PRESS RELEASE: 'Corporate Reputation of Pharma in 2017 - the Global Patient Perspective'

‘Corporate Reputation of Pharma in 2017— the Patient Perspective’

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ABOUT THIS 2017 REPORT AND SURVEY:

- **Results drawn from survey conducted:** November 2017 - February 2018.
- **Survey conducted in 18 languages:** Danish | Dutch | English | Finnish | French | German | Greek | Hungarian | Italian | Japanese | Korean | Portuguese | Polish | Russian | Spanish | Swedish | Traditional Chinese | Turkish.
- **Profile of the respondent patient groups:**
  - 1,330 respondent patient groups.
  - 95 countries.
  - 73 specialties.
  - 60% national.
  - 10% international.
- **Patient-group partnerships with industry**: 857 patient groups (64%) worked/partnered with at least one pharma company.
- **Industry-wide analyses:** the pharma industry as a whole assessed at a wide range of activities important to patients and patient groups; its performance compared with that of other healthcare sectors.
- **Company analyses:** 46 pharma companies analysed for performance at 12 indicators of corporate reputation.
- **Nine leading pharma companies**—AbbVie, Eisai, Janssen (Pharmaceutical Companies of Johnson &

London, April 5th, 2018.

The ‘Corporate Reputation of Pharma in 2017’ report is based on the findings of a PatientView November 2017-February 2018 survey exploring the **views of 1,330 patient groups worldwide**. The report provides **feedback (from the perspective of these patient groups) on the corporate reputation of the pharma industry during 2017**, as well as on the **performance of 46 pharma companies** at 12 key indicators that influence corporate reputation.

The Corporate-Reputation survey is now in its 7th edition—thus, seven years of historical data are available. In addition, **we incorporated several important new indicators of corporate reputation into the 2017 survey—to reflect the changing, and more demanding, relationships that now exist between patient groups and pharma companies**.

The 12 indicators of corporate reputation used to assess 46 pharma companies in 2017

Year of introduction	#	Indicator: which company is best at …
2011	1.	… having an effective patient-centred strategy.
2011	2.	… providing high-quality patient information.
2011	3.	… ensuring patient safety.
2011	4.	… supplying high-quality, useful products.
2017	5.i.	… being transparent about the company's own pricing policies.
2017	5.ii.	… being transparent about, and sharing the results of, clinical trials.
2011	5.iii.	… being transparent about its funding of external stakeholders (eg, medical professionals).
2011	6.	… acting with integrity.
2016	7.	… working partnerships with the patient group, or with patients familiar to the patient group.
2017	8.	… providing more services than just medicine (services 'beyond the pill').
2017	9.i.	… engaging patients in its product research.
2017	9.ii.	… engaging patients in its product development (including clinical trials).

The 46 companies assessed in this 2017 report

AbbVie I Acorda Therapeutics I Allergan I Almirall I Amgen I Astellas Pharma I AstraZeneca I Bayer I Bial I Biogen I Boehringer Ingelheim I Bristol-Myers Squibb I Celgene I Chiesi Farmaceutici I CSL Behring I Daiichi Sankyo I Eisai I Eli Lilly (Lilly) I Ferring I Gedeon Richter I Gilead Sciences I Grifols I Grünenthal I GSK I Ipsen I Janssen (Pharmaceutical Companies of Johnson & Johnson) I LEO Pharma I Lundbeck I Menarini I Merck & Co I Merck KGaA I Novartis I Novo Nordisk I Octapharma I Otsuka I Pierre Fabre Laboratories I Pfizer I Roche I Sanofi I Servier I Shire I Takeda I Teva I UCB I Vertex Pharmaceuticals I ViiV Healthcare.

HOW DID INDUSTRY FARE?

In 2017, patient-group attitudes towards pharma improved, after plummeting in 2016.

- **43% of respondent patient groups thought that the pharma industry had an "Excellent" or "Good" corporate reputation in 2017**—against 38% of patient groups saying the same in 2016.
- **In 2017, respondent patient groups ranked the pharma industry 3rd overall for corporate reputation out of 9 healthcare-industry sectors**, the other sectors being: biotech; generic-drugs industry; health insurers (for-profit, and not-for-profit); medical-device industry; private-sector healthcare; and retail pharmacy. In 2016, patient groups ranked the pharmaceutical industry just 5th out of 9 healthcare sectors.

PHARMA ALSO IMPROVED IN KEY ACTIVITIES IN 2017 …

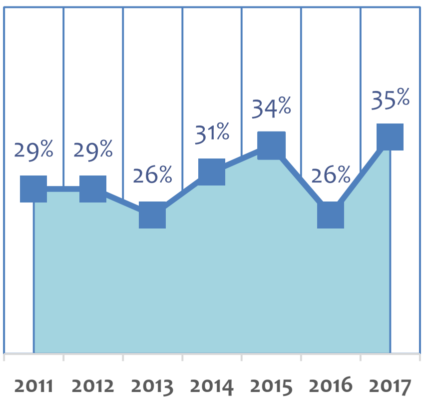
- 2017's respondent patient groups rated pharma as improving its performance over 2016 at three areas of activity important to patients and patient groups: **patient centredness** (35% of the patient groups stated that the industry was "Excellent" or "Good" at this activity, compared with just 26% in 2016); **integrity** (31% described the industry as "Excellent" or "Good" at this activity, compared with just 28% in 2016); and in services provided **'beyond the pill'** (27% thought industry "Excellent" or "Good" at this, compared with just 20% in 2016).

BUT …

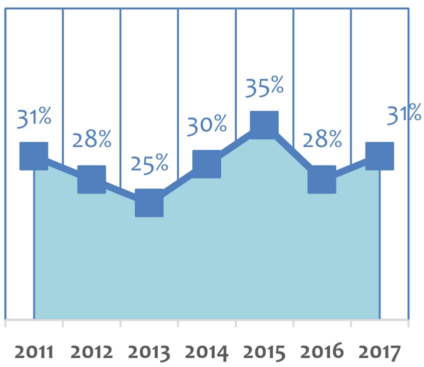
- Respondent patient groups were far more negative in 2017 than in 2016 about several other pharma-industry activities. For instance, only 48% of 2017's respondent patient groups judged pharma "Excellent" or "Good" at **being innovative** (down from 59% in 2016; which, in turn, was down from 69% in 2015). The 2017 figure is the lowest-reported percentage for the pharma industry's capacity to innovate since 2011 (when PatientView's Corporate-Reputation surveys began). Equally negative were 2017 attitudes towards the industry's **ability to make high-quality products**. Only 57% of respondent patient groups in 2017 saw pharma as "Excellent" or "Good" at making high-quality products (down from 64% in 2016—which, was, in itself, also down from 72% in 2015). Again, the 2017 figure is the lowest-reported percentage for pharma and high-quality products since 2011.

PATIENT-GROUP REPORTED IMPROVEMENTS IN 2017

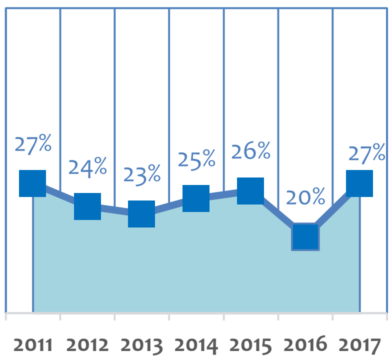
Patient-centric strategy



Acting with integrity

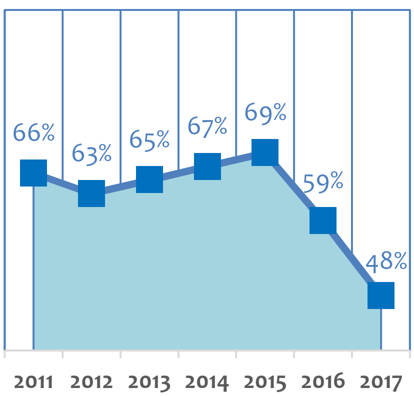


'Beyond the pill'

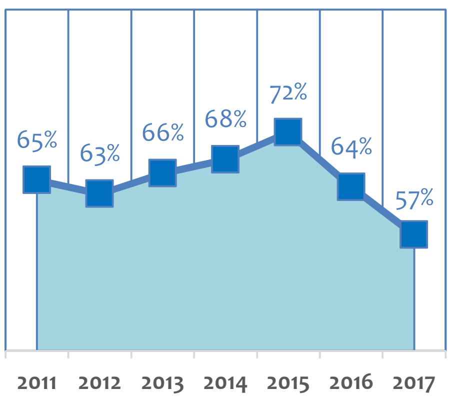


PATIENT-GROUP REPORTED SIGNIFICANT DECLINES IN 2017

Being innovative



Making high-quality, useful products



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Why these results? On the negative side ...

Major structural issues appear to be damaging the pharma industry's R&D productivity. For example, companies are increasingly finding difficulty in differentiating their products from those of their competitors—and they are also having trouble tackling unmet patient needs, and innovating. Although 2017—unlike previous years—brought few, if any, large-scale safety problems, safety remains a perennial concern for most patient groups. Mental-health patient groups—which represent the largest proportion of respondents to the Corporate-Reputation survey (8% in 2017)—particularly emphasise the subject of patient safety. Patient groups, too, hold rising expectations that pharma will improve on its transparency levels; awareness of transparency indices is corresponding up among them. In addition (in the US, at least), patent/licencing battles between pharmaceutical companies have gained media attention—especially in light of President Trump's continuing 'politicisation' of the topics of pharma pricing and profits.

Why these results? On the positive side ...

The fact that the pharma industry as a whole saw an overall increase in its corporate reputation among patient groups during 2017 is probably due to the efforts made by the global headquarters of companies to improve corporate integrity. Integrity is a facet of company-wide authenticity, and forms one of the nine 'attributes' defined by PatientView as essential to successful corporate patient centricity [see details about the PatientView publication, *Being Patient Centric* [http://www.patient-view.com/bull-being-patient-centric.html]]. A boost in the industry's integrity may have been made possible by a reduction in mergers and acquisitions during 2017—a trend that gives companies a breathing space to reorganise, and to focus more on patients, and less on worrying about being taken over by competitors (or whether to take over competitors). Although the evidence suggests that a centralised approach is improving the authenticity of companies, what still remains to be seen is whether enough is being done to lift patient-group perceptions of companies across PatientView's other eight 'attributes' of patient centricity (including patient safety, transparency, and R&D).

HOW COMPANIES PERFORMED

Companies with the "Best" corporate reputation in 2017, as assessed by patient groups familiar with the company

Ranking is measured by patient groups familiar with a company. Such patient groups provide feedback on the public-domain persona of the companies.

- **ViiV Healthcare** ranked overall 1st for corporate reputation among 46 pharma companies (as it did in 2016), according to the 99 patient groups that claimed familiarity with ViiV in 2017. ViiV was also 1st for 11 of the 12 indicators of corporate reputation used in the 2017 survey. The exception was high-quality products, for which the patient groups familiar with ViiV ranked it 2nd.
- **AbbVie** ranked overall 2nd for corporate reputation in 2017 (as it did in 2016). AbbVie was also ranked 2nd for six of the 12 indicators of corporate reputation.
- **Gilead Sciences** was ranked overall 3rd for corporate reputation in 2017 (rising two places from 5th in 2016). Gilead was ranked 1st in 2017 for high-quality products by the patient groups that claimed familiarity with it.

Rankings of individual pharma companies among patient groups familiar with the company, 2017 v. 2016, ordered HIGH to LOW

	RANK 2017	RANK 2016	DIFFERENCE
ViiV Healthcare	1	1	0
AbbVie	2	2	0
Gilead	3	5	2
Novartis	4	3	-1
Janssen	5	7	2
Roche	6	8	2
Lundbeck	7	8	1
UCB	8	11	3
Novo Nordisk	9	4	-5
Pfizer	10	12	2
GSK	11	13	2
Eli Lilly	12	17	5
Eisai	13	16	3
Celgene	14	14	0
Sanofi	15	18	3
Merck & Co	16	27	11
Merck KGaA	17	40	23
Vertex	18	-	-
Bayer	19	15	-4
Shire	20	10	-10
Boehringer	21	35	14
Biogen	22	22	0
Ipsen	23	23	0
Otsuka	24	21	-3
Amgen	25	19	-6
Astellas	26	31	5
AstraZeneca	26	25	-1
Octapharma	28	24	-4
LEO Pharma	29	28	-1
Menarini	30	38	8
CSL Behring	31	-	-
B-MS	31	29	-2
Grifols	33	6	-27
Teva	34	34	0
Allergan	34	26	-8
Pierre Fabre	36	-	-
Takeda	37	32	-5
Grünenthal	38	33	-5
Acorda	39	-	-
Chiesi	40	30	-10
Ferring	41	39	-2
Daiichi	42	-	-
Servier	43	42	-1
Gedeon	43	20	-23
Almirall	45	40	-5
Bial	46	44	-2

Overall top-tier companies

Each company could be placed into one of three tiers of corporate reputation (top, middle, or lower), depending on its average performance across the 12 indicators of corporate reputation.

Ten companies reached a score that allowed them to rank in the overall top tier for all indicators of corporate reputation in 2017. In order of 1 to 10: **ViiV Healthcare**, **AbbVie**, **Gilead Sciences**, **Novartis**, **Janssen**, **Roche**, **Lundbeck**, **UCB**, **Novo Nordisk**, and **Pfizer**. Pfizer's jump of two places in the overall rankings among patient groups familiar with it (up to 10th in 2017 from 12th in 2016), moved the company into the top tier.

High flyers among patient groups familiar with the company (represents a company's public image)

2017's biggest rises up the rankings among patient groups familiar with a company were achieved by **Merck KGaA** and **Boehringer Ingelheim**. Though not to detract from the success of these latter companies' achievements, their increases were partly due to changes in 2017 in PatientView's survey methodology and analyses.

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The companies that saw the biggest rises in overall positioning for corporate reputation, 2017 v. 2016—according to their patient-group partners (represents a private, internal image of a company)

	POSITION 2017	POSTION 2016	DIFFERENCE
Boehringer	13	34	21
Merck KGaA	13	29	16
LEO Pharma	19	33	14
Ipsen	10	23	13
Menarini	29	38	9
Lundbeck	2	10	8
Biogen	11	19	8
Eisai	17	24	7
Merck & Co	23	28	5
Gilead	3	7	4
Astellas	26	30	4
Otsuka	28	32	4
Takeda	36	38	2
Bial	45	47	2

A slightly different picture is attained if the corporate reputation of companies is assessed by their patient-group partners. Aside from Boehringer Ingelheim and Merck KGaA, the most striking improvements in company performance at corporate reputation in 2017 were reported by the patient-group partners of **LEO Pharma**, **Ipsen**, **Menarini**, **Lundbeck**, and **Biogen**.

* NOTE OF QUALIFICATION ABOUT THE NEW INDICATORS OF CORPORATE REPUTATION USED IN THE 2017 SURVEY:

A number of respondent patient groups—even if they worked with pharma—either did not know the answers to the questions about the new indicators, or felt that none of the companies qualified for election as "Best" at the new indicators. Hence, the very low scores sometimes reported for the new indicators, particularly in the middle and lower tiers of the league tables.

Percentage of patient groups stating that "None" of the 46 companies were "Best" for each indicator (indicator by indicator)

	Familiar with	Worked with
1. Patient centricity	5.5%	4.3%
2. Patient information	7.1%	5.8%
3. Patient safety	6.2%	4.1%
4. High-quality products	4.4%	2.5%
5i. Transparency: pricing [new]	17.3%	17.4%
5ii. Transparency: clinical-trial data [new]	10.6%	9.7%
5iii. Transparency: funding of stakeholders	10.5%	8.8%
6. Integrity	7.9%	5.1%
7. Quality of relationships with patient groups	10.4%	5.5%
8. 'Beyond the pill' [new]	10.0%	7.6%
9i. Engaging patients in research [new]	12.7%	12.5%
9ii. Engaging patients in development [new]	13.8%	14.0%

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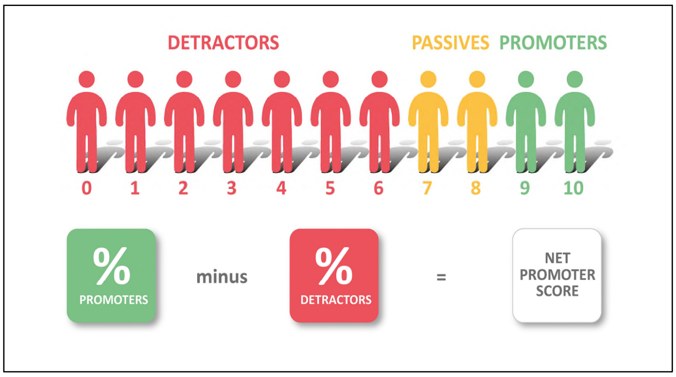
NET PROMOTER SCORE (NPS)



For the first time, PatientView's 2017 Corporate-Reputation survey utilised a Net Promoter Score (NPS) question. The question asked patient groups working/partnering with a company whether they would recommend that company to another patient group.

NPS is a standard management tool. It asks whether a customer would recommend a company to another person. As such, the NPS is typically used to measure a customer's loyalty to the company.

In accordance with standard NPS measures, customers are asked to score its likelihood of recommendation on a scale of 0 to 10 (with '10' being a definite recommendation of the company, and '0' being definitely no recommendation of the company). The NPS score is obtained by calculating the percentage of customers that score a company either '9' or '10' (promoters), and subtracting the percentage of customers that score a company anywhere from '0' to '6' (dectractors). Scores of 7 or 8 are considered passives, and not counted at all. Scores above +40% are considered excellent. Scores below zero suggest customer discontent with the company.

Top scores for NPS among 2017's 46 featured pharma companies are shown below:

- **Lundbeck**, with a score of +60%, was top.
- **UCB**: +43%, 2nd.
- **Roche**: +35%, 3rd.
- **ViiV Healthcare:** +34%, 4th.
- **LEO Pharma**: +33%, =5th.
- **Novo Nordisk**: +33%, =5th.
- **Novartis**: +32%, 7th.
- **Vertex Pharmaceuticals** (a new entrant for the 2017 survey): +30%, 8th.
- **AbbVie**: +28%, 9th.
- **Grifols**: +27%, 10th.

[The greatest divergence between NPS and PatientView's league tables (as assessed by patient groups that work with the company) is found among the companies that sit near the bottom of the tables. These latter companies posted inconsistent scores (higher and lower) for the 12 indicators of corporate reputation. Such variations may explain why the NPS scores and the location of the latter companies in the league table can be so different.]

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