporate Governance	18.7%	9.0	9.0	100%	54.8	19.2 %	4.1		
Product Governance	27.1%	10.0	10.0	80%	51.0	17.1 %	5.9		
Access to Basic Services	23.2%	6.0	6.0	100%	15.7	12.8 %	5.1		
Business Ethics	15.1%	8.0	8.0	95%	62.1	16.2 %	3.3		
Bribery and Corruption	8.2%	6.0	6.0	95%	73.8	12.2 %	1.8		
Human Capital	4.3%	6.0	6.0	95%	88.8	12.2 %	0.9		
Occupational Health and Safety	1.9%	2.0	2.1	95%	84.4	4.3 %	0.4		
Emissions, Effluents and Waste	1.4%	3.0	3.2	90%	100.0	6.1 %	0.3		
Overall	100.0%	50.0	50.3	93.2 %	60.8	100.0%	21.8	Medium	

△ =Significant event

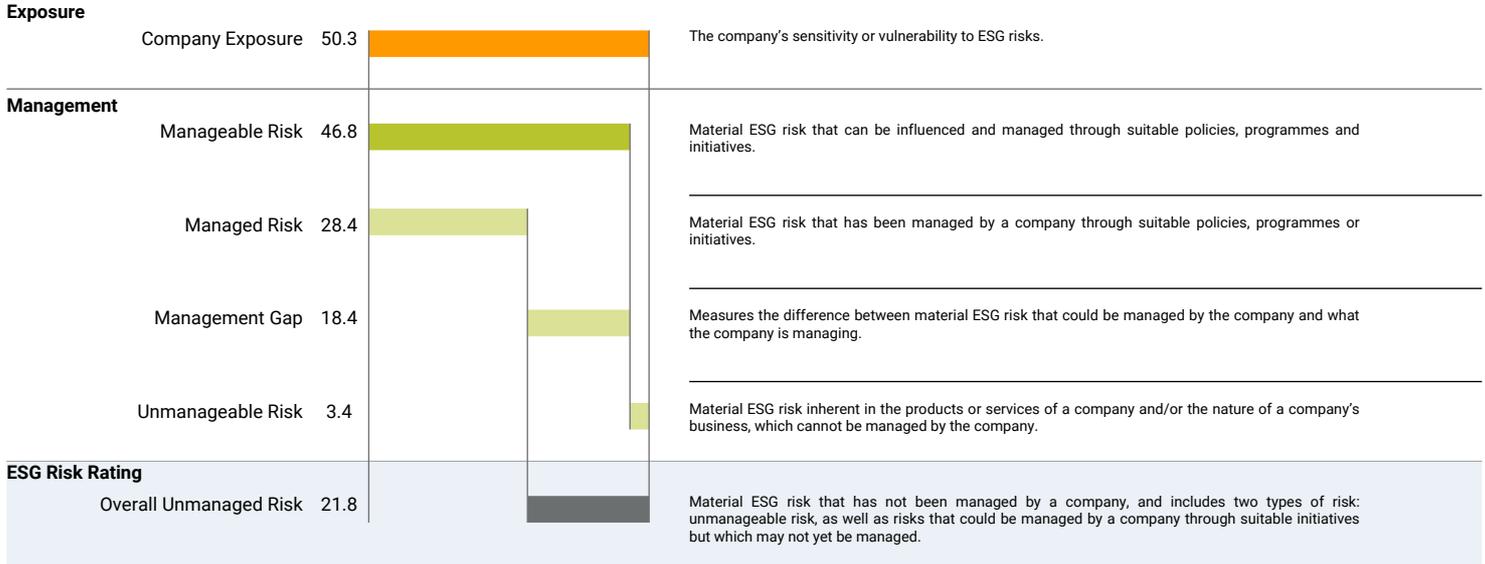
Laboratorios Farmacéuticos Rovi SA

Pharmaceuticals | Spain | MCE:ROVI

21.8 Medium Risk



Risk Details



Momentum Details

Not available due to a lack of comparable historical information

Laboratorios Farmacéuticos Rovi SA

Pharmaceuticals | Spain | MCE:ROVI

GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

Laboratorios Farmacéuticos Rovi SA

Pharmaceuticals | Spain | MCE:ROVI

DISCLAIMER

Copyright © 2020 Sustainalytics. All rights reserved.

The ownership and all intellectual property rights to this publication/report and the information contained herein are vested exclusively in Sustainalytics and/or its suppliers. Unless otherwise expressly agreed in writing between you and Sustainalytics, you will not be permitted to use this information otherwise than for internal use, nor will you be permitted to reproduce, disseminate, compile, create derivative works, furnish in any manner, make available to third parties or publish this publication/report, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies, recordings. The information on which this publication/report is based on reflects the situation as on the date of its elaboration. Such information has – fully or partially – been derived from third parties and is therefore subject to continuous modification. THE INFORMATION HEREIN IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES AND THEREFORE ARE NOT AN OFFER TO BUY OR SELL A SECURITY. NEITHER SUSTAINALYTICS NOR ALL ITS THIRD-PARTY SUPPLIERS PROVIDE INVESTMENT ADVICE (AS DEFINED IN THE APPLICABLE JURISDICTION) OR ANY OTHER FORM OF (FINANCIAL) ADVICE AND NOTHING WITHIN THIS PUBLICATION/REPORT CONSTITUTES SUCH ADVICE. SUSTAINALYTICS OBSERVES THE GREATEST POSSIBLE CARE IN USING INFORMATION, HOWEVER THE INFORMATION IS PROVIDED "AS IS" AND NEITHER SUSTAINALYTICS NOR ITS SUPPLIERS ACCEPT ANY LIABILITY FOR DAMAGE ARISING FROM THE USE OF THIS PUBLICATION/REPORT OR INFORMATION CONTAINED HEREIN IN ANY MANNER WHATSOEVER. MOREOVER, SUSTAINALYTICS AND ALL ITS THIRD-PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.

This publication/report may contain proprietary information from third parties (Third Party Data) and here you can find additional terms and conditions imposed by the following Third Party Data providers regarding the use of their data:

www.sustainalytics.com/legal-disclaimers