

ACCESS TO MEDICINE INDEX 2022 (ATMI)

WHAT IS THE ATMI?

The Access to Medicine Index (ATMI), launched in 2008, ranks the world's largest research-based pharmaceutical companies' efforts in how they improve access to medicine in low-to middle-income countries. To date, 134 global investors, including EdenTree, representing over \$21 trillion of assets under management (AUM), have signed an investor statement in support of the initiative. The Access to Medicine Foundation, which produces the ATMI, is an independent non-profit organisation, which receives the best part of its funding from the UK and Dutch governments, as well as from the Bill & Melinda Gates Foundation, Leona M. and Harry B. Helmsley Charitable Trust and AXA Investment Managers. It has no financial relationships with pharmaceutical companies.

The data generated by the Index is made publicly available and is utilised by investors, governments, NGOs and the pharmaceuticals industry with the aim of improving access to medicine. The Index is designed to provide insight and stimulate cooperation and improvement of the companies. It covers 20 of the largest pharmaceuticals companies with products for 83 high-burden diseases, conditions and pathogens in 108 low and middle-income countries (LMICs) Algeria and Venezuela were added in 2022.

The 2022 ATMI, which was published in November, can be accessed [here](#).

WHAT DOES ACCESS DEPEND ON?

Access to medicine depends on a number of factors:

- **Availability** – ensuring new or existing products are available for use
- **Accessibility** – ensuring people can receive products and know how to administer them
- **Affordability** – ensuring patients, healthcare providers and governments can afford the product, irrespective of their socio-economic status
- **Acceptability** – ensuring products are safe, efficacious and work as intended

¹ [COVID-19 death toll four times higher in lower-income countries than rich ones | Oxfam International](#)

² [Lower-Income Countries That Face The Most Rapid Shift In Noncommunicable Disease Burden Are Also The Least Prepared - PubMed \(nih.gov\)](#)

³ [Frequently Asked Questions | Access to Medicine Foundation](#)

WHAT IS THE CONTEXT FOR THE ATMI?

One of the core UN Sustainable Development Goals (SDGs) for 2030 is “SDG 3: ensure healthy lives and promote well-being for all at all ages”. Despite landmark achievements since the turn of the century, including the eradication of smallpox and rinderpest, the world faced a new pandemic in 2020, in which low and middle-income countries were hit the hardest. Deaths from the pandemic were four times as high in lower-income countries compared with high income countries¹, and millions of people still face uncertainty in these countries relating to the supply and affordability of health products, ranging from simple diagnostic equipment to front-line drugs.

In addition, tropical and communicable diseases – in particular malaria, tuberculosis, and HIV/AIDS – continue to be major health burdens in low and lower-middle income countries. Non-communicable diseases such as cancers, diabetes, cardiovascular diseases and chronic respiratory illnesses are also on the rise². Each year, roughly 17 million people die from a non-communicable disease before the age of 70, of which, 86% occur in low-and middle-income countries. The constitution of the World Health Organization (WHO) states that all people have the right to the highest attainable standard of health, yet access to medicine continues to elude around 2 billion people³. With their global reach and considerable resource base, the pharmaceutical companies ranked by ATMI can play a sizeable role in bridging this gap.

LEADING CAUSES OF DEATH IN LOW-INCOME COUNTRIES

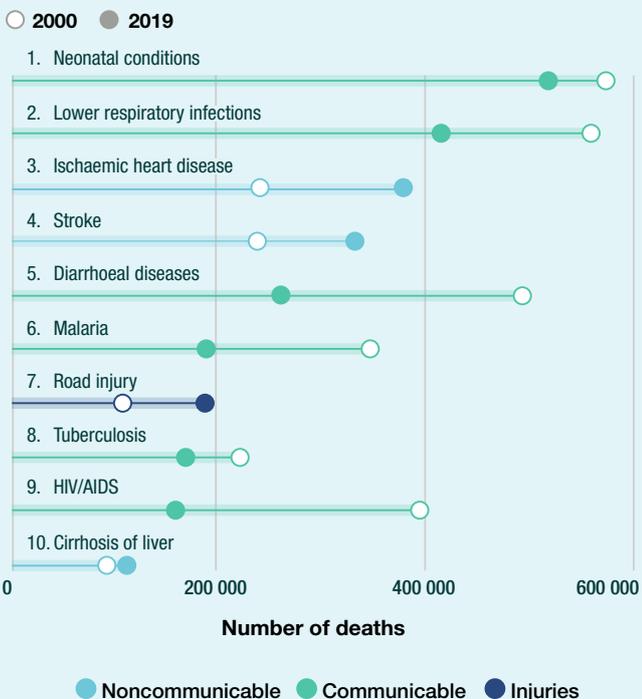


Figure 1. Leading causes of death in low income countries, 2019. World Health Organization Data

WHAT WERE THE MOST SIGNIFICANT FINDINGS COMPARED TO EARLIER SURVEYS?

For the first time, all 20 companies report a defined access-to-medicine strategy, with 19 companies integrating this into their overall corporate strategy, compared with 11 companies in 2021.

With regards to Research and Development, the 20 companies have 1,060 R&D projects in the pipeline for the 83 diseases, conditions and pathogens in scope. 64% of projects target non-communicable diseases, however, over 70% of the identified R&D priorities for LMICs remain unaddressed by the companies in scope (including maternal health conditions and infectious diseases).

The Index also found that 77% of late-stage R&D projects are accompanied by an access plan (compared to 40% in 2021), and six companies now have access plans in place for 100% of their late-stage R&D projects. However, only five companies are engaging in R&D for emerging infectious diseases other than COVID-19.

In relation to Product Delivery, the Index found that products are more likely to be filed in upper-middle income countries, rather than in low-income countries. Despite the progress, the Index found that the access gap is widening for low-income countries, for which 65% of products analysed do not have an access strategy (compared to 19% of products in upper-middle income countries).

The Index does note a milestone moment; Novartis signed a voluntary licence for a leukaemia drug with the Medicines Patent Pool, becoming the first agreement covering a non-communicable disease.

WHAT WERE THE COMPANY SCORES?

GlaxoSmithKline continues to lead the Index, scoring first place for the seventh time in a row, with a total score of 4.06 out of 5 (see ranking table). Perhaps the most notable moves have come from **Bayer**, which moved from 13th place in 2018 to 9th place in 2022, **Bristol Myers Squibb**, which moved from 19th place to 15th place, and **AstraZeneca**, which moved from 7th to 3rd place. On the other hand, **Merck & Co, Inc (MSD)** fell from 15th place to 18th place and **Sanofi** fell from 5th place to 9th place.

HOW DOES THE ATMI SCORE AND RANK PHARMACEUTICAL COMPANIES?

The ATMI collates and assesses data across three technical areas of analysis: (i) Governance of Access; (ii) Research and Development (R&D); (iii) Product Delivery.

In total, 31 indicators across these three distinct pillars are taken into account when determining a company’s score and ranking. The scores are reviewed and approved by an expert panel including specialists from the pharmaceutical and investment industries, as well as leading academics, senior WHO officials, and researchers.

2022 ACCESS TO MEDICINE INDEX – OVERALL RANKING

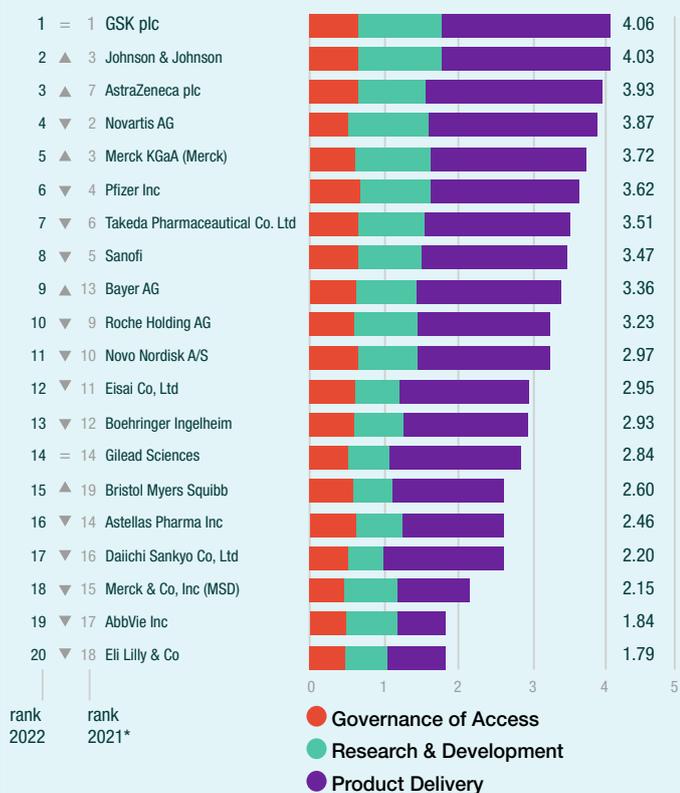


Figure 2. ATMI company rankings 2022

Merck & Co, Inc (MSD) performed worst on the Governance of Access category. Despite having an access-to-medicine strategy with measurable objectives integrated within its overall corporate strategy, the company did not show any evidence that sales incentives are decoupled from sales volume targets. The Index also found that the company lacks evidence of a robust set of compliance controls to mitigate the risk of non-compliance in countries in scope of the Index. The company also performed poorly on the Product Delivery category (19th place), as it only had an access strategy for one product in an upper-middle income country.

On the other hand, AstraZeneca demonstrated strong performance in the Governance of Access category (2nd place). The company has an access-to-medicine strategy integrated into its overall corporate strategy as well as a robust set of compliance controls to mitigate the risk of non-compliance in countries in scope of the Index. The company leads the Product Delivery category (1st place), where the Index found that in all product categories, AstraZeneca applies tailored access strategies across different country income classifications. Furthermore, the company has piloted both new and scaled-up existing inclusive business models and it engages in many high-quality capacity building initiatives across all fields.

WHAT DIFFERENTIATES THE LEADERS FROM THE REST?

The four companies which are leading the Index (GSK, **Johnson & Johnson**, AstraZeneca and Novartis) stand out by taking a lead in specific areas and consistently performing above average across the three technical categories.

On the other hand, the middle-performing group have below average performance in one or more areas such as R&D or Product Delivery. The lowest-ranked group comprises five companies (including **Eli Lilly** and **AbbVie**), that particularly fall behind in Product Delivery R&D.

HOW HAS COVID-19 IMPACTED THE INDEX?

Within the 2022 Index, ATMI published a special report that looked at:

- How companies responded in the initial phase of the COVID-19 pandemic with regards to R&D.
- How companies perform in terms of registration and applying equitable access strategies for COVID-19 vaccines.
- How some companies engaged in voluntary licensing agreements and technology transfers to enable generic supply of COVID-19 vaccines and therapeutics.
- How companies are preparing for future epidemics and pandemics.

The report found that of the 20 companies, 17 were engaged in projects targeting COVID-19. Collectively the companies had 68 R&D projects in the pipeline targeting coronaviral diseases, including vaccines, medicines, diagnostics and platform technologies. The Index found that AstraZeneca, **Pfizer** and Johnson & Johnson’s COVID-19 vaccines were included in the portfolio. However, the report also found that despite COVID-19, R&D for pandemic preparedness has not increased in any of the companies.

WHERE DO COMPANIES SEE THE RISKS AND OPPORTUNITIES IN THE ATMI RANKINGS?

The principal opportunity for pharmaceutical companies with regard to access to medicine initiatives lies in the potential for revenue growth in emerging markets. Whilst providing access to medicine in some of the poorest countries is part of company corporate social responsibility, long-term business opportunities are also paramount.

HOW DOES EDENTREE USE THE ATMI INDEX?

“Health & Wellbeing” is one of our thematic pillars which we consider when screening companies on their ESG policies and performance. For us, affordable healthcare and access to medicine underpin our argument for investing in the pharmaceuticals sector, particularly from an ethical and responsible investing perspective. We use the ATMI to support our research when screening companies for inclusion in the Funds, and as a basis for engagement with pharmaceutical companies.

WHAT EXPOSURE DOES EDENTREE HAVE TO THE SURVEY CONSTITUENTS?

EdenTree’s Responsible & Sustainable Funds have traditionally had an overweight position in pharmaceuticals, given our Health & Wellbeing pillar, and this continues to be the case. Across all mandates and strategies, we have exposure to 13 of the 20 pharmaceuticals companies surveyed in the ATMI. We currently hold: GSK, Novartis, Merck KGaA, Merck & Co Inc, Sanofi, AstraZeneca, AbbVie, Novo Nordisk, Pfizer, Roche, Eli Lilly, Gilead Sciences, and Bristol Myers Squibb. We divested from Johnson & Johnson and Bayer on ethical grounds.

THE RESPONSIBLE INVESTMENT TEAM

We have a specialist in-house Responsible Investment (RI) team who carry out thematic and stock-specific research to identify ethically responsible investment ideas for our range of screened Funds. Headed up by Neville White, Head of RI Policy & Research, and supported by Senior RI Analysts Carlota Esguevillas and Rita Wyshelesky, and RI Analysts Amelia Gaston and Cordelia Dower-Tylee, the team is also responsible for creating an on-going dialogue with companies, allowing us to engage on a wide variety of ethical and socially responsible investment concerns. For investors, it’s an added layer of assurance that our client’s money is being invested in companies that are operating in a responsible and sustainable way. Our ethical and responsible investment process is overseen by an independent Advisory Panel that meets three times a year, and comprises industry and business experts, appointed for their specialist knowledge.



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We hope you enjoy this RI Expert Brief and find it useful and informative.

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