



Biopharma Investor ESG Communications Initiative

A sector-focused direct dialog between biopharma and investors, complemented by engagement with key sector stakeholders.

The Biopharma Investor ESG Communications Initiative (the Initiative) was set up in mid-2018 to address the common interest of leading biopharma companies and investors in achieving more effective, efficient and decision-useful communications about the sector's environmental, social, and governance (ESG) topics.

2018

The Challenge Efficient, effective, and useful communications

“

A confirmation that we
are on track with our
strategic thinking on ESG.

-Biopharma

”

The Initiative was catalyzed by discussions at the Biopharma Sustainability Roundtable and Investor Day meetings hosted by Roche and UBS in Basel, Switzerland, in April 2018. Biopharma and investor participants recognized that a growing body of research links superior performance in the relevant ESG areas to positive long-term corporate financial performance.

They also discussed the challenges in deciding which ESG topics are most relevant; and the lack of consensus on what ESG information companies should disclose and how it should be structured for capital market communications, particularly at a sector-specific level. In addition, they shared frustrations about the inefficient and laborious ESG communications processes, confusion about score divergence and limited transparency of third-party agencies, and fatigue over proliferation of competing standards and frameworks.

Consensus Oriented Dialog On-going process

Early biopharma-investor conversations focused on building consensus on what ESG information from biopharma companies should be communicated to the capital markets, and how it can most usefully be structured.

Over 150 executives
from 28 biopharma and
32 investor companies
have engaged in direct
conversations since 2018

2020

2021

2022

2024

Outreach and Engagement In dialog with stakeholders

Starting in mid-2020, the dialog expanded beyond biopharma companies and investors. The Initiative has progressed through 11 biopharma investor meetings; 12 one-on-one investor interviews with ESG / Sustainability and biopharma sector experts; a series of conversations with key stakeholder groups such as standard- and framework- setters, industry associations, data aggregators and rating organizations; a public CEO Investor Forum in collaboration with CECF (2021); a survey of biopharma and investor views; and benefited from the ongoing contributions of a core biopharma Working Group.

A focused engagement with the International Sustainability Standards Board (ISSB), now responsible for the SASB Standards, is on-going, as a key organization preferred by investors and the only one with a sector-specific standard.

2025

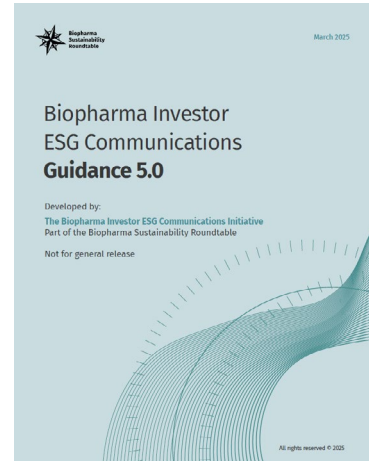
The Guidance Dynamic and evolving

A Guidance, now in its fifth version (April 2025), provides the biopharma-investor consensus view on biopharma ESG topics and includes recommendations and insights to guide corporate ESG communications strategy with investors.

The content and recommendations are built on the Initiative's extensive biopharma- investor discussions and further engagement with leading sector stakeholders, such as industry associations, standard- and framework- setters, data aggregators and rating organizations.

The Guidance aims to:

- ➔ Help biopharma prepare and deliver efficient and effective ESG communications on strategy, governance, risks, opportunities, and performance, focused on capturing the strategic value of their business.
- ➔ Help investors engage more effectively with biopharma companies on ESG.
- ➔ Contribute to the sector-specific work of policymakers and organizations developing globally applicable biopharma sector standards and regulations.



“
Senior Management trusts the Guidance because it has been tested with peers and investors. So, it is a reliable educational tool, internally and externally.

-Biopharma

”

Guidance Key Features

- **Sector-specific and investor-focused**
- **Outcome of biopharma- investor consensus-oriented dialog**
- **A strategic sector-level resource and primer, not a framework or standard**
- **Reflects best thinking from engagement with key sector stakeholders**
- **Considers ongoing developments in the global ESG and sustainability reporting landscape**
- **Validated and improved with seven years of dialog and engagement**
- **Dynamic and evolving**

2025

Biopharma ESG Topics List

Biopharma-Investor consensus

Biopharma and investors were asked to identify and validate the biopharma ESG topics on several occasions since the Initiative started in 2018, separately and in dialog with each other. They continue to converge on broadly the same biopharma ESG topics today as when this Initiative began, though recent dialogs have led to some refinements. The current list primarily includes ESG topics specific to the biopharma sector, together with a few cross-sector ESG topics with biopharma particularities.



Structure of ESG Communications

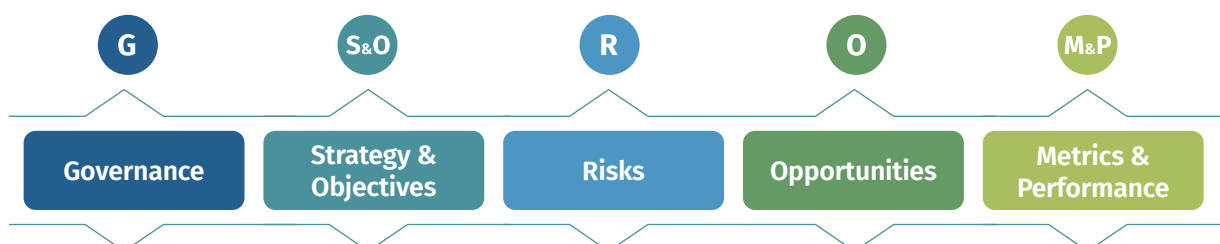
Investor expectations

Another area of discussion has been the structure of biopharma ESG and Sustainability communications with investors. The Figure demonstrates an approach that responds to the capital markets expectations for strategic high-level information, complemented with context and completed with robust data.

“ Provides flexibility to cherry-pick topics with varying levels of relevance for different companies and adds focus into our discussions, which is then integrated into our ESG analysis. ”

-Investor

Address these elements for each ESG topic



Participants, Partners, and Sponsors

Acknowledgments

PARTNERS & SPONSORS



ADDITIONAL BIOPHARMA PARTICIPANTS since 2018

BeiGene, Boehringer Ingelheim, Chiesi, Eli Lilly, Roche, Ferring, Hikma, Ipsen, Jazz Pharmaceuticals, LEO Pharma, Moderna, Organon, Regeneron, Sanofi, Takeda, UCB.

INVESTOR & ASSET MANAGER PARTICIPANTS since 2018

Thank you to everyone from the following investment and asset management organizations who contributed to the dialog: abrdn, Acadian, Achmea, Allianz Global, APG, BlackRock, BNP Paribas, Calvert, Chardan, Domini, EOS at Federated Hermes*, Fidelity, J Safra Sarasin, HSBC Asset Management, Lombard Odier, Manulife, Morgan Stanley, Novo Holdings, Nuveen, PGGM, Robeco, Rockefeller Capital, Schroders, State Street, TPG Capital, UBS, Vancity, Vanguard, Wellington.

*EOS at Federated Hermes on behalf of its stewardship clients

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WORKSHOPS & INVESTOR DAY HOSTS

UBS (2018), The Rockefeller Foundation (2019), BlackRock (2019), NASDAQ Copenhagen (2022) NYSE (2024), Sanofi (2024)

An abstract graphic consisting of numerous thin, teal-colored lines that curve and sweep across the upper right portion of the page. The lines vary in length and orientation, creating a sense of movement and depth.

About the Biopharma Sustainability Roundtable

The Biopharma Sustainability Roundtable (BSRT) is an independent sector-specific network that connects and supports senior biotech and pharma leaders driving the Sustainability agenda forward. The BSRT facilitates an annual program of online topical forums, peer-to-peer networks, group initiatives, in-person meetings, and bespoke advisory services. Executives and invited thought leaders come together to explore sustainability challenges and trends, examine cutting-edge industry topics, and share best practices. The Roundtable also facilitates topical initiatives that engage participating biopharma companies and key stakeholders, such as the Biopharma Investor ESG Communications Initiative.

Learn more at www.biopharmasustainability.com

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