

Aventis - Summary of company profile

Business description

Aventis, which merged with Sanofi-Synthélabo in 2004, is a major innovative pharmaceutical corporation. Its core businesses are the discovery, development and marketing of branded prescription drugs, vaccines and animal health products.

- Headquarters: France
- Global presence: over 170 countries
- Primary markets: USA, France, Germany, and Japan
- Employees: approximately 76,000

Aventis key figures for 2003 (in € million)

Sales	17,815
Materials and production costs	5,377
Marketing and administration	6,198
R&D expenditures	2,924
Operating income	3,670
Net profit	1,901

Since 2002, Aventis has divested its agribusiness division and other non-core activities. The company focuses on seven high-potential strategic products, including Allegra/Telfast (allergies), Lovenox/Clexane (thrombosis), Taxotere (oncology), and Delix/Tritace (hypertension). These four drugs generated global sales above €1 billion each. Aventis Pasteur, the vaccines division of Aventis, is also a key contributor to the business success of the company.

Aventis produces several products of special importance to developing countries, including:

- Vaccines for developing countries
- Pentamidine, melarsoprol and eflornithine, against sleeping sickness
- Glucantime, against leishmaniasis
- Tuberculosis drugs

Corporate Social Responsibility (CSR)

CSR refers to the responsibility of a company for the social, ecological and economic

impacts of its operations. In 2003, Aventis adopted a new Sustainability Policy. This forms the overarching CSR policy of the company and brings together the policy elements for various individual CSR issues. Aventis has set up a new CSR management structure and reports elaborately on CSR performance in its annual Sustainability Reports. The company is clearly in a process of adopting a more integral CSR approach. Recent criticism concerning Aventis' CSR performance includes inappropriate drug promotion and price fixing.

Aventis supports the World Trade Organization (WTO) agreement on intellectual property protection, including the safeguards to secure access to medicines in the case of urgent public health needs. Yet Aventis is also in favour of stronger patent protection, which might limit access to medicines in poor countries. The company follows a constructive approach for the pricing of vaccines by offering them at differential prices for UNICEF tenders. Furthermore, it has several R&D programmes on vaccines of special relevance to developing countries. However, it does not describe any special commitments or explicit targets (for example in terms of R&D investment) for R&D on diseases that mainly affect poor countries.

Global Public-Private Initiatives (GPPIs)

GPPIs bring together different partners to address health problems in poor countries. Aventis participates in a variety of GPPIs, including:

- Global Polio Eradication Initiative (GPEI)
- WHO Programme to Eliminate Sleeping Sickness (WPESS)
- Global Alliance for Vaccines and Immunization (GAVI)
- Paediatric Dengue Vaccine Initiative (PDVI)
- Dengue Vaccine Project (DVP)

- Stop TB Partnership (Stop TB)
- TB Free

Aventis also funds a variety of smaller initiatives.

The **GPEI** was started in 1988 with the aim of global polio eradication by 2000 through large-scale vaccination campaigns. When it was realized that this target would not be reached and the World Health Organization (WHO) strongly increased the amount of vaccinations, funds were falling short. Aventis helped with several donations of Oral Polio Vaccine, next to its (much larger) regular supplies at preferential prices. A tripartite Memorandum of Understanding was signed with UNICEF and the WHO for each donation.

The **WPESS** was started in 2001 when Aventis decided to donate its drugs against sleeping sickness. The WHO and Aventis agreed on a 5-year partnership with three components: drug donations, disease management and control, and R&D. Aventis has committed a total amount of US\$ 25 million to this partnership. The drugs are distributed by Médecins sans Frontières (MSF).

The **GAVI** was established in 1999 to expand the widespread use of vaccines in developing countries. Aventis was actively involved in the establishment of the GAVI and from 1999 to 2002, Aventis represented the pharmaceutical industry in the GAVI Board. The GAVI has identified three priority diseases: Hepatitis B, *Haemophilus influenzae* type b and yellow fever. This focus has been subject to criticism. Aventis is a main supplier of yellow fever vaccines to GAVI, with supplies worth \$34 million for the period 2001-2004. Aventis Pasteur also provides funding for the **EPIVAC**, a vaccinology training programme in Western Africa that is linked to GAVI.

In 2002, Aventis initiated the **TB Free** programme to improve the health situation of people with tuberculosis in South Africa. TB Free is implemented by the Nelson Mandela

Foundation in coordination with the South African government. TB Free trains people to support compliance with the complicated 6-month treatment regime of tuberculosis. Teams of Aventis employees are involved in the trainings.

Analysis of GPPI involvement

The business benefits of a GPPI for Aventis vary according to the nature of the partnership, which can be R&D-oriented (e.g. PDVI) or philanthropic (e.g. WPESS). The value of research-oriented partnerships is in the acceleration of the development of a vaccine. Aventis explains the main company benefits of philanthropic programmes, on the other hand, are an enhanced corporate image and the sense of pride that it creates, which motivates employees.

It is difficult to get a clear overview of Aventis' total contributions to GPPIs. This is partly because of the diverse nature of these contributions, and partly because Aventis does not report aggregate annual figures on the financial and in-kind support it provides. The analysis of Aventis' involvement with various GPPIs shows that the company makes diverse contributions and uses its specific expertise. This supports the rationale for GPPIs, which generally consists of various partners combining their specific expertise.

Lack of transparency about partnership agreements, for example for the WPESS and GPEI, prevents a full external assessment of the conditions of cooperation. The same applies to the establishment of GPPIs, such as GAVI. Furthermore, there may be concerns that responsibilities are transferred from donor governments to companies. This applies to the WPESS, for example, and calls for larger contributions from donor governments.

This company profile was written by SOMO (Centre for Research on Multinational Corporations). The full report is available at <http://www.somo.nl>.