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Diversified Pharmas Top Ethical Ranking

Covalence Health Care Sector Report 2009

Pharmaceutical companies involved in consumer health activities achieve the best ethical reputation, states Geneva-based Covalence in its latest Health Care Sector Report.

Among the seven leaders of the Covalence ethical ranking in the health care sector, five companies are following a diversified business strategy and operate in consumer health (such as over-the-counter drugs, eye and dental care, anti-obesity treatments): GlaxoSmithKline, Bristol Myers Squibb, Novartis, Abbott, and Johnson & Johnson.

These 5 companies have communicated towards the general public on topics such as Social Sponsorship, Climate Change, and Community.

Future success for diversified Health Care companies will be driven by their ability to create brand loyalty through strong ethical behavior. These companies are also subject to special risks due to the extended reach of their products. Sound consumer information and marketing practices are essential to allow for appropriate selection and self medication.

Comparing the EthicalQuote scores of 18 sectors in the 2002 - 2009 (July) time frame, the Health Care sector is ranked as number 8, while Technology Hardware and Automobiles & Parts are leading.

The Health Care sector experienced a decline from August 2008 to July 2009, reaching the 12th rank among 18 sectors. Some explanations for this ranking are:

- Negative coverage on issues such as Product side-effects and risks; Legal issues; Marketing practices; Child issues
- On a cross-sector comparison, Health Care puts little focus on climate change mitigation
- Health Care companies should increase communication related to working conditions
- Most companies found their environmental efforts undermined by the negative coverage related to the economic downturn and following job cuts
- Blogs are a major generator of criticisms targeting the Health Care sector

Covalence Ethical Ranking for 31 companies in the Health Care sector, with data spanning the 2002 - 2009 (Jul) period: GlaxoSmithKline is the top company (#27 across 18 sectors and 541 companies), ahead of Bristol Myers Squibb (#34) and Novartis (#53), while Gilead Sciences Inc (#515), Schering Plough (#478), and Wyeth (#453) occupy the last ranks.

More information on Covalence Health Care Sector Report 2009:

> [Extract: Covalence Health Care Sector Report 2009](#)

About Covalence

Geneva-based [Covalence](#) tracks the ethical reputation of multinationals by sourcing online information. We publish ethical [rankings](#) and offer reputation management [products](#) to [clients](#) among companies, investors and institutions, while informing researchers and the media > [Covalence in the news](#).

Covalence' s ethical quotation system is a reputation index based on quantifying qualitative data, which is classified according to 45 criteria such as *Labour standards*, *Waste management*, *Product social utility* or *Human rights policy*. It is a barometer of how multinationals are perceived in the ethical field. The system integrates thousands of documents found among media, companies, blogs, NGOs and other sources.

This tool received the Cantonal Sustainable Development Prize (Geneva) in 2004 and prompted Covalence among the finalists of the Social Entrepreneur of the Year 2005 award organised by the Schwab Foundation. Covalence research is also distributed by Reuters, Thomson Financial and Bloomberg.

Covalence is closely monitoring 18 sectors including 550 companies that are classified as the largest market capitalizations in the Dow Jones World Index. Covalence is a limited company that was founded in Geneva in 2001 by six persons with political science and finance backgrounds.

Online information: Covalence company and methodology

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