

Laboratorios Farmacéuticos Rovi SA

Pharmaceuticals Spain MCE:ROVI

ESG Risk Rating

16.1

Last Full Update Dec 11, 2024

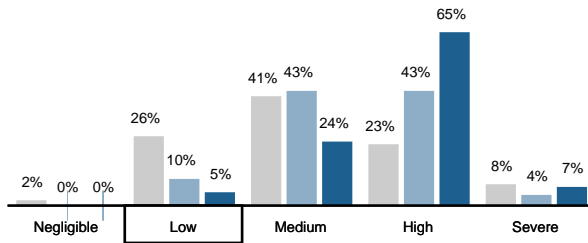
-0.3

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	2207/15100	15th
Pharmaceuticals INDUSTRY	31/851	4th
Pharmaceuticals SUBINDUSTRY	5/424	2nd

Peers Table

Peers (Market cap \$3.3 - \$3.6bn)

	Exposure	Management	ESG Risk Rating
1. Laboratorios Farmacéuticos Rovi SA	43.4 Medium	67.7 Strong	16.1 Low
2. Gland Pharma Ltd.	43.1 Medium	39.6 Average	27.2 Medium
3. ImmunityBio, Inc.	46.8 Medium	18.2 Weak	38.9 High
4. China National Medicines Co., Ltd.	48.6 Medium	20.9 Weak	39.1 High
5. Nanjing King-friend Biochemical Pharmaceutical Co., Ltd.	48.0 Medium	12.2 Weak	42.5 Severe

Laboratorios Farmacéuticos Rovi SA

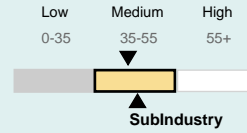
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ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

43.4 **-2.0**
Medium Momentum
 Beta = 0.94



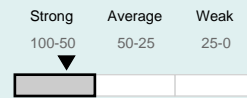
Laboratorios Farmaceuticos Rovi's value proposition exposes it to risks related to the accessibility and affordability of its products and services. Failure to ensure broad access to these (through appropriate price and coverage) may result in a loss of existing market share and a loss of growth opportunities in new markets. Furthermore, the company's product and service portfolio, as well as its customer base triggers exposure to quality and safety issues. Types of misconduct include unsafe features, insufficient transparency and misleading marketing. Exposure to ethical breaches is mostly derived from Rovi's business relations within its value chain, as well as countries of operation and size. These may include political lobbying, conflicts of interest, anti-competitive practices, tax and accounting irregularities and others.

The company's overall exposure is medium and is moderately below subindustry average. Access to Basic Services, Product Governance and Business Ethics are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

67.7 **-0.7**
Strong Momentum



Rovi's board of directors oversees the company's environmental and social performance, suggesting that these issues are integrated within its core business strategy. With regard to its notable ESG issues, the company has implemented a strong product and service safety programme, which has managerial responsibility for quality issues and includes regular internal audits and annual process reviews. Nevertheless, there is no evidence to suggest that Rovi implements a programme for equitable pricing and availability, indicating ample room for improvement. Best practices could include implementing inter-or intra-country tiered pricing strategies in low-and middle-income countries. Finally, Rovi has committed to conduct clinical trials in accordance with internal best practice guidelines and principles, including the Declaration on Helsinki, among others.

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

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Access to Basic Services	5.4 Medium	18.7 Weak	4.4 Medium	27.3%
Product Governance	9.5 High	77.1 Strong	3.6 Low	22.6%
Corporate Governance	8.0 High	73.8 Strong	2.1 Low	13.1%
Business Ethics	6.3 Medium	75.4 Strong	1.8 Negligible	11.1%
Human Capital	5.4 Medium	78.1 Strong	1.4 Negligible	8.6%
Water Use -Own Operations	1.6 Low	45.6 Average	1.0 Negligible	6.3%
Carbon -Own Operations	2.4 Low	65.7 Strong	0.8 Negligible	5.1%
Emissions, Effluents and Waste	2.7 Low	90.0 Strong	0.5 Negligible	3.2%
Stakeholder Governance	2.0 Low	78.7 Strong	0.4 Negligible	2.6%
Overall	43.4 Medium	67.7 Strong	16.1 Low	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

Severe (0)

High (0)

Significant (0)

Moderate (1)

Quality and Safety

Low (0)

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Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

None (14)

Access to Basic Services

Accounting and Taxation

Animal Welfare

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Corporate Governance

Emissions, Effluents and Waste

Energy Use and GHG Emissions

Intellectual Property

Labour Relations

Lobbying and Public Policy

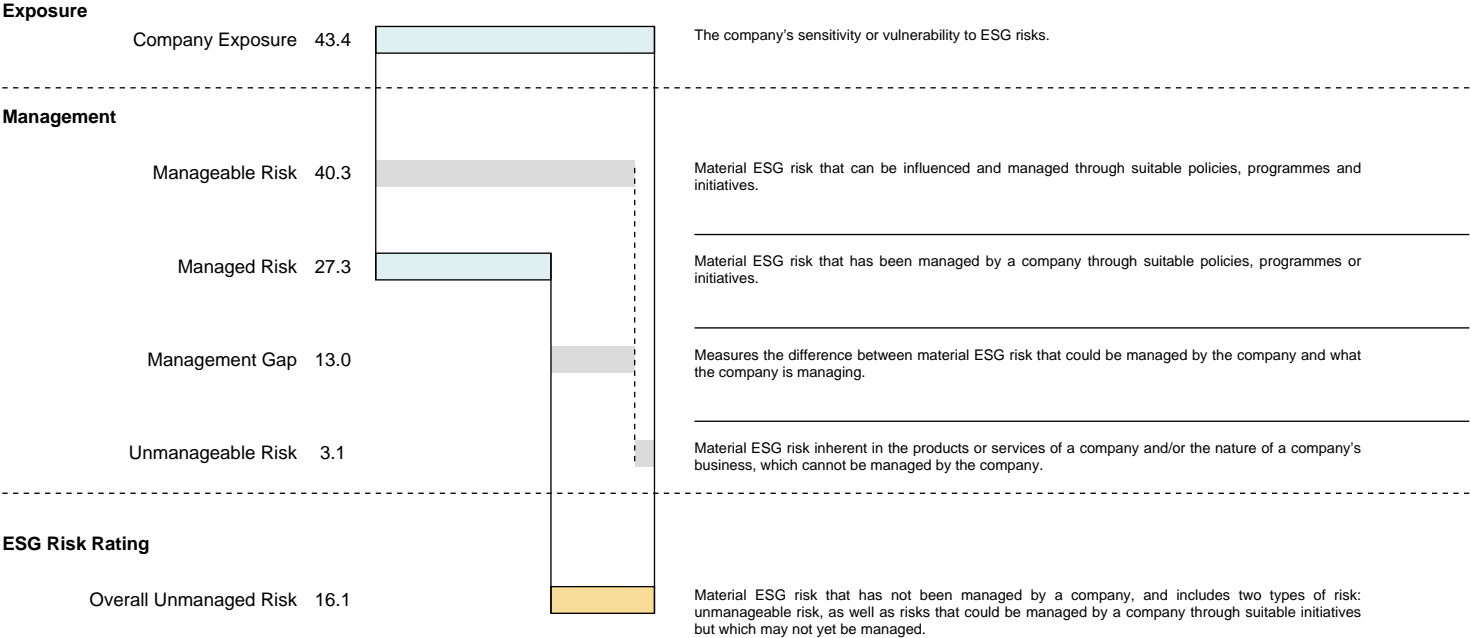
Marketing Practices

Water Use

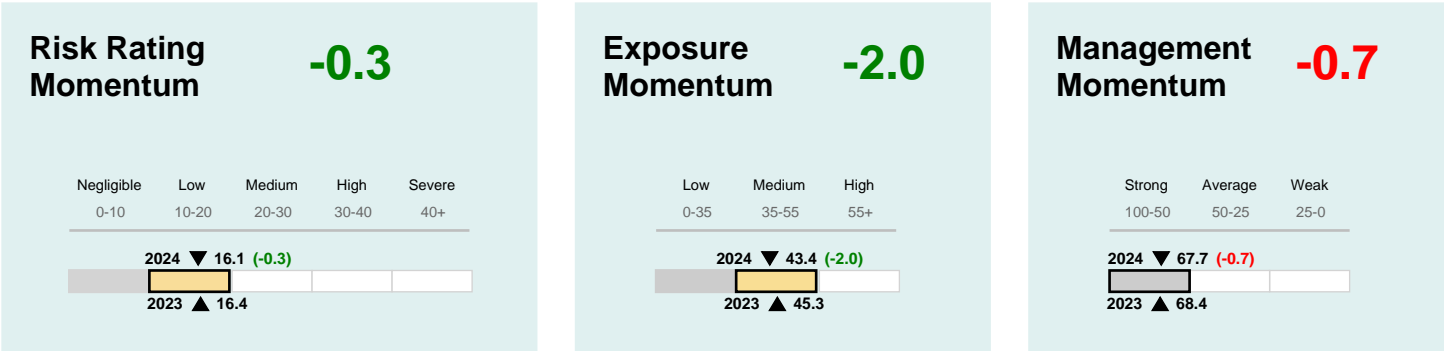
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Risk Decomposition



Momentum Details



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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.

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**).

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