

# Galderma Group AG

Pharmaceuticals Switzerland

## ESG Risk Rating

# 19.5

Last Full Update Feb 23, 2024

Not available

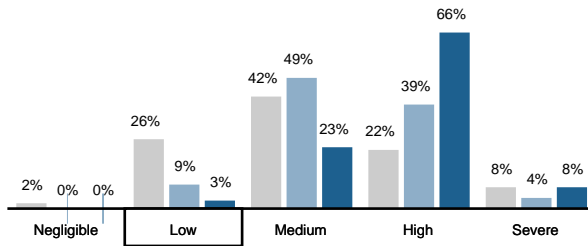
Momentum

## Low Risk



## ESG Risk Rating Score Change Log

## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk) (1 <sup>st</sup> = Top Score)	
Global Universe	4234/15973	27th
Pharmaceuticals INDUSTRY	73/902	9th
Pharmaceuticals SUBINDUSTRY	14/438	4th

## Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

	Exposure	Management	ESG Risk Rating
1. STADA Arzneimittel AG	42.0 Medium	60.7 Strong	18.4 Low
2. Grünenthal Pharma GmbH & Co. KG	47.9 Medium	66.8 Strong	18.6 Low
3. Galderma Group AG	43.1 Medium	58.4 Strong	19.5 Low
4. CEVA Santé Animale SA	31.9 Low	39.3 Average	20.2 Medium
5. CHEPLAPHARM Arzneimittel GmbH	45.0 Medium	56.1 Strong	21.5 Medium

# Galderma Group AG

Pharmaceuticals Switzerland

## 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

**43.1**

**Medium**

Beta = 0.92

Not available

Momentum

Low	Medium	High
0-35	35-55	55+

As a pure-play dermatological company specializing in the development, manufacture and sale of injectable aesthetics and over-the-counter (OTC) skincare products (82% of FY2022 sales), Galderma faces reduced exposure to product governance relative to its peers. This is influenced by the decreased risk of product liability concerns, as its portfolio poses relatively less severe and rarer side effects. Similarly, given that Galderma's core offerings are considered neither essential nor life-saving, it is less exposed to access and pricing issues than peers that offer therapeutic medicines with life-saving qualities. Finally, to succeed in its goal of becoming an industry leader within the dermatological space, Galderma must attract and retain skilled employees; if unsuccessful, the company could face stagnating innovation, leaving it unable to expand its market position.

The company's overall exposure is medium and is moderately below subindustry average. Product Governance, Human Capital and Access to Basic Services 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

**58.4**

**Strong**

Not available

Momentum

Strong	Average	Weak
100-50	50-25	25-0

Despite not publishing a stand-alone ESG report, Galderma emphasizes ESG management by placing the board-level ESG and nomination committee in charge of its ESG strategy. To further ensure ESG oversight at the highest level, the company ties a proportion of executive compensation to ESG performance targets. With regard to its notable ESG issues, Galderma discloses a strong product and service safety programme, through which its product quality and safety committee oversees product quality and patient safety. While the company outlines several patient assistance programmes to improve access to its products, it does not disclose an access-to-medicine programme or a value-based health-care programme. In terms of human capital management, Galderma discloses a strong programme covering initiatives for talent recruitment and development, but it lacks initiatives for talent retention.

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

# Galderma Group AG

Pharmaceuticals Switzerland

## 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	
Corporate Governance	9.0 High	51.2 Average	4.4 Medium	22.5%
Product Governance	8.0 High	59.4 Strong	4.2 Medium	21.6%
Access to Basic Services	4.2 Medium	11.0 Weak	3.7 Low	19.2%
Human Capital	6.0 Medium	46.5 Average	3.3 Low	17.2%
Emissions, Effluents and Waste	3.2 Low	68.1 Strong	1.2 Negligible	6.3%
Business Ethics	6.0 Medium	85.5 Strong	1.1 Negligible	5.8%
Carbon -Own Operations	2.7 Low	67.4 Strong	0.9 Negligible	4.5%
Bribery and Corruption	4.0 Medium	90.0 Strong	0.6 Negligible	3.0%
<b>Overall</b>	<b>43.1 Medium</b>	<b>58.4 Strong</b>	<b>19.5 Low</b>	<b>100.0%</b>

## Events Overview

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

### Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (0)

1 Low (2)

Business Ethics

Quality and Safety

# Galderma Group AG

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## Events Overview

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

## Category (Events)

**None (11)**

Access to Basic Services

Accounting and Taxation

Animal Welfare

Anti-Competitive Practices

Bribery and Corruption

Emissions, Effluents and Waste

Energy Use and GHG Emissions

Intellectual Property

Labour Relations

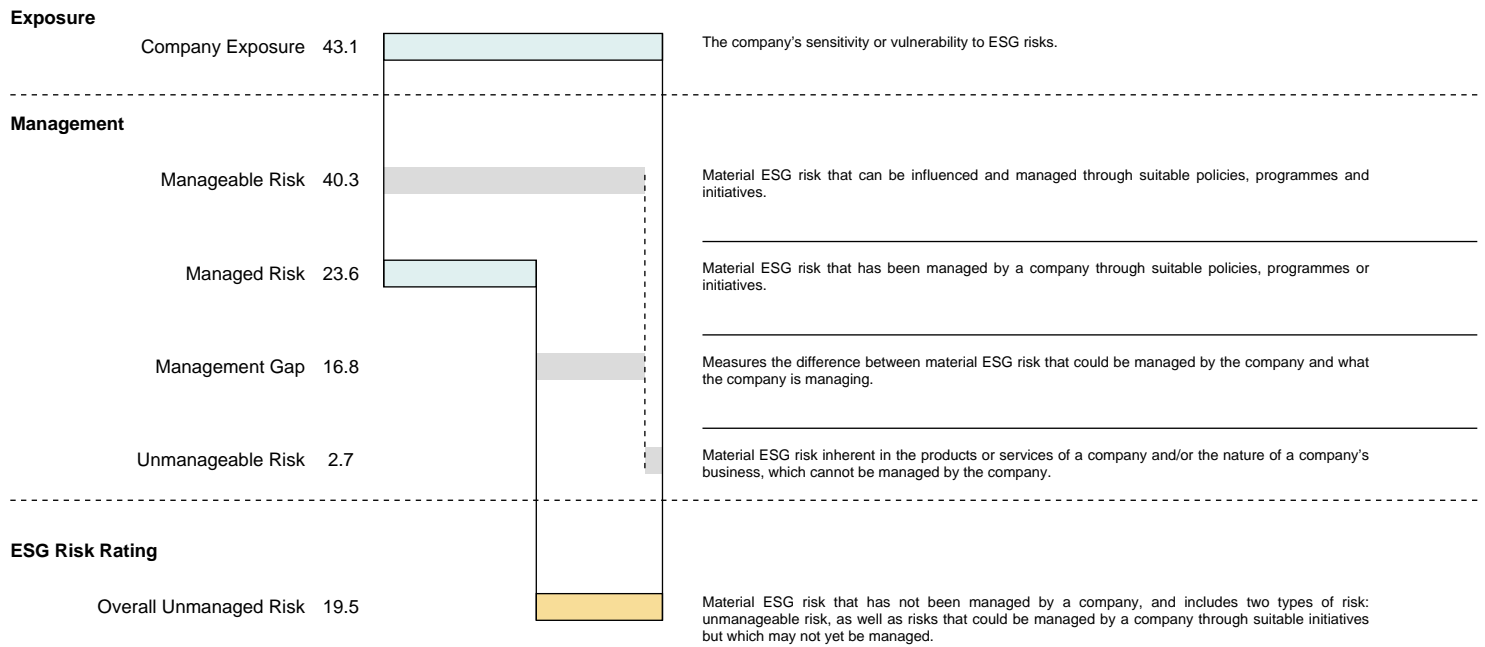
Lobbying and Public Policy

Marketing Practices

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



## Momentum Details

Not available due to a lack of comparable historical information.

# Galderma Group AG

Pharmaceuticals Switzerland

## ESG Risk Rating Score Change Log [View Glossary](#)

Insufficient data. We require at least two score changes within the past 12 months to display a meaningful chart.

Attribute Date	Value Before Change	Value After Change	$\Delta$ Change In Value	Change Trigger
2024/02/24	19.0	19.5 <span style="color: red;">↑</span>	0.5	<span style="color: lightblue;">○</span> Event Update

# Galderma Group AG

Pharmaceuticals Switzerland

## Issue

Contribution 22.5 %



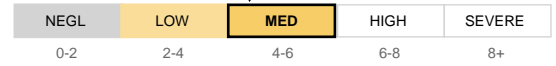
## Corporate Governance

Corporate Governance represents foundational structures for the management of ESG risks.

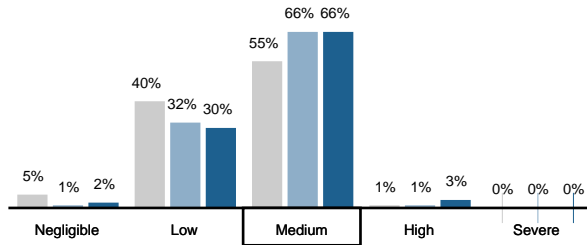
## ESG Risk Rating

# 4.4

## Medium Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = Top Score)
Global Universe	2811/4878	58th
Pharmaceuticals INDUSTRY	111/220	51st
Pharmaceuticals SUBINDUSTRY	45/105	42nd

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Grünenthal Pharma GmbH & Co. KG	5.0 Medium	79.0 Strong	1.1 Negligible
2. STADA Arzneimittel AG	5.0 Medium	68.0 Strong	1.6 Negligible
3. CEVA Santé Animale SA	5.0 Medium	50.0 Average	2.5 Low
4. Orexo AB	9.0 High	56.1 Strong	4.0 Low
5. Galderma Group AG	9.0 High	51.2 Average	4.4 Medium

# Galderma Group AG

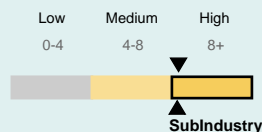
Pharmaceuticals Switzerland

## 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

**9.0**  
High

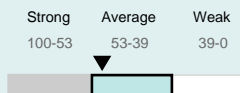


The quality and integrity of the company's board and management and its remuneration systems are identified as the highest weighted governance areas of focus. The company is publicly traded, which leads to heightened scrutiny of its governance practices and increases the importance of governance structures, practices and behaviour. This translates into high exposure to baseline Corporate Governance risk.

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

**51.2**  
Average



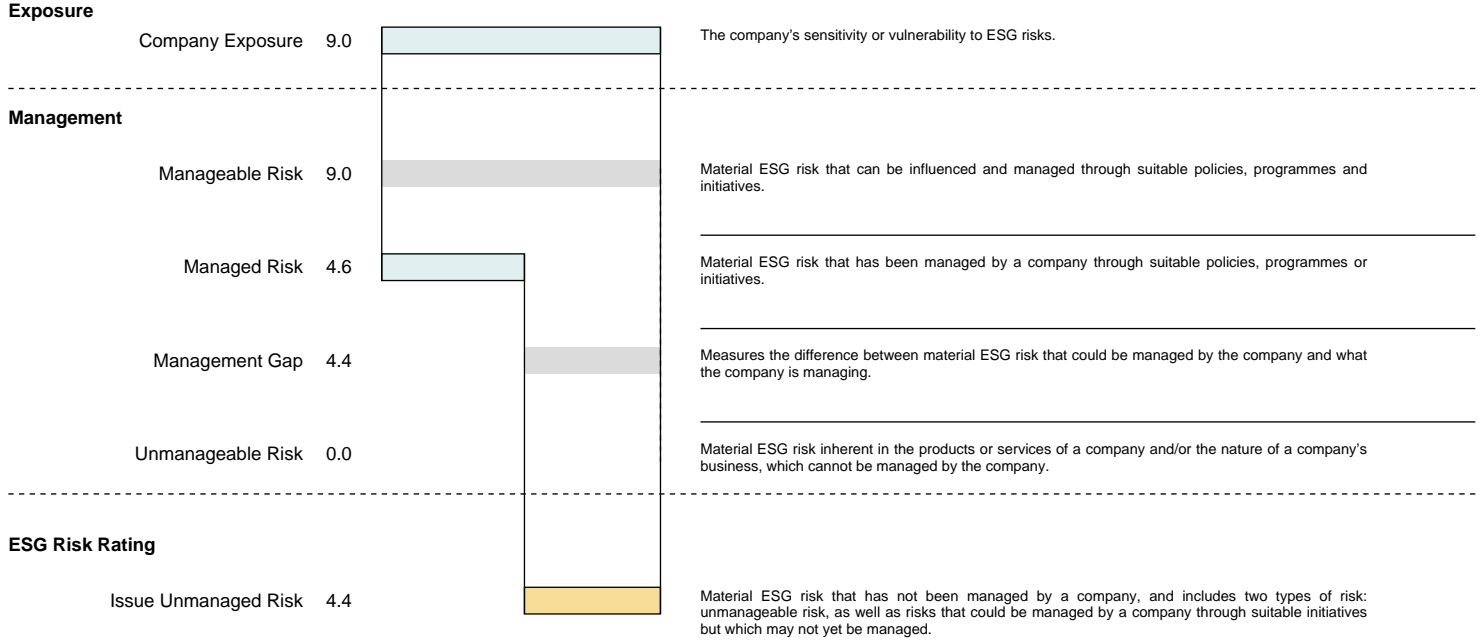
The company is noted for showing particular strength in its ownership structure/shareholder rights and its stakeholder governance. It has average management of its 4 other governance pillars. Overall, we rate the company's corporate governance management as average.

Corporate Governance Pillars	Raw Score	Weight	Weighted Score
Board/Management Quality & Integrity	47	25.0%	11.8
Board Structure	55	15.0%	8.3
Ownership & Shareholder Rights	64	17.0%	10.9
Remuneration	44	25.0%	11.0
Audit & Financial Reporting	44	8.0%	3.5
Stakeholder Governance	58	10.0%	5.8
<b>Totals</b>		<b>100.0%</b>	<b>51.2</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

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## Issue

Contribution 21.6 %



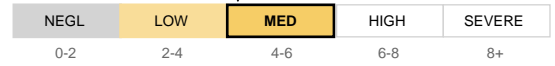
## Product Governance

Product Governance focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.

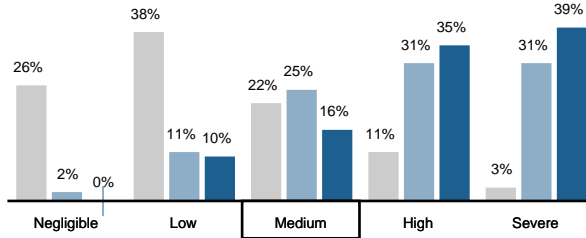
## ESG Risk Rating

# 4.2

## Medium Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = Top Score)
Global Universe	2630/3960	67th
Pharmaceuticals INDUSTRY	33/220	15th
Pharmaceuticals SUBINDUSTRY	12/105	11th

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Galderma Group AG	8.0 High	59.4 Strong	4.2 Medium
2. CEVA Santé Animale SA	5.0 Medium	12.5 Weak	4.5 Medium
3. STADA Arzneimittel AG	10.0 High	62.6 Strong	5.0 Medium
4. Grünenthal Pharma GmbH & Co. KG	15.0 High	64.4 Strong	7.3 High
5. Orexo AB	11.0 High	30.8 Average	8.3 Severe

# Galderma Group AG

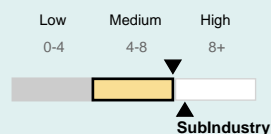
Pharmaceuticals Switzerland

## 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

**8.0**  
High



As a pure-play dermatology company with core product offerings that include injectable aesthetics and OTC skincare products (82% of FY2022 sales), Galderma faces reduced exposure to product governance risks relative to its peers. This is influenced by the relatively less severe patient impacts, which decrease the risk of liability concerns. However, given its expanding customer base and its ambition of becoming an industry leader within the dermatology industry, Galderma must implement strong quality control measures to forestall quality and safety issues and maintain its market position.

The company's exposure to Product Governance issues is high and moderately below the subindustry exposure.

#### Exposure Analysis

Subindustry Issue Exposure	10.0
Issue Beta	x <b>0.80</b>
Company Issue Exposure	8.0

#### Beta Indicators

#### Beta Signal

Marketing Practices	0.00
Quality and Safety	0.01
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	0.00
Sales Location	0.00
Generic Drugs	0.00
Qualitative Overlay	-0.20
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.20
Baseline	+1.00
Overall Beta	<b>0.80</b>

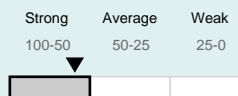
# Galderma Group AG

Pharmaceuticals Switzerland

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

**59.4**  
**Strong**



Galderma discloses a strong product and service safety programme that includes managerial responsibility for product safety, with the product quality and safety committee overseeing product quality and patient and consumer safety. Regarding quality management, there is evidence to suggest that Galderma's quality management system has received external certification. However, there is no evidence to suggest that it is certified to ISO 9001, which is considered an industry best practice for quality management and oversight. Galderma discloses a strong ethical marketing programme that includes operating guidelines for interactions with healthcare professionals, as well as ethical review and approval procedures for the company's promotional materials.

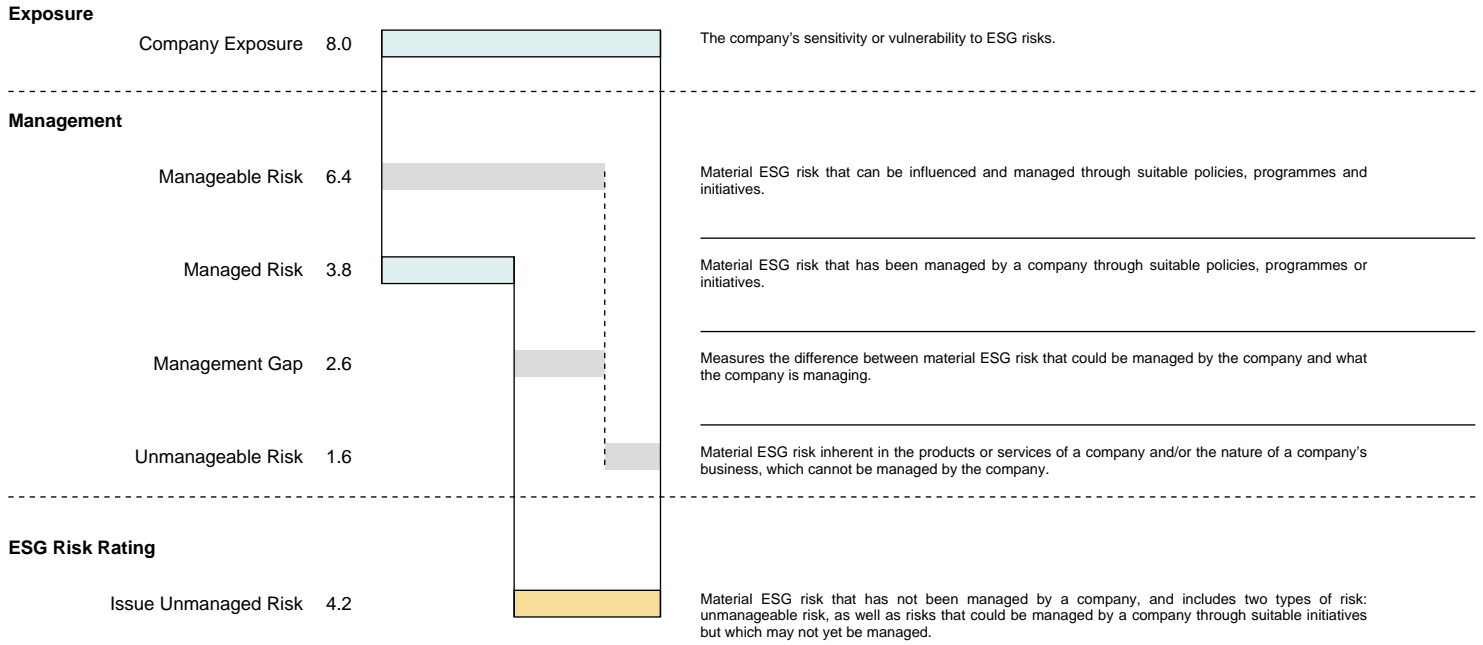
The company has above average preparedness measures to address Product Governance issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Trial Data Transparency	100	16.6%	16.6
Ethical Marketing Promotion	75	19.0%	14.3
Product and Service Safety	75	38.0%	28.5
Drug Promotion Standards	0	11.9%	0.0
QMS Certifications	0	9.5%	0.0
 Quality and Safety	Category 1	5%	0.0
 Marketing Practices	Category 0	0%	0.0
<b>Weighted Sum</b>			<b>59.4</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

Pharmaceuticals Switzerland

## Issue



### Access to Basic Services

Contribution 19.2 %

Access to Basic Services focuses on the management of access to essential products or services such as health care services and products to disadvantaged communities or groups.

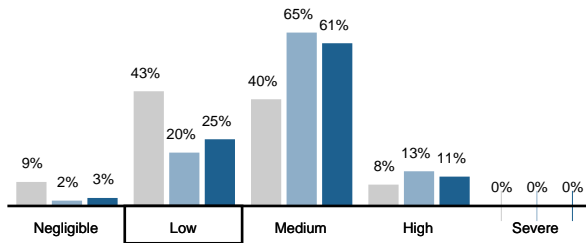
## ESG Risk Rating

# 3.7

## Low Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = Top Score)
Global Universe	145/300	49th
Pharmaceuticals INDUSTRY	27/167	16th
Pharmaceuticals SUBINDUSTRY	21/99	21st

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Galderma Group AG	4.2 Medium	11.0 Weak	3.7 Low
2. Grünenthal Pharma GmbH & Co. KG	6.0 Medium	20.3 Weak	4.8 Medium
3. STADA Arzneimittel AG	5.4 Medium	10.7 Weak	4.8 Medium
4. Orexo AB	5.7 Medium	15.3 Weak	4.8 Medium

# Galderma Group AG

Pharmaceuticals Switzerland

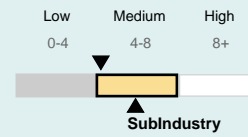
## ESG Risk Analysis

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

# 4.2

Medium



Galderma's core product offerings include injectable aesthetics and skincare products, such as its muscle relaxant Dysport, skin-booster Restylane, and OTC skincare product range Cetaphil. Given the nature of such products, which are commonly used for cosmetic purposes and are not considered essential or life-saving, Galderma faces reduced exposure to access and pricing issues relative to its pharmaceutical peers.

The company's exposure to Access to Basic Services issues is medium and significantly below the subindustry exposure.

#### Exposure Analysis

Subindustry Issue Exposure	6.0
Issue Beta	x <b>0.70</b>
Company Issue Exposure	4.2

#### Beta Indicators

#### Beta Signal

Access to Basic Services	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Generic Drugs	0.00
Qualitative Overlay	-0.30
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
<b>Total Beta Signal</b>	<b>-0.30</b>
Baseline	+1.00
<b>Overall Beta</b>	<b>0.70</b>

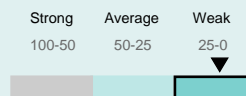
# Galderma Group AG

Pharmaceuticals Switzerland


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

**11.0**  
**Weak**



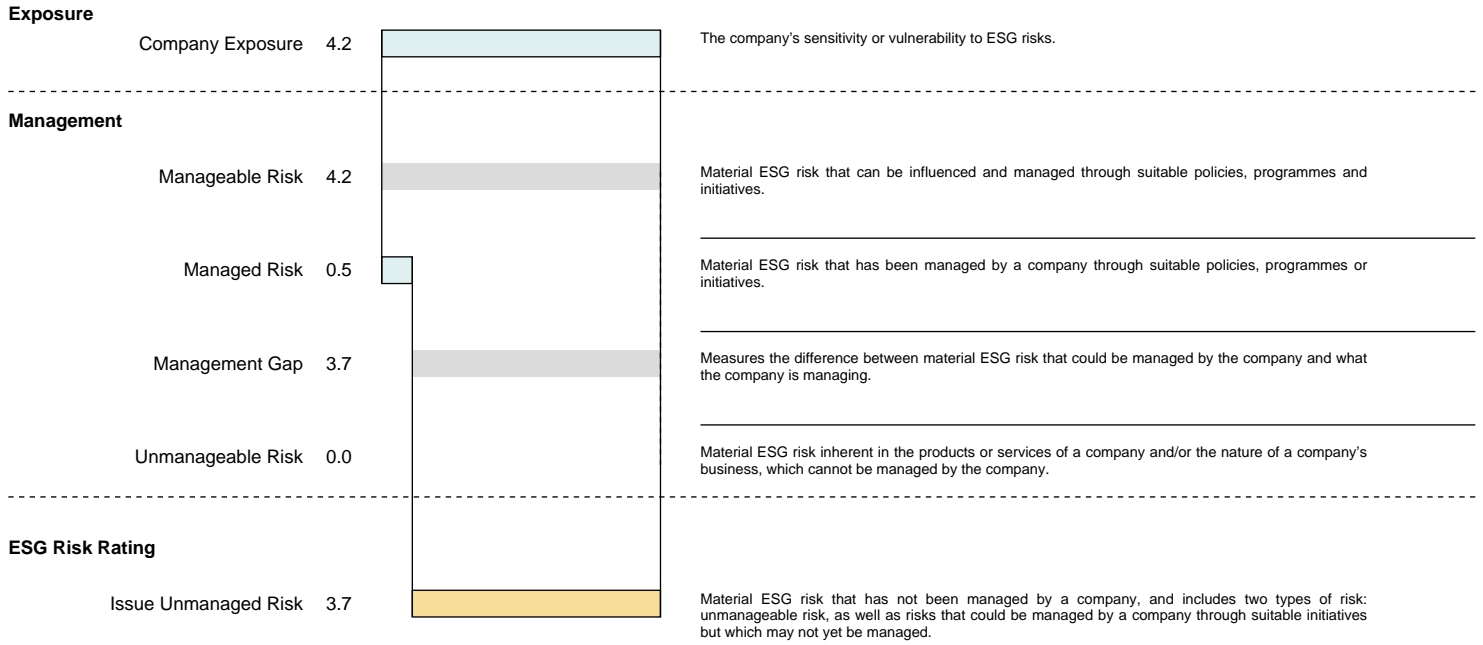
The Access to Basic Services material ESG issue (MEI) covers management initiatives such as programmes and initiatives to ensure equitable access to products through mechanisms such as equitable pricing strategies, intellectual property agreements and value-based health-care programmes. As part of its equitable access and availability programme, Galderma implements patient assistance programmes such as its programme offering its Sculptra product at reduced or no cost to patients with human immunodeficiency virus (HIV). Despite such initiatives, Galderma's programme for equitable access is considered weak, as evidenced by the lack of inter-and intra-country tiered pricing strategies in low-and middle-income countries. Furthermore, Galderma does not disclose an access to medicine programme or a value-based health care programme, indicating ample room for improvement. In our view, the company's management of the issue is below average.

Management Indicators	Raw Score	Weight	Weighted Score
Equitable Pricing and Availability	33	20.0%	6.6
Intellectual Property Access	25	17.5%	4.4
Access to Medicine Programme	0	20.0%	0.0
Neglected Diseases R&D	0	15.0%	0.0
US Drug Price Transparency	0	12.5%	0.0
Value-Based Health Care Programme	0	15.0%	0.0
 Access to Basic Services	<b>Category 0</b>	0%	0.0
<b>Weighted Sum</b>			<b>11.0</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

Pharmaceuticals Switzerland

## Issue



### Human Capital

Contribution 17.2 %

Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

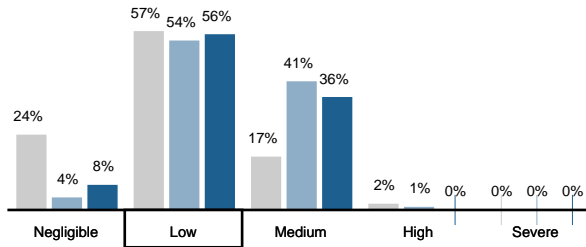
## ESG Risk Rating

# 3.3

## Low Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = Top Score)
Global Universe	3148/4618	68th
Pharmaceuticals INDUSTRY	82/220	37th
Pharmaceuticals SUBINDUSTRY	52/105	49th

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)

	Exposure	Management	ESG Risk Rating
1. Grünenthal Pharma GmbH & Co. KG	6.0 Medium	62.5 Strong	2.4 Low
2. STADA Arzneimittel AG	5.4 Medium	47.5 Average	3.0 Low
3. Galderma Group AG	6.0 Medium	46.5 Average	3.3 Low
4. CEVA Santé Animale SA	6.0 Medium	39.9 Average	3.7 Low
5. Orexo AB	5.7 Medium	32.4 Average	3.9 Low

# Galderma Group AG

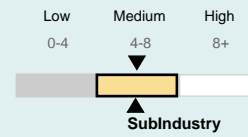
Pharmaceuticals Switzerland

## 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

**6.0**  
Medium



Considering Galderma's growth trajectory and ambition to become an industry leader within the dermatological space, and specifically within the injectable aesthetics space, it must attract and retain skilled employees. This is crucial for sustaining and advancing its market position, as well as fostering innovation and effectively serving its evolving customer base. Failure to adequately manage its human capital and to attract and retain employees could expose Galderma to stagnating innovation, leaving it unable to meet market needs and posing financial risks.

The company's exposure to Human Capital issues is medium and similar to the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	6.0
Issue Beta	x <b>1.00</b>
Company Issue Exposure	6.0

### Beta Indicators

### Beta Signal

Labour Relations	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Generic Drugs	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	<b>1.00</b>

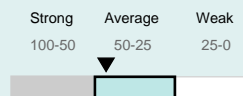
# Galderma Group AG

Pharmaceuticals Switzerland


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

**46.5**  
Average



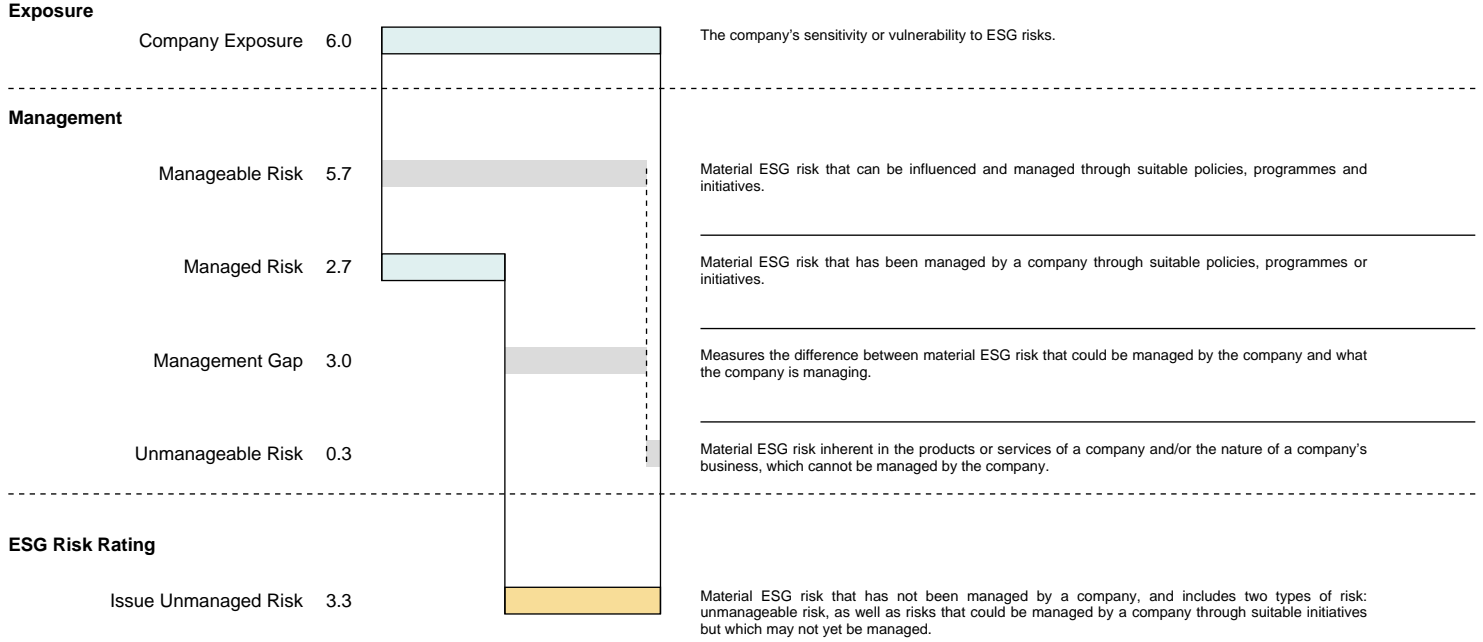
Galderma discloses a strong diversity programme, through which the chief human resources officer is responsible for overseeing the company's diversity initiatives and creating a diversity and inclusion strategy. This programme also includes employee affinity groups, including Galderma's BEQUAL group for its LGBTQ+ employees, as well as various mentorship programmes. Moreover, Galderma discloses a strong human capital programme that includes initiatives for talent recruitment and development; however, it lacks targeted initiatives for talent retention. Regarding discrimination, Galderma discloses an adequate policy. Notably, the company reports that it is committed to ensure equal opportunities for all employees and prohibits discrimination; however, it does not reference any of the International Labour Organization's conventions. In our view, the company's management of the issue is average.

Management Indicators	Raw Score	Weight	Weighted Score
Diversity Programmes	75	20.0%	15.0
Human Capital Development	75	30.0%	22.5
Discrimination Policy	50	7.5%	3.8
Collective Bargaining Agreements	25	7.5%	1.9
Gender Pay Equality Programme	25	7.5%	1.9
Freedom of Association Policy	20	7.5%	1.5
Employee Turnover Rate	0	15.0%	0.0
Gender Pay Disclosure	0	5.0%	0.0
 Labour Relations	Category 0	0%	0.0
<b>Weighted Sum</b>			<b>46.5</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

Pharmaceuticals Switzerland

## Issue

Contribution 6.3 %



## Emissions, Effluents and Waste

Emissions, Effluents and Waste focuses on the management of emissions and releases from a company's own operations to air, water and land, excluding GHG emissions.

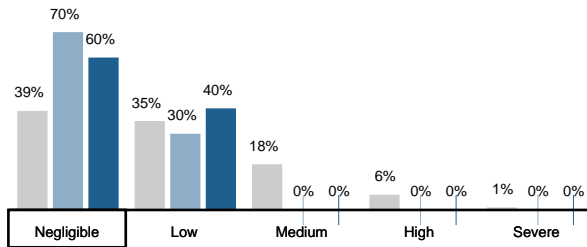
## ESG Risk Rating

# 1.2

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = Top Score)
Global Universe	270/1969	15th
Pharmaceuticals INDUSTRY	39/144	27th
Pharmaceuticals SUBINDUSTRY	24/105	23rd

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Grünenthal Pharma GmbH & Co. KG	3.2 Low	100.0 Strong	0.3 Negligible
2. STADA Arzneimittel AG	3.0 Low	85.6 Strong	0.7 Negligible
3. Galderma Group AG	3.2 Low	68.1 Strong	1.2 Negligible
4. CEVA Santé Animale SA	3.2 Low	35.0 Average	2.2 Low
5. Orexo AB	2.7 Low	10.6 Weak	2.4 Low

# Galderma Group AG

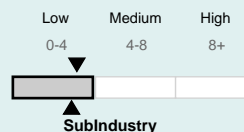
Pharmaceuticals Switzerland

## 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

**3.2**  
Low



Pharmaceutical companies are exposed to Emission, Effluents and Waste through waste water discharge from the production of antibiotics and antifungals. Improper environmental practices are a leading cause of antimicrobial resistance (ARM), which has been declared a life-threatening challenge by the WHO. The problem is located primarily in Hyderabad, India, where a fifth of the world's generic drugs are produced. Companies in Hyderabad produce dangerous levels of pharmaceutical pollution, which when not properly treated negatively affect the ecosystem and the local population's human rights by contributing to ARM spread. Pharmaceutical companies that have manufacturing plants in India or supply drugs from Indian manufacturers are particularly exposed. European countries (UK, Germany, France) have blacklisted the worst offending polluters and typically embed environmental criteria in all contracts with pharmaceutical suppliers. Poor management of effluents and waste could prevent companies from large government-sponsored contracts (e.g. Sweden) and therefore access to important revenues sources. To date India's enforcement has been limited, although independent groups have brought related criminal charges. Best practice includes implementation of proper systems to treat discharges and effluents in an environmentally-friendly way (e.g. installation of new environmentally sound technologies) and external EMS audits with a specific focus on effluents.

The company's exposure to Emissions, Effluents and Waste issues is low and similar to the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x <b>1.05</b>
Company Issue Exposure	3.2

### Beta Indicators

### Beta Signal

Emissions, Effluents and Waste	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Headquarters Location	0.00
Assets Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.05
Exceptional Event Adjustment	0.00
Total Beta Signal	0.05
Baseline	+1.00
Overall Beta	<b>1.05</b>

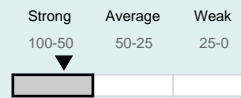
# Galderma Group AG

Pharmaceuticals Switzerland


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

**68.1**  
Strong



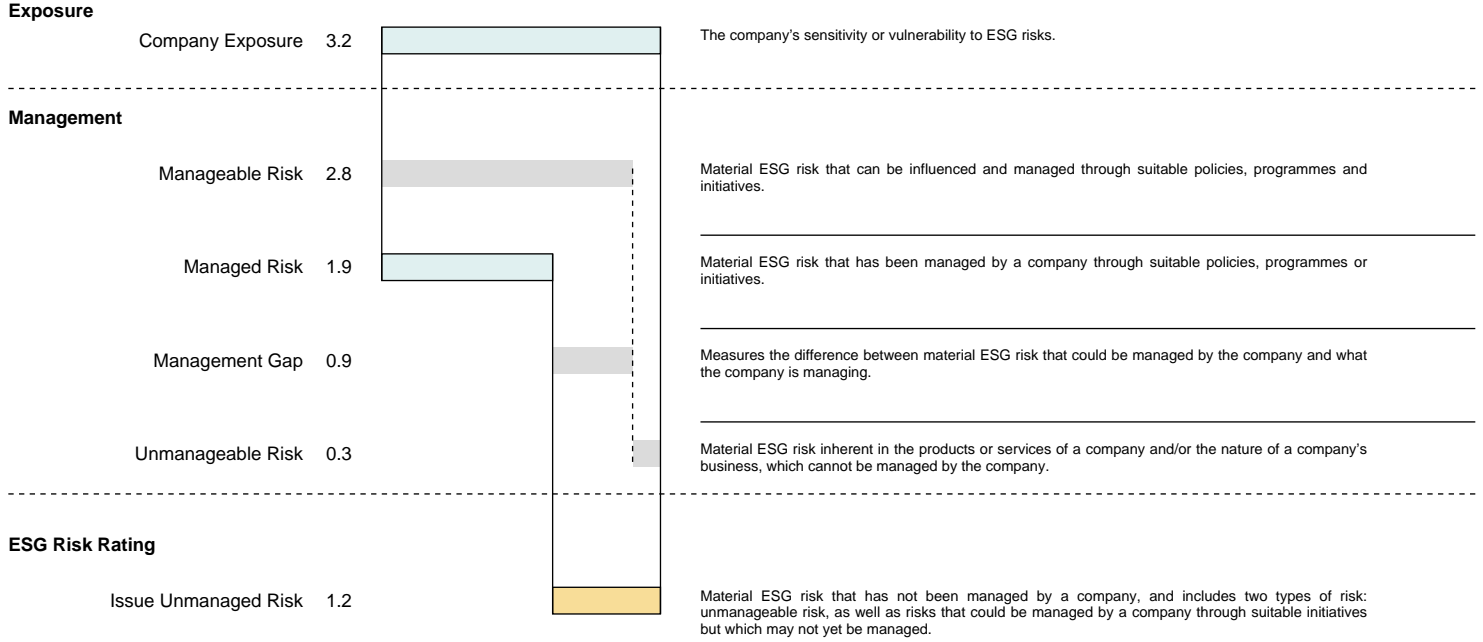
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
EMS Certification	100	17.5%	17.5
Environmental Management System	100	25.0%	25.0
Environmental Policy	75	22.5%	16.9
Hazardous Waste Management	25	35.0%	8.8
 Emissions, Effluents and Waste	Category 0	0%	0.0
<b>Weighted Sum</b>			<b>68.1</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

Pharmaceuticals Switzerland

## Issue

### Business Ethics

Contribution 5.8 %

Business Ethics focuses on the management of ethical considerations applicable to most or all sectors, such as taxation and accounting, anti-competitive practices and intellectual property issues.

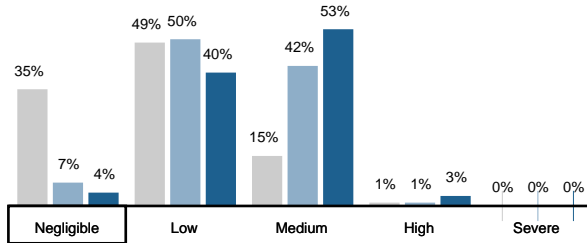
## ESG Risk Rating

# 1.1

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = Top Score)
Global Universe	488/4531	12th
Pharmaceuticals INDUSTRY	2/220	1st
Pharmaceuticals SUBINDUSTRY	1/105	1st

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Galderma Group AG	6.0 Medium	85.5 Strong	1.1 Negligible
2. Grünenthal Pharma GmbH & Co. KG	6.0 Medium	70.4 Strong	2.0 Negligible
3. STADA Arzneimittel AG	6.3 Medium	66.5 Strong	2.3 Low
4. Orexo AB	5.7 Medium	37.7 Average	3.7 Low
5. CEVA Santé Animale SA	6.0 Medium	41.0 Average	3.7 Low

# Galderma Group AG

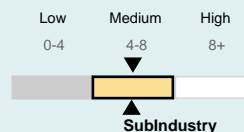
Pharmaceuticals Switzerland

## 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

**6.0**  
Medium



As part of a heavily regulated industry, pharmaceutical companies are subject to scrutiny on a range of topics related to business ethics, including: political lobbying, anti-competitive behaviour and tax practices, as well as ethical conduct related to pharmaceutical product development, such as animal testing, stem cell research and clinical trial ethics. Companies frequently sue each other over intellectual property (IP) rights of products, resulting in so-called “patent wars” that can last for years. Companies on the losing end of IP litigation have faced royalty payments, criminal fines or bans on product sales, with consequent financial losses in the hundreds of millions of dollars. Innovative companies are more likely to face patent lawsuits compared to generic drug producers, and may use improper or aggressive tactics to extend or protect their IP rights. For instance, “evergreening”, the practice of reapplying for patents after making only slight reformulations to the original product, has sparked regulators in emerging markets like India to reject patent applications. Innovative companies are also known to use anti-competitive tactics, such as “pay-for-delay”, to prevent or postpone market entry of generic competitor products. Anti-competitive behaviour is increasingly being penalized by regulators with fines of over USD 500 million. Leading companies have implemented clear IP agreements and comprehensive IP, anti-trust and free competition policies. Ethical misconduct during drug development exposes companies to reputational damage, particularly when it concerns unethical treatment of human test subjects, which in a few cases has resulted in litigation from affected trial participants. Risk exposure is higher for companies involved in R&D that requires new products to be tested on animals and humans, as well as companies that outsource testing to third parties. Best practice includes implementing policies and programmes that also apply to outsourced tests and trials. For animal testing, accreditation by AAALAC ensures that this research is conducted in a responsible manner.

The company's exposure to Business Ethics issues is medium and similar to the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	6.0
Issue Beta	x 1.00
Company Issue Exposure	6.0

### Beta Indicators

### Beta Signal

Accounting and Taxation	0.00
Animal Welfare	0.00
Anti-Competitive Practices	0.00
Business Ethics	0.01
Intellectual Property	0.00
Lobbying and Public Policy	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00

# Galderma Group AG

Pharmaceuticals Switzerland

## ESG Risk Analysis

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

Beta Indicators	Beta Signal
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	<b>1.00</b>

# Galderma Group AG

Pharmaceuticals Switzerland







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

**85.5**  
Strong



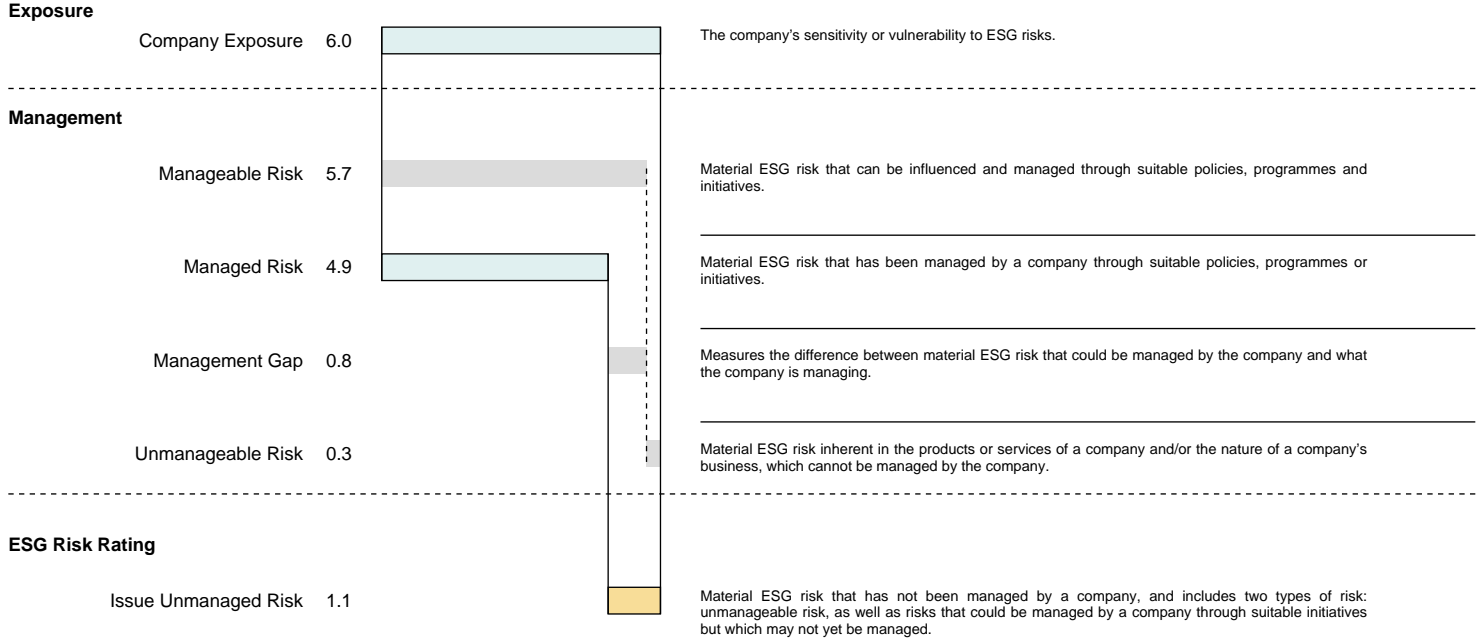
The company has above average preparedness measures to address Business Ethics issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Business Ethics Programme	100	19.0%	19.0
Clinical Trial Programme	100	14.3%	14.3
Clinical Trial Standards	100	7.1%	7.1
Lobbying and Political Expenses	100	9.5%	9.5
Policy on Emerging Technologies	100	7.1%	7.1
Trial Data Transparency	100	9.5%	9.5
Animal Testing Policy	75	4.8%	3.6
Animal Testing Programme	75	9.5%	7.1
Whistleblower Programmes	75	9.5%	7.1
Political Involvement Policy	25	4.8%	1.2
 Business Ethics	Category 1	5%	0.0
 Accounting and Taxation	Category 0	0%	0.0
 Animal Welfare	Category 0	0%	0.0
 Anti-Competitive Practices	Category 0	0%	0.0
 Intellectual Property	Category 0	0%	0.0
 Lobbying and Public Policy	Category 0	0%	0.0
<b>Weighted Sum</b>			<b>85.5</b>

# Galderma Group AG


Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

Pharmaceuticals Switzerland

**Issue**  **Carbon - Own Operations**

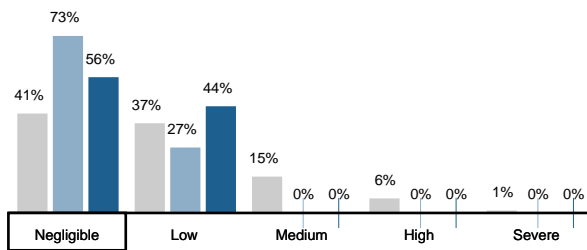
Contribution 4.5 %

Carbon - Own Operations refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of Scope 3 emissions.

**ESG Risk Rating** 0.9 Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-2	2-4	4-6	6-8	8+

## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = Top Score)
Global Universe	369/3140	13th
Pharmaceuticals INDUSTRY	41/177	23rd
Pharmaceuticals SUBINDUSTRY	28/105	26th

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Grünenthal Pharma GmbH & Co. KG	2.7 Low	78.5 Strong	0.6 Negligible
2. STADA Arzneimittel AG	2.9 Low	79.1 Strong	0.6 Negligible
3. Galderma Group AG	2.7 Low	67.4 Strong	0.9 Negligible
4. CEVA Santé Animale SA	2.7 Low	31.7 Average	1.8 Negligible
5. Orexo AB	2.9 Low	5.6 Weak	2.7 Low

# Galderma Group AG

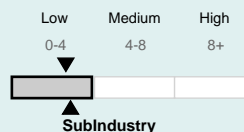
Pharmaceuticals Switzerland

## 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

**2.7**  
Low



Drug manufacturing can be highly carbon-intensive, primarily owing to the production process, which accounts for 60% of the carbon footprint of companies in the Pharmaceutical subindustry. The most energy-intensive process is HVAC operation, which are critical for ensuring a successful manufacturing process. Risks associated with excessive carbon emissions include fines, carbon taxes and loss of projected sales for certain markets. As an increasing number of healthcare providers, such as the UK NHS, aim to become carbon-neutral, there is a growing preference for medicines with a smaller carbon footprint. Furthermore, the EU Green Deal (adopted in December 2019), which aims to make the EU carbon-neutral by 2050, may increase regulatory risks for the pharmaceutical subindustry by requiring environmental risk assessments for the authorization of medicines. While F-gases used in metered-dose inhalers (MDIs) are exempt from GHG emission restrictions, these gases may be added to the list, increasing operational risks for companies that derive a substantial percentage of their revenue from MDIs. Moreover, the pharmaceutical industry would need to reduce its carbon intensity by 59% from FY2015 levels to comply with the carbon reduction targets established in the 2015 Paris Climate Agreement. As of FY2021, only a few pharma companies are operating in compliance with the agreement. Despite the low subindustry risk exposure, embracing carbon neutrality can lead to significant business opportunities for pharma companies. A smaller carbon footprint not only increases efficiencies and leads to cost savings, but also provides a competitive advantage due to brand enhancement. Pioneering carbon reduction programmes include: operating in a carbon-neutral environment; setting a science-based absolute target to reduce GHG emissions; implementing an internal carbon price; and creating an R&D unit focused on green chemistry for manufacturing medicine with a smaller carbon footprint.

The company's exposure to Carbon -Own Operations issues is low and moderately below the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x <b>0.90</b>
Company Issue Exposure	2.7

### Beta Indicators

### Beta Signal

Energy Use and GHG Emissions	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Carbon Emissions	-0.10
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
<b>Total Beta Signal</b>	<b>-0.10</b>
Baseline	+1.00
<b>Overall Beta</b>	<b>0.90</b>

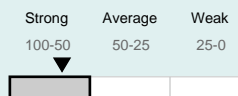
# Galderma Group AG

Pharmaceuticals Switzerland

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

**67.4**  
**Strong**



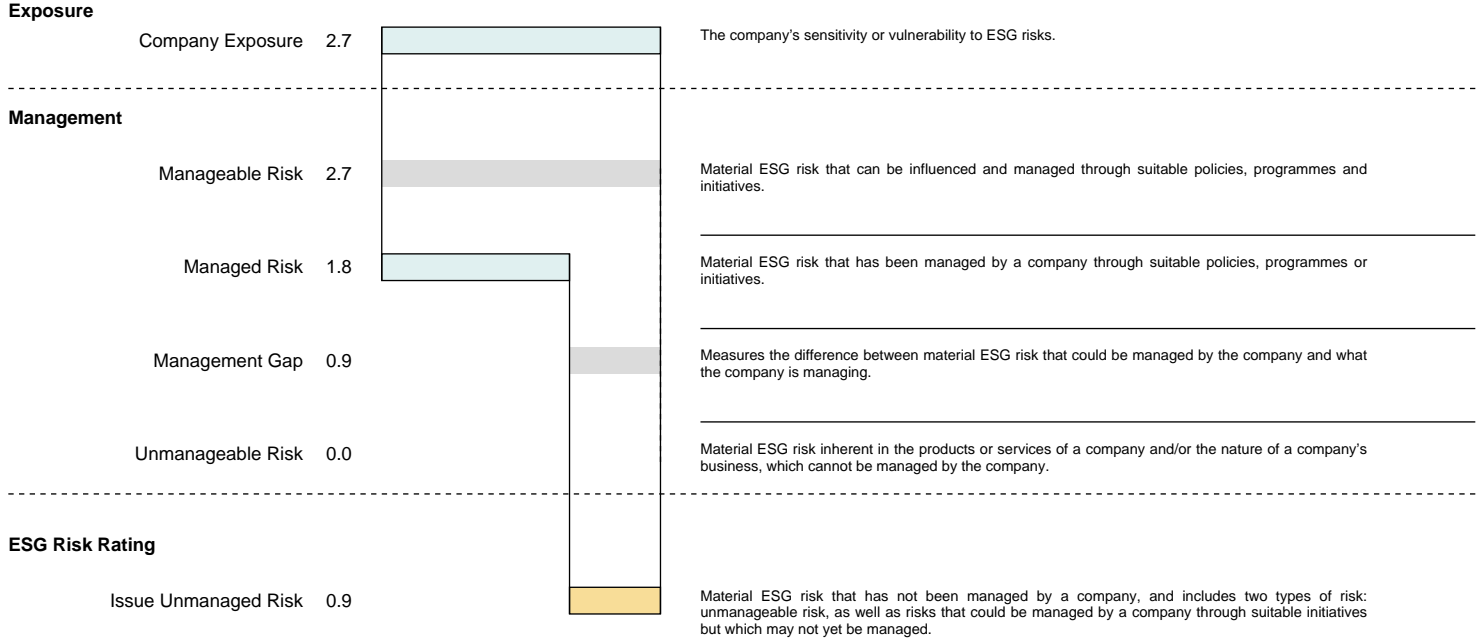
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Carbon Intensity	100	10.0%	10.0
Carbon Intensity Trend	100	10.0%	10.0
EMS Certification	100	2.5%	2.5
Environmental Management System	100	5.0%	5.0
Renewable Energy Programmes	100	10.0%	10.0
Scope of GHG Reporting	100	10.0%	10.0
Renewable Energy Use	80	10.0%	8.0
Environmental Policy	75	2.5%	1.9
GHG Reduction Programme	25	20.0%	5.0
GHG Risk Management	25	20.0%	5.0
Energy Use and GHG Emissions	<b>Category 0</b>	0%	0.0
<b>Weighted Sum</b>			<b>67.4</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Galderma Group AG

Pharmaceuticals Switzerland

## Issue



### Bribery and Corruption

Contribution 3.0 %

Bribery and Corruption focuses on the management of risks related to illicit payments, such as kickbacks or bribes to government officials or business partners, and the receipt of those payments.

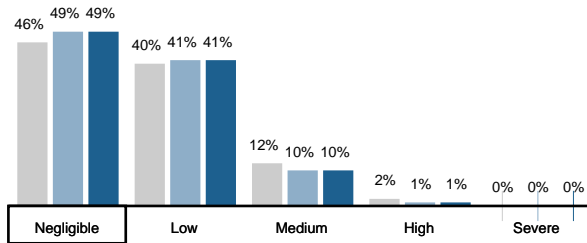
## ESG Risk Rating

# 0.6

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK <small>(1st = lowest risk)</small>	PERCENTILE <small>(1st = Top Score)</small>
Global Universe	58/791	8th
Pharmaceuticals INDUSTRY	12/105	11th
Pharmaceuticals SUBINDUSTRY	12/105	11th

## Peers Table

Peers (Market cap \$0.1 - \$0.1bn)	Exposure	Management	ESG Risk Rating
1. Grünenthal Pharma GmbH & Co. KG	4.0 Medium	100.0 Strong	0.2 Negligible
2. STADA Arzneimittel AG	4.0 Medium	95.0 Strong	0.4 Negligible
3. Galderma Group AG	4.0 Medium	90.0 Strong	0.6 Negligible
4. CEVA Santé Animale SA	4.0 Medium	58.8 Strong	1.8 Negligible
5. Orexo AB	5.1 Medium	56.2 Strong	2.4 Low

# Galderma Group AG

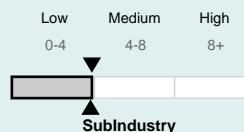
Pharmaceuticals Switzerland

## 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

**4.0**  
Medium



Bribery and corruption, though associated with significant penalties, is relatively common in the Pharmaceutical industry, especially bribery of healthcare professionals in return for prescribing company products. Businesses involved in bribery and corruption face high fines (up to USD 500 million), criminal sentences for employees and intensive scrutiny from regulators. In the US, companies may face exclusion from governmental health care programmes as a result of repeated misconduct, resulting in loss of market share. The global regulatory environment for bribery and corruption is becoming stricter, and governments are increasingly cooperating for information exchange. Asian countries are improving regulation and enforcement; for example, the Chinese government has given particularly high fines and sentences for companies and individuals involved in bribery and corruption, and South Korea introduced stricter regulation for bribery of governmental officials in 2015. Additionally, in developed markets, regulations like the California Sunshine Act are demanding greater transparency on payments made to health care professionals. In both emerging and developed markets, bribery and corruption is a common industry practice. Developed countries generally impose higher fines and penalties for corrupt practices conducted within their own borders. Moreover, companies with a large or expanding sales force face greater difficulties monitoring their workforce on ethical behaviour. To reduce the risks of bribery and corruption, companies have implemented measures such as risk assessments, employee training and whistleblower programmes, and have assigned managerial responsibility to oversee anti-bribery compliance. Leading companies have stopped paying doctors to promote their products and have changed the incentive structure for sales personnel from volume-based to quality-based performance indicators.

The company's exposure to Bribery and Corruption issues is medium and similar to the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	4.0
Issue Beta	x <b>1.00</b>
Company Issue Exposure	4.0

### Beta Indicators

### Beta Signal

Bribery and Corruption	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Regional Corruption	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	<b>1.00</b>

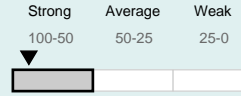
# Galderma Group AG

Pharmaceuticals Switzerland


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

**90.0**  
**Strong**



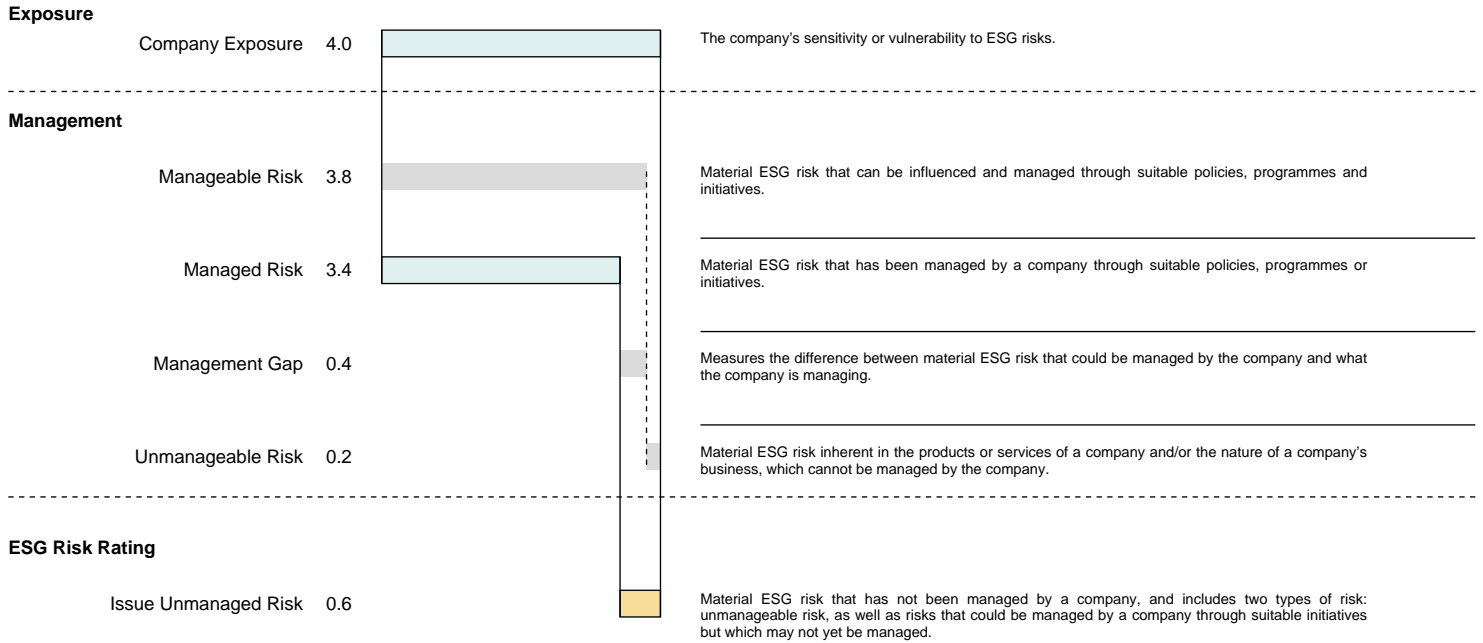
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Bribery & Corruption Policy	100	15.0%	15.0
Bribery & Corruption Programmes	100	45.0%	45.0
Ethical Marketing Promotion	75	20.0%	15.0
Whistleblower Programmes	75	20.0%	15.0
 Bribery and Corruption	<b>Category 0</b>	0%	0.0
<b>Weighted Sum</b>			<b>90.0</b>

# Galderma Group AG

Pharmaceuticals Switzerland

## Risk Decomposition



# Appendix



## Management Details



### Corporate Governance

#### Board/Management Quality & Integrity

47 Average Performer

Raw Score



Our analysis of the quality and integrity of the company's board and management indicates the following key areas of focus for Galderma Group AG:

- No non-executive directors with more than one year of tenure own stock and market practice is for directors to own stock.
  - One or more directors are linked to governance controversies at other companies and one or more directors are linked to bankruptcy or other performance failures at other companies.
  - RPTs are approved by disinterested/independent directors or committee members only and the oversight and review of RPTs raises concerns.
- Overall, Galderma Group AG positions itself as an Average Performer with regard to its Board/Management Quality & Integrity compared to peers.

#### Indicators

#### Score

Board Capture	70
Related Party Transactions	20
Executive/Board Misconduct	50
Director Track Record	20
Director Stock Ownership	0
Governance Controversies	50
Shareholder Engagement and Responsiveness	50
Business Practices Controversies	50
Board Experience	80

#### Board Structure

55 Average Performer

Raw Score



In reviewing the company's structural board features, we note the following for Galderma Group AG:

- The nominating committee lacks an independent majority and there are one or more executives on the nominating committee.
  - There is no disclosed board-level oversight of relevant industry risks and the company has a risk management framework in place.
  - Some directors are nominated by significant/strategic shareholders and all directors are elected by all shareholders.
- Overall, Galderma Group AG positions itself as an Average Performer with regard to its Board Structure compared to peers.

#### Indicators

#### Score

Board Leadership	70
Director Disclosure	100
Voting Structures	100
Nominating Committee Effectiveness	0
Board Diversity	60
Board Tenure	80
Board Independence	70
Directors not Elected by Shareholders	30
Risk Oversight	10

#### Ownership & Shareholder Rights

64 Leader

Raw Score



Galderma Group AG's Ownership & Shareholder rights regime includes the following key areas of focus:

- There is no shareholder rights or "poison pill" plan in effect and the market for control is subject to regulation that minimizes the likelihood of abusive takeover offers.
  - The board of directors is elected annually.
  - Substantially all common stockholders have identical voting rights.
- Overall, Galderma Group AG positions itself as a Leader with regard to its Ownership & Shareholder Rights compared to peers.

#### Indicators

#### Score

Shareholder Action	60
Poison Pill & Takeover Defences	80
Supermajority Provisions	50
Director Appointment & Removal	70
Capital Issuance Risks	60
Proportionality - One Share/One Vote	60
Ownership Structure	50

# Appendix



## Management Details

### Remuneration

44 Average Performer



Raw Score

Our analysis of executive compensation practices at Galderma Group AG points to the following:

- There is no recoupment or clawback policy disclosed and there is no recoupment or clawback policy disclosed.
  - The remuneration committee has an independent majority but includes non-independent members and a representative of the controlling shareholder is on the remuneration committee.
  - There is no long-term incentive plan or remuneration disclosure is missing.
- Overall, Galderma Group AG positions itself as an Average Performer with regard to its Remuneration compared to peers.

Indicators	Score
Remuneration Disclosure	60
Internal Pay Equity	50
Say on Pay	60
Pay Magnitude	50
Pay for Failure	60
Clawback Policy	0
Pay for Performance	50
CEO Termination Scenarios	80
Remuneration Committee Effectiveness	10
STI Performance Metrics	50
Pay Controversies	50
LTI Performance Metrics	50

### Audit & Financial Reporting

44 Average Performer



Raw Score

In reviewing the company's Audit & Financial reporting features, we note the following for Galderma Group AG:

- There is no disclosure regarding rotation or re-tender of the audit mandate and there is no market requirement to periodically re-tender or rotate the audit mandate.
- The audit committee is majority independent but has non-independent members and audit committee independence lags market standards.
- There is insufficient disclosure regarding audit fees.

Overall, Galderma Group AG positions itself as an Average Performer with regard to its Audit & Financial Reporting compared to peers.

Indicators	Score
Audit Committee Structure	20
Audit Committee Effectiveness	80
Audit Rotation Policy	0
Auditor Change	50
Reporting Irregularities	50
Auditor Fees	50

### Stakeholder Governance

58 Outperformer



Raw Score

In reviewing the company's practices regarding ESG stakeholder governance, points of attention for Galderma Group AG are: ESG Governance, Bribery & Corruption Policy and ESG Performance Targets.

- ESG Governance: A board member or a board committee is responsible for overseeing ESG issues
- Bribery & Corruption Policy: The company has a very strong policy
- ESG Performance Targets: Executive compensation is explicitly tied to ESG performance targets

Indicators	Score
GHG Reduction Programme	25
Environmental Policy	75
Whistleblower Programmes	75
Verification of ESG Reporting	0
ESG Performance Targets	100
Lobbying and Political Expenses	100
Discrimination Policy	50
ESG Governance	100
Scope of Social Supplier Standards	75
ESG Reporting Standards	25
Global Compact Signatory	0
Political Involvement Policy	25
Tax Disclosure	0
Green Procurement Policy	60
Bribery & Corruption Policy	100

# Appendix

## Exposure Details



### Product Governance

#### EA.E.24 - Marketing Practices

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.E.28 - Quality and Safety

0.01  
Beta Signal

Category 1

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.G.1 - Headquarters Location

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.G.3 - Sales Location

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.P.16 - Generic Drugs

0.00  
Beta Signal

It is not disclosed whether the company generates any revenues from generic drugs.

#### EA.S.1 - Qualitative Overlay

- 0.20  
Beta Signal

Answer category for negative beta signal adjustment

Galderma has a significantly lower exposure to Product Governance issues for the following reason(s):  
The company is a dermatology company that markets injectable aesthetics and skincare products (82% of FY2022 sales), which pose a lower risk towards patient safety compared to prescription and therapeutic drugs. Subsequently, the company faces a lower risk of product liability litigation, compared to traditional pharmaceutical companies.

# Appendix



## Exposure Details

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### EA.S.2 - Subindustry Correction Factor

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0.00  
Beta Signal

### EA.S.3 - Exceptional Event Adjustment

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0.00  
Beta Signal

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# Appendix



## Management Details

### S.3.1.9.1 - Product and Service Safety Programme

75	38.00%	28.5
Raw Score	Weight	Weighted Score

The company has a strong programme

#### Criteria

- Incident investigation and corrective action
- Managerial responsibility for product/service safety
- Monitoring of product/service safety performance
- Policy commitment to ensure product/service safety
- Product/service objectives or targets
- Product/service safety risk assessment
- Public reporting on product/service safety issues
- Regular employee training on product/service safety
- Regular external product/service safety audits
- Regularly tested emergency response procedures to ensure product/service safety

#### Sources

Galderma Holding AG Code of Ethics, September 2019  
 Galderma Holding AG Global Operations & Commercial Quality Presentation, accessed 17 May 2022  
 Galderma Holding AG, Quality, Safety and Medical at Galderma Position Statement, released October 2023  
 The company provided feedback on 02 February 2024  
 The company provided feedback on 10 June 2022  
 The company provided feedback on 16 May 2022

### S.3.1.12 - Drug Promotion Standards

0	11.88%	0.0
Raw Score	Weight	Weighted Score

There is no evidence in public reporting that the company refers to relevant WHO criteria or other codes

Based on publicly available disclosure, there is no evidence to suggest that the company refers to relevant WHO criteria or other codes for ethical marketing.

### S.3.1.13 - Ethical Marketing Promotion

75	19.00%	14.3
Raw Score	Weight	Weighted Score

The company has a strong programme

#### Criteria

- Compliance monitoring, including regular internal and external audits
- Disclosure of all payments made to healthcare professionals (or no payments made)
- Ethical review and approval of promotional materials
- Incident investigation and corrective action
- Managerial responsibility for responsible drug marketing
- Operating guidelines for interaction with healthcare professionals
- Public reporting on monitoring outcomes, violations and corrective action
- Regular risk assessments
- Regular training and awareness programmes for sales representatives on ethical marketing
- Remuneration for sales representatives aligned with quality and objectivity

#### Sources

Ethics and Compliance e-learning  
 Galderma Holding AG Global Code on Interactions with Healthcare Professionals, released December 2019  
 Internal -Galderma Compliance Program Overview and Evolution

### S.3.2.1 - QMS Certifications

0	9.50%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company's sites have not received external certification

There is evidence to suggest that a proportion of Galderma's quality management system (QMS) has been externally certified. However, there is no evidence to suggest that the company's QMS has been certified to ISO 9001.

#### Sources

Internal -QMS certifications

# Appendix



## Management Details

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Internal -Speak Up and Investigations Standard Operating Procedure  
 The company provided feedback on 24 May 2022

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### S.3.2.2 - Trial Data Transparency

100	16.63%	16.6
Raw Score	Weight	Weighted Score

Clinical trial data transparency is strong

#### Criteria

- Commitment to specific timeframe for results disclosure
- Prior registration of all clinical trials in credible and publicly available databases
- Publication of all trial results in credible databases or peer reviewed journals
- Publication of results of terminated trials
- Raw data availability to third parties

#### Sources

Galderma Holding AG, Clinical Trials at Galderma Position Statement, released October 2023

The company provided feedback on 16 May 2022

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# Appendix



## Management Details

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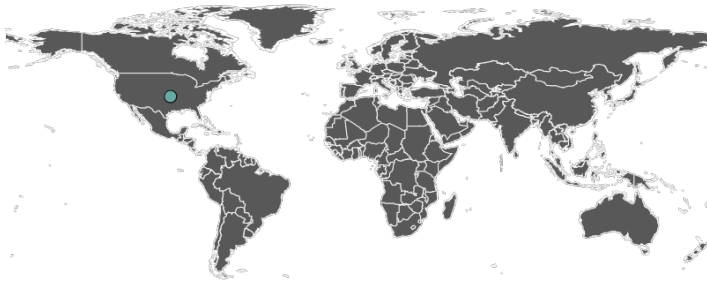
### Quality and Safety Events



Category 1 Event - Low

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### Incident History



**US advocacy group seeks stronger botulinum toxin injection label**  
Markets Business Insider - 12 December 2023

**Locations:** United States

**Tags:** Product Quality and Safety

# Appendix

## Exposure Details



### Access to Basic Services

#### EA.E.1 - Access to Basic Services

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.P.16 - Generic Drugs

0.00  
Beta Signal

It is not disclosed whether the company generates any revenues from generic drugs.

#### EA.S.1 - Qualitative Overlay

- 0.30  
Beta Signal

Answer category for negative beta signal adjustment

#### EA.S.2 - Subindustry Correction Factor

0.00  
Beta Signal

Galderma has a significantly lower exposure to Access to Basic Services issues for the following reason(s):  
The company is a dermatology company that markets injectable aesthetics and skincare products (82% of FY2022 sales), which are used for cosmetic purposes. Subsequently, Galderma faces a lower exposure to Access to Basic Services risks compared to traditional pharmaceutical companies, as pricing and access issues are less pressing for these products.

# Appendix



## Exposure Details

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### EA.S.3 - Exceptional Event Adjustment

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0.00

Beta Signal

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# Appendix



## Management Details

### S.3.1.15 - Value-Based Health Care Programme

0	15.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a programme

Based on available evidence, the company does not have a value-based health care programme.

**Criteria**

- Implementation of value-based initiatives
- Managerial responsibility for value-based programmes
- Policy commitment to promote a value-based approach
- Regular monitoring of value-based indicators
- Reporting on value-based outcomes
- Value-based objectives or targets

### S.3.2.3 - US Drug Price Transparency

0	12.50%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not disclose related information

Based on publicly available disclosure, Galderma does not disclose information related to the pricing of its US portfolio.

**Criteria**

- Public disclosure of percentage change in average list drug price across US product portfolio
- Public disclosure of significant individual list price changes within US product portfolio

**Sources**

20231212\_Galderma Headcount by Country

### S.4.2.4 - Access to Medicine Programme

0	20.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have an access to medicines programme

**Criteria**

- Access to medicine strategy is aligned with national/international health priorities
- Access to medicine strategy is aligned with the company's overall corporate strategy
- A formal policy promoting access to medicine
- Monitoring of access to medicine initiatives
- Participation in credible industry initiatives to enhance access to medicine
- Quantitative targets or qualitative objectives to enhancing access to medicine
- Reporting on progress of access initiatives
- Senior management or board responsibility for ATM
- Strategic long-term drug donation programme

**Sources**

Galderma Holding AG, Market Access at Galderma Position Statement, released October 2023

### S.4.2.5 - Neglected Diseases R&D

0	15.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a R&D programme

**Criteria**

- R&D partnerships for neglected or high burden diseases with other companies
- R&D partnerships for neglected or high burden diseases with public or non-profit entities
- R&D pipeline focus on high burden diseases and/or specific needs of developing countries
- R&D pipeline focus on neglected tropical diseases
- Sharing of compound libraries or other forms of IP sharing for R&D purposes

# Appendix



## Management Details

### S.4.2.6 - Equitable Pricing and Availability

33	20.00%	6.6
Raw Score	Weight	Weighted Score

The company has a weak programme

**Criteria**

- Commitment to register product(s) in LICs
- Defined criteria for selecting a country for equitable pricing
- Equitable pricing applied to all products
- Equitable pricing policy for developing countries
- Other design or distribution models to increase product accessibility
- Price strategy in developed markets
- Product(s) with inter-country tiered pricing in LICs or LMICs
- Product(s) with intra-country tiered pricing in LICs or LMICs

**Sources**

Galderma Holding AG Corporate Website, Galderma CareConnect, [www.galderma.com](http://www.galderma.com); accessed 15 January 2024

Galderma Holding AG Corporate Website, Prescription Program Overview, [www.galderma.com](http://www.galderma.com); accessed 15 January 2024

Galderma Holding AG Corporate Website, Sculptra Program Overview, [www.galderma.com](http://www.galderma.com); accessed 15 January 2024

### S.4.2.6.1 - Intellectual Property Access

25	17.50%	4.4
Raw Score	Weight	Weighted Score

The company has a weak programme

**Criteria**

- Licensing conditions that enhance access to medicine
- Policy not to file for or enforce patents in LICs or LDCs
- Policy not to file for or enforce patents in some non-LICs
- Support for flexibilities provided under the World Trade Organisation's TRIPS agreement
- Technology transfer agreement(s) in LICs or LMICs
- Voluntary sharing of IP rights with generic manufacturers

**Sources**

Galderma Holding AG, Market Access at Galderma Position Statement, released October 2023

# Appendix

## Exposure Details

### Human Capital

#### EA.E.22 - Labour Relations

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.P.16 - Generic Drugs

0.00  
Beta Signal

It is not disclosed whether the company generates any revenues from generic drugs.

#### EA.S.1 - Qualitative Overlay

0.00  
Beta Signal

Answer category for neutral beta signal adjustment

#### EA.S.2 - Subindustry Correction Factor

0.00  
Beta Signal

#### EA.S.3 - Exceptional Event Adjustment

0.00  
Beta Signal

# Appendix



## Management Details

### S.1.1 - Freedom of Association Policy

20	7.50%	1.5
Raw Score	Weight	Weighted Score

There is no evidence of a formal policy but the company has a general statement addressing this issue

Within its Human Resources position statement, Galderma discloses that it recognizes its employees' right to freedom of association and collective bargaining, following the applicable laws of each relevant country. However, the company does not reference any of the International Labour Organization (ILO) Conventions.

**Sources**

Galderma Holding AG, Human Resources at Galderma Position Statement, released October 2023

### S.1.2 - Discrimination Policy

50	7.50%	3.8
Raw Score	Weight	Weighted Score

The company has an adequate policy

Within its Code of Ethics, Galderma reports that it is committed to maintaining a workplace free from discrimination and harassment and further discloses the types of discrimination that it prohibits. However, there is no evidence to suggest that the company references any of the ILO's conventions.

**Criteria**

- Commitment to ensure equal opportunity
- List of the types of discrimination the company is committed to eliminate
- Reference to the ILO conventions

**Sources**

Galderma Holding AG Code of Ethics, September 2019

### S.1.3 - Diversity Programmes

75	20.00%	15.0
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- Diversity monitoring or audits
- Employee affinity groups, diversity councils, or networking groups
- Initiatives supporting a diverse workforce
- Initiatives to recruit from diverse talent
- Managerial or board level responsibility for diversity initiatives
- Mentorship programmes
- The company has a programme that applies to less than 50% of operations
- Training and guidance regarding diversity

**Sources**

Galderma Holding AG Annual Report 2022 (FY2022)

Galderma Holding AG Corporate Website, For Our Employees, www.galderma.com; accessed 15 January 2024

Galderma Holding AG Corporate Website, Our ESG Roadmap, www.galderma.com; accessed 15 January 2024

Galderma Holding AG HR Initiatives Iberia, received 13 June 2022

Galderma Holding AG LATAM Overview, received 13 June 2022

Internal -Diversity Programme and Initiatives

Internal -Mentorship programs examples

The company provided feedback on 02 February 2024

The company provided feedback on 13 June 2022

The company provided feedback on 24 May 2022

### S.1.3.1 - Gender Pay Equality Programme

25	7.50%	1.9
Raw Score	Weight	Weighted Score

The company has a weak programme

**Criteria**

- Commitment to gender pay equality
- Global gender pay gap audit or compensation review
- Initiatives to close the gender pay gap
- Monitoring and measurement
- Quantitative targets and deadlines

**Sources**

Internal -Gender Pay Programme

# Appendix



## Management Details

### S.1.3.2 - Gender Pay Disclosure

0	5.00%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not disclose related information

Based on available evidence, Galderma does not disclose related information.

**Criteria**

- Disclosure of ratio of basic salary and remuneration of women to men for specific employment categories (level or function)
- Disclosure of the company's global mean (average) raw gender pay gap
- Disclosure of the company's global median raw gender pay gap

### S.1.4 - Collective Bargaining Agreements

25	7.50%	1.9
Raw Score	Weight	Weighted Score

Disclosure is insufficient to determine the percentage of the company's employees that are covered by collective bargaining agreements

The company operates in over 40 countries, including Austria, Belgium, Finland France, Portugal and Sweden, where the proportion of people covered by collective bargaining agreements is high. However, the specific proportion of Galderma's employees covered by collective bargaining agreements is not known as disclosure is insufficient to calculate.

**Sources**

20231212\_Galderma Headcount by Country

### S.1.5 - Employee Turnover Rate

0	15.00%	0.0
Raw Score	Weight	Weighted Score

The company's employee turnover rate is high

For FY2022, Galderma's total employee turnover rate was 18.6%.

**Sources**

Internal -ESG Dashboard\_Q3 2023 status

### S.1.5.2 - Human Capital Development

75	30.00%	22.5
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- Formal mechanisms to promote an open feedback culture
- Initiatives for talent development
- Initiatives for talent recruitment
- Initiatives for talent retention
- Quantitative targets related to human capital development
- Regular formal performance reviews for all permanent employees aligned with career development
- Reporting on human capital development metrics
- Reporting on human capital risk assessment

**Sources**

Galderma Holding AG 2021 Internship Process Overview, received 13 June 2022  
 Galderma Holding AG Annual Report 2022 (FY2022)  
 Galderma Holding AG High-level Presentation of Initiatives, received 13 June 2022  
 Galderma Holding AG LATAM Overview, received 13 June 2022  
 Galderma Holding AG, Human Resources at Galderma Position Statement, released October 2023  
 Internal -ESG Dashboard\_Q3 2023 status  
 Internal -Human Capital Development Initiatives  
 The company provided feedback on 02 February 2024  
 The company provided feedback on 13 June 2022  
 The company provided feedback on 16 May 2022

# Appendix

## Exposure Details



### Emissions, Effluents and Waste

#### EA.E.14 - Emissions, Effluents and Waste

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.G.1 - Headquarters Location

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.G.2 - Assets Location

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.S.1 - Qualitative Overlay

0.00  
Beta Signal

Answer category for neutral beta signal adjustment

#### EA.S.2 - Subindustry Correction Factor

0.05  
Beta Signal

#### EA.S.3 - Exceptional Event Adjustment

0.00  
Beta Signal

# Appendix



## Management Details

### E.1.1 - Environmental Policy

75	22.50%	16.9
Raw Score	Weight	Weighted Score

The company has a strong policy

Galderma outlines a commitment to conduct its business in an environmentally sustainable manner. Moreover, the company also outlines a commitment to use natural resources more efficiently and reduce its emissions, releases and waste.

**Criteria**

- Approved by senior management or the board of directors
- Commitment to consult with stakeholders on environmental issues
- Commitment to create environmental awareness
- Commitment to environmental protection
- Commitment to implement an environmental management system
- Commitment to monitor the company's environmental performance
- Commitment to reduce emissions, releases and waste
- Commitment to report regularly on environmental issues
- Commitment to use natural resources or energy more efficiently

**Sources**

Galderma Holding AG Code of Ethics, September 2019  
 Galderma Holding AG, Sustainability at Galderma Position Statement, released October 2023  
 The company provided feedback on 02 February 2024

### E.1.2 - Environmental Management System

100	25.00%	25.0
Raw Score	Weight	Weighted Score

The company has a very strong EMS

For FY2022, Galderma reports that all (100%) of its manufacturing sites are certified to the ISO 14001 system.

**Criteria**

- Assigned roles and responsibilities
- Compliance with environmental regulation
- Corrective actions to stimulate continual improvement
- Environmental performance records
- Environmental programmes
- External environmental audits
- Identification of products, activities and services that have significant impacts on the environment
- Internal and external communications on environmental management issues
- Internal environmental audits
- Managerial or board level responsibility for environmental issues
- Monitoring and measurement
- Objectives, targets and deadlines
- Training and awareness programmes for employees

**Sources**

Galderma Holding AG Annual Report 2022 (FY2022)  
 ISO 14001&45001 certificates

### E.1.3 - EMS Certification

100	17.50%	17.5
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

For FY2022, Galderma reports that all (100%) of its manufacturing sites are certified to the ISO 14001 standard.

**Sources**

Galderma Holding AG Annual Report 2022 (FY2022)  
 ISO 14001&45001 certificates

### E.1.3.2 - Hazardous Waste Management

25	35.00%	8.8
Raw Score	Weight	Weighted Score

The company has a weak programme

Galderma measures and monitors its hazardous and non-hazardous waste across its four manufacturing facilities. However, the company does not outline a formal commitment to reduce its hazardous waste.

**Criteria**

- Commitment to reduce hazardous waste
- Initiatives to reduce hazardous waste
- Monitoring and measurement
- Targets and deadlines

**Sources**

Internal -Additional EHS metrics tracking  
 Internal -Hazardous Waste Management initiatives  
 The company provided feedback on 02 February 2024

# Appendix

## Exposure Details



### Business Ethics

#### EA.E.2 - Accounting and Taxation

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.E.3 - Animal Welfare

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.E.4 - Anti-Competitive Practices

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.E.7 - Business Ethics

0.01  
Beta Signal

Category 1

#### EA.E.21 - Intellectual Property

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.E.23 - Lobbying and Public Policy

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

# Appendix



## Exposure Details

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### EA.S.1 - Qualitative Overlay

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0.00  
Beta Signal

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Answer category for neutral beta signal adjustment

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### EA.S.2 - Subindustry Correction Factor

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0.00  
Beta Signal

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### EA.S.3 - Exceptional Event Adjustment

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0.00  
Beta Signal

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# Appendix



## Management Details

### S.3.2.2 - Trial Data Transparency

100	9.50%	9.5
Raw Score	Weight	Weighted Score

Clinical trial data transparency is strong

**Criteria**

- Commitment to specific timeframe for results disclosure
- Prior registration of all clinical trials in credible and publicly available databases
- Publication of all trial results in credible databases or peer reviewed journals
- Publication of results of terminated trials
- Raw data availability to third parties

**Sources**

Galderma Holding AG, Clinical Trials at Galderma Position Statement, released October 2023

The company provided feedback on 16 May 2022

### G.1.2 - Whistleblower Programmes

75	9.50%	7.1
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- An independent, reporting hotline available 24/7
- Available in local languages
- Available to suppliers, customers and other third parties
- Disclosure on the number of reports received, the types of misconduct and measures taken
- Non-retaliation policy
- Possibility for anonymous reporting and reports are treated confidentially
- Proactively communicated to employees
- Structures in place to process whistleblower reports

**Sources**

Galderma Holding AG Code of Ethics, September 2019

Galderma Holding AG Corporate Website, Governance Oversight, www.galderma.com; accessed 15 January 2024

Galderma Holding AG Corporate Website, SpeakUp, www.galderma.com; accessed 15 January 2024

Galderma Holding AG, Ethics and Compliance at Galderma Position Statement, released October 2023

Internal -Speak Up and Investigations Standard Operating Procedure

### G.1.2.1 - Business Ethics Programme

100	19.00%	19.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

**Criteria**

- Annual training of employees on the Code of Conduct
- Board responsibility for business ethics issues
- Commitment to address major business ethics risks
- Ethical risk assessments
- Incident investigation and corrective actions
- Managerial responsibility for business ethics
- Measures to deter non-compliance and reduce exposure to unethical opportunities
- Operating guidelines

**Sources**

Ethics and Compliance e-learning

Galderma Holding AG Code of Ethics, September 2019

Galderma Holding AG Global Anti-Bribery and Corruption Policy, released June 2020

Galderma Holding AG Global Code on Interactions with Healthcare Professionals, released December 2019

Internal -Compliance Risk Management

Internal -ESG Dashboard\_Q3 2023 status

Internal -Galderma Compliance Program Overview and Evolution

### G.1.4.3 - Animal Testing Policy

75	4.75%	3.6
Raw Score	Weight	Weighted Score

The company has a strong policy on animal testing

Galderma reports that it only conducts animal testing where necessary. Furthermore, the company reports that when animal testing occurs it must comply with the principals of the three R's, covering initiatives to replace, reduce and refine animal testing.

**Criteria**

- Commitment not to use animal testing except where legally required
- Commitment to reduce animal testing
- Commitment to refine animal testing
- Commitment to replace animal testing
- Reference to best practice standards or commitment to seek animal testing certification
- The company does not conduct animal testing

**Sources**

Internal -Animal Welfare & Ethics In vivo

# Appendix



## Management Details

Internal -Speak Up and Investigations Standard Operating Procedure

The company provided feedback on 02 February 2024

The company provided feedback on 16 May 2022

### G.1.4.3.1 - Animal Testing Programme

75	9.50%	7.1
Raw Score	Weight	Weighted Score

The company has a strong programme

As part of its animal testing programme, Galderma presents evidence of initiative to refine, reduce and replace animal testing. Moreover, the company reports on animal testing issues.

**Criteria**

- Initiatives to reduce animal testing
- Initiatives to refine animal testing
- Initiatives to replace animal testing
- Managerial or board responsibility for overseeing animal testing
- Regular audits of animal testing practices
- Reporting on animal testing issues
- The company does not conduct animal testing

**Sources**

Internal -Animal Testing Programme

The company provided feedback on 02 February 2024

### G.1.4.5 - Policy on Emerging Technologies

100	7.13%	7.1
Raw Score	Weight	Weighted Score

The company has a very strong policy or does not use emerging technologies

**Criteria**

- Acknowledgement of risks or controversies associated with the use of emerging technologies
- Applicable to Genetic Engineering
- Applicable to Nanotechnology
- Applicable to Stem Cell Research
- Commitment to avoid the most controversial practices related to emerging technologies
- Commitment to implement measures to reduce risks associated with emerging technologies
- Commitment to report on the use of emerging technologies
- Commitment to support further research or engage with stakeholders on emerging technologies
- The company does not use stem cell, nanotechnology or genetic engineering

**Sources**

The company provided feedback on 16 May 2022

### G.1.4.6 - Clinical Trial Standards

100	7.13%	7.1
Raw Score	Weight	Weighted Score

The company has a strong policy

**Criteria**

- Applicable to offshore and/or outsourced trials or trials are not outsourced/conducted offshore
- Commitment to adhere to international best practice guidelines
- Commitment to adhere to other international codes or principles
- Commitment to conduct trials in an ethical manner
- Commitment to regular monitoring of outsourced trials

**Sources**

Galderma Holding AG, Clinical Trials at Galderma Position Statement, released October 2023

The company provided feedback on 02 February 2024

### G.1.4.7 - Clinical Trial Programme

100	14.25%	14.3
Raw Score	Weight	Weighted Score

The company has a very strong programme

**Criteria**

- Commitment to conduct trials only where the investigational product will be marketed
- Grievance mechanisms for clinical trial participants
- Independent ethics committee with authority to approve, modify or stop trials
- Managerial responsibility for ethical conduct in clinical trials
- Post-trial access to medicines
- Procedure to obtain participants' free, prior and informed consent
- Public reporting on monitoring outcomes, violations in clinical trials and corrective action
- Regular monitoring of on-going clinical trials
- Risk/impact assessment before any trial begins
- Training and awareness programmes for employees involved in trials

**Sources**

Galderma Holding AG, Clinical Trials at Galderma Position Statement, released October 2023

Internal -Clinical Trials -Relevant internal standard operating procedure excerpts (1)

# Appendix



## Management Details

The company provided feedback on 02 February 2024  
 The company provided feedback on 13 June 2022

### G.3.1 - Political Involvement Policy

25	4.75%	1.2
Raw Score	Weight	Weighted Score

The company has a weak policy

**Criteria**

- Approved by senior management
- Commits the company to disclose political donations and/or lobbying expenditures
- Partially prohibits political involvement
- Prohibits political involvement of any kind on the company's behalf

**Sources**

Galderma Holding AG Global Anti-Bribery and Corruption Policy, released June 2020

### G.3.2 - Lobbying and Political Expenses

100	9.50%	9.5
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not make political contributions and is not involved in lobbying activities

Based on available evidence, Galderma does not make political contributions and is not involved in lobbying activities.

**Sources**

LobbyFacts, [www.lobbyfacts.eu](http://www.lobbyfacts.eu); accessed 15 January 2024  
 OpenSecrets, [www.opensecrets.org](http://www.opensecrets.org); accessed 15 January 2024

# Appendix



## Management Details

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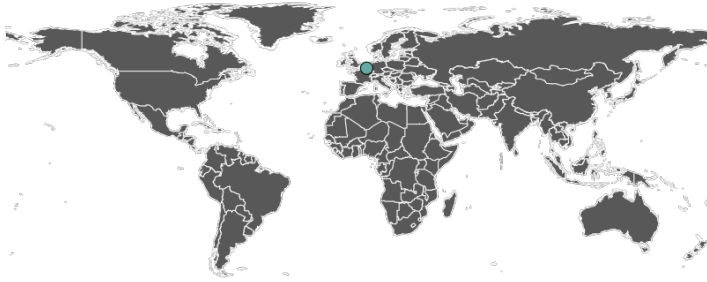
### Business Ethics Events



Category 1 Event - Low

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### Incident History



**Belgium ICC arbitration rules against company over QM-1114 dispute**  
Law360 - 02 January 2024

**Locations:** Belgium

**Tags:** Business Ethics -Other

# Appendix



## Exposure Details



### Carbon - Own Operations

#### EA.E.15 - Energy Use and GHG Emissions

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.P.1 - Carbon Emissions

- 0.10  
Beta Signal

The company's carbon emissions intensity is well below the industry median

Galderma Group AG-Company Feedback

#### EA.S.1 - Qualitative Overlay

0.00  
Beta Signal

Answer category for neutral beta signal adjustment

#### EA.S.2 - Subindustry Correction Factor

0.00  
Beta Signal

# Appendix



## Exposure Details

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### EA.S.3 - Exceptional Event Adjustment

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0.00

Beta Signal

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# Appendix



## Management Details

### E.1.1 - Environmental Policy

75	2.50%	1.9
Raw Score	Weight	Weighted Score

The company has a strong policy

Galderma outlines a commitment to conduct its business in an environmentally sustainable manner. Moreover, the company also outlines a commitment to use natural resources more efficiently and reduce its emissions, releases and waste.

#### Criteria

- Approved by senior management or the board of directors
- Commitment to consult with stakeholders on environmental issues
- Commitment to create environmental awareness
- Commitment to environmental protection
- Commitment to implement an environmental management system
- Commitment to monitor the company's environmental performance
- Commitment to reduce emissions, releases and waste
- Commitment to report regularly on environmental issues
- Commitment to use natural resources or energy more efficiently

#### Sources

Galderma Holding AG Code of Ethics, September 2019  
 Galderma Holding AG, Sustainability at Galderma Position Statement, released October 2023  
 The company provided feedback on 02 February 2024

### E.1.2 - Environmental Management System

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company has a very strong EMS

For FY2022, Galderma reports that all (100%) of its manufacturing sites are certified to the ISO 14001 system.

#### Criteria

- Assigned roles and responsibilities
- Compliance with environmental regulation
- Corrective actions to stimulate continual improvement
- Environmental performance records
- Environmental programmes
- External environmental audits
- Identification of products, activities and services that have significant impacts on the environment
- Internal and external communications on environmental management issues
- Internal environmental audits
- Managerial or board level responsibility for environmental issues
- Monitoring and measurement
- Objectives, targets and deadlines
- Training and awareness programmes for employees

#### Sources

Galderma Holding AG Annual Report 2022 (FY2022)  
 ISO 14001&45001 certificates

### E.1.3 - EMS Certification

100	2.50%	2.5
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

For FY2022, Galderma reports that all (100%) of its manufacturing sites are certified to the ISO 14001 standard.

#### Sources

Galderma Holding AG Annual Report 2022 (FY2022)  
 ISO 14001&45001 certificates

### E.1.6 - Scope of GHG Reporting

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company discloses emissions data in full

Based on the available evidence, Galderma reports its scope 1, 2 and 3 (category-split) emissions.

#### Criteria

- Based on available evidence, the company does not disclose any GHG emissions
- The company discloses scope 1 emissions
- The company discloses scope 2 emissions
- The company discloses scope 3 emissions as a total
- The company discloses scope 3 emissions with category split
- The company only discloses total emissions, without disclosing by emission scope

#### Sources

2023 CDP Questionnaire  
 Internal -ESG Dashboard\_Q3 2023 status  
 The company provided feedback on 02 February 2024

# Appendix



## Management Details

### E.1.6.1 - GHG Risk Management

25	20.00%	5.0
Raw Score	Weight	Weighted Score

The company has a weak risk management programme

**Criteria**

- Board level responsibility for climate-related transition risk
- Climate-related responsibilities to management level positions or committees
- Description of the impact of climate change related transition risks including downside risks and opportunities on business strategy and financial planning
- Description of the resilience of the strategy, taking into account different climate scenarios -qualitatively relating to previously disclosed transition risks and opportunities
- Description of the resilience of the strategy, taking into account different climate scenarios -utilising quantitative scenario analysis -relating to previously disclosed transition risks and opportunities
- Management embeds and integrates transition risk into wider business processes and procedures
- Organisational responsibility for climate-related transition risk
- Prioritisation of adaptation and mitigation plans and measures associated with transition risks, with integration into business and financial planning including Capex spent and/or R
- Recognition and description of climate change related transition risks including downside risks and opportunities identified by the organisation over the short, medium and long term
- There is no reporting available yet, but the company does have a commitment to report on any of the above over the next three years

**Sources**

2023 CDP Questionnaire

### E.1.7.0 - GHG Reduction Programme

25	20.00%	5.0
Raw Score	Weight	Weighted Score

The company has a weak programme

**Criteria**

- Adoption of key mitigation technologies
- Demonstration of how initiatives put in place close the emissions gap between current performance and the targeted emissions reduction
- Emissions reduction coverage
- GHG emissions monitoring and measurement
- GHG reduction target
- Initiatives are linked to wider TCFD reporting
- Initiatives in place to reduce emissions
- Interim targets
- Net Zero and Science Alignment
- Regular GHG audits or verification

**Sources**

2023 CDP Questionnaire  
 Galderma Holding AG Annual Report 2022 (FY2022)  
 Galderma Holding AG Corporate Website, Environmental Sustainability, www.galderma.com; accessed 15 January 2024  
 Galderma Holding AG, Sustainability at Galderma Position Statement, released October 2023  
 Internal -Emission reduction initiatives  
 Internal -Schneider Electric Report  
 The company provided feedback on 02 February 2024

### E.1.8 - Renewable Energy Programmes

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- The company has a formal programme which covers less than 50% of operations
- The company has a formal programme which covers more than 50% of operations
- The company has a target with a deadline to increase renewable energy use
- There are a clear set of initiatives in place to aid in the use of renewable energy
- The use of renewable energy is solely via the use of corporate or other direct wire PPAs, green tariff energy, and renewable integrated grid
- The use of renewable energy is solely via the use of decentralized or embedded site renewables, or offsite company-funded renewable energy projects
- The use of renewable energy is solely via the use of Virtual Power Purchase Agreements (VPPAs) and other market instruments of this type (for example RECs/ROCs), or other mechanisms which facilitate wider use of renewable energy, but are not direct wire nor offsetting mechanisms
- The use of renewable energy is via a combination of the above

**Sources**

### E.1.9 - Carbon Intensity

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company's carbon emissions intensity is well below the industry median

Galderma Group AG-Company Feedback

	2021
Carbon Intensity (t/million USD)	5
Industry Median	33.6

# Appendix



## Management Details

2023 CDP Questionnaire

Galderma Holding AG Annual Report 2022 (FY2022)

The company provided feedback on 16 May 2022

### E.1.10 - Carbon Intensity Trend

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company's carbon intensity trend shows a decline of 25% or more over the last 3 years

Galderma Group AG-Company Feedback

	2021
Carbon Intensity Trend (%)	-29.9

### E.1.11 - Renewable Energy Use

80	10.00%	8.0
Raw Score	Weight	Weighted Score

Between 25% and 49.99% of the company's primary energy use comes from renewable energy sources

For FY2022 Galderma's total energy consumption totaled 99849.78 MWh, whereas its energy consumption from renewable sources totaled 28442.02 MWh. As such, for FY2022 28.5% of the company's energy was renewable.

#### Sources

2023 CDP Questionnaire

Galderma Holding AG Annual Report 2022 (FY2022)

# Appendix

## Exposure Details



### Bribery and Corruption

#### EA.E.6 - Bribery and Corruption

0.00  
Beta Signal

No evidence of relevant controversies

#### EA.F.1 - Operating Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.2 - Solvency

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.3 - Financial Flexibility

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.F.4 - Asset Performance

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.G.4 - Regional Corruption

0.00  
Beta Signal

Data for this company is not yet available.

#### EA.S.1 - Qualitative Overlay

0.00  
Beta Signal

Answer category for neutral beta signal adjustment

#### EA.S.2 - Subindustry Correction Factor

0.00  
Beta Signal

#### EA.S.3 - Exceptional Event Adjustment

0.00  
Beta Signal

# Appendix



## Management Details

### S.3.1.13 - Ethical Marketing Promotion

75	20.00%	15.0
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- Compliance monitoring, including regular internal and external audits
- Disclosure of all payments made to healthcare professionals (or no payments made)
- Ethical review and approval of promotional materials
- Incident investigation and corrective action
- Managerial responsibility for responsible drug marketing
- Operating guidelines for interaction with healthcare professionals
- Public reporting on monitoring outcomes, violations and corrective action
- Regular risk assessments
- Regular training and awareness programmes for sales representatives on ethical marketing
- Remuneration for sales representatives aligned with quality and objectivity

**Sources**

Ethics and Compliance e-learning  
 Galderma Holding AG Global Code on Interactions with Healthcare Professionals, released December 2019  
 Internal -Galderma Compliance Program Overview and Evolution  
 Internal -Speak Up and Investigations Standard Operating Procedure  
 The company provided feedback on 24 May 2022

### G.1.1 - Bribery & Corruption Policy

100	15.00%	15.0
Raw Score	Weight	Weighted Score

The company has a very strong policy

Galderma discloses an Anti-Bribery and Corruption Policy, wherein it prohibits bribery and outlines what it entails. Moreover, the company also offers guidelines for its employees on what is considered acceptable behaviour throughout its Code of Ethics.

**Criteria**

- Definition and prohibition of facilitation payments
- Definition of bribery or corruption
- Definition of conflicts of interest and commitment to minimize these
- Guidelines of what is considered acceptable behaviour
- Prohibition of bribery
- There is no evidence of a formal policy but the company has a general statement addressing the issue

**Sources**

Galderma Holding AG Code of Ethics, September 2019  
 Galderma Holding AG Conflict of Interest Policy  
 Galderma Holding AG Global Anti-Bribery and Corruption Policy, released June 2020  
 Prior to research start, the company sent documents on 12 January 2024  
 Prior to research start, the company sent documents on 8 January 2024  
 The company provided feedback on 10 June 2022  
 The company provided feedback on 16 May 2022  
 The company provided feedback on 24 May 2022

### G.1.1.1 - Bribery & Corruption Programmes

100	45.00%	45.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

**Criteria**

- Annual signoff of the policy on bribery and corruption by employees
- Internal monitoring system to detect corruption
- Managerial responsibility for bribery and corruption
- Mechanisms for employees to consult on ethical issues
- Operating guidelines addressing record keeping, approval procedures and appropriate behaviour
- Regular bribery and corruption risk assessments
- Regular training on bribery and corruption

**Sources**

Galderma Holding AG Corporate Website, Governance Oversight, www.galderma.com; accessed 15 January 2024  
 Galderma Holding AG Corporate Website, SpeakUp, www.galderma.com; accessed 15 January 2024  
 Galderma Holding AG, Ethics and Compliance at Galderma Position Statement, released October 2023

### G.1.2 - Whistleblower Programmes

75	20.00%	15.0
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- An independent, reporting hotline available 24/7
- Available in local languages
- Available to suppliers, customers and other third parties
- Disclosure on the number of reports received, the types of misconduct and measures taken
- Non-retaliation policy
- Possibility for anonymous reporting and reports are treated confidentially
- Proactively communicated to employees
- Structures in place to process whistleblower reports

**Sources**

Galderma Holding AG Code of Ethics, September 2019  
 Galderma Holding AG Corporate Website, Governance Oversight, www.galderma.com; accessed 15 January 2024  
 Galderma Holding AG Corporate Website, SpeakUp, www.galderma.com; accessed 15 January 2024

# Appendix



## Management Details

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Internal -Compliance Risk Management

Internal -ESG Dashboard\_Q3 2023 status

Internal -Galderma Compliance Program Overview and Evolution

Galderma Holding AG, Ethics and Compliance at Galderma Position Statement, released October 2023

Internal -Speak Up and Investigations Standard Operating Procedure

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# Galderma Group AG

Pharmaceuticals Switzerland

## GLOSSARY OF TERMS

### Attribute Date

Publication Date when there is any change to the ESG Risk Score, ESG Risk Category, Sub-Industry or Framework.

### Beta (Beta, $\beta$ )

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.

### Change in Value

Delta between current and previous ESG Risk Scores.

### Change Trigger






Explains what triggered a company's score to change (e.g., methodology, event, annual update, partial update).

### 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**:

	<b>Negligible risk:</b> enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
	<b>Low risk:</b> enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
	<b>Medium risk:</b> enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
	<b>High risk:</b> enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
	<b>Severe risk:</b> 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.

### Event Update

An internal process where an update of an event assessment for a company is performed; the event update is typically done when news about the involvement of a company in a controversy is reaching a certain threshold that requires either an initial event assessment or an update of an existing event assessment.

### 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.

### Full Update

An internal process where a full assessment of a company is performed; the full update is typically done on an annual basis for ESG Risk Ratings.

### 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**.

### Methodology Update

An internal process where the methodological architecture of a product is changed leading to changes in the rating/assessment of a company; methodological updates typically occur once within 3-5 years and are rolled out for all companies at once.

### Partial Update

An internal process where data points that feed a rating/assessment of a company are updated outside of the full update process and limited in scope; the partial update is typically restricted to a limited number of data points and occurring periodically.

# Galderma Group AG

Pharmaceuticals Switzerland

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## GLOSSARY OF TERMS

### 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**).

### Value after Change

Current ESG Risk Score, ESG Risk Category, Sub-Industry or Framework.

### Value before Change

Previous ESG Risk Score, ESG Risk Category, Sub-Industry or Framework.

## Guidelines on Sustainalytics' Corporate ESG Assessment for Galderma Group AG

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