

The Biopharmaceutical Industry: A Sustained Commitment to Advancing Diversity, Equity, and Inclusion

Prepared for:

Pharmaceutical Research
and Manufacturers of
America (PhRMA)

Prepared by:

TEconomy Partners, LLC



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Executive Summary

As the United States continues to undergo significant demographic changes, racial and ethnic diversity are driving the nation's population growth. Despite these trends, however, economic and workplace disparities persist, particularly in managerial and technical roles and the "STEM" (science, technology, engineering, and mathematics) workforce.

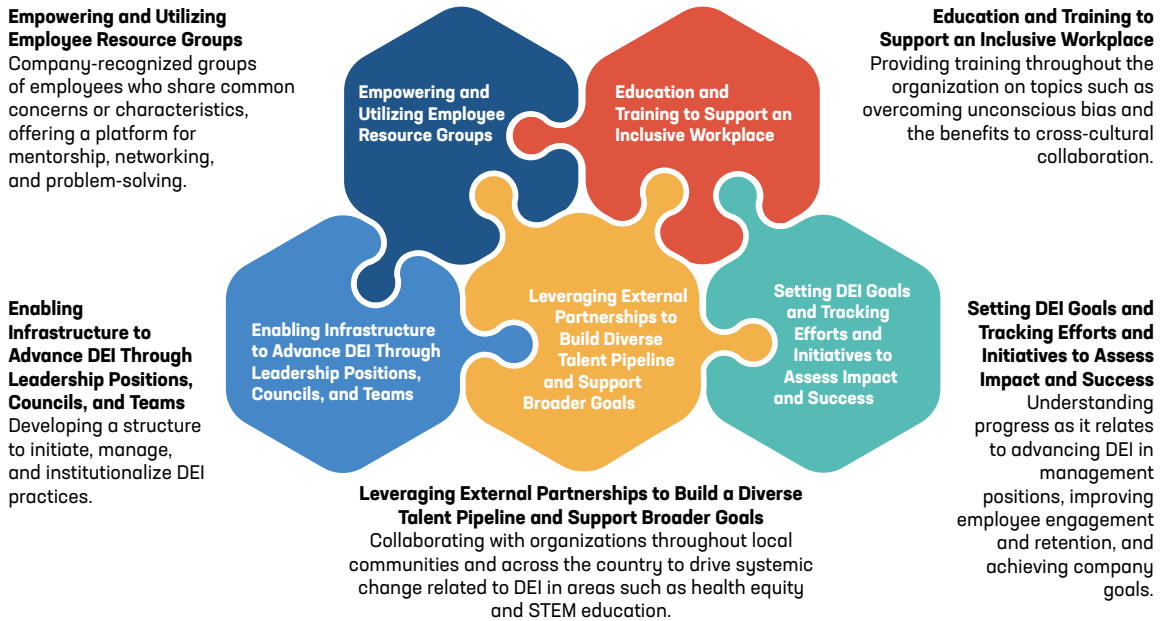
Challenges in achieving diversity, equity, and inclusion (DEI) are evident across various stages of education, and in corporate roles. Recognizing these ongoing disparities, many companies are increasingly acknowledging the importance of DEI and proactively investing in initiatives to advance DEI across their organizations.

Research indicates that promoting DEI is not only a societal imperative, but also yields tangible economic and competitive benefits. For businesses, diverse teams have been shown to outperform their peers, and DEI is increasingly important for encouraging innovation and attracting talent. The benefits of DEI extend further to national competitiveness, as numerous studies suggest that closing the racial equity gap and increasing diversity in STEM roles could significantly boost the U.S. economy. Although challenges remain, there is optimism that companies are increasingly emphasizing DEI, with many publicizing their initiatives and dedicating resources to promote diversity across their organizations.

Recognizing the benefits to their business and employees, the communities in which they operate, and the patients they serve, America's research-based biopharmaceutical companies have long been committed to enhancing DEI within and across their organizations, and among external stakeholders such as vendors and suppliers. A survey of PhRMA member companies administered in Fall 2023, with seventeen leading biopharmaceutical companies responding, provides insights on these activities. Through this array of support, the biopharmaceutical industry is increasing opportunities for underrepresented and underserved populations and is working to address disparities related to economics, health, race, ethnicity, gender, ability, and sexual orientation.

An analysis of activities by TEconomy Partners and PhRMA describes fundamental approaches biopharmaceutical businesses are deploying to support and advance DEI (Figure ES-1). A holistic approach is needed to truly strengthen diversity, equity, and

Figure ES-1: Overview of Holistic Approach to Strengthening DEI



Source: TEconomy Partners, LLC.

inclusion across companies, industries, and communities nationwide. This includes five categories of activities: empowering and utilizing employee resource groups (ERGs), providing education and training, advancing DEI through leadership positions and teams, leveraging external partnerships, and setting and tracking DEI goals and initiatives.

PhRMA member companies are empowering and utilizing employee resource groups. ERGs are essential elements of DEI strategies for many companies as they help to foster community building, external engagement, and allyship. Nearly all surveyed companies support ERGs, with an average of eight demographic groups supported. Examples of ERGs commonly supported by companies include those for women, LGBTQIA+, Black/ African American, Hispanic or Latino/Latina, and Veteran employees.

PhRMA member companies are using education and training to support an inclusive workplace. These educational programs are widespread across biopharmaceutical companies, and they frequently address topics such as unconscious bias, cultural perspectives, and anti-bias and anti-racism. Education and training programs play a significant role in diversifying the workplace and preparing employees to meet the needs of diverse global marketplaces.

PhRMA member companies are advancing DEI through leadership positions, councils, and teams. Efforts to promote leadership development focus on encouraging diverse management teams and advancing DEI in high-demand STEM positions. Many companies are utilizing cross-functional diversity councils and leadership teams, with DEI leadership represented in C-Suite positions



and other high-level roles. Companies are also supporting initiatives to develop a more diverse STEM talent pipeline, investing significant resources in STEM education programs that reach millions of students and teachers – particularly those traditionally underrepresented in STEM fields.

PhRMA member companies are actively engaging in community partnerships and collaborating with external organizations to support efforts to develop a more diverse workforce. These partnerships include collaborations with Historically Black Colleges and Universities (HBCUs), Minority Serving Institutions (MSIs), and other educational institutions to increase recruitment and retention of diverse student populations. Companies are actively engaging in dialogue events on key DEI topics, providing platforms for discussions on racial justice, LGBTQ+ rights, gender equity, and other relevant issues. Other areas of focus of external partnerships include the enhancement of diversity in clinical trials populations, advancing the diversity of the industry's supply chain, and partnering to address disparities in health,

treatment, and care delivery, particularly among minority and underserved populations.

PhRMA member companies are setting DEI goals and tracking efforts and initiatives to assess impact and success. Companies are actively tracking their DEI efforts through various measures, including employee engagement and retention, advancement of underrepresented groups, and inclusiveness of human resources processes. By tracking these efforts, PhRMA member companies have demonstrated leadership in promoting widely recognized best practices in DEI, such as LGBTQ+ inclusion and support for working parents.

Overall, the efforts of America's research-based biopharmaceutical companies to advance DEI within their organizations and across their communities are both widespread and long-lasting. As the workforce and population of the United States grow more diverse, the intentionality behind these efforts is of the utmost importance. Businesses in the biopharmaceutical sector are actively striving to enhance DEI because they recognize its importance to their companies, society, and the larger STEM workforce.

I. Introduction

Against a backdrop of increasing and accelerating diversity throughout the nation, leadership in corporate America—from the boardroom to management to the STEM talent driving innovation—does not yet reflect the broader population.

While progress has been made, measures of disparities in the workforce remain stubbornly stagnant and a significant challenge to overcome. Closing these gaps is critical, as this ongoing lack of inclusion and engagement represents not only an economic concern, but also a societal challenge reflecting decades of structural inequalities related to race, gender, sexual orientation, age, ability, and socio-economic status, especially in a country that

depends on managerial and technical talent to drive innovation and to compete globally.

The biopharmaceutical industry has long been committed to advancing DEI in the U.S. workplace and beyond. This report aims to shed further light on the activities and initiatives undertaken by biopharmaceutical firms to promote and advance DEI in the workplace, in the communities in which they operate, and among the patient populations they serve.

Core Concepts Related to Diversity, Equity, and Inclusion

While there are many definitions and concepts around diversity and inclusion, for context, provided here are some general meanings. Any individual company or organization may have varying definitions, but they are most often in line with those provided below.

- **Diversity** is often referred to as the quality or state of race/ethnicity, gender and identity, age, physical ability, and sexual orientation represented within a defined group.
- **Inclusion** generally refers to the practices that involve and empower individuals to participate, be recognized, and realize their potential.
- **Diversity in the workplace** often refers to cultivating talent and promoting the full inclusion of excellence across the social spectrum. This includes people from backgrounds that are traditionally underrepresented in areas such as the managerial and STEM workforce, as well as those from backgrounds that are traditionally well represented. Diversity refers to difference. Workforce diversity refers to cultivating talent and promoting the full inclusion of excellence across the social spectrum.
- **Equality** typically refers to treating everyone the same, and providing everyone with access to the same opportunities, status, and rights. In contrast with equity, equality is a question of sameness rather than fairness.
- **Equity** commonly refers to the notion of fairness, justice, and proportional representation for the same opportunities. The term focuses on achieving fair outcomes for a given group, by designing processes that recognize the root causes of distinct challenges and addresses them in solutions.

II. Setting the Context: A Changing Nation

Racial and ethnic diversity is driving U.S. population growth.

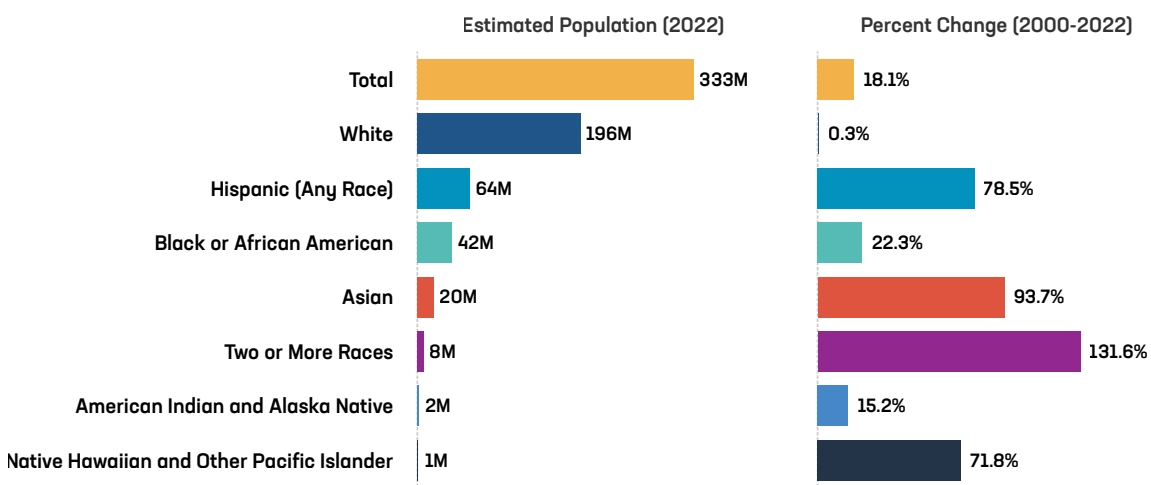
For several decades, population growth in the United States has been driven by growth in racial and ethnic diversity. From 2000 to 2022, the U.S. population grew to 333.3 million people, an 18% increase fueled mainly by an increase in racial and ethnic diversity (Figure 1).

Over two decades, communities of color¹ such as Hispanics (79% increase from 2000 to 2022, reaching 64 million), Blacks (22% increase, reaching 42 million), and Asians (94% increase, reaching 20 million) have all grown at rates faster than the White population, which grew only by 0.3% within the same period and comprised 196.2 million of the nation's total.

In 2000, communities of color represented roughly 30% of the U.S. population, compared to more than 40% in 2022.

Based on trends that are decades in the making, the diversification of the U.S. population is expected to accelerate in the coming years. Given the diversity of younger generations, it is anticipated that diversity will continue to drive population growth into the future and in an increasing number of states (Figure 2). In 2000, three states (Hawaii, California, and New Mexico) had a population that was majority non-white, as did Puerto Rico and the District of Columbia. By 2022, seven states had majority non-white populations, with this number poised to grow in future years.

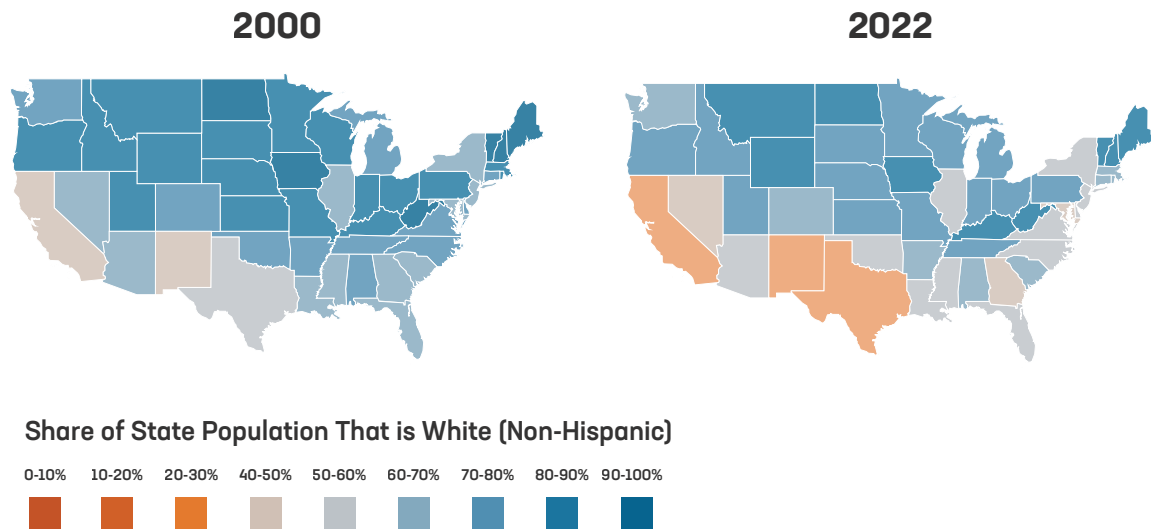
Figure 1: U.S. Population by Race/Ethnicity (2022) and Percent Change (2000-2022)



Source: TEconomy Partners' analysis of U.S. Census Bureau data.

¹ Throughout this report, the terms people/communities of color are used to refer to individuals identifying as Black, Hispanic/Latinx, Asian, Native American/Alaskan Native, Native Hawaiian/Pacific Islander, and as multiple races.

Figure 2: Racial and Ethnic Diversity Across U.S. States (2000 and 2022)



Source: TEconomy Partners' analysis of U.S. Census Bureau data.

Racial and ethnic disparities impact the diversity of the STEM workforce.

In today's increasingly innovation-driven economy, the importance of STEM degrees as a gateway to employment in prestigious and lucrative occupations cannot be understated. As our economy becomes even more focused around advancements in science, technology, innovation, and entrepreneurship, there is a need to grow the number and share of underrepresented populations in STEM fields. However, despite the nation's changing demographics, challenges persist with diversity and inclusion throughout the STEM pipeline, from early stages of schooling and into corporate roles.

At the K-12 education levels, gaps persist in STEM achievement when looking at race, ethnicity, and socioeconomic status and performance on standardized assessments.² Although assessment scores were not

significantly different between sexes, large racial disparities remain across primary and secondary education. This is particularly true for mathematics scores and computer literacy. One prominent difficulty facing domestic STEM education efforts is the availability and accessibility of well-qualified educators to teach science and math.³ This deficiency is particularly challenging for schools with higher concentrations of lower-income or racially and ethnically diverse students.

Disparities persist in post-secondary levels of education. Research from the National Science Foundation's Science and Engineering Indicators Report finds that high school STEM achievement and course taking frequently facilitate STEM-related post-secondary education and employment. They also find that students who have positive perceptions of their mathematics and science abilities in high school are more likely to declare a post-secondary STEM major.⁴ However, they also found that Black students

² <https://nces.ed.gov/pubns/nsb20211>

³ Ibid.

and students from low-income families enroll at lower rates than their peers.

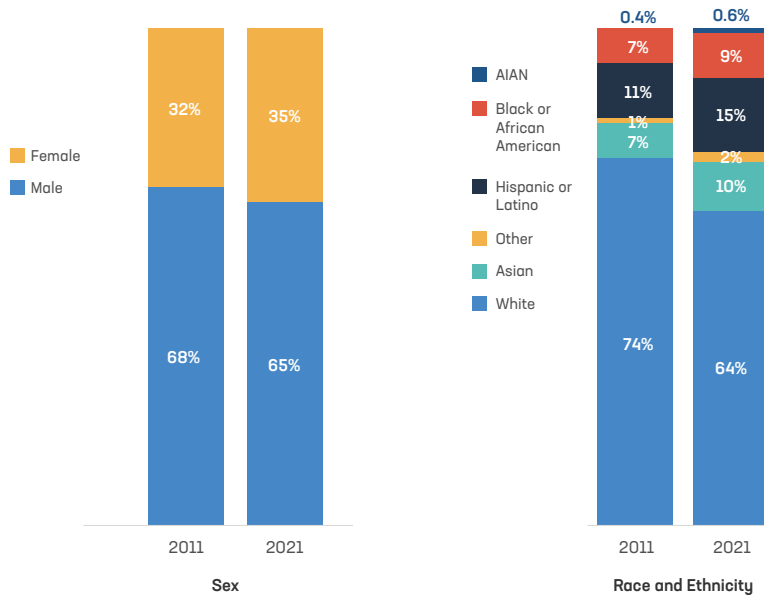
Although many students of color may express a strong preference for and interest in STEM fields, they are less likely to graduate with STEM majors. According to researchers from the University of North Carolina at Charlotte and the Ohio State University, this finding is clarified through a variety of explanations cited by academic literature, including disparities in high school achievement, graduation rates, the complexity of the college STEM landscape, and higher likelihoods of students dropping out, switching majors, or taking extra time to finish their degree.⁵

Meanwhile, a disconnect also remains between a student’s intention to declare a STEM major and their degree completion. For example, research from the University of Texas at Austin found that Black and Latino students are as likely to declare that their

intent is to major in a STEM degree as their white peers (roughly 20%).⁶ However, only 43% of Black students and 34% of Latino students went on to receive a STEM degree, compared to 58% of their White peers.

Perhaps unsurprisingly, disparities in STEM across varying stages of educational attainment also have impacts on the demographic composition of the workplace. As noted by recent data from the National Science Foundation, the nation’s STEM workforce is not sufficiently diverse.⁷ Women comprised 35% of the STEM workforce in 2021, an increase of 3 percentage points from 2011 (Figure 3). Growth in diversification is clearer among the representation of new racial and ethnic groups in the STEM workforce—the share of the STEM workforce identifying as non-white grew by 10 percentage points from 2011 to 2021. The share of Hispanics in the STEM workforce increased the most of any group, growing from 11% of the total in 2011 to 15% in 2021.

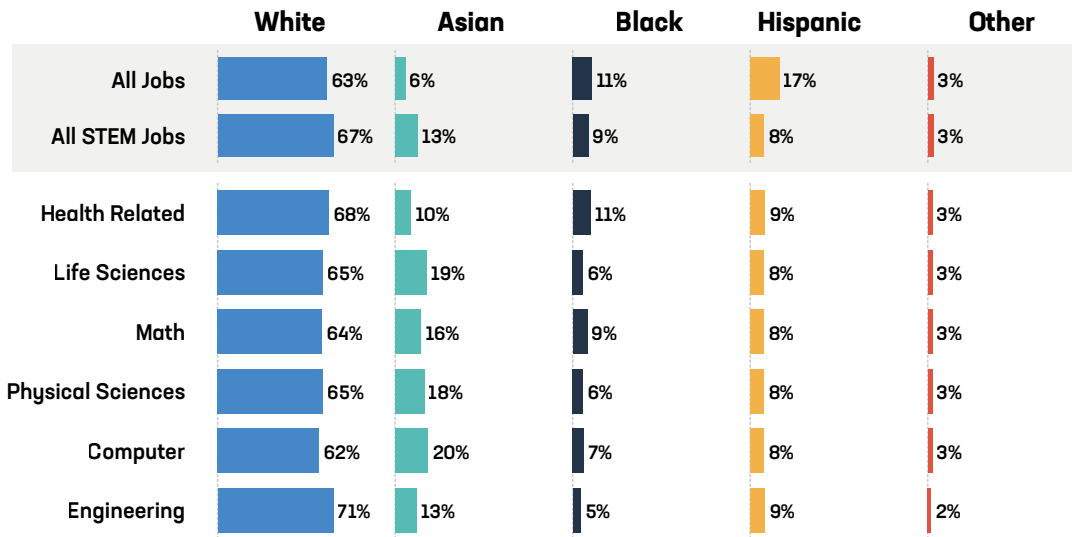
Figure 3: Characteristics of the STEM Workforce Ages 18-74, 2011 and 2021



Source: Census Bureau, Current Population Survey, Annual Social and Economic Supplement.

4 <https://nces.gov/pubs/nsb20211>
 5 <https://journals.sagepub.com/doi/full/10.3102/00346543211012751>
 6 <https://journals.sagepub.com/doi/10.3102/0013189X19831006>
 7 <https://nces.gov/pubs/nsf23315/report/the-stem-workforce>

Figure 4: Racial and Ethnic Representation in STEM jobs, 2017-2019



Source: Pew Research Center, E. Otwell, *Science News*

A more detailed look at racial and ethnic representation in STEM fields sheds further light on these disparities. Data from Pew Research Center, as cited in *Science*, points to an underrepresentation of Black and Hispanic professionals across a range of STEM occupations (Figure 4). On the other hand, their research found that Asian and White workers are overrepresented in STEM, especially in the life sciences and in core disciplines such as computer sciences and engineering.

Beyond STEM careers, a growing portfolio of research from Lean In and McKinsey provides insight into corporate positions and pipelines for women and people of color. Through their extensive analysis of human resources and employment data, their assessment suggests that disparities for women and employees of

color are quite pronounced, though there is evidence that the gaps are shrinking.⁸ Figure 5 reproduces these highly illustrative findings by Lean In and McKinsey, updated for 2022.

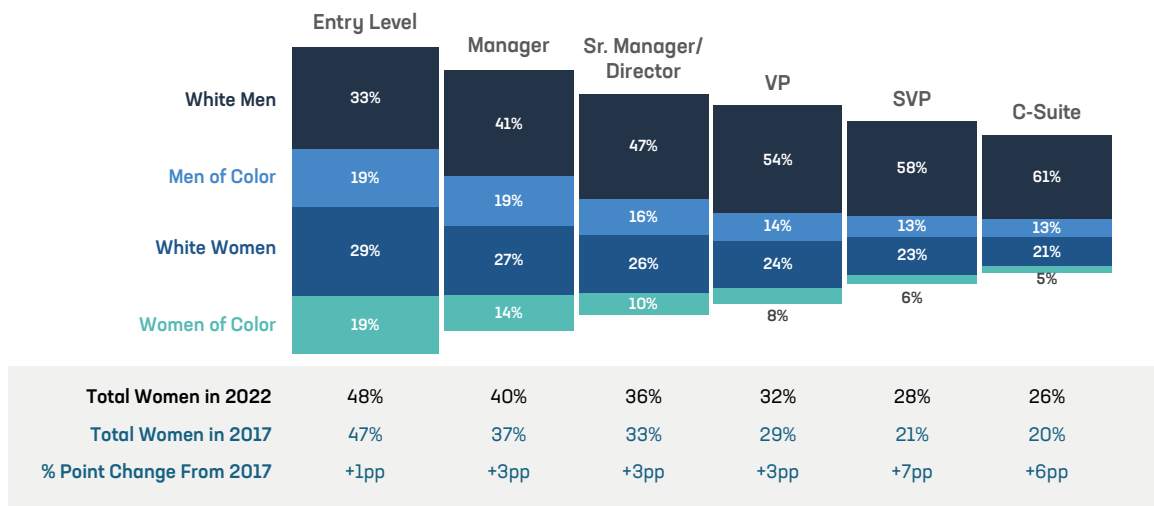
One area where women have made substantial progress is reflected by increased representation in the “C-Suite,” where women’s share has increased from 17% in 2015 to 26% in the most recent year.

However, women and especially women of color, continue to be underrepresented across many organizations’ highest levels. As more data are collected on underrepresentation in the workplace, particularly in leadership positions, companies have been using these data to inform the implementation of focused, intentional efforts to advance diversity and inclusion.

8 www.mckinsey.com/~/media/mckinsey/featured%20insights/diversity%20and%20inclusion/women%20in%20the%20workplace%202022/women-in-the-workplace-2022.pdf



Figure 5: Representation in the Corporate Leadership Pipeline, by Sex and Race, 2022



Source: Adapted from LeanIn.org and McKinsey and Company, 2022. Totals may not sum to 100% due to rounding.

III. The Value of Diversity, Equity, and Inclusion in the Workplace

Research from a range of sources finds evidence that businesses benefit from numerous competitive advantages due to increased diversity, equity, and inclusion.

There are numerous studies that demonstrate the “business case” for advancing DEI in the workplace, including:

- **Diverse management improves team performance:** Research conducted at the University of Massachusetts at Amherst, Vanderbilt University, and Florida Atlantic University, finds that companies benefit most when upper management and lower management are both racially diverse.⁹ They find that a 1% increase in racial diversity similarity between upper and lower management increases firm productivity by between \$729 and \$1,590 per employee per year.
- **Diverse teams outperform their peers:** A 2020 McKinsey report finds that companies in the top quartile for gender diversity on their executive teams were 25% more likely to deliver above-average profitability (this is a 4% increase from a 2017 analysis). Similarly, companies with the most ethnically diverse executive teams were 48% more likely to outperform their peers.¹⁰
- **Diversity is an integral part of successful innovation-driven businesses:** A Boston Consulting Group study finds companies with more diverse management teams reported considerably higher revenues related to innovation than less diverse teams. This finding is significant for tech companies, startups, and research and development (R&D) intensive industries, such as biopharmaceuticals, where innovation is the key to growth.¹¹
- **DEI is vital to talent attraction:** Research from the Deloitte Global 2022 Gen Z & Millennial Survey finds that, along with pay, work/life balance, and development opportunities, younger workers are increasingly considering the societal and environmental impact of prospective employers, which includes diversity and inclusion.¹² Their research notes that 52% of Gen Zs and Millennials are unsatisfied with their current organization’s progress in creating a diverse and inclusive workplace, which suggests significant work to be done.
- **Diverse companies deliver strong results:** Of 365 public companies analyzed in the 2020 McKinsey study, those in the top quartile for racial and ethnic diversity are

9 <https://journals.aom.org/doi/10.5465/amj.2019.0468>

10 McKinsey & Company, “Diversity Wins,” May 2020. https://www.mckinsey.com/~/_/media/mckinsey/featured%20insights/diversity%20and%20inclusion/diversity%20wins%20how%20inclusion%20matters/diversity-wins-how-inclusion-matters-vf.pdf?shouldIndex=false

11 Boston Consulting Group, “How Diverse Leadership Teams Boost Innovation,” January 23, 2018.

12 <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/deloitte-2022-genz-millennial-survey.pdf>

36% more likely to have financial returns above national industry medians.¹³ The study also finds that outperformance rates are increasing, and that the likelihood of outperformance is persistently higher for diversity in ethnicity compared to gender.

Broadening economic opportunity can have a significant impact on U.S. national competitiveness.

It is clear from multiple studies across different periods and throughout many regions that diversity is an economic and productivity asset. Broadening opportunities for more groups of people opens the door to new ideas, new ways of doing things, and new considerations. Companies that seek to innovate in their products, including STEM-related innovations in biopharmaceuticals, must involve diversity in their operations to remain competitive both economically and culturally amongst the changing demographics in the United States and throughout the world.

Beyond the business case for increasing diversity, equity, and inclusion, there are arguments to be made that national competitiveness relies on expanding economic opportunity for a wider range of the U.S.

population. For example, a landmark study from the W.K. Kellogg Foundation estimates that the U.S. economy could gain as much as \$8 trillion by 2050 if it could close the racial equity gap. Meanwhile, including more women and Black Americans in the initial stages of innovation could increase U.S. GDP by as much as \$640 billion, according to estimates in a 2020 report from Citigroup.¹⁴ An analysis from the Center for Strategic and International Studies highlights the various ways in which inclusive innovation can encourage domestic economic growth and resiliency, noting that, “in a rapidly changing global landscape, investing in a more inclusive innovation community is critical for the United States’ long-term economic success, social cohesion, and national security.”¹⁵

13 McKinsey & Company, “Diversity wins: How inclusion matters,” May 2020.

14 <https://icg.citi.com/icghome/what-we-think/citigps/insights/closing-the-racial-inequality-gaps-20200922>

15 <https://www.csis.org/analysis/inclusive-innovation-us-economic-growth-and-resiliency>



Across nearly all industries, companies are accelerating their efforts to promote diversity, equity, and inclusion.

Based on the importance of diversity, equity, and inclusion to business operations, a growing number of companies are investing heavily in activities to encourage DEI across their organizations. While significant progress has been made in recent years to address disparities related to DEI, sizable challenges remain. Research from Boston Consulting Group highlights three important ways in which progress has been made, but considerable work is left to be done:¹⁶

- Although all S&P 500 companies have at least one woman on their board of directors, roughly 90% of Fortune 500 CEOs are White men.
- While many companies have diversity programs (up to 75% in some countries), a significant share of targeted employees do not feel a personal benefit from diversity initiatives.
- Although annual spending on DEI training has reached \$8 billion, up to 55% of employees still experience discrimination in the workplace.

Given these disconnects, companies have accelerated the scope of their DEI efforts in recent years. Many new positions have been created, activities established, and initiatives implemented to advance DEI across industries. Now, more than ever, companies are publicizing their DEI initiatives through reports on diversity practices, chapters in ESG reports, or blog posts on their websites. For example, one analysis from Purpose Brand identified publicly available diversity reports for 154 of the Fortune 500, or 31% of the largest companies.¹⁷ According to Purpose, “dedicated DEI reports indicate that diversity, inclusion and equity hold significant stakeholder interest... the transparency of a detailed report demonstrates corporate social responsibility, attracts a creative and productive workforce and enhances shareholder value.”

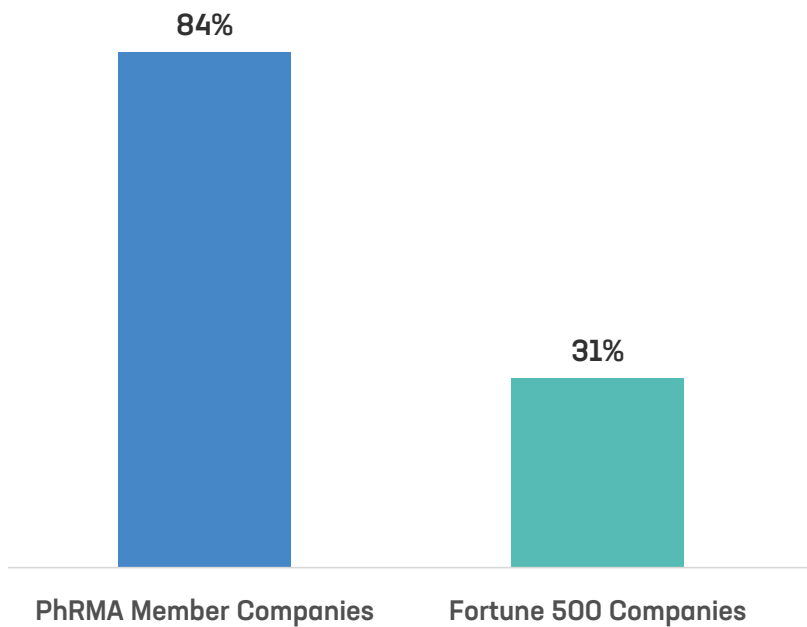
16 <https://web-assets.bcg.com/0b/c4/c45a07e54f48ae0dc784667a66dd/bcg-its-time-to-reimagine-diversity-equity-and-inclusion-may-2021-r.pdf>

17 <https://purposebrand.com/blog/diversity-report-examples-fortune-2023/> Note: Does not include companies that pledge a commitment to diversity or otherwise publicize DEI initiatives without producing a summary document or website on DEI progress.

Compared to other industries, the innovative biopharmaceutical manufacturing sector is a leader in encouraging DEI. An online scan of PhRMA member companies by TEconomy Partners finds public DEI reports for 26 companies, or 84% of member companies.¹⁸ Compared to the analysis by Purpose Brand, PhRMA member companies dedicate DEI

reports at a rate more than twice that of the Fortune 500 (Figure 6). As noted in the Appendix, beyond the 26 PhRMA member companies that offer either a public report that tracks DEI progress or other relevant metrics, an additional 5 offer an alternative public website or resource related to DEI.

Figure 6: Percentage of Companies with Publicly Available DEI Reports



Source: TEconomy Partners Analysis of PhRMA Member Company Websites; Purpose Brand Analysis.

18 TEconomy Partners analysis of public DEI reports. See Appendix for company listing. Analysis focuses on companies with actual reports, dedicated webpages with detailed statistics, and general ESG reports that included a section specifically focused on DEI.

IV. The Biopharmaceutical Industry's Role in Advancing Diversity, Equity, and Inclusion

Recognizing the benefits to their business and employees, the communities in which they operate, and the patients they serve, America's research-based biopharmaceutical companies have long been committed to enhancing DEI within and across their organizations and external stakeholders, such as vendors and suppliers.

Through this array of support, the industry is increasing opportunities for underrepresented and underserved populations and working to address disparities related to economics, health, race, ethnicity, gender, ability, and sexual orientation.

The information presented in this section draws from a survey of PhRMA member companies administered in Fall 2023 (see Sidebar). Seventeen leading biopharmaceutical companies responded to the survey. To a lesser extent, this report also features examples of company activities derived from publicly available reports, websites, press releases, and other sources.

Research from TEconomy and PhRMA, as highlighted in Figure 7, describes fundamental approaches businesses deploy to support DEI. Ultimately, a holistic approach is needed to truly strengthen diversity and inclusion across companies, industries, and communities nationwide.

Survey of PhRMA Member Companies

In Fall 2023, TEconomy Partners surveyed the PhRMA membership to understand their DEI activities. More than half of companies (57% of 30 contacted) completed the survey, with the vast majority of responses coming from individuals in positions such as Executive Directors/Leads/Directors of Global Diversity, Equity, & Inclusion. Other participants came from positions such as Directors of Human Resources, Corporate Communications, Government Affairs & Policy.

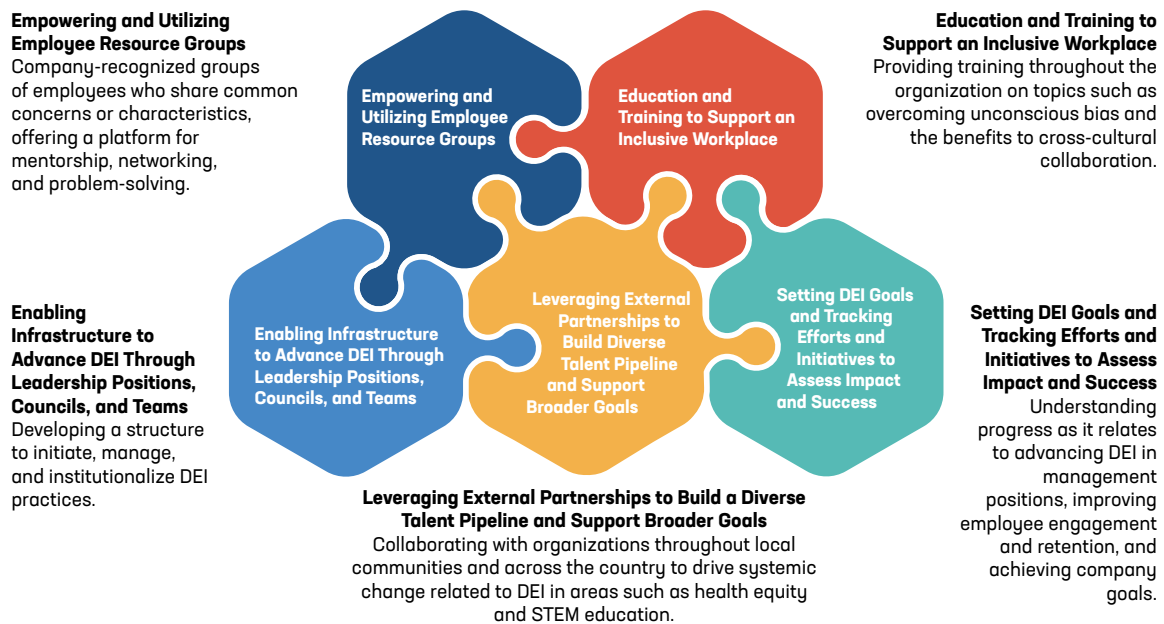
The participating companies include:

- Alkermes
- Amgen
- Astellas
- BioMarin
- Bristol Myers Squibb
- Boehringer Ingelheim
- Daiichi-Sankyo, Inc.
- Eisai
- EMD Serono
- Genentech
- Gilead
- Ipsen
- Lundbeck
- Novartis
- Otsuka
- Sanofi
- UCB

This holistic approach includes five categories of activities:

- Empowering and utilizing employee resource groups.
- Education and training to support an inclusive workplace.
- Advancing DEI through leadership positions, councils, and teams.
- Leveraging external partnerships to build diverse talent pipelines and support broader goals.
- Setting DEI goals and tracking efforts and initiatives to assess impact and success.

Figure 7: Overview of Holistic Approach to Strengthening DEI



Source: TEconomy Partners, LLC.

“It is critical to embed your diversity, equity, inclusion and belonging strategy into all parts of the business and be bold and transparent in your efforts; this is how you convert values and words into actions and results. As the founders of the biotech industry, we have done this by creating a holistic strategy centered on three pillars: fostering belonging among employees, advancing inclusive research and health equity for patients, and transforming society through partnerships to advance healthcare solutions and STEM education in our communities.”

-Quita Highsmith, Vice President, Chief Diversity Officer, Genentech

Among companies surveyed, nearly all (88%) have a publicly stated commitment/position on diversity and inclusion – and these commitments go beyond an Equal Employment Opportunity statement. For example:

- **Novartis** publicly states, “We want to create a diverse, equitable and inclusive workplace where every one of us can be our best and true selves, so that together we can discover more, reach underserved communities and reimagine medicine.”¹⁹
- As another example, “**Genentech** embraces the increasingly diverse world around us. Our mission is to deliver scientific innovations that drive better outcomes for our people, patients, business, and communities by advancing and boldly championing diversity, equity, and inclusion. We firmly believe that embracing diversity and inclusion (D&I) drives innovation, improves scientific and clinical outcomes and contributes to equitable healthcare access for all.”²⁰

Attitudes about DEI efforts expressed in the survey are positive, with respondents agreeing on several DEI-related value and impact

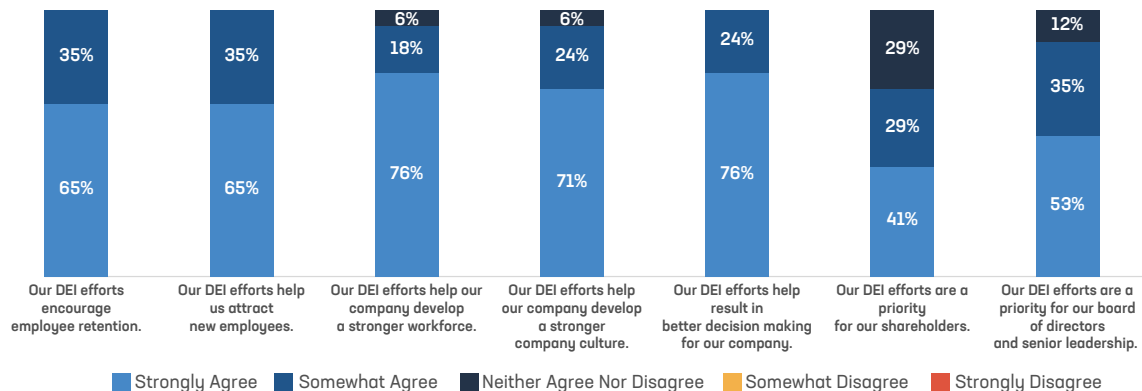
statements (Figure 8). When asked about the effects of DEI efforts, most respondents strongly agreed that DEI: is both a priority and a positive influence on employee recruitment and retention, has improved decision making, has helped to develop a stronger culture, and has developed an overall stronger workforce.

“At Amgen, we are committed to diversity, inclusion and belonging (DI&B) because it is central to our ability to thrive as a company, operate as a team and deliver on our global mission to serve patients living with serious illness. Our DI&B efforts are a business priority, and we are taking thoughtful steps to help us achieve our ambitions.”

-Tamika Jean-Baptiste, VP and Chief Diversity Officer, Amgen

Figure 8: Support for DEI Efforts Among Biopharmaceutical Companies

To what extent do you agree with the following statements about your company’s DEI efforts?



Source: TEconomy Partners-PhRMA DEI Survey.

¹⁹ <https://www.novartis.com/about/diversity-equity-and-inclusion>

²⁰ <https://www.gene.com/diversity-inclusion>



Empowering and Utilizing Employee Resource Groups

Employee Resource Groups (ERGs), sometimes known as “Affinity Groups,” are an essential element of the DEI strategies for many companies. At a company, ERGs represent internal communities of workers with shared identities and interests. Recent research from McKinsey & Co. finds that workers who belong to ERGs that they consider effective are significantly more likely to report feeling included at work.²¹ Their research also finds that ERGs are most likely to be effective in developing community building, external engagement, and allyship.

Since their initial adoption in the early 1970s, ERGs are widespread across the U.S. McKinsey reports that 90% of Fortune 500 companies are now utilizing ERG programs.²² According to a 2023 survey of nearly 6,000 workers by Pew Research Center, more than one-quarter of workers say their workplace

has affinity groups or employee resource groups based on a shared identity and that the majority of those with access to these groups say it has a positive impact on where they work.²³

The survey of PhRMA membership finds that nearly all companies support ERGs and other affinity groups. Based on the survey, 94% of companies support ERGs or Affinity Groups and provide them with funding or budget approval to support these activities (Figure 9).

Among PhRMA member companies with ERGs, the average number of demographic groups supported across the varied types is eight, according to the survey. Among the most prevalent population groups supported through ERGs are Women, LGBTQIA+, Black/ African American, Hispanic or Latino/Latina, and Veteran employees (Figure 10). Beyond

Figure 9: Levels of Support for Employee Resource Groups at PhRMA Member Companies



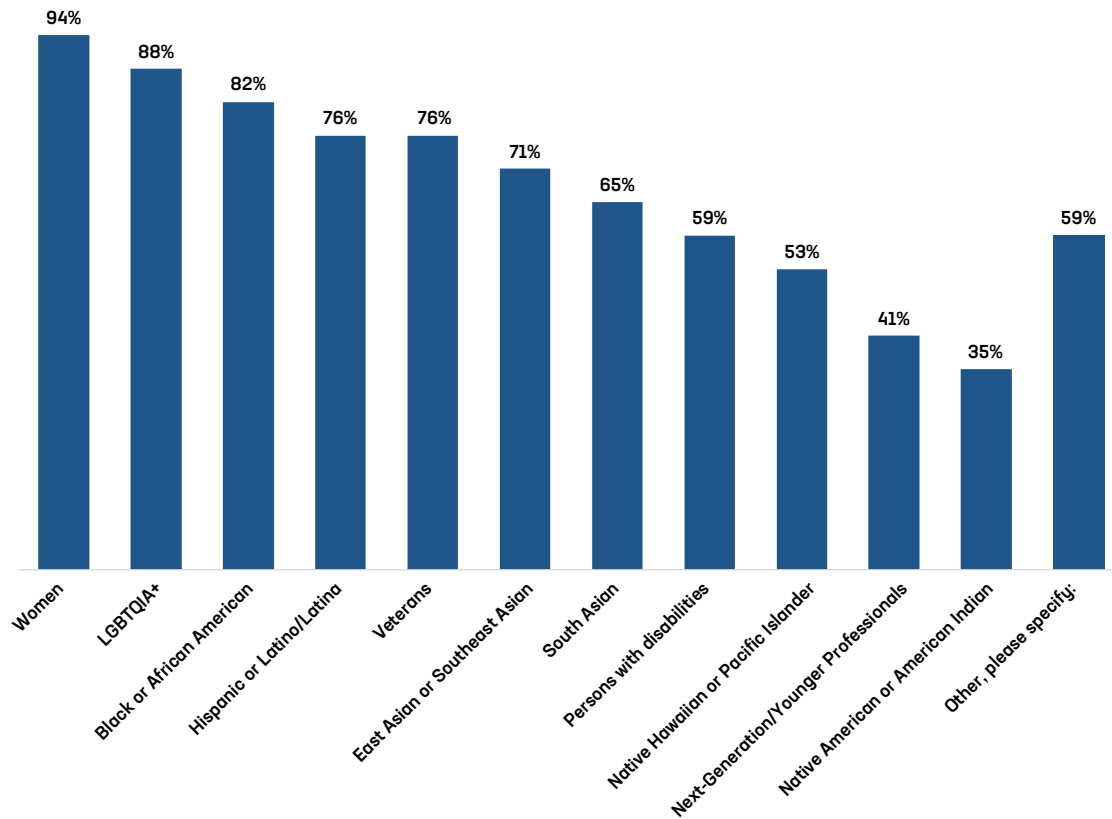
Source: TEconomy Partners-PhRMA DEI Survey.

21 <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/effective-employee-resource-groups-are-key-to-inclusion-at-work-heres-how-to-get-them-right>

22 Ibid.

23 <https://www.pewresearch.org/social-trends/2023/05/17/diversity-equity-and-inclusion-in-the-workplace/>.

Figure 10: Types of Employee Resource Groups Supported by PhRMA Member Companies



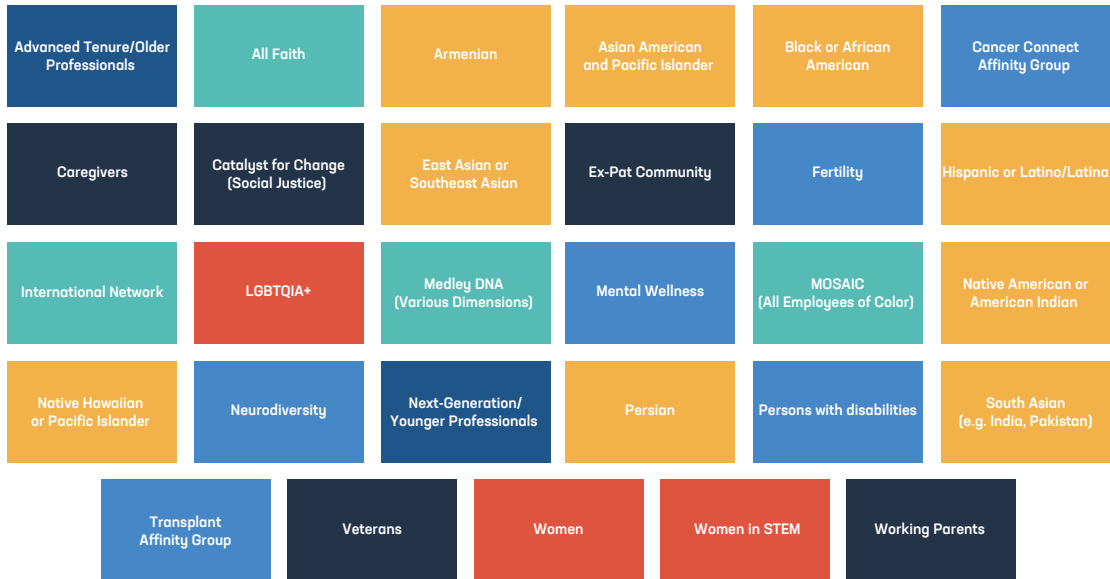
Source: TEconomy Partners-PhRMA DEI Survey.

these examples, many PhRMA member companies have other ERGs, which are outlined further in Figure 11.

Figure 11 below highlights the wide range of ERGs supported by PhRMA member companies participating in the survey. These groups span those supporting racial and ethnic groups (colored in yellow), those focusing on gender or sexuality (orange), those focusing

on physical conditions or mental health and wellness (lighter blue), age (darker blue), and those identifying other shared interests (navy). There are also examples of ERGs that incorporate a wide range of groups (teal), including an all-faith group, an all-nations group, an all-race group, and a group that highlights the various elements of diversity in a single affinity group.

Figure 11: Examples of Employee Resource Groups at PhRMA Member Companies, by Type



Source: TEconomy Partners-PhRMA DEI Survey.

When asked about their company’s impactful efforts to encourage and support DEI, many PhRMA member companies highlighted activities among their ERGs. Examples of activities encouraged by companies include:

- At **Gilead Sciences**, senior leaders and C-Suite executives serve as sponsors of each of their ERGs. More than 7,200 employees (nearly 60%) belong to at least one of the company’s six ERGs, which demonstrates the impact and important role of these groups.²⁴
- At **Johnson & Johnson**, employees and volunteers lead groups for many marginalized communities, including the African Ancestry Leadership Council, Alliance for Diverse Abilities, Association of Middle East and North Africa, and the Hispanic Organization for Leadership and Achievement. J&J also manages ERGs to create a network of nursing staff

and nursing-related professionals, and a network of pharmacists for engaging with external parties.²⁵

- At **Lundbeck**, the launch of five employee resource groups for Women, African American, LGBTQ+, Hispanic, and Veteran employees, with programs focused on education & awareness, career development and DE&I culture, has been impactful.
- At **Novo Nordisk**, the company sponsors and manages ERGs for workers with disabilities, chronic conditions, women, employees of color (with specific ERGs for Black, Hispanic, and Asian workers), and for LGBT employees. These ERGs are not just cultural but provide direct career advancement counseling and advice.²⁶
- At **Pfizer**, Colleague Resource Groups (CRGs) help drive inclusion and professional development by offering support,

24 <https://www.gilead.com/purpose/inclusion-and-diversity>

25 Johnson and Johnson: <https://www.jnj.com/diversity/resource-groups>

26 Novo Nordisk: <https://www.novonordisk-us.com/about/employee-resource-groups.html>

developmental opportunities, mentoring, and networking. All colleagues are welcome to join any CRG whether they are a member of the community or an ally.²⁷

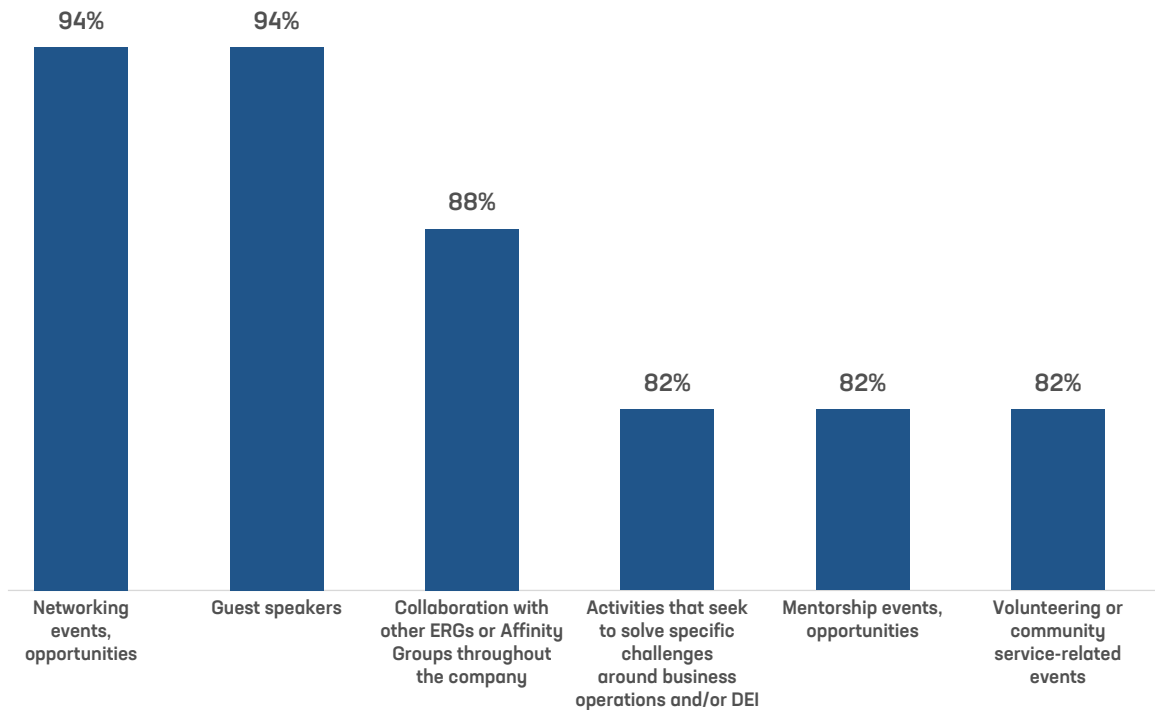
- At **UCB**, the company's ERGs are being leveraged to assist in driving DEI goals and objectives. UCB also allows its ERGs to educate the company's employee population on issues that disenfranchised groups typically face.

Common activities among ERGs at PhRMA member companies include networking events, guest speakers, and collaborative activities with other ERGs across the company (Figure 12). Many member companies also encourage activities that seek to solve specific business or DEI challenges, and those

related to volunteering, community service, and mentorship. Nearly half (47%) of companies surveyed stated they collaborate with other ERGs throughout the industry. Other ERG activities raised by respondents were cultural celebrations, learning and development, and recruiting events.

Surveyed companies provided positive feedback regarding their experiences and outcomes associated with ERG activities, with most respondents strongly agreeing with the series of statements in Figure 13 below. PhRMA member companies generally reported value from ERGs and that they contribute positively to company culture, community development in their workplaces, and their employees' career development.

Figure 12: Types of Activities that Biopharmaceutical Companies Support or Engage in Through ERGs

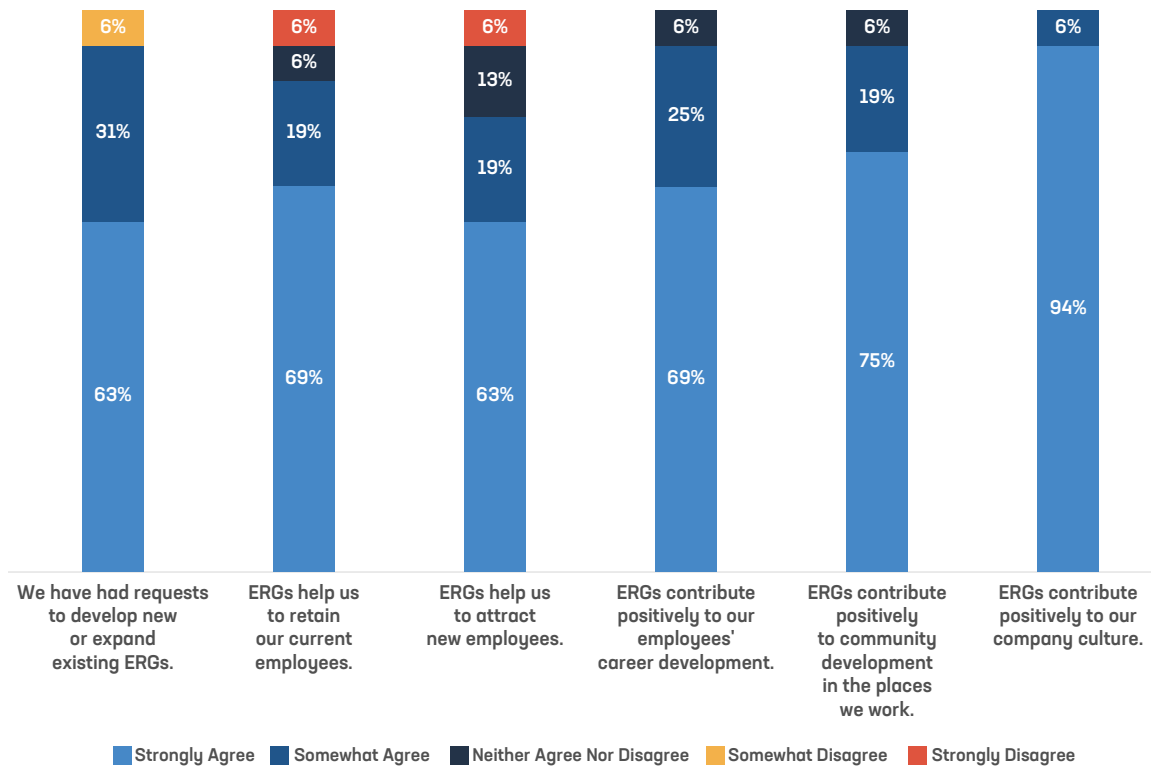


Source: TEconomy Partners-PhRMA DEI Survey.

27 <https://www.pfizer.com/about/responsibility/diversity-and-inclusion>

Figure 13: PhRMA Member Company Attitudes Toward Employee Resource Groups

To what extent do you agree with the following statements about ERGs at your company?



Source: TEconomy Partners-PhRMA DEI Survey.

Nearly all companies surveyed (94%) reported they are conducting internal dialogue events on key topics around DEI. Examples of topics covered by companies include racial justice and inclusion, LGBTQ+ rights and inclusion, the advancement of women and gender equity, disability in the workplace, health equity, genetic diversity, and supplier diversity. These internal events were conducted using multiple formats, and include a variety of examples:

- At **Amgen**, the company partners with Employee Resource Groups (ERGs) and Executive sponsors to host forums to discuss timely DEI-related topics like racial perspectives, anti-hate against Asian

Americans and other important societal narratives such as health disparities in diverse communities. Yearly recognition and celebration of cultural and heritage months (e.g., Black History Month, Hispanic Heritage Month, International Women’s Day, PRIDE) also brings team members together for discussion and connection.

- At **Alkermes**, topics of company-wide discussions over the last several years include Racial Justice, LGBTQ+ rights, and the advancement of Women.
- At **Astellas**, the company’s seven Employee Impact Groups (EIGs) have fostered several engagement opportunities, including: a

series of events during Black History Month (February) and Asian American and Pacific Islander Heritage month (May), programming focused on mental health among Latinos, activities centered on reverse mentoring specific to LGBTQ+ experiences at work, a guest speaker from the United States Army in conjunction with Veterans Day, a speaker series providing career-focused insights for women, and the creation of an Emotional Wellbeing Support Group to connect on a deeper level by bringing the Astellas family together to support one another through listening, sharing, and providing resources through our Abilities EIG.

- At **BioMarin**, “Dialog Circles” and/or focus groups are conducted when there are particular events that affect local and global employee populations, for example: natural disasters such as fires, floods or social injustices. BioMarin’s ERGs/CRGs also host educational and informative sessions on specific DEI topics.
- **Bristol Myers Squibb** provides ongoing support to develop inclusive talent. For example, the Connections Mentoring program provides a forum for employees to learn about topics beyond their subject matter expertise. This cross-pollination of perspectives encourages relationship-building from across the company and helps to develop leadership capabilities.
- At **Boehringer Ingelheim**, for several years their Diversity, Inclusion, Culture & Equity (DICE) function has been facilitating Courageous Conversation around four core areas: Navigating the New Normal, Return to Work, Current Events, and Cultural Competency. Topics have included women in the workplace, antisemitism, supporting our Asian colleagues, Racial disparities, LGBTQ+ inequality, and other areas that support our Upstander and culture of belonging aspirations. In addition, their
- thirteen (13) Business Resource Groups (BRG’s) conduct events to support the development and well-being of their members, their employees and the community at large.
- At **Eisai**, external thought leaders with expertise in DEI have come into the company and delivered keynote speeches. The company has placed special emphasis on diversity as a driver of innovation.
- At **EMD Serono**, examples of dialogue activities include CAREful Conversations, Moving Minds Week, Focus Groups with ERGs, ERG Summits and panel events.
- In 2020, **Genentech** created an event called “Dialogue Circles” that gave employees an opportunity to have reactive discussions centered on DEI-related issues happening externally, such as the disproportionate effects of COVID-19 on Communities of Color and the Black Lives Matter movement. After receiving overwhelming positive feedback from employees about the event, Genentech launched a new program around “Continuing the Conversation with Dialogue Circles.” These proactive discussions give employees a safe space to share their feelings and perspectives on DEI-related issues that encourage dialogue on a variety of topics, such as identity within the Polynesian community and Trans Identity.
- At **Gilead**, the company has conducted listening sessions with its ERGs, all of which have had C-Suite support. Examples include discussions with their Black ERG following the murder of George Floyd, a session with their AAPI ERG following the AAPI Hate Crimes happening across the U.S., and a listening session for the company’s Transgender and Non-Binary colleagues recently amidst recent attacks on LGBTQ+ Rights in U.S. State Legislatures.

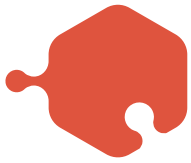
All six ERGs also collaborated on a session to discuss the importance of diversity in clinical trials and how colleagues can stay informed and involved in these efforts.

- At **Ipsen**, the company hosts panel discussions with employees representing different race/cultures and representing LGBTQ+. These sessions primarily focus on awareness, education and the expectation that all colleagues show up authentically and create space for others to do the same. Past topics have included equity in scientific research and care, equal pay, race equity, wellbeing and disability. Ipsen has three employee resource groups, with new groups expected to go live in 2024—all groups have an executive sponsor.
- At **Lundbeck**, the company holds discussion events as a forum for employees to discuss events in society. In these events, Lundbeck does not advocate or take a position – it is a forum for employees to respectfully say what is on their mind and how the topic has affected them, and to listen to the perspectives of others.
- At **Novartis**, dialogue activities include Heritage Events across different groups and discussions around gender equity, wellbeing and disability, and health equity. The company also has offered an ESG Café Clinical Trial, a Genetic Diversity Symposium, and a Supplier Diversity Summit.
- At **Sanofi**, the company has conducted internal dialogues during the period of social unrest which included the murder of George Floyd. Sanofi has conducted discussions around the impact of anti LGBTQ+ legislation on Sanofi employees and has also discussed challenges in Health Equity with underrepresented groups.

Leadership development is another important way in which PhRMA member companies engage with their ERGs. For example, at **Sanofi U.S.**, executives are encouraged to become sponsors of ERGs, and senior leaders are asked to participate in external speaking events regarding Sanofi's DEI strategy. At **Amgen**, many of their ERGs offer formal mentorship programs, pairing experienced leaders with emerging leaders.

“I am resolute in our organization’s ability to achieve its ambitious goal to chase the miracles of science to improve people’s lives while accelerating Sanofi’s Diversity, Equity & Inclusion momentum.”

-Subarna Malakar, Head of Diversity, Equity and Inclusion, Global Specialty Care and North America, Sanofi



Education and Training to Support an Inclusive Workplace

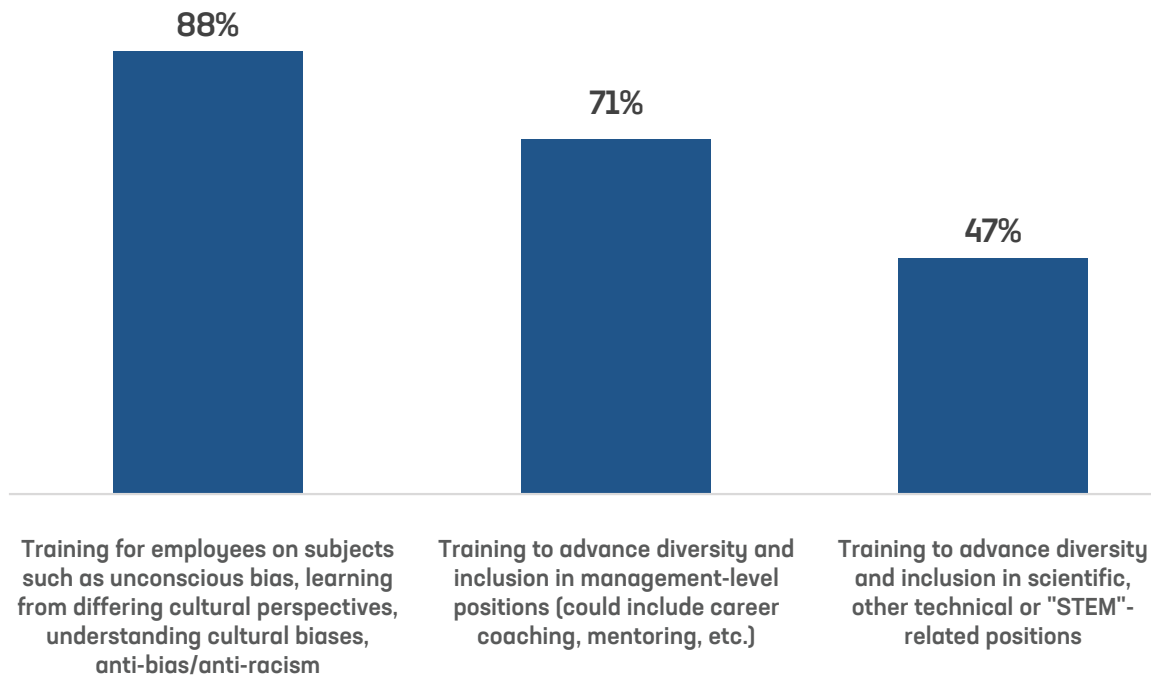
Another way in which biopharmaceutical companies encourage diversity and inclusion in the workplace is by providing DEI-related education and training programs. An assessment of forty years of research on diversity training finds evidence of positive impacts, including on changing knowledge, attitudes, and behaviors of different populations.²⁸ Company-wide education and training play a significant and visible role in the diversification of the workplace. By delivering proactive efforts on an individual level, companies can better prepare their employees to meet the needs of diverse global marketplaces.

Biopharmaceutical companies use professional development to help advance DEI goals.

Among the biopharmaceutical companies surveyed, the vast majority provide some level of DEI-related training throughout their organizations. Most companies offer employee training on topics such as unconscious biases, the perspectives of various cultures, understanding cultural biases, and anti-bias and anti-racism (Figure 14).

Many biopharmaceutical companies cited education and training programs as being

Figure 14: PhRMA Member Company DEI-Related Employee Training Programs



Source: TEconomy Partners-PhRMA DEI Survey.

28 Bezrukova, K., Spell, C. S., Perry, J. L., and Jehn, K. A., "A meta-analytical integration of over 40 years of research on diversity training evaluation," *Psychological Bulletin*, 11, 1227-1274, 2016.

“At UCB, DE&I is everyone’s business. It is extremely important that we celebrate Diversity, embrace Inclusion, and actively engage in the Dynamic Cultural Shift that will positively impact our employees and patients. DE&I is not just for some, but for all!”

- Trenton D. Merideth, Sr., U.S. Head of DE&I, UCB

particularly impactful for driving their DEI strategy. Examples of activities highlighted through the PhRMA member survey include:

- **BioMarin** offers development opportunities for employees who come from backgrounds that are underrepresented in STEM and leadership roles.
 - At **Bristol Myers Squibb**, employees have access to a broad range of professional training and educational programs, career advancement opportunities, and leadership development activities.
 - At **Eisai**, the company has embedded DEI workshops into its key leadership development programs, for both emerging leaders and senior leaders. The focus is on the responsibility and ownership placed on leaders for DEI. Eisai also conducted just-in-time training for hiring managers involved in a recent scale-up hiring activity to create top-of-mind awareness of DEI in their recruitment and decision-making, yielding great outcomes.
- At **Genentech**, the company launched an Inclusive Hiring Certification program to support their 2025 D&I Commitments. Genentech prioritized unconscious bias education as a key prerequisite training for this certification and designed this all-employee training to establish inclusive hiring practices as a key driver in their ability to have diverse backgrounds, experiences and capabilities represented in the hiring process.
 - At **UCB**, the company encourages their leadership and management to participate in training on topics such as unconscious biases and inclusive habits.

Biopharmaceutical companies are working to diversify talent pipelines for leadership and high-demand STEM positions.

Beyond explicit training designed to raise awareness of unconscious bias and different cultures, advance anti-discriminatory behaviors, and other related areas, numerous biopharmaceutical companies promote training among their underrepresented employees to help support career advancement and ultimately to develop diverse cohorts of leaders. To encourage diverse management teams, many PhRMA member companies (70% of those surveyed) support training on topics such as career coaching and mentorship. Meanwhile, roughly half of the companies surveyed are using education and training to advance DEI in scientific and technical positions.

Examples of biopharmaceutical company efforts to promote leadership development, as reported in the survey, include:

- At **Boehringer Ingelheim**, their Global Mobility framework provides employees at all career stages with an opportunity to work and develop at locations across the company’s global footprint. Working

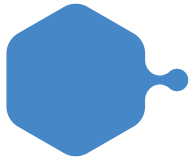


abroad helps employees gain intercultural experiences and enhance the development of interpersonal and professional skills.

- At **Genentech**, the company launched a new program to advance and hone the leadership potential of senior talent from underrepresented population groups. Open to all employees at the Director level, participants in the Genentech Leadership for Executive Advancement and Development (gLEAD) program can attend workshops hosted by Columbia Business School's Executive Education program and collaborate with program sponsors and leadership coaches.

Most PhRMA member companies surveyed (71%) provide support for initiatives that seek to develop a more diverse STEM talent pipeline. The biopharmaceutical industry stands out for its efforts to inspire and develop a diverse STEM workforce, as documented in an associated report that profiles the industry's support for U.S. STEM education.²⁹ The study finds that PhRMA member companies have invested approximately \$180 million in STEM education programs across the country over the past five years, and that these activities have had significant impacts, reaching 111 million students and nearly 183,000 teachers over the past five years. Furthermore, a majority of these STEM education initiatives targeted population groups that were traditionally underrepresented in STEM fields.

²⁹ *Forthcoming Report: TEconomy Partners, "The Biopharmaceutical Industry's Sustained Commitment to Inspiring and Advancing Tomorrow's STEM Workforce," 2024.*



Advancing DEI Through Leadership Positions, Councils, and Teams

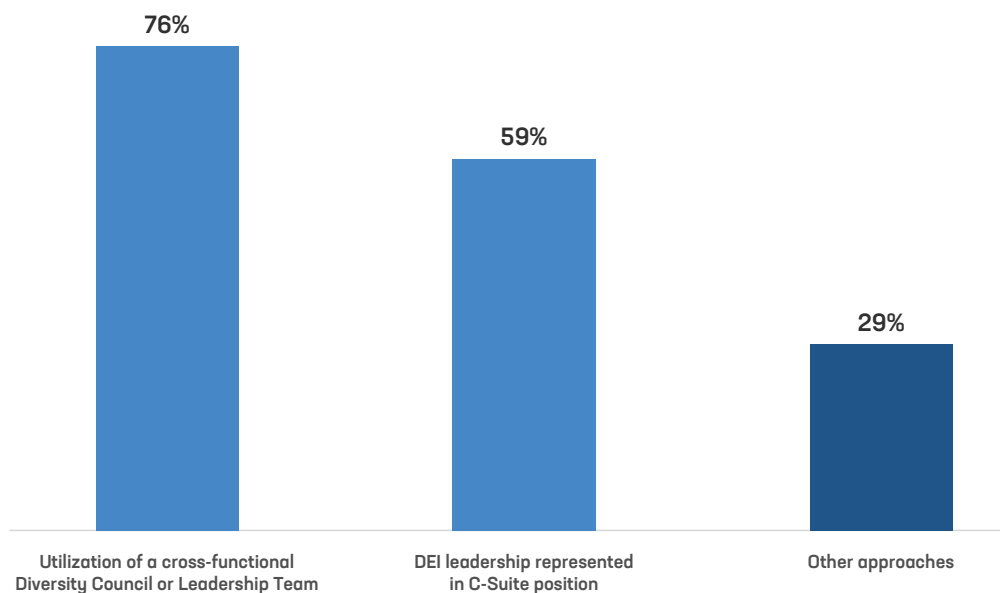
Biopharmaceutical companies are active in designating new leadership and organizing councils and teams to implement DEI strategies and initiatives throughout their organizations. Dedicated leadership and employee participation, input, and buy-in are essential to implementing and maintaining changes to corporate culture and practices.

According to research published by the *Harvard Business Review*, 2020 marked a substantial shift toward enhanced DEI efforts and an increase in internal programs within large companies.³⁰ In addition, DEI-related job postings and hiring have rapidly increased. Between 2020 and 2022 alone, more than 60

U.S. companies appointed a Chief Diversity Officer (CDO) for the first time.³¹

PhRMA member companies are actively advancing DEI by building out leadership positions, teams, and councils (Figure 15). Most PhRMA member companies surveyed report utilizing cross-functional diversity councils and leadership teams (76%) and have DEI leadership represented in a C-Suite position (59%). Other leadership pathways pursued by PhRMA member companies include establishing high-level DEI roles that report to the company's head of human resources, regional DEI advisory committees, and the development of DEI committees across each business unit within the company.

Figure 15: Designation of Key Leadership Positions, Councils, and Teams to Advance DEI



Source: TEconomy Partners-PhRMA DEI Survey.

³⁰ <https://hbr.org/2021/05/5-strategies-to-infuse-di-into-your-organization>

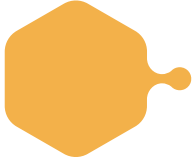
³¹ Ibid.

Examples of PhRMA member company activities that encourage DEI in leadership positions, councils, and teams include:

- At **EMD Serono**, an internal DICE Council (Diversity, Inclusion, Community, Equity/Engagement) comprised of senior leadership from across the globe works to monitor key performance indicators and drive healthcare-specific DEI initiatives.
- At **Genentech**, the company has adopted leadership development programs, officer action plans, manager belonging goals, and an internal inclusion survey.
- At **Gilead**, a C-Suite Diversity council supports the work of the company's DEI initiatives. DEI is embedded in People Leader Accountabilities that were recently rolled out to all People Managers. The company also provides training for all hiring managers to ensure inclusive practices are integrated into the hiring and performance management process.
- At **Novartis**, the company has a Cultural Leadership Advisory Board (CLAB) that has a representative from each division at the firm.
- At **Otsuka**, inclusive leadership and teams is one of the company's three core pillars of its DEI efforts. They encourage focus on building high-performing teams led by inclusive leaders who are role models for knowledge, commitment, inclusive behaviors, and change.

“For our company, DE&I has been part of our more than 350-year journey - we are not in it for the quick win. We are looking to the future - to the next generation and the one after that. We are working to create an environment where all can belong, grow, and thrive... today, tomorrow, and for the next 350 years.”

- Renee Connolly, Chief DE&I Officer, EMD Serono

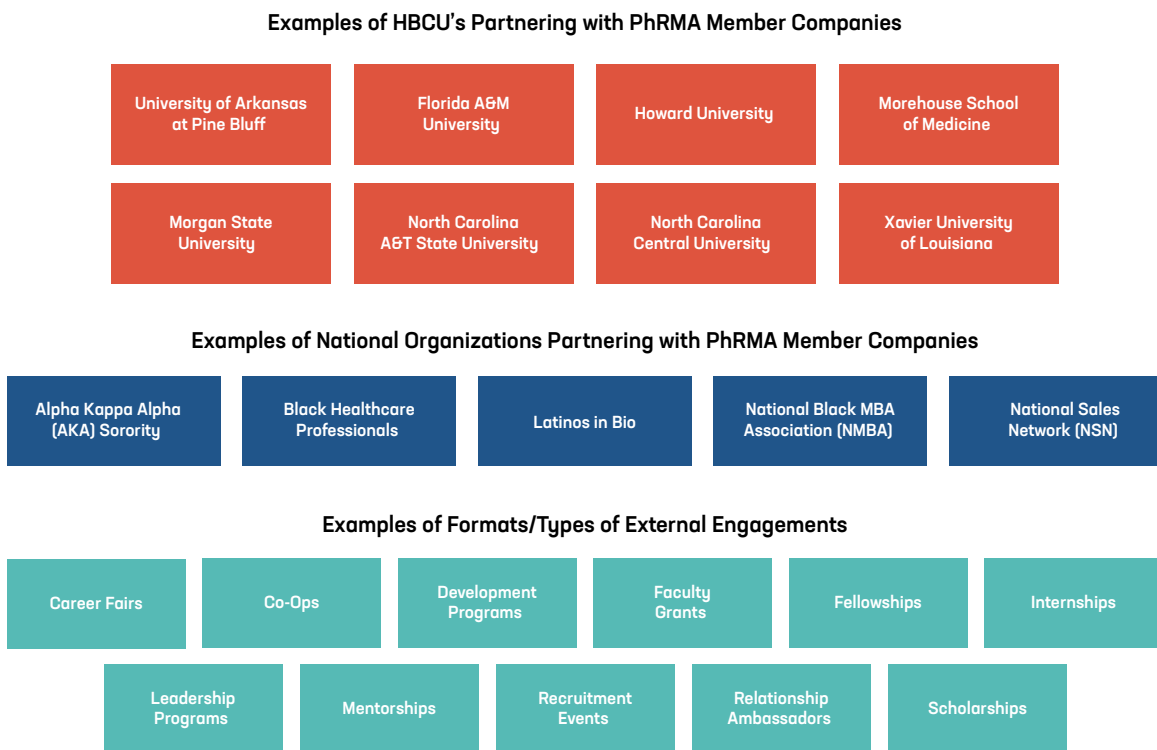


Leveraging External Partnerships to Build a Diverse Talent Pipeline and Support Broader Goals

The biopharmaceutical industry is advancing diversity and inclusion on several other essential fronts that extend well beyond a company's doors and into their local communities and broader networks. Efforts to encourage corporate social responsibility are integral to achieving a "triple-bottom-line," attracting and retaining diverse talent and signaling a commitment to a company culture that values diversity and inclusion. Through activities that are often in partnership with a wide range of collaborating organizations, notable focus areas for broader DEI goals include:

- Investing in community partnerships.
- Enhancing the diversity of clinical trials populations.
- Addressing disparities in health and treatment.
- Increasing diversity in the industry's supply chain.
- Conducting external dialogue events around DEI.

Figure 16: PhRMA Member Companies and Examples of External Partnerships



Source: TEconomy Partners-PhRMA DEI Survey.

Biopharmaceutical companies leverage external partnerships to help expand their impacts.

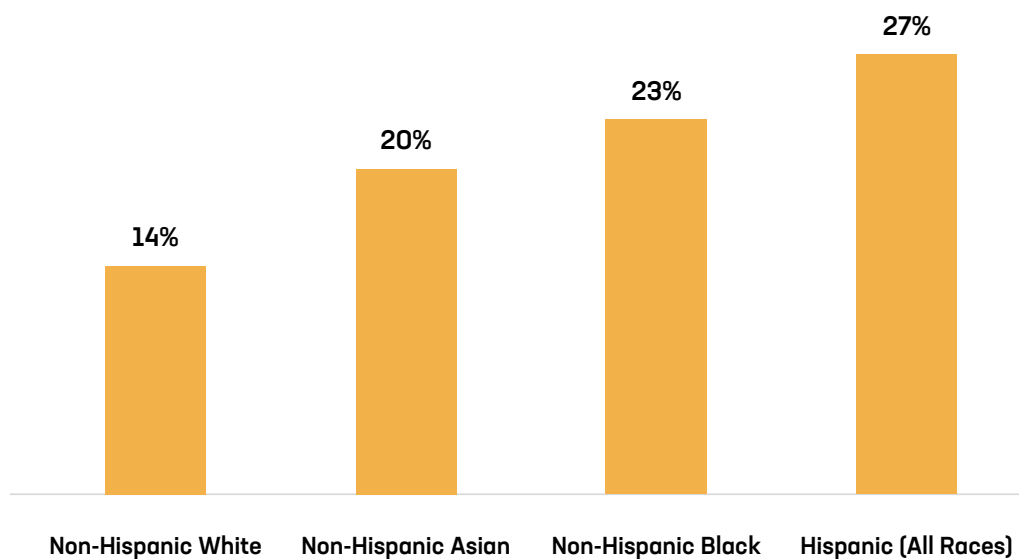
Biopharmaceutical companies are especially engaged in community outreach and partnerships. PhRMA member companies play an important support role in the communities where they operate and are encouraging DEI through a variety of mechanisms.

Nearly all PhRMA member companies (88%) collaborate with external partners to support broader efforts to develop a more diverse and inclusive workforce. PhRMA member companies engage with external partners through a variety of formats, and important elements of these partnerships include those with Historically Black Colleges and Universities (HBCU's), Minority Serving Institutions (MSI's) or other U.S. colleges and universities to increase recruitment, admissions, and retention of diverse student populations. PhRMA member companies also engage with other organizations and collaborators to encourage a more diverse and inclusive workforce.

Biopharmaceutical companies are partnering to enhance diversity in clinical trial participation.

Clinical trials are a critical component of the long and complex drug development process, and as the industry looks to develop new medicines it is essential to ensure that underserved communities, who have historically faced barriers to participating in the development of healthcare advances are given an opportunity to be included. Enhancing clinical trial diversity is a highly complex challenge driven by systematic barriers to participation and issues of mistrust. Recent research from Deloitte shows considerable racial and ethnic disparities in the percentage of consumers who have never heard of a clinical trial, even when accounting for factors such as education and income (Figure 17).³² Deloitte research indicates the top barriers to enhancing clinical trial diversity and participation were based on limited information about clinical trials, not being asked to participate.³³ These disparities in participation can exacerbate broader health inequities.

Figure 17: Percentage of Consumers Who Have Never Heard of a Clinical Trial



Source: Deloitte 2022

³² <https://www2.deloitte.com/xe/en/insights/industry/health-care/increasing-diversity-clinical-trials.html>

³³ Ibid.

Gender disparities also persist in clinical trials, as women participate in pharmaceutical trials at significantly lower rates than their male counterparts. Efforts to encourage participation have yet to address many of the challenges in involving underrepresented racial and ethnic groups. Challenges include but are not limited to the daytime jobs or childcare arrangements serving as a barrier to participation.

PhRMA member companies are committed to advancing diversity in clinical trial participation through the PhRMA Principles on Conduct of Clinical Trials.³⁴ Examples of PhRMA member company activities related to enhancing clinical trial diversity include:

- At **Bristol Myers Squibb**, there is a focus on developing community-oriented clinical trialists.³⁵ For example, the Bristol Myers Squibb Foundation created the Robert A. Winn Diversity in Clinical Trials Award program, which develops clinical investigators who are racially and ethnically diverse or who are committed to increasing diversity in clinical trials. The program also exposes promising, underrepresented, and diverse medical students to clinical research career pathways.
- At **Eli Lilly & Co.**, the company intentionally selects a large and diverse range of trial sites and principal investigators in attempts to accurately match the racial and gender composition of the U.S. population. The company also partners directly with patient advocacy groups, regulatory agencies, and community organizations to identify and expand diversification efforts³⁶
- At **Novartis**, the company is committed to improving access to and participation in

clinical trials by using insights they proactively collect from the patient community for the design of trials, exploring novel technology-enabled solutions, and seeking out and implementing strategies to ensure that trials reflect the diversity of the range of patients impacted.³⁷

Biopharmaceutical companies are using external partnerships to address disparities in health, treatment, and care delivery.

Research from the Kaiser Family Foundation (KFF) highlights the importance of addressing racial and ethnic disparities in health and healthcare to support and improve the health and well-being of broader segments of the U.S. population.³⁸ KFF shows that a larger share of Black and Hispanic beneficiaries of Medicare and Medicaid are more likely to report relatively poor health outcomes, limitations in daily living activities, and cognitive impairment. Disparities also exist in higher rates of illness and death compared to white people, with higher age-adjusted rates of cancer death and higher rates of infant mortality.

While there are persistent racial and ethnic disparities in receipt of prescription drugs, the types of drugs that are prescribed, drug dosing and administration, and wait times to receive prescription medications that are well-described in Black and Brown communities, these disparities extend to Native American, LGBTQ, rural, and other underserved populations. Further, research from the Agency for Healthcare Research and Quality, a Division within the Department of Health and Human Services, found that older patient discrimination is more likely to result in greater healthcare needs, feelings of social isolation, material hardships, and overall dissatisfaction with care.³⁹

34 <https://phrma.org/-/media/Project/PhRMA/PhRMA-Org/PhRMA-Org/PDF/P-R/PhRMAPrinciples-of-Clinical-Trials-FINAL.pdf>

35 Mentioned in survey. More here: <https://www.bms.com/about-us/responsibility/bristol-myers-squibb-foundation/our-focus-areas/diversity-in-clinical-trials.html>

36 Eli Lilly & Co., Website [clinical trials] <https://www.lilly.com/clinical-research/clinical-trial-diversity>

37 Mentioned in survey. More here: <https://www.novartis.com/us-en/about/novartis-us/our-commitment-patients-caregivers/diversity-clinical-trials>

38 KFF analysis of the Centers of Medicare and Medicaid Services Medicare Current Beneficiary Survey, 2018

39 <https://www.ahrq.gov/topics/disparities.html>

“At BMS, our global commitment to Inclusion and Diversity (GI&D) strengthens our ability to serve the evolving needs of the patients and communities we serve, our people, and our business and industry. Leaning into our value of inclusion is who we are and how we do business.

Inclusion is the foundation of our culture and guides decision-making across our global organization to deliver on our mission of discovering, developing and delivering innovative medicines that help patients prevail over serious diseases. We are steadfast in our commitment to GI&D not only because it is the right thing to do, but because inclusive and diverse practices drive innovation and deliver business results.

Our GI&D efforts serve to build bridges to access by guiding our approach to increasing diversity in clinical trials, reaching more patients with our transformative medicines, and helping create economic empowerment in historically excluded and underserved communities. These efforts are raising the bar across BMS and setting standards for our industry.

We lead with action, intention, inclusion, and purpose to cultivate an environment within BMS where every voice counts and diverse opinions matter. We value and reward employees for sharing different viewpoints, backgrounds, and perspectives at all levels because it fuels our ability to deliver for every patient, regardless of where they live, socioeconomic status, or background.

Acting with intention to integrate inclusive thinking and practice into everything we do enables BMS to deliver actionable solutions to address serious gaps in medically underserved communities and to create equitable access to quality healthcare and innovative medicines.”

- Pamela Fisher, Chief Inclusion and Diversity Officer, Bristol Myers Squibb

Nearly all (88%) PhRMA member companies surveyed support health equity efforts in local communities. Examples of ways PhRMA member companies are supporting health equity include:

- Since 2020, **Bristol Myers Squibb** has reached more than 12 million patients through \$100M+ in health equity grants. This support has enabled patient advocacy organizations, community organizations,

academic institutions, and other organizations to accelerate disease awareness and education, improve equitable access to quality care, and advance health equity policies for underserved communities. In 2023 alone, BMS provided \$19.4 million through 277 grants and donations to organizations committed to health equity solutions that meaningfully impact underserved patients across our therapeutic areas.

- At **Genentech**, the company has convened more than 7,000 people, through 52 Health Equity Symposia, to have community-engaged discussion about narrowing health equity gaps. These symposia (co-created with healthcare institutions and community-based organizations across 26 U.S. cities) focused on a range of topics, from mental health in the LGBTQ+ community to the economic impacts of access to clinical research.
- At **Gilead Sciences**, the company's HBCU Roadshow events highlight the importance of advancing health equity for Black Americans. These events feature networking, career building "lunch and learns", and pop-up events organized around HBCU Homecomings.
- At **Novartis**, the company is building healthy equity capacity. Novartis "will collaborate with community-based organizations and healthcare providers to address health disparities and improve access to quality healthcare services," and will "invest in research initiatives that focus on understanding and addressing health disparities, aiming to develop innovative solutions to improve health outcomes for marginalized populations."⁴⁰

Biopharmaceutical companies are advancing the diversity of the industry's supply chain.

Diverse suppliers are vital components of not just enhanced industry representation, but also higher revenues and greater supply chain resilience. America's innovative biopharmaceutical companies are deliberately cultivating a diverse supplier base to procure the goods and services needed to deliver life-changing treatments and cures across the globe. While additional work remains to encourage further supply chain diversity, the focus of biopharmaceutical companies is also strategically important given the significance

"I'm proud of the steps we are taking from a public policy perspective to address health equity but understand there is more work to do. To make meaningful change in the halls of Congress and the communities that need more resources and support, we will require further collaboration with partners to understand, analyze, and produce more solutions to address health disparities."

- Stephanie Dyson, Vice President, USPGA at Bristol Myers Squibb in an article for PhRMA

of DEI to innovation, competitiveness, and overall equity goals.

Nearly all (88%) PhRMA member companies surveyed support efforts to advance DEI among contractors and vendors. Examples of activities supported by PhRMA member companies include:

- At **Boehringer Ingelheim**, supplier diversity is viewed as a commitment to both the local communities it serves and to the U.S. economy. Through fair and objective purchasing and contracting practices, the company embraces the principles of strengthening the national and local economy by aiding, supporting, and protecting the interests of small businesses. Boehringer Ingelheim helps nourish creativity in the U.S. workforce by supporting entrepreneurs, particularly those who are socially and economically disadvantaged.
- At **Bristol Myers Squibb**, the company's Supplier Diversity Initiative Program helps build trusted, strategic relationships with businesses owned by minorities, women,

veterans, LGBTQ+, persons with diverse abilities, and other diverse populations.⁴¹ This enterprise effort helps connect diverse suppliers with industry experts to grow their business while expanding the portfolio of vendors that partner with Bristol Myers Squibb to achieve critical business outcomes that enable the delivery of more solutions to patients faster.

- At **Novartis**, efforts are being made to develop a supplier base that reflects the diverse patients and customers they serve.⁴² This means “nurturing relationships with small, minority, women, LGBT, people with disabilities, and veteran-owned companies and other diverse businesses within the supplier community, so that they have an opportunity to compete for business.”

Biopharmaceutical companies frequently conduct external dialogue events around DEI.

As companies seek to build out their diverse talent pipelines and achieve broader goals around DEI, external dialogue events on key topics around DEI are an increasingly common approach. **Among companies surveyed, nearly half (47%) conduct external dialogue events on key topics around DEI.** These events have occurred through a variety of formats, including industry conferences and forums, media engagement, recruitment events, health symposia, and meetings with external stakeholders to discuss health equity challenges among underrepresented groups. Examples of topics covered by these external dialogue events are wide-ranging, and include:

- At **Amgen**, the company collaborated with more than 60 partner organizations in 2022 to advance over 100 projects to improve health equity in the U.S. Additionally, Amgen sponsored its 10th Health Equity

“In order to become a life science innovator, we need to create an inclusive and equitable workplace that enables all employees to be fully engaged and give their best talent.”

- La Toya McClellan, Global Head of Engagement, Diversity, Equity & Inclusion, Astellas Pharma US

Summit in 2023 to foster solution-focused dialogue among diverse thought leaders and patients to overcome and address health disparities.

- At **Daiichi Sankyo, Inc.**, speakers have been invited and secured to either keynote or be on a panel for key cultural appreciation months (e.g., Women’s History Month, Black History Month, Hispanic Heritage Month, Disability Employment Awareness Month, and Juneteenth).
- At **EMD Serono**, external dialogue events have included topics such as Healthy Women, Healthy Economies Initiative, Embracing Carers, the I’M IN initiative, and panels on Clinical Trial Diversity. Additionally, EMD Serono speakers were invited to participate on a McKinsey panel focused on the importance of investing in women’s health.
- At **Genentech**, the company has participated in external dialogues such as industry conferences, media engagement, and recruitment events such as Genentech’s Change Sequence events.

41 TEconomy Partners-PhRMA DEI Survey. More details on the Program are provided here: <https://www.bms.com/about-us/our-company/doing-business-with-us-as-a-supplier/supplier-diversity.html>

42 TEconomy Partners-PhRMA DEI Survey. More details on the Program are provided here: <https://www.novartis.com/us-en/about/diversity-and-inclusion/supplier-diversity>



- At **Gilead**, the company's HBCU Roadshows highlighted the importance of advancing health equity for Black Americans. The events featured networking, career building "lunch and learns," and other pop-up events organized around HBCU Homecomings.
- At **Novartis**, external dialogue events include those with the Global Black Economic Forum, cross-industry partnerships through Beacon of Hope, and participation in a BioDiversity Event sponsored by LabCentral hosted by Amgen.
- At **Sanofi**, the company has met with external stakeholders to discuss health equity challenges and underrepresented groups.

"We are focused on creating better tomorrows for patients and redefining the standard of care around the world. The value we deliver is strengthened when we welcome diverse perspectives, and each person feels they belong and are empowered to express their distinct views."

- Fay Dunbar, Head of Inclusion & Diversity, Daiichi Sankyo, Inc.



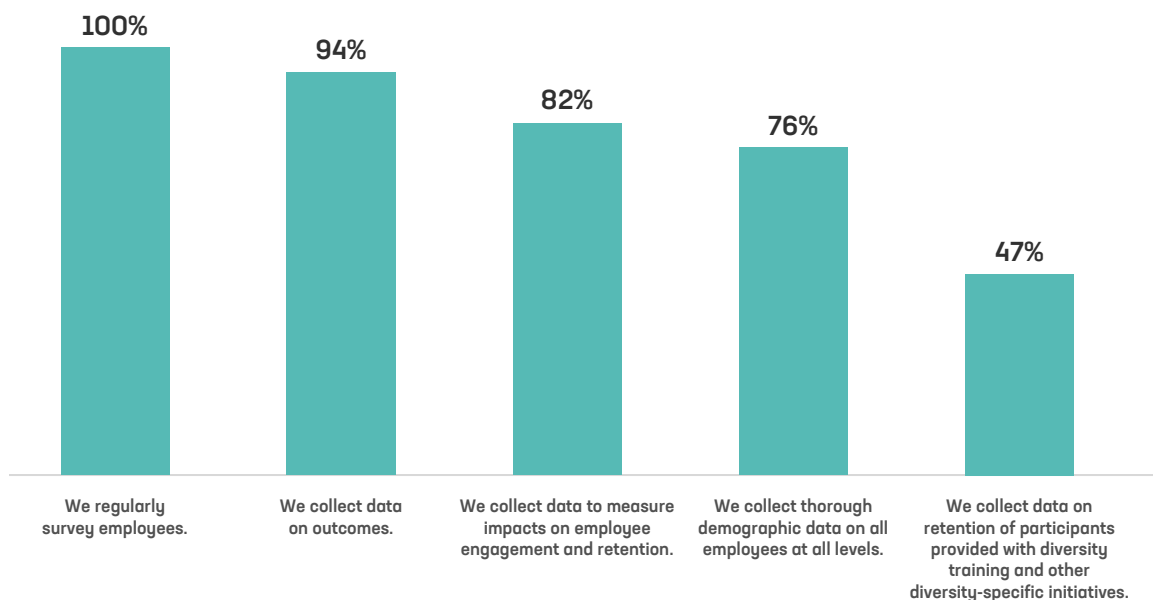
Setting DEI Goals and Tracking Efforts and Initiatives to Assess Impact and Success

According to research published in a recent issue of the *Harvard Business Review*, the ability for firms to set goals, collect data, and closely monitor changes over time is essential to maximizing impact and increasing accountability around diversity, equity, and inclusion.⁴³ Most companies surveyed (78%) indicate they are tracking their DEI efforts to assess their effectiveness and impacts.

Figure 18 presents a selection of the types of approaches or measures PhRMA member companies are using to evaluate and to track their progress on DEI-related efforts, with nearly all collecting data regarding underrepresented demographic groups advancing to management positions, employee engagement and retention, and via regular surveys of employees.

Companies are also performing assessments to gauge the inclusiveness of human resources processes and procedures. For example, at **EMD Serono**, the company maintains an internal, company-wide “DEI Scorecard” to measure various metrics and progress in equity goals, with an explicit emphasis on clinical trial diversification.⁴⁴ In 2023, EMD Serono published its Premier DEI Report to intensify their DEI efforts, set bold aspirations, develop solid plans and create greater accountability. Another common way that PhRMA member companies survey their employees is through their employee resource groups. While many companies are continuing to build more robust metrics that will measure the impacts of ERGs, various metrics were reported by member companies.

Figure 18: Approaches and Measures Used by Pharmaceutical Companies to Track DEI Efforts



Source: TEconomy Partners-PhRMA DEI Survey.

43 Harvard Business Review, “Diversity and Inclusion Efforts That Really Work,” May 2020.

44 PharmaVoice: Pharma is still figuring out how to make DEI work. Here are some of the strategies companies are trying: <https://www.pharmavoice.com/news/pharma-diversity-DEI-clinical-trial-BIO-GSK/654057/>

Figure 19: PhRMA Member Companies Recognized for DEI Best Practices



Source: TEconomy Partners Analysis of Seramount's Inclusion Index.

Examples include measuring:

- Engagement at work of ERG members compared to non-members.
- Membership growth and engagement, by various functions and business units.
- The number of forums and their attendance.
- The effectiveness of meetings and speakers through polling after events.

Biopharmaceutical companies actively promote widely recognized best practices in DEI.

Many PhRMA members are encouraging best practices in workplace inclusion, as seen through an Inclusion Index based on measures such as improving demographic diversity, creating an inclusive culture, and encouraging best practices in the recruitment, retention, and advancement of underrepresented groups.⁴⁵ Figure 19 highlights seven PhRMA members included on the list, with varying degrees of recognition. In another measure, Seramount has released a list recognizing companies that create positive environments for multicultural women.⁴⁶ The

“Diversity, Inclusion, Culture, and Equity are more than just words that represent the critical work of our Diversity, Inclusion, Culture, & Equity (DICE) team at Boehringer Ingelheim. They are the roots of our organization that fuel our purpose of enhancing the health of humans and animals. Our culture is driven by our core values of trust, empathy, passion, and respect, which shape our employees’ behaviors and our collective journey towards a more inclusive environment today and for generations to come. Our commitment is to create a better future for people and animals while helping to set new healthcare standards globally. The richness of our contributions is amplified when we embrace and see strengths in our differences, and when every individual feels a sense of belonging, empowered to voice their unique perspectives.”

- Jamie Eden, SVP of Human Resources, Boehringer Ingelheim

⁴⁵ <https://seramount.com/best-companies/2023-inclusion-index-organizations/>

same seven companies identified in Figure 19 were also recognized as among the Best Companies for Multicultural Women.

Biopharmaceutical companies are recognized for their support of working parents.

One important element of inclusion in the workplace is showing support for working parents. In 2020, the top companies for working parents were identified by the publication *Working Mother*, who released a yearly list of the 100 best companies for inclusive family benefits. *Working Mother* has since been folded into the service provider and digital

publisher Seramount, which recognizes inclusive companies across its various listings.

In 2022, Seramount recognized the top 100 companies for working parents – companies that are setting the standard by providing inclusive benefits for families, including paid gender-neutral parental leave, subsidized childcare, bereavement leave after miscarriage, reimbursement for fertility expenses, and increased mental health benefits for employees.⁴⁷ Figure 20 highlights the eight PhRMA member companies ranked and recognized by Seramount in the top 100.

Figure 20: PhRMA Member Companies Recognized Among Top 100 Companies for Working Parents



Source: TEconomy Partners Analysis of Seramount's Top 100 Companies for Working Parents.

46 <https://seramount.com/best-companies/2023-best-companies-for-multicultural-women-winners/>

47 <https://seramount.com/best-companies/100-best-companies-winners-2023/>

V. Conclusion

America's research-based biopharmaceutical companies are continuing their long-term commitments to improving diversity, equity, and inclusion in the workplace and across their communities. As the workforce and population of the United States grow more diverse, the intentionality behind these efforts is of the utmost importance – the advantages of enhancing DEI are increasingly well understood, including improved economic performance, stronger internal teams, and enhanced ability to attract and retain new talent. Businesses in the biopharmaceutical sector actively strive to enhance DEI within and between their enterprises because they recognize its importance to their companies, society, and the larger STEM workforce.

Appendix 1:

List of PhRMA Members

PhRMA Member Company Name	2023 Survey Participation	Public DEI Resources ⁴⁸
Alkermes	X	Public Report (link)
Amgen	X	Public Report (link)
Astellas	X	Public Report (link)
Bayer		Public Report (link)
Biogen		Public Report (link)
BioMarin	X	Public Report (link)
Boehringer Ingelheim	X	Other Resources (link)
Bristol Myers Squibb	X	Public Report (link)
CSL Behring		Public Report (link)
Daiichi Sankyo, Inc.	X	Other Resources (link)
Eisai	X	Public Report (link)
Eli Lilly and Co.		Public Report (link)
EMD Serono	X	Public Report (link)
Genentech	X	Public Report (link)
Gilead Sciences	X	Public Report (link)
GlaxoSmithKline		Public Report (link)
Incyte		Other Resources (link)
Ipsen	X	Public Report (link)
Johnson & Johnson		Public Report (link)
Lundbeck	X	Other Resources (link)
Merck & Co.		Public Report (link)
Neurocrine		Public Report (link)
Novartis	X	Public Report (link)
Novo Nordisk		Public Report (link)
Otsuka	X	Other Resources (link)
Pfizer		Public Report (link)
Sage Therapeutics		Public Report (link)
Sanofi	X	Public Report (link)
Sunovion		Public Report (link)
Takeda		Public Report (link)
UCB	X	Public Report (link)

⁴⁸ "Public Report" includes companies with public DEI reports or websites that include tracking progress and other metrics. "Other Resources" include companies with other public websites or resources related to DEI.



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