

SECOND ANNUAL
REPORT

Measuring Diversity
in the Biotech Industry:
**ADVANCING EQUITY
AND INCLUSION**

COQUAL



Biotechnology
Innovation
Organization

June 2021



TABLE OF CONTENTS

2 Letter from BIO President and CEO

3 Methodology

4 Acknowledgments

5 Executive Summary

**7 Demographics of
Respondent Companies**

10 *Spotlight: HR and D&I Capacity on the Rise*

**11 Representation by Gender
and Race/Ethnicity**

14 DEI Approaches

14 *Commitment to D&I*

15 *Leadership Accountability*

17 *Data Collection*

19 *Hiring*

20 *Promotion and Development*

21 *The Business Case for D&I*

23 DEI Initiatives

23 *Trust Building*

24 *Networking*

25 *Training and Formal DEI Programming*

26 *Policies to Drive Equity*

28 *Spotlight: Meeting the Moment:
Biotech Approaches to COVID-19
and the Racial Justice Movement*

30 *Spotlight: Employee Resource Groups*

32 Recommendations: Overview

32 *Recommendations: DEI Strategy*

34 *Recommendations: DEI Implementation*

35 *Spotlight: How Small Companies Can Grow
Equitably*

36 BIO DEI Resources

LETTER FROM BIO PRESIDENT AND CEO

For more than a year, the biotechnology industry and the world have faced a public health crisis. BIO's member companies have responded tremendously, demonstrating the power of collaboration and innovation to create life-saving vaccines and therapies. But the crisis also highlighted the healthcare disparities facing Black and Brown communities. These disparities were only heightened by the emergence of global movements fighting against racial and ethnic violence and injustice, which culminated last spring with the death of George Floyd and continue with the uptick in attacks against the AAPI community.

BIO launched the BIOEquality Agenda as one step to counteract systemic inequality, injustice, and unfair treatment of underserved communities. This initiative seeks to expand diversity in our industry and expands upon the existing commitment of our Board of Directors to advance a more globally competitive industry through resources and tools for BIO members and the larger biotech community.

This second annual report, *Measuring Diversity in the Biotech Industry: Advancing Equity and Inclusion*, explores where we are today and provides strategies and best practices that companies can implement. It also provides specific recommendations on how we can move forward.

BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other countries. We are committed to driving a bio-revolution through education, collaboration, and advocacy – and to ensure that our ecosystem supports the best and brightest talent, executives, and board members to cure patients, protect our climate and nourish humanity.

Thank you for reading this report and working to advance equity, diversity, and inclusion in biotechnology.

Michelle McMurry-Heath, MD, PhD
President and CEO, BIO

In 2019, BIO and Coqual (formerly known as Center for Talent Innovation) partnered to create “Measuring Diversity in the Biotech Industry: Building an Inclusive Workforce,” an inaugural overview of diversity, equity, and inclusion (DEI) in the biotechnology industry. Now, this critical body of work continues, with the goal to measure year-over-year change.

The research in this report comes from a survey written by Coqual in partnership with BIO. The survey was informed by a literature review of existing DEI industry studies, as well as findings from last year’s report. The survey was conducted online by Coqual from October to December 2020, with 100 respondents. Each respondent was from a separate BIO member company and completed the survey as a representative of their company.

Respondents included in our sample for analysis answered at least 50% of the questions they were shown, excluding questions on demographic representation.

Because the overall composition of the 2019 and 2020 samples are relatively similar (e.g., in company size, revenue, geographic location, and other factors detailed starting on page 7), data from the 2020 sample is compared to data in last year’s report when possible. As part of a more rigorous approach to collection of demographic data, respondents could only provide responses if they had processes in place to collect that data.

In the 2020 survey, only respondents who indicated they officially collect Board demographic information could answer demographic questions. This approach was applied to prevent respondents from providing data on Board members that is not self-reported, and unfortunately also prevented us from garnering sufficient response to analyze the data.

Additionally, we attempted to explore several new areas of interest, such as LGBTQ employee representation and partnerships with women-owned and/or minority-owned suppliers but did not have high response rates to these questions.

In the charts featured throughout, percentages may not always add up to 100 because of computer rounding and/or the acceptance of multiple responses from respondents. All charts only report sample size (“n”) for our 2020 data. For the purposes of this report, the terms “organization” and “company” are used interchangeably to represent survey respondents.

ACKNOWLEDGMENTS

BIO would like to thank the research team at Coqual, a critical expert and partner for this report, as well as staff members who contributed to the distribution of the survey, writing, and design of the report. We are grateful to the committed leaders in the industry who serve on BIO's board-level Workforce Development, Diversity and Inclusion (WDDI) Committee.

Coqual Research Team

Jyoti Agarwal, *Managing Director*

Pooja Jain-Link, *Executive Vice President*

Emilia Yu, *Research Manager*

WDDI Committee

Chair:

Sylvia Wulf, *CEO, President, and Executive Director*
AquaBounty Technologies, Inc.

Members:

Bonnie Anderson, *Chairman and CEO*
Veracyte, Inc.

Martin Babler, *President and CEO*

Ron Cohen, MD, *President and CEO*
Acorda Therapeutics, Inc.

Eric Dube, PhD, *President and CEO*
Traverse Therapeutics, Inc.

Julie L. Gerberding, MD, MPH, *EVP and Chief Patient Officer*
Strategic Communications, Global Public Policy,
and Population Health
Merck

Paul Hastings, *President and CEO*
Nkarta Therapeutics, Inc.

Liz Lewis, *Chief Counsel, Specialty BUs and R&D,
Head, Patient Advocacy, Oncology BU*
Takeda Pharmaceuticals

BIO Staff

Sarah Arth, *Vice President, Education*

Maidelyn Barrera, *Manager, Membership Data & Industry
Research*

Theresa Brady, *Managing Director, Events Communications*

Cynthia Cheatham, *Director, Industry Research and Education*

Robin Muthig, *Director, Membership*

Ted W. Love, MD, CEO
Global Blood Therapeutics

Gail Maderis, *President and CEO*
Antiva Biosciences, Inc.

John Maraganore, PhD, CEO
Alnylam Pharmaceuticals

William J. Newell, JD, CEO
Sutro Biopharma, Inc.

Julia Owens, PhD, *Executive Chairman*
Millendo Therapeutics Inc.

Richard Paulson, MBA, CEO and EVP
Ipsen Biopharmaceuticals, Inc.

James Sapirstein, MBA, RPh, CEO
AzurRx BioPharma

Nancy Simonian, MD, CEO
Syros Pharmaceuticals

Erika Smith, MBA, CEO
ReNetX

Rick E. Winningham, CEO
Theravance Biopharma US, Inc.

EXECUTIVE SUMMARY

In 2020, BIO partnered, for the second consecutive year, with Coqual, an industry-leading think tank devoted to diversity, equity, and inclusion in the workplace, to investigate the state of DEI in the biotechnology industry.

This report analyzes the findings from a voluntary survey of BIO member companies, with 100 respondents, fielded in the fall of 2020, including: representation data; current DEI priorities and efforts; and shifts from BIO's 2019 report.

Key findings include:

- **Industry growth:** In a year shaped by the COVID-19 pandemic, many industries showed shrinkage or downsizing overall. By contrast, more than one in four (26%) companies in this sample grew in size between the beginning of 2019 and the end of 2020. Approximately seven in ten (71%) stayed about the same size.
- **Mixed results in representation:** Compared to 2019 data, there has been some improvement in gender representation, but less progress in representation by race/ethnicity.
 - **Gender:** Like what we observed in last year's report, representation of women decreases at higher levels. Women make up 47% of total employees, but only 31% of executive teams and 23% of CEOs. However, in our 2020 sample there was a directional increase in representation over the course of the year: 36% of companies in the 2020 sample increased their representation of women employees by at least 5% from 2019 to 2020, and 43% of companies increased their representation of women at the executive level by at least 5%.
- **Race/ethnicity:** Representation for employees of color has a mixed story. Employees of color make up 32% of the overall workforce, 21% of executive teams, and 24% of CEOs. In this year's sample, one in five companies decreased in their representation of employees of color at the executive level from 2019 to 2020 by at least 5%, and only 13% increased representation for executives of color by at least 5%.
- **Progress in D&I commitment:** The 2020 data showed a trend towards internal and public-facing commitment to D&I. Seven in ten (70%) respondents list D&I as one of their organization's stated values or priorities; less than half (46%) said the same in 2019. The proportion of organizations that have a stated goal of creating an inclusive environment has nearly doubled—from 32% in 2019 to 61% in 2020. More than half of organizations (56%) have a public commitment to diversity, an increase from 39% last year.
- **But not in specificity and accountability:** Companies showed little progress in having measures in place to hold leaders accountable for D&I goals. Only 39% of respondents indicate that leaders at their company are tasked with specific D&I goals (compared to 53% in 2019). Barely two in five (39%) have systems in place to measure leaders' progress toward meeting their D&I goals. Only 20% of respondents say that D&I metrics impact performance evaluations and compensation for leaders.
- **Missing the full "case" for D&I:** Nearly 7 out of 10 companies in the sample understand how D&I can serve business outcomes. However, only 52% report "serving a broader and more diverse set of customers" and 50% report "encouraging employees to surface innovative ideas for diverse target markets" as priorities of their organization's D&I program.

- **Increased focus still needed on data collection:**

While more companies in this year's sample collect data around D&I (80% vs. 59% in 2019), there remains progress to be made. Compared to 30% in 2019, 39% of companies in the 2020 sample gather data on discrepancies in promotion; compared to 18% in 2019, 23% now collect data on performance ranking discrepancies by gender, race, ethnicity, or another dimension of diversity. Because not enough organizations formally collect demographic data for their Board members, this year's survey did not have enough sample to include average breakdown of Boards by gender and race/ethnicity.

- **Variability in implementing DEI initiatives:**

Companies in the biotech industry again drew on a range of initiatives to support their DEI efforts. Two programs stood out in newfound popularity since last year: The number of companies conducting unconscious bias trainings doubled, from 22% to 44%; and those conducting manager trainings on how to behave inclusively increased from 24% to 44%.

DEMOGRAPHICS OF RESPONDENT COMPANIES

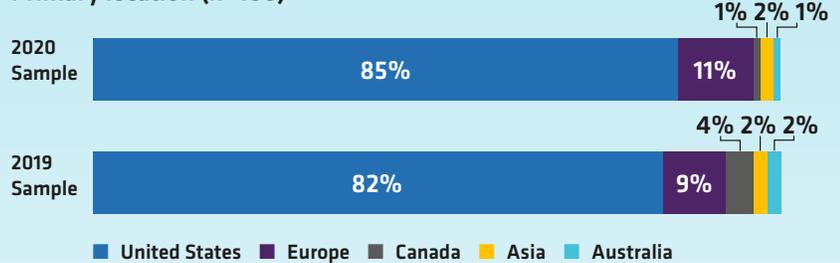
This year's sample showcases the breadth of the biotech industry and suggests economic resilience in a time of crisis.

Respondent companies again spanned five major locations, with headquarters in the United States, Canada, Europe, Asia, and Australia. Like last year, the majority (85%) of respondents are headquartered in the United States, with California and Massachusetts standing out in the sample as industry hubs (Fig. 1a). We see continued global reach: nearly half (47%) of respondents have multinational operations (Fig. 1a).

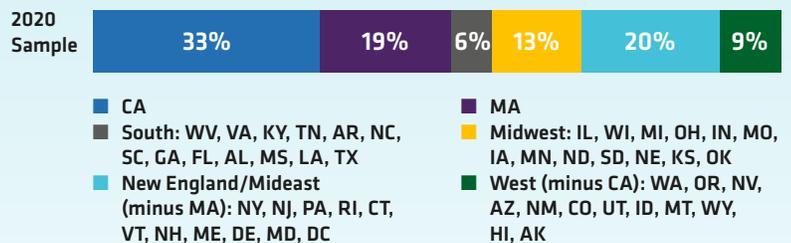
A full 81% of respondents selected biopharma as their organization's primary focus. This is a considerable majority, albeit a slightly smaller portion of the sample than last year, when 92% of companies reported the same. In 2020, the sample captured more companies with an industrial and environmental focus (6%) and food and agriculture focus (9%). Among the 4% of "other" focus areas are medical diagnostics and manufacturing.

Figure 1a. Location and scope of operations of respondent companies

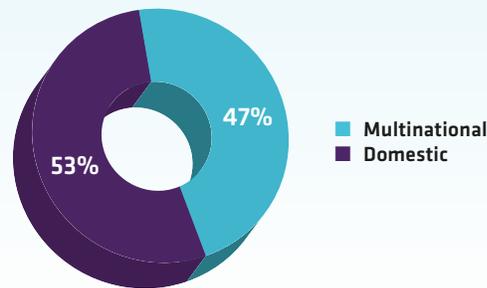
Primary location (n=100)



Primary location for US-based organizations (n=85)



Scope of operations (n=100)

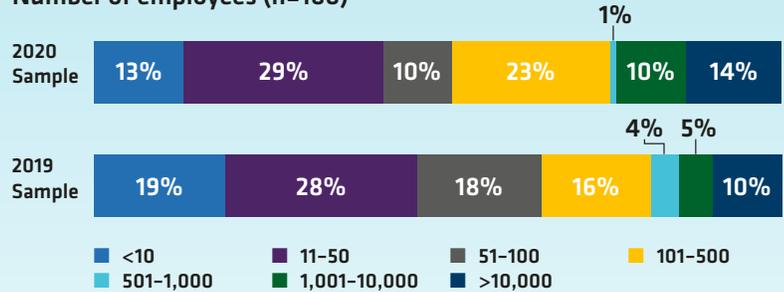


This year’s sample represents a more equal balance of large and small companies. About half (52%) of respondents have 100 or fewer employees, compared to nearly two-thirds (64%) in the 2019 sample (**Fig. 1b**). Interestingly, the smallest companies—those with less than 10 employees—and the largest—those with a workforce of over 10,000—are nearly equally represented (13% vs. 14%) (**Fig. 1b**). Throughout this report, for the purposes of comparison, we will refer to companies with more than 100 employees as “large” and those with 100 or fewer employees as “small.”

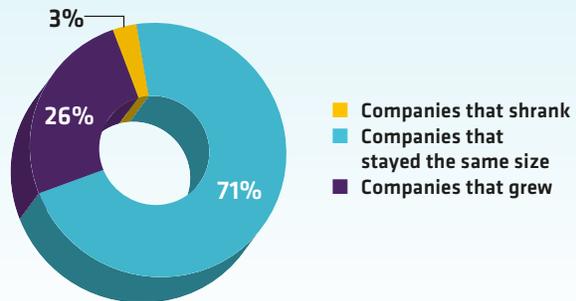
Even given the backdrop of COVID-19 and economic downturn, 26% of companies in this year’s sample grew their workforce and 71% stayed about the same size between the beginning of 2019 and the end of 2020. Barely any (3%) shrank in number of employees (**Fig. 1b**).

Figure 1b. Size of respondent companies

Number of employees (n=100)



Change in number of employees from 2019 to 2020 (n=100)

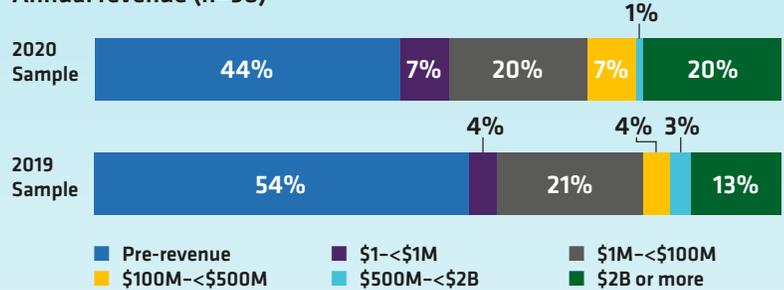


One in five (20%) companies reported \$2 billion or more in total revenue, compared to 13% in 2019 (Fig. 1c). Slightly less than half of companies (44%) were pre-revenue at the time of the survey (Fig. 1c). Market cap distribution also trended higher, with 30% of companies reporting a total market cap above \$2 billion, compared to 23% in 2019 (Fig. 1c). In keeping with 2019, 55% of the responding companies are publicly held and 45% are privately held (Fig. 1c).

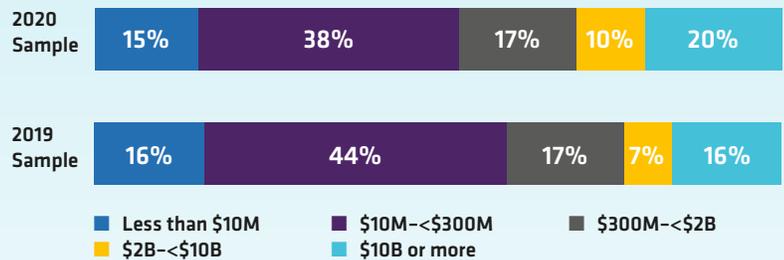
A new question in the 2020 survey about company age revealed that many respondents are newer names in the industry. Well over one-third (39%) were founded between 2010 and 2020. Slightly more than a quarter (28%) were founded before the turn of the millennium (Fig. 1d).

Figure 1c. Financial profiles of respondent companies

Annual revenue (n=98)



Market cap (n=89)



Holding (n=100)

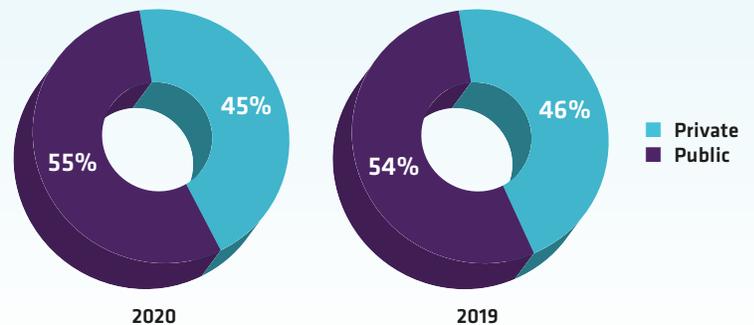


Figure 1d. Age of respondent companies

Founding year (n=100)



SPOTLIGHT

HR AND D&I CAPACITY ON THE RISE

The 2020 sample represents a similar spectrum of organization demographics compared to 2019, with a notable exception: this year, companies are increasingly focused on HR and D&I.

While the number of companies that have a dedicated HR staff grew from 66% in 2019 to 72% in 2020 (Fig. 2), the trend towards D&I is even more pronounced. Respondents are more than 2.5 times as likely to have a D&I program (e.g., D&I department, dedicated staff, or funding for D&I initiatives) today, compared to last year's sample (45% vs. 17%) (Fig. 3).

Well-resourced organizations—those that are large, post-revenue, and/or publicly held—led both trends. All large companies in our sample have a dedicated HR staff, compared to less than half (46%) of smaller companies (Fig. 2). Publicly-held companies are much more likely to have a dedicated HR staff compared to privately-held companies (91% vs 49%), as are post-revenue companies compared to pre-revenue (82% vs 58%) (Fig. 2). Similarly, large companies are more than three times as likely (73% vs 20%), and post-revenue companies 2.5 times as likely (60% vs 24%) to have D&I programming (Fig. 3). Publicly-held companies are also more likely than their privately-held counterparts to be implementing D&I efforts (57% vs 31%) (Fig. 3).

Finally, and perhaps unsurprisingly, companies with a dedicated HR staff are far more likely to have a D&I program compared to those without (59% vs 11%) (Fig. 3).

Figure 2. Organizations with HR staff

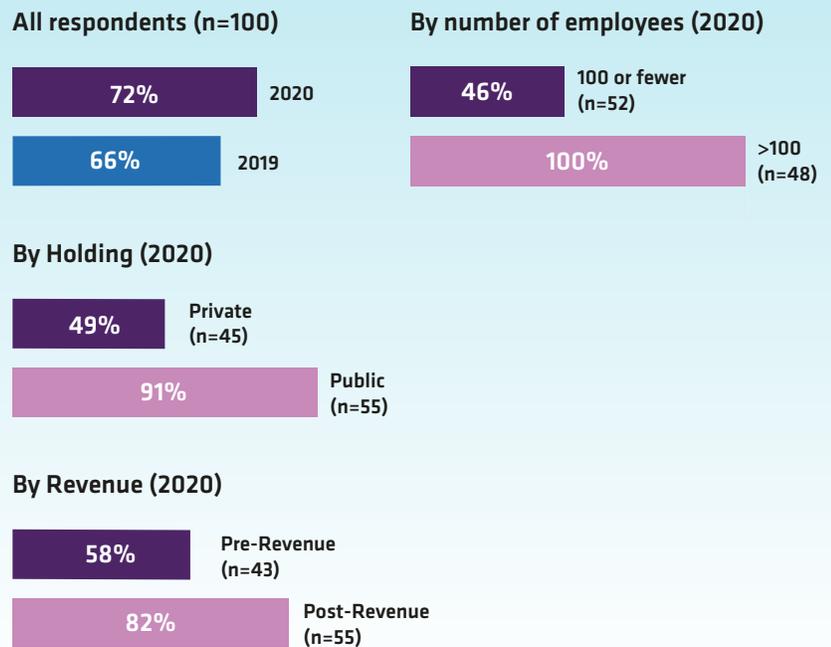
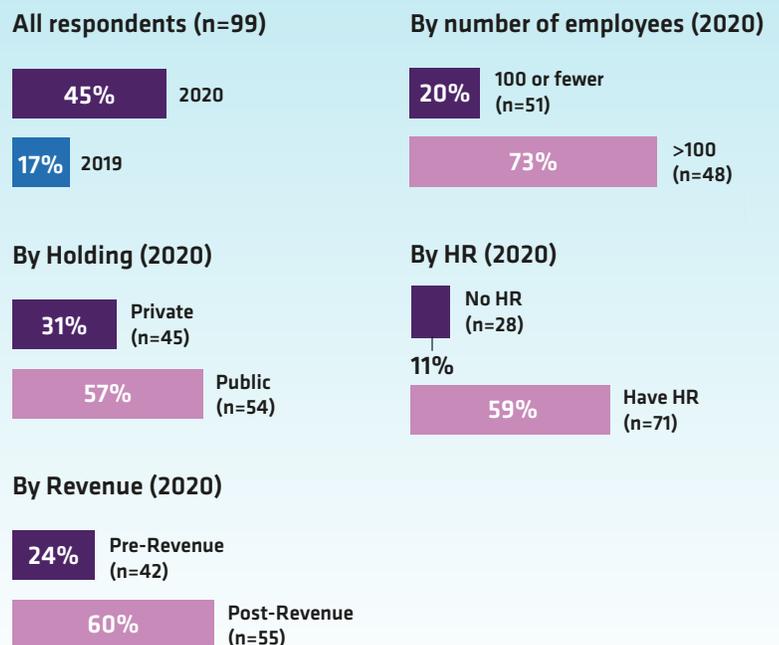


Figure 3. Organizations with D&I programming



REPRESENTATION BY GENDER AND RACE/ETHNICITY

Gender and race/ethnicity data again this year reveal drop-off in representation at the executive level.

Using this year’s more rigorous data collection method, we can report org-level gender representation data from 21 companies, and exec-level data from 22 companies. On average, women account for 47% of total employees at member companies (**Fig. 4a**)—quite like the 45% representation we found in 2019. While this overall data on gender representation seems to suggest the industry is approaching parity, a deeper look reveals that women become scarcer in the upper ranks. They make up less than a third (31%) of executive team members and only 23% of CEOs (**Fig. 4a**). As a reminder, this year’s data did not provide a large enough sample size to be able to evaluate gender representation at the Board level.

This leaky pipeline from entry level to the top is not a unique phenomenon in the biotech industry. Coqual has long documented the tendency for women to get stuck just shy of the C-Suite. In *The Sponsor Effect: Breaking Through the Last Glass Ceiling*, Coqual also introduced the concept of sponsorship—senior-level advocacy which we’ll discuss further in our recommendation section on page 32—as a critical force needed to break through.¹

To better map companies’ current commitment to gender representation, we asked respondents in this year’s sample to share their gender demographics at two points: at the time of the survey (between October and December 2020) and at the start of 2019.

Figure 4a. Representation by gender (2020)

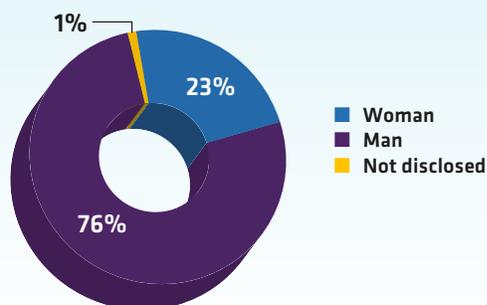
Total employees (n=21)



Executive (n=22)



CEO (n=79)



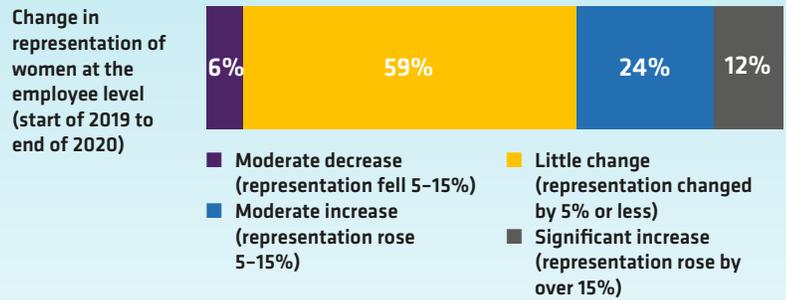
While the majority (59%) of companies saw little change in representation of women at the organizational level and some (6%) saw a decrease (**Fig. 4b**), many companies made progress. Nearly one in four (24%) reported moderate progress (a 5-15% increase) in representation of women across their employee base (**Fig. 4b**). More than one in ten (12%) made significant progress, increasing representation by more than 15% since the beginning of 2019 (**Fig. 4b**).

Progress in gender representation was even stronger at the executive level. Nearly one in five (19%) saw significant progress and nearly one in four (24%) saw moderate progress in gender representation. More than half (57%) of companies saw little change (**Fig. 4b**).

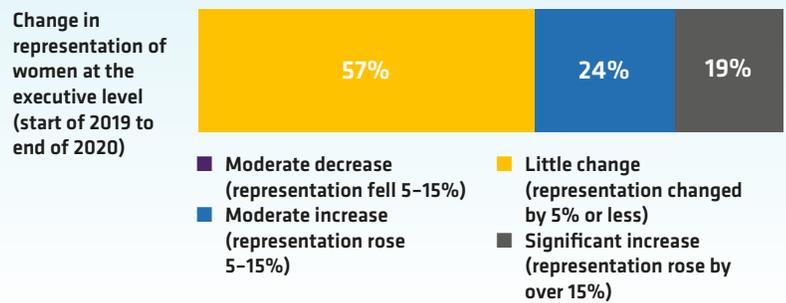
Turning to racial and ethnic diversity, we can report org-level representation data from 18 companies, and exec-level data from 16 companies using this year's more rigorous collection method. We see a similar gulf between total workforce representation and presence in the executive ranks. But while women make up nearly half of total employees, employees of color account for, on average, less than a third (32%) of the average workforce (**Fig. 5a**). Yet again, there is a decline in diversity in the C-Suite. On average at respondent companies, 21% of the executive team and 24% of CEOs are people of color (**Fig. 5a**).

Figure 4b. Change in representation by gender from 2019 to 2020

Total employees (n=17)



Executive (n=21)



Racial/ethnic data begs a disaggregated view, as not all racial and ethnic groups are equally represented in the industry.

In particular, Black and Latinx talent are sorely underrepresented compared to their representation in society. This holds at every level: Black professionals make up 7% of the total workforce and only 3% of executive teams (**Fig. 5a**). Latinx professionals make up a mere 4% of total workforce and executive teams, on average (**Fig. 5a**). For reference, consider the most recent census data from the United States: 12% of the U.S adult population is Black and 16% is Hispanic or Latino.ⁱⁱ

Indigenous talent is all but missing from the biotech industry. This year and last, Native American/Alaskan Native and Native Hawaiian/Pacific Islanders comprised 0.3% or less of reported employee and executive composition (**Fig. 5a**).

As a reminder, this year's data did not provide a large enough sample size to be able to evaluate race and ethnicity representation at the Board level.

As with gender data, we looked at how diversity has changed in the recent past among our 2020 survey respondents by comparing representation from the beginning of 2019 to the most recent data available at the time of the survey in late 2020. A full 67% of companies saw little or no change in representation by race/ethnicity at the executive level (**Fig. 5b**).¹ One in five biotechnology companies in our sample moved backward in diversifying racial/ethnic representation at the executive level (**Fig. 5b**).

Figure 5a. Representation by race and ethnicity (2020)

Race and ethnicity	Total employees (n=18)	Exec (n=16)
White	65%	78%
Black	7%	3%
Hispanic/Latinx	4%	4%
Asian	18%	14%
Native American/Alaskan Native	0.1%	0%
Native Hawaiian/Pacific Islander	0.3%	0%
2+ races	2%	0.4%
Not disclosed	3%	0.5%

CEO (n=70)

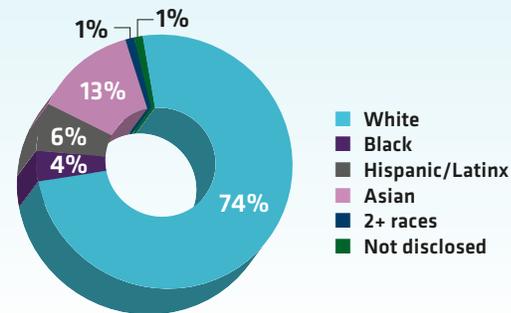


Figure 5b. Change in representation by race and ethnicity from 2019 to 2020

Executive (n=15)

Change in representation of people of color at the executive level (start of 2019 to end of 2020)



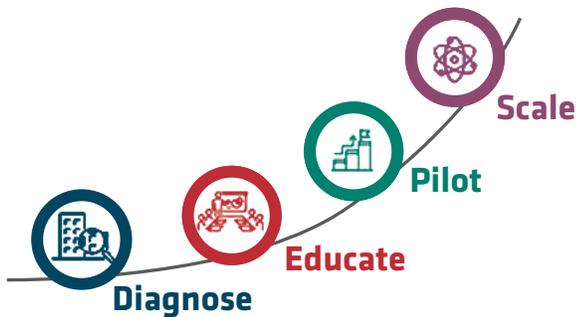
- Significant decrease (representation fell by over 15%)
- Moderate decrease (representation fell 5-15%)
- Little change (representation changed by 5% or less)
- Moderate increase (representation rose 5-15%)
- Significant increase (representation rose by over 15%)

¹ Lack of sample size prevented us from analyzing year-over-year change in the number of employees of color.

DEI APPROACHES

In 2019, Coqual put forth a maturity curve to map company progress in diversity and inclusion. The curve features four stages:

1. **Diagnose.** Gather data to define the current state of DEI and make the case for action.
2. **Educate.** Ensure the importance of DEI as well as key DEI principles are understood across the organization.
3. **Pilot.** Launch pilot programs to assess impact, gain buy-in and adjust implementation parameters.
4. **Scale.** Grow pilot programs to broad use and embed DEI principles with individuals and in the organization.



The curve is a framework that companies can use to hone both their big picture approach to DEI as well as individual initiatives and interventions. Throughout the rest of this report, we will share what the data reveals about the biotech industry's journey along the maturity curve. Many companies, we will see, are just entering the early stages, and can take key steps now to progress along the curve.

In the 2020 survey, biotechnology companies reported how they are publicly committing to, prioritizing, and measuring DEI. There was movement across the industry on all fronts, likely a reflection of the heightened awareness and increased demand that grew out of the racial justice reckoning reinvigorated in the spring of 2020. While positive, this shift is only a beginning; like last year, companies can still do more to support, track, and build accountability around DEI.

Specifically, organizations shared their DEI approaches across six categories:

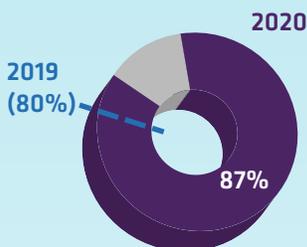
- **Commitment to D&I.** Internal and public-facing commitments to D&I, from the individual to the organizational level.
- **Leadership accountability.** Where onus lies for D&I and the extent to which leaders are expected to back talk with action.
- **Data collection.** Industry practices around data gathering, including depth and transparency of available metrics.
- **Hiring.** Hiring practices, including whether organizations set clear targets for bringing in underrepresented talent.
- **Promotion and development.** Prioritization of promotion and development of women and employees of color.
- **The business case for D&I.** Understanding of the connection between D&I efforts and bottom-line business impact.

COMMITMENT TO D&I

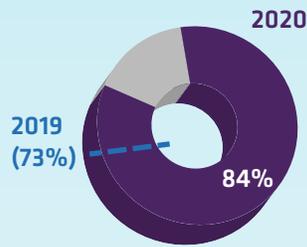
Commitment to D&I has risen substantially since last year's report. Now, a full 70% of respondents list D&I as one of their organization's stated values or priorities; less than half (46%) said the same in 2019 (**Fig. 6**). The number of organizations with a stated goal regarding creating an inclusive environment has nearly doubled—from only 32% in 2019 to 61% in 2020 (**Fig. 6**). The overwhelming majority of respondents (84%) indicate that their leaders consistently demonstrate a commitment to creating an inclusive environment (compared to 73% in 2019), as do their employees (87%) (**Fig. 6**). The commitment to D&I is consumer-facing: more than half of organizations (56%) have a public commitment to diversity, an increase from 39% last year (**Fig. 6**).

Figure 6. Commitment to D&I (n=93)

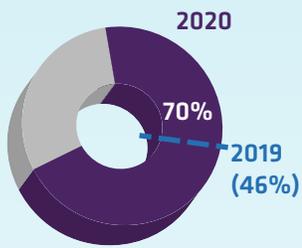
Say employees consistently demonstrate a commitment to creating an inclusive environment



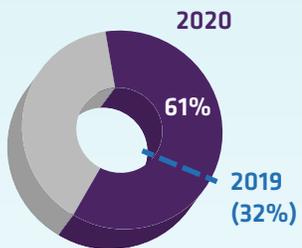
Say leaders consistently demonstrate a commitment to creating an inclusive environment



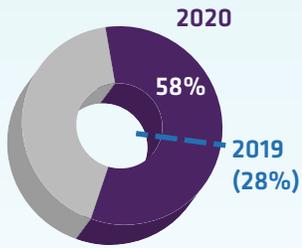
Say D&I is one of their organization's stated values or priorities



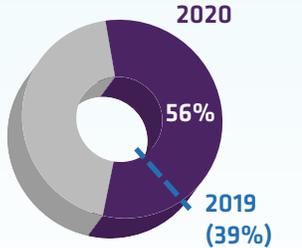
Say their organization has a stated goal regarding creating an inclusive environment



Say leaders at their organization are seen regularly talking about diversity



Say their organization has a public commitment to diversity



Public commitment to DEI is powerful. In *Easing Racial Tensions at Work*, Coqual documented the boost to company brand: among respondents who are aware of their company responding to societal incidents of racial discrimination or bias, the majority (69%) say the response made them view their company in a more positive way.ⁱⁱⁱ

While many companies have a stated commitment to D&I, this is often just the first step. However, this commitment is inherently part of the earlier half of the DEI maturity curve. Commitment without action leads to limited progress, which is further discussed in the sections ahead.

Finally, companies that are larger, post-revenue, and publicly held are more likely to establish a commitment to D&I. This trend follows in nearly all the measures of commitment to diversity in **Figure 6** (excluding “Leaders in my organization consistently demonstrate a commitment to creating an inclusive environment”), supporting what we observed earlier in the report: that well-resourced companies are driving industry D&I efforts.

LEADERSHIP ACCOUNTABILITY

But commitment without action can only get a company so far—and further data suggests that company commitments, while increasing in popularity, are often vague, and action depends on the employee base rather than leadership.

Less than a quarter (24%) of organizations publicly communicate information about their diversity goals, and only 27% make diversity metrics publicly available (**Fig. 7**). As with commitment to diversity, large companies are much more likely to take such action. More than half of respondents, in fact, place the onus on employees; 68% of survey respondents say that D&I efforts are driven by employees throughout the organization without formal accountability (**Fig. 7**).

Senior leaders are speaking up about D&I. The number of companies whose leaders talk regularly about diversity has more than doubled, from 28% in 2019 to 58% this year. But these words, the data suggests, are not commonly backed by action or accountability. In a step backward from last year, 39% of respondents indicate that leaders at their company are tasked with specific D&I goals, compared to 53% in 2019 (**Fig. 7**).

Even fewer companies are leveraging metrics as a foundation for understanding and then driving greater leadership accountability in their organizations. Only 22% of companies currently consider workforce diversity in leader evaluations (Fig. 7). Barely two in five (39%) have systems in place to measure leaders' progress toward meeting their D&I goals—a number that was similar vs 2019 (40%) (Fig. 7). Only 20% of respondents say that D&I metrics impact performance evaluations and compensation for leaders (Fig. 7). Given these figures are low across



LEADERSHIP ACCOUNTABILITY EXAMPLES

We asked companies: "Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization."



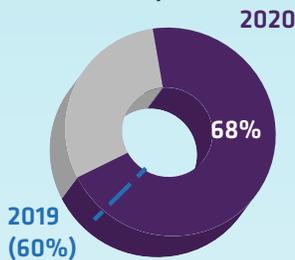
Leadership accountability with stated goals that are reviewed regularly at the executive and board level.



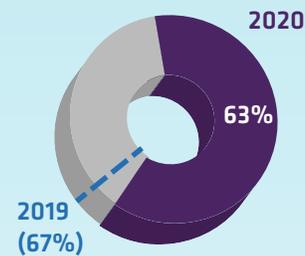
We recently launched a dashboard that will allow our leaders to have a better idea of who is in their organizations, which will lead to greater accountability for leaders to know who is underrepresented. Our Talent Acquisition team has also revamped their DE&I strategy, and our HR Partners are actively going through peer-to-peer learning sessions to enhance their DE&I capability.

Figure 7. Leadership Accountability

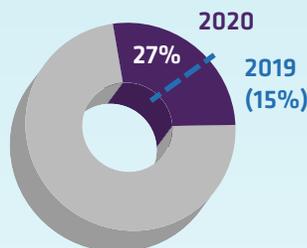
Say D&I efforts are driven by employees through the organization without formal accountability (n=41)*



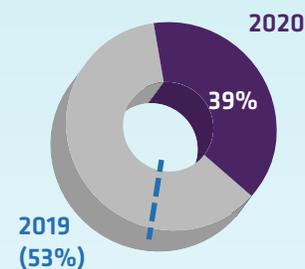
Say D&I metrics are tracked regularly (1-3 years) (n=41)*



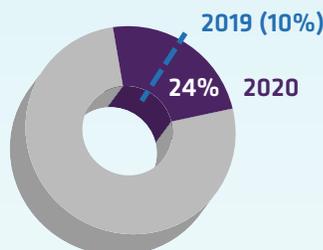
Say their organization makes current diversity metrics publicly available (n=93)



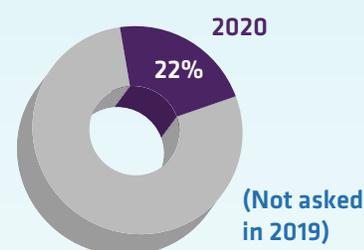
Say leaders at their company are tasked with specific D&I goals (n=41)*



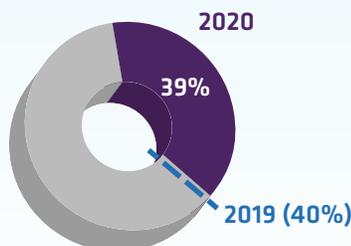
Say their organization publicly communicates information about its diversity goals (n=93)



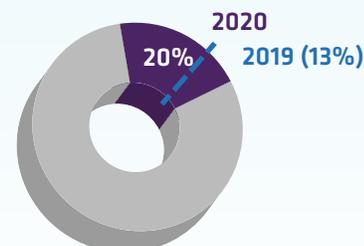
Say their organization considers workforce diversity in leader evaluations (n=86)



Say their organization measures leaders' progress toward meeting their diversity and inclusion goals (n=41)*



Say their diversity and inclusion metrics impact performance evaluations and compensation for leaders (n=41)*



*Data indicated with an asterisk was only asked of organizations that indicated they have D&I programming

the board, with less consistency within well-resourced organizations, there is a widespread opportunity to hold leaders accountable for diversity, equity and inclusion aims.

Overall, organizations in this sample seem to be in the earlier half of the DEI maturity curve when it comes to leadership accountability. A third or fewer of companies are pursuing efforts to implement leadership accountability for DEI on nearly all accounts in Figure 7, with only one-fifth having metrics impact evaluations and compensations for leaders (let alone what, or how deep, those metrics might be) (Fig. 7). To move along the maturity curve, organizations should track data and formalize accountability measures.

DATA COLLECTION

Collecting and tracking data on recruiting, retention, career progression, and other measurable aspects of talent management is an invaluable part of accountability and progress. Armed with metrics, companies can find sore spots, target programs for different demographic groups, track the efficacy of DEI efforts and adjust, as necessary.

Today, a strong majority of companies—80%—collect some kind of D&I data. This is a marked improvement from 59% in 2019. However, the thoroughness and consistency of data collection varies considerably.

The most common type of data collected are employee demographics: 77% of survey respondents (Fig. 8)—and nearly all large companies (96%)—gather this information from their workforce. Of companies that ask

Figure 8: Collection of Employee demographic data



employees to disclose demographic information, 84% ask employees to disclose gender (a dip from 95% in 2019); 88% ask about race/ethnicity (compared to 85% in 2019); and 78% ask about veteran status (compared to 64% in 2019) **(Fig. 8)**.

Only 10% of companies that ask employees to disclose demographics ask about LGBTQ identity (a decline from 13% in 2019) **(Fig. 8)**. No small companies ask employees to disclose data about their LGBTQ identity. There is a huge opportunity for companies to begin collecting this data in markets where legally permissible. Self-ID is important for companies to understand the unique challenges of employees so they can provide targeted support. However, in some countries, data collection is restricted by privacy laws, as well as regulations against being LGBTQ. In these markets, employer support is all the more crucial, even in the absence of data.

Overall, the industry is exploring more nuanced, impactful data collection. Almost half of all companies (45%) **(Fig. 9)**—about two-thirds (67%) of large companies and one-quarter (23%) of small companies—collect data on discrepancies in compensation by gender, race, ethnicity, or another dimension of diversity.



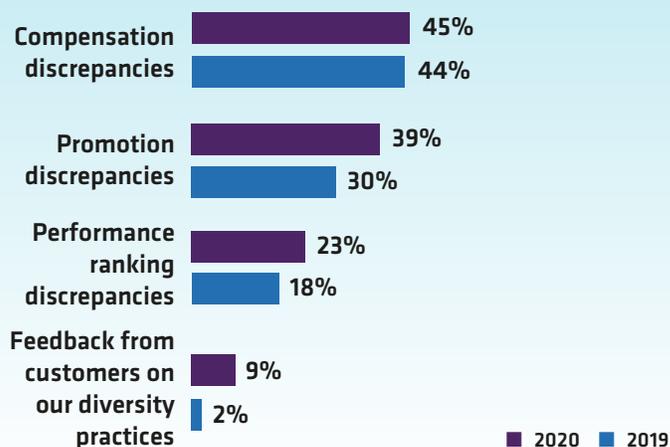
DATA COLLECTION EXAMPLE

We asked companies: “Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization.”



The consistent evaluation of our programs, policies, and processes via external benchmarking has been instrumental in creating meaningful progress.

Figure 9: Which of the following types of data does your organization gather and analyze? (n=92)



Fewer companies gather data on discrepancies in promotion (39%) or performance ranking (23%) by gender, race, ethnicity, or another dimension of diversity **(Fig. 9)**. Larger organizations are more likely to collect discrepancy data. More than half (56%) of large organizations collect data on discrepancies in promotion; small organizations are less than half as likely (23%) to do so. More than one-third (36%) of large companies collect by performance ranking, compared to only 11% of small companies. As we will see throughout the report, biotech companies are zeroed-in on the hiring stage, less so on development and promotion.

Companies are also missing opportunities to capture the demand for diversity from consumers and clients. Only 9% gather feedback from customers on diversity practices (though an improvement from 2% in 2019) **(Fig. 9)**. Almost all organizations that gathered feedback from customers on diversity practices were large, publicly held, and/or post-revenue. Consumers across generations, especially those belonging to the Millennial and Gen Z generations, care about what retailers say and how they act, according to Accenture Strategy’s *Global Consumer Pulse Research*. About six in ten Millennial and Gen Z consumers “believe

it's important for companies to take a stand on issues such as human rights, race relations or LGBTQ equality."^{iv} Clearly, consumer expectations of business are changing—and consumers are increasingly willing to move their business to companies that share their personal ethics. Without data from customers, it is difficult for companies to understand the myriad ways in which DEI can affect the bottom line.

In our 2020 sample, just about two-thirds (63%) of companies track D&I metrics regularly (every 1-3 years)—similar to 67% in 2019 (Fig. 7). While many companies collect employee demographic data, fewer use this data to analyze discrepancies. As such, many of the companies in this sample are likely in the earlier-to-middle stages of the DEI maturity curve when it comes to data collection. For companies to advance along the DEI maturity curve, their data collection and analysis practices should be continually refined and expanded.

HIRING

In 2020, biotech companies are overwhelmingly focused on attracting (93% of respondents) and recruiting and hiring (95% of respondents) diverse talent (Fig. 10).

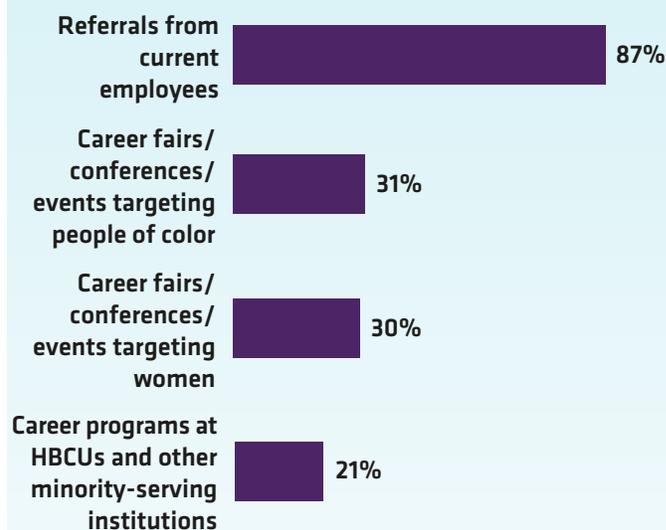
Yet far fewer companies are taking targeted concrete action to attract underrepresented talent. Only 21% of companies leverage career programs at historically Black colleges and universities and minority-serving institutions (Fig. 10). Only 30% and 31% have a presence at conferences, career fairs, and/or networking events targeting women or employees of color, respectively (Fig. 10). In contrast, 87% of respondents use referrals from current employees to recruit (Fig. 10). Given low representation of women and employees of color, referral-based efforts alone are unlikely to widen the applicant pool. They disproportionately benefit White men and White women over men and women of color, and can further entrench pay inequity, according to a study from PayScale.^v

Figure 10: Hiring

What are the priorities of your organization's diversity and inclusion program? (n=42)



Which of the following avenues do you use to recruit diverse talent? (2020) (n=91)



Which of the following statements are true at your organization? (2020) (n=93)



Regarding hiring, only 7% of companies have blinded resume reviews (**Fig. 13**), an increase from 3% last year. Though still low, post-revenue companies are more than three times as likely to have blinded resume reviews than pre-revenue (10% vs 3%). About a quarter (27%) of all companies (**Fig. 13**) and 39% of large companies have diverse hiring committees. Since 2019, there has been a small boost in the number of companies that require a diverse slate of candidates for all open positions (38% vs. 34%) (**Fig. 13**). Fewer (31%) require a diverse slate of candidates for senior positions (26% in 2019) (**Fig. 13**).

Additionally, few companies have hiring targets: only 18% of respondents say their organization has hiring targets for women, and 18% for professionals of color (**Fig. 10**). Large employers are more than twice as likely as small (26% vs. 11%) to have hiring targets for professionals of color. While hiring goals are not an endpoint for DEI efforts, they can be a key lever towards progress.



HIRING EXAMPLES

We asked companies: “Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization.”



We do not post a job opening and wait for applicants. We directly contact the scientists and leaders that we want who are [women] or [people of color].



Believed to be the ultimate accelerator, we have evolved our people processes to include diverse candidate slates, diverse interview panel guidance, quarterly diversity operating reviews, and establishing top diverse talent lists for race/ethnicity.

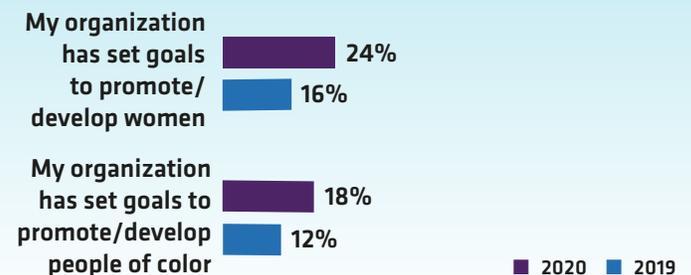
Overall, companies in this sample tend to be in the early half of the DEI maturity curve when it comes to hiring – while most believe it is a priority, few have targets for diverse talent, nor do they use proven avenues to recruit that talent. Currently, large companies with more resources are more likely to utilize myriad avenues for recruiting and implementing hiring best practices. It is important that small companies, and large ones that remain in the earlier part of the maturity curve, also expand how they approach this stage in the talent lifecycle to lay the groundwork for future equitable growth.

PROMOTION AND DEVELOPMENT

While biotech companies share a desire to get a more diverse group of employees in the door, there is less focus on ensuring underrepresented groups stay and grow.

Seventy-nine percent of respondents state that a priority of their D&I program is to promote diverse talent, which represents a downward trend from 2019 (87%) (**Fig. 10**). Like with hiring, few companies back this priority with established goals. Less than one in four companies (24%) have set goals to promote and develop women, and less than one in five (18%) have done so for employees of color (**Fig. 11**). Without goals, accountability is far harder to track—and progress is less likely.

Figure 11: Which of the following statements are true at your organization? (n=93)



Many companies in the sample lack transparency in their promotions process, and few seem to prioritize internal promotion. Only 31% of companies have materials that clarify how promotions work available to employees **(Fig. 13)**. Less than half (45%) require job postings to consider internal candidates, and barely one in five (21%) have programs that provide short-term job experience in another department or division **(Fig. 13)**. The visibility and skills-building provided by such programs are valuable career-boosters for underrepresented employees. Compared to 29% overall **(Fig. 13)**, larger and post-revenue organizations are more likely to have clear and equitable succession planning processes (44% and 41% respectively).

Companies in the sample are also engaging in various efforts around feedback and review processes. About half (49%) of respondents say their company has confidential ways to give feedback about managers, and 36% have 360 performance reviews **(Fig. 13)**. Fully 78% of large companies give advice or training for all employees on how to give feedback, compared to just 33% of small companies. Ensuring a robust culture of honest feedback is mutually beneficial for employees—who need feedback to develop their careers—and organizations, who rely



PROMOTION AND DEVELOPMENT EXAMPLE

We asked companies: “Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization.”



We engage in a twice-yearly review of our senior leader talent with our executive team and board of directors in which we identify, discuss, and review specific development plans for high potential talent.

on their workforce to identify areas for growth and improvement.

Organizations in this sample tend to be in the earlier-to-middle half of the DEI maturity curve when it comes to promotions and development. Companies earlier on the DEI maturity curve can focus on education, equipping employees to give better, actionable feedback. Eventually, companies will begin to embed a culture of consistent, honest, open, and omni-directional feedback.

THE BUSINESS CASE FOR D&I

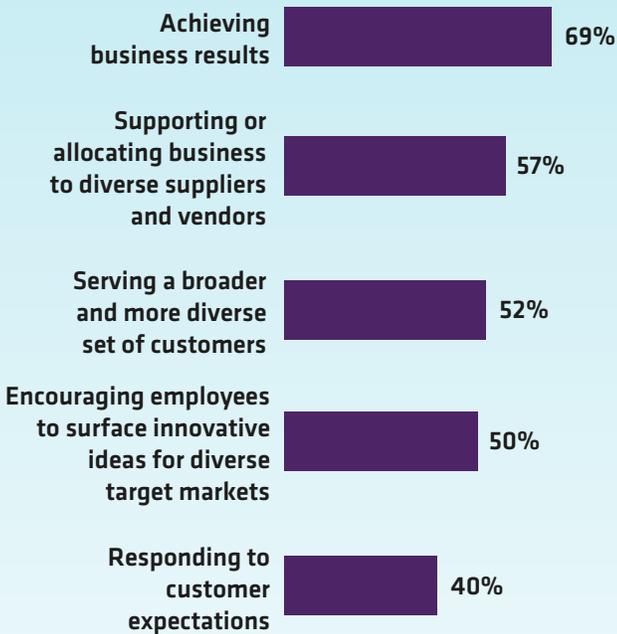
Companies are not only increasingly committed to D&I, but increasingly able to recognize its deep value in terms of driving their businesses. This year, more than two-thirds (69%) of respondents reported that a priority of their organization’s D&I program is “achieving business results” **(Fig. 12)**. The “business case” for D&I has long been proven; Coqual’s *Innovation, Diversity, and Market Growth* report clearly connects diversity and inclusion to innovation and business outcomes.^{vi}

However, while many companies see the connection between D&I and organizational values, fewer understand the potential growth in their top line from D&I. Asked to select among a list of possible priorities for their D&I programming, 52% chose “serving a broader and more diverse set of customers;” 50% chose “encouraging employees to surface innovative ideas for diverse target markets;” and 40% chose “responding to customer expectations” **(Fig. 12)**. This data indicates that companies can better embrace the competitive edge that comes from an investment in D&I.

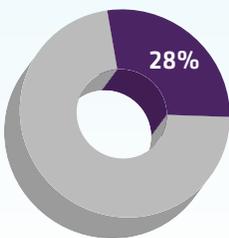
Many companies also miss the opportunity to widen the scope of their D&I efforts to include third party suppliers. 57% of respondents say that a priority of their D&I program is supporting and/or allocating business to diverse suppliers and vendors **(Fig. 12)**. However, when it comes to putting this priority into action, the numbers

Figure 12: Business case for D&I

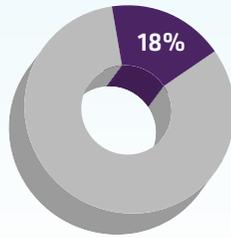
What are the priorities of your organization's diversity and inclusion program? (2020) (n=42)



My organization considers diversity when selecting suppliers and vendors (2020) (n=93)



My organization gathers and analyzes supplier diversity data (2020) (n=92)



are again lower: only 28% of companies actually consider diversity when selecting third party supplier and vendors, improving markedly from last year (12%) (Fig. 12).

Finally, only 18% of companies—mostly well-resourced—track supplier diversity data (Fig. 12). More than one-third (36%) of large companies track such data, compared to 2% of small companies. Similarly, 29% of publicly-held and 29% of post-revenue companies track supplier diversity data, compared to 7% and 5% of their counterparts, respectively.

Organizations in this sample tend to be in the earlier half of the DEI maturity curve when it comes to the business case for DEI—those in the early stages of the curve may want to achieve business results via DEI but are less likely to implement key initiatives, such as creating a supplier diversity program. Companies in later stages of the maturity curve understand that DEI is inherent to innovation and prioritize it accordingly.

DEI INITIATIVES

To understand how companies are acting on their growing commitment to DEI, we showed respondents a list of 30 DEI solutions—an expanded list from last year’s survey—and asked which, if any, are currently in place at their organization to support their D&I efforts. We grouped these initiatives into four focus areas: trust-building, networking, training and formal DEI programming, and policies to drive equity.

In the past year, BIO member companies implemented a wide range of initiatives to promote and further their D&I goals. Again, well-resourced—large, publicly-held, and/or post-revenue—organizations are more likely to have DEI initiatives in place compared to those with fewer resources.

This underscores the issue that DEI is still commonly seen as a “nice to have” rather than a core business imperative—something that can be implemented later as a company gathers resources. Though many initiatives outlined in this section require dedicated staffing and resources, others can be implemented at little to no cost. In the Recommendations Spotlight on page 35, we will highlight foundational steps small and growing companies can take to embed D&I infrastructure and grow equitably.

TRUST BUILDING

Many of the most common initiatives among this year’s respondents fall in the focus area of building trust with employees, specifically having no tolerance for inappropriate behaviors. More than three quarters of companies (77%) have anti-bias or discrimination policies



TRUST BUILDING IN ACTION

We asked companies: “Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization.”



Implementation of diversity dashboards has enabled strategic analysis on the basis of gender, race/ethnicity, and generation. We do this at the enterprise-wide, business unit, and functional level.



We equip our people managers bi-annually with team-specific results, dashboards of our employee pulse survey, and specific actions they should take to improve overall effectiveness and success.



Developing annualized 2025 [D&I] goals for the enterprise and connecting those to executive performance and bonus.



Transparent reporting on compensation and promotion of women and people of color.



Diversity stats posted on the company’s website for leadership, the board of directors, and the team as a whole.



There are many department level and company level teams looking at our environment, performance, and plans to improve. It is right up there with our dedication to safety.

(Fig. 13). The same percent (77%) provide clear channels for reporting experiences of discrimination or bias **(Fig. 13).**

A full 80% of companies prioritize accountability for harassment regardless of seniority or performance (compared to 66% in 2019) **(Fig. 13).** By contrast, only 59% prioritize accountability for bias, regardless of seniority or performance (compared to 46% in 2019) **(Fig. 13).**

Additionally, only 38% of companies send regular communications about D&I to employees **(Fig. 13).** Keeping D&I front-of-mind and helping employees understand the resources that are available to them, as well as sharing D&I metrics and progress, through ongoing communications is necessary for these resources to be meaningful and trusted.

Regular communication about D&I and trust-building around processes like reporting and feedback are valuable early-stage actions that lay the foundation for scaling D&I. Companies at early stages of the maturity curve can set up processes to be responsive and ensure that there is uniformity in approach.

Companies in later stages of the curve have these basic steps in place and are communicating both internally and publicly about societal concerns, with a focus on being proactive.

NETWORKING

Compared to last year, the number of companies with networking opportunities for employees increased, from 42% in 2019 to 53% in 2020 **(Fig. 13).** However, not all networking opportunities grew. Only a third of companies (33%) created opportunities for women or employees of color to network with senior leaders, compared to 36% of companies in 2019 **(Fig. 13).** Larger and post-revenue organizations are about twice as likely as smaller or pre-revenue orgs to create such opportunities for women or employees of color.

Companies often begin D&I networking efforts within employee resource groups (ERGs). As companies move along the maturity curve, networking becomes more embedded and natural, and senior leaders bear greater responsibility. Connecting with and advocating for high-potential talent across dimensions of difference becomes part of the routine course of business.



NETWORKING IN ACTION

We asked companies: “Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization.”



A few years ago, we began a Women’s Leadership Network specifically to increase networking programs for woman leaders at the company. This was a big success and laid the foundation for a diversity and inclusion program which was rolled out over the last twelve months.



Formal mentoring for underrepresented groups with involvement from Senior Executive Leadership. Peer mentoring programs designed to increase networking and exposure.

TRAINING AND FORMAL DEI PROGRAMMING

Two programs stood out in newfound popularity since last year: the number of companies conducting unconscious bias trainings doubled, from 22% to 44%, and manager trainings on how to behave inclusively increased from 24% to 44%. Again, well-resourced organizations were much more likely to have such programming. Most large and post-revenue companies offer unconscious bias training (78% and 59%, respectively) and training for managers on how to behave inclusively (66% and 63%, respectively). Trainings on how and why to hire diverse teams are least common, even among large and post-revenue companies (49% and 35%, respectively).

Leadership development programs stayed flat (44% in 2020, 44% in 2019) (**Fig. 13**), though large companies and post-revenue companies are almost three times as likely as smaller or pre-revenue companies to have such programs in place. Survey data showed movement on mentorship and sponsorship programs in 2020. Mentorship programs can be found at 30% of companies (**Fig. 13**) vs. 18% for 2019. Post-revenue companies are an astounding more than 8 times as likely as pre-revenue orgs to have mentorship programs. The number of companies with sponsorship programs more than doubled, from 9% to 20% (**Fig. 13**). Compared to smaller organizations, large companies are over 3.5 times as likely to have sponsorship programs, and nearly 3 times as likely to have mentorship programs.



TRAINING AND FORMAL DEI PROGRAMMING IN ACTION

We asked companies: “Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization.”



Sharing employee experiences on internal websites raise awareness on unique experiences to educate staff on the power of diversity and inclusion.



[Our managers] are required to take annual unconscious bias training, encouraged to participate and support their teams participating in our DEI initiatives. We provide education, training, and resources on diverse and inclusive hiring and promotion—via live training and within our learning management system.



Formal mentoring for underrepresented groups with involvement from Senior Executive Leadership.



Inclusion & Diversity Action Plans: developed with each business area to look more closely at the work to be done to ensure plans are in place to attract, recruit, and retain diverse talent.



Required training on unconscious bias/microaggressions.

POLICIES TO DRIVE EQUITY

Companies have implemented several initiatives to recognize the unique needs of segments of their employee base and promote more equitable outcomes. (In the spotlight on page 28, we will take a closer look at the ways biotech companies are meeting the extraordinary moments of COVID-19 and the racial reckoning of 2020.)

More than half of respondents (63%) have a commitment to pay equity (**Fig. 13**). Once an organization makes a commitment, companies move along the maturity curve as they correct for imbalances, and improve consistency, depth, and transparency of the pay equity process.

Many companies are also acknowledging and accounting for the unique experience's employees face beyond work. Paid family leave is widely practiced across the industry: 72% of respondents have this offering (**Fig. 13**). Comparatively, a mere 6% of biotech companies offer on-site daycare or eldercare (**Fig. 13**). Once a company has taken the first step of implementing paid family leave, a basic policy to correct gender inequity, they must continue to consider ways to expand their offerings (e.g., parity for partners regardless of gender or longer paid leave) and for larger, post-revenue companies, take steps towards other innovative programs such as on-site daycare and/or eldercare.



POLICIES TO DRIVE EQUITY IN ACTION

We asked companies: "Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization."



Equitable and fair compensation package to employees.



To date, our commitment to pay equity and transparency around pay has been the most impactful.



Achieved a 99.99 [to] 100 women to men salary ratio and committed to review pay practices regularly to support equal pay practices.



Pay Equity Analysis to ensure parity throughout the organization.



Formal policies regarding pay equity.

Figure 13: Which of the following does your organization have or do to support its diversity and inclusion efforts? (n=86)



SPOTLIGHT

MEETING THE MOMENT: BIOTECH APPROACHES TO COVID-19 AND THE RACIAL JUSTICE MOVEMENT

2020 was a unique year, not just for Biotech, but the world. The human and economic toll of COVID-19 has been universally immense. We also increasingly understand the way in which the pandemic and its continued consequences, from death rates to increased caregiving responsibilities to unemployment, have been shouldered differently across gender, race/ethnicity, generation, and other demographic groups. A racial justice reckoning, catalyzed in spring 2020 by the killing of George Floyd, spotlighted the unjust and inequitable Black experience in all spheres, including the corporate world.

CDC data shows that compared to White individuals in the US, Black, Hispanic or Latino, and American Indian or Alaska Native individuals are more likely to contract, face hospitalization, and die from COVID-19.^{vii} Women, in particular, have been disproportionately impacted by the economic effects of the pandemic, having lost a net of 5.4 million jobs during the recession—nearly 1 million more jobs lost than men.^{viii} For women of color, the job losses in December 2020 are illustrative of the unique burden they face. According to analysis by the Center for American Progress, Black, Hispanic, and Asian women accounted for all women’s job losses that month, and 154,000 Black women exited the workforce entirely.^{ix} Many Baby Boomers have felt forced into early retirement.^x

Survey respondents detailed the actions their organizations took to address COVID-19-related challenges for all employees, as well as ways they

pivoted their programming to acknowledge newly visible inequities. Several themes emerged: flexibility, health and wellness, and education and dialogue. Companies are more committed than ever to tuning into their employees’ most pressing concerns.

To offer more flexibility, some companies implemented programs that allowed employees to dictate where and when they work based on their individual needs.

Companies rolled out a range of new initiatives to invest in the emotional, physical, and financial health and wellness of their employees. Resources and support included: cash payments to alleviate additional expenses (e.g., groceries), technology stipends, programming focused on mental health and self-care, and opportunities to gather virtually with colleagues. Another example is an organization that established an offline hour between 12-1pm, with no emailing or meetings, to create time for caregiving and encourage employees to take a break from work.

Finally, some companies committed to educating their workforce on inequity and holding deliberate space for courageous conversations. Programs, led by both established and newly formed ERGs, highlighted the disproportionate impact of the pandemic on communities of color. Some organizations trained managers to facilitate meaningful conversations on race. One organization noted that they held over 80 open office hours and listening sessions for employees to ask questions of company leaders and share personal experiences.



BIOEQUALITY IN ACTION

We asked companies: "Please describe the program(s) you believe have had the greatest impact on diversity, equity, and inclusion in your organization."



Every employee's situation is unique, and we have consistently stressed the importance of being flexible so that people can manage both their home and work responsibilities. We made sure our employees know we understand the challenges.



The first thing we did [during the pandemic] was ensure all of our employees had the tools and technology required to work remotely—this extended to children at home as well.



We have launched an internal equal justice group to go beyond a typical ERG and drive action within our walls and out in the community.



We have conducted several pulse surveys to identify how people are feeling and what they need from the organization.



Our DEI initiatives pre-date the pandemic, but it is now the work of a much larger group with a new level of energy and enthusiasm to learn, educate others, make change, hold ourselves accountable, and empower us to do better.



We deposited [funds] to OneUnited as part of the #BankBlack challenge.



Before June 2020, our racial justice approach was solely focused on hiring. Now we are learning to take an anti-racism approach to all our work. Our executives are leading the work, and we have created a DEI committee.



We added 'Be an Ally' to our company values, which form a core part of who we are. We rolled out awareness training about how to be an effective ally.



We launched the D&I leadership training program for leaders and employees to address issues of the Black Lives Matter movement and bring awareness to conscious and unconscious bias.



We do not shy away from talking about the unrest in the world right now. We talk about it in our monthly corporate updates with every employee. We have an anonymous link people can use to send in questions to cover at the meeting.

SPOTLIGHT

EMPLOYEE RESOURCE GROUPS

Employee resource groups (ERGs), alternatively called affinity groups or employee networks, were born from the Civil Rights movement of the 1960s. Formed around shared identity, ERGs offer networking opportunities, allyship, and beyond.

Today, ERGs are common at most large companies, and have expanded beyond gender and racial demographics to include groups for LGBTQ individuals, employees with disabilities, employees with specific professional backgrounds/credentials (e.g. for pharmacists), social style (e.g. for introverts), intersectional identities, and more.

About half (48%) of the companies in this year's sample have one or more ERGs—up from 27% last year (**Fig. 14**). Unsurprisingly, ERGs are far more prevalent at large and post-revenue organizations. The rise in ERGs, which are often grassroots gatherings, is a major indicator that there is a groundswell of support from employees for increased action and community around DEI.

Curiously, at closer glance, while ERGs for demographic groups less-traditionally focused on DEI efforts expanded, the number of companies with groups for women, employees of color, and LGBTQ employees declined from the 2019 sample to the 2020 sample. Compared to 24% in 2019, 36% of organizations with one or more ERGs now have ERGs in the “other” category (**Fig. 14**). These include Equal Justice ERGs, as well as other general groups devoted to social justice and allyship; faith-based ERGs; and ERGs for caregiving (e.g. caregivers for those with cancer). Meanwhile, the number of companies with ERGs for women fell from 100% to

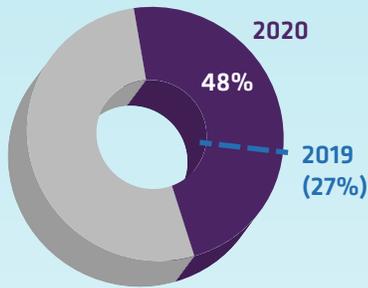
75%, the number with ERGs for employees of color fell from 71% to 61%, and the number with ERGs for the LGBTQ population fell from 76% to 56% (**Fig. 14**).

We see an opportunity for smaller and pre-revenue organizations to both create these critical communities early on as well as set up the infrastructure needed to leverage ERG members' perspectives toward better business outcomes and may even reposition ERGs to become Business Resource Groups (BRGs) that work more actively on business goals.

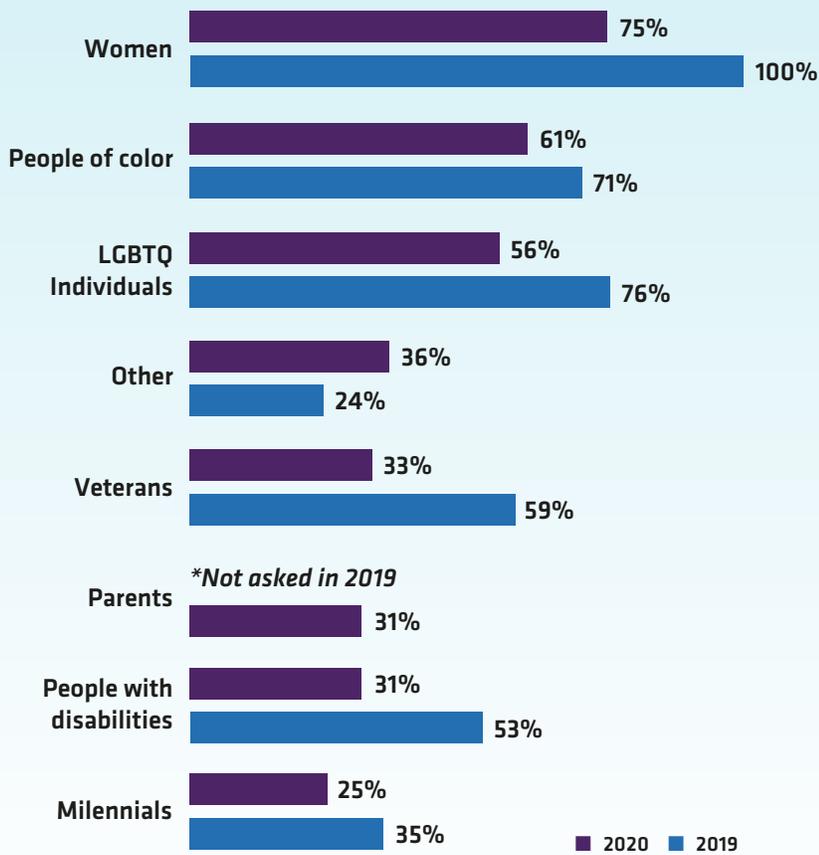
While ERGs and their members can build and sustain DEI momentum, DEI values must be modeled from the top down and embedded in company values and strategy to have meaningful, lasting impact.

Figure 14: Employee Resource Groups (ERGs)

Organizations that have employee resource groups (n=75)



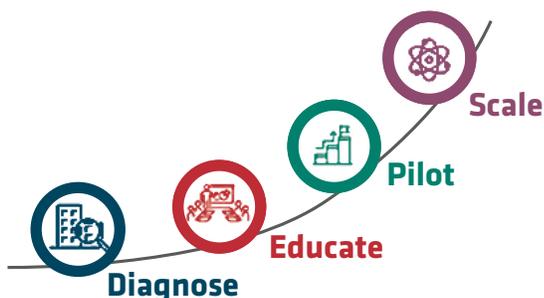
Of organizations with Employee Resource Groups, those that have them for the following groups (n=36)



RECOMMENDATIONS: OVERVIEW

DEI is a business priority, not a “nice-to-have.” Our data suggests that companies want to act—and our maturity curve shows how to begin the work, build, and scale.

Where an organization is on Coqual’s curve will guide what level, type, and sequence of action the company should take to improve diversity, equity, and inclusion. Let us revisit the four stages of the curve:



1. **Diagnose.** Gather data to define the current state of DEI and make the case for action.
2. **Educate.** Ensure the importance of DEI as well as key DEI principles are understood across the organization.
3. **Pilot.** Launch pilot programs to assess impact, gain buy-in and adjust implementation parameters.
4. **Scale.** Grow pilot programs to broad use and embed DEI principles with individuals and in the organization.

Coqual’s DEI maturity curve indicates a natural, high-level progression that many companies undergo on their DEI journey. Those at the “diagnose” stage have secured enough buy-in to collect data (or use the diagnose phase to collect data to drive buy-in) and investigate their cultures. Organizations at the “educate” stage are assessing the benefits of DEI concepts at work and/or are communicating the benefits to leaders to drive further buy-in. Targeted programs roll out in the “pilot” phase, and at the final “scale” stage, DEI programs expand until its concepts are embedded into company processes and culture.

Companies may find themselves in several stages at the same time depending on different DEI focus areas. For example, a company’s initiatives around racial/ethnic representation may have progressed into the pilot or scale stage, while programs to increase LGBTQ representation are hampered by lack of metrics and data, placing them in the diagnose stage. Companies can consider their efforts holistically but would also be wise to reflect on their progression along the curve at this more micro level as they target their approach and initiatives.

Additionally, the maturity curve is not always a linear progression. Companies cannot rest on their laurels—they must continually make sure they are mastering the basics. As best practices change, companies grow, and executives leave, companies can take steps backwards. Progressing through the curve requires an ongoing commitment, pursued with genuine intention, effort, communication, and investment.

Biotechnology companies, as we have demonstrated throughout this report, are at different stages along the spectrum. With this in mind, we have outlined recommendations on two fronts: DEI Strategy, including how to approach goal setting, priorities, and data collection, and DEI Implementation. In each section, we list key considerations and provide illustrative examples for early-stage and late-stage companies.

RECOMMENDATIONS: DEI STRATEGY

There is no one-size-fits all approach to DEI strategy. But for DEI to be impactful, strategy is critical to avoid the perception that DEI initiatives are “window-dressing” and disconnected from organizational goals. As companies seek to progress, there are differing considerations based on where an organization currently sits on the DEI maturity curve—and for each particular focus area. The curve is a natural progression that starts with momentum-building, metrics, and capturing buy-in—foundational efforts that set the stage for

scaling and embedding DEI. Once companies have made progress on stage-setting steps, they can consider an additional set of strategic aims.

Below are examples of strategic best practices that companies can implement, though they may do so in different forms, depending on where they are on the DEI maturity curve:

	Earlier stages (diagnose, educate)	Later stages (pilot, scale)
Set the tone from the top	Ensure leaders model values. DEI efforts are unlikely to succeed and scale without leadership buy-in. Senior leaders should visibly and vocally role model the values of diversity, equity, and inclusion for their workforce.	Integrate DEI into overall business planning and strategies, connecting the benefits of DEI with business priorities. This includes empowering DEI staff with resources, agency, and authority.
Leverage data and analytics	Collect, track, and share data. Make a commitment to and plan for collecting data across employee demographics, including race/ethnicity, gender, age, and veteran status. Repeat and refine in order to track year-over-year progress.	Tie metrics to accountability. Collect data showing how representation manifests across the employee journey, including in hiring, evaluations, promotions, and compensation. Companies can use this data to establish concrete DEI goals and hold leaders, managers, and eventually all employees accountable for DEI progress—including as a formal part of performance reviews and in consideration for promotions and bonus compensation.
Stand up and utilize ERGs	Establish (and value) ERGs. Organizations should ensure ERGs are prioritized, established, well-funded, supported, and championed by leaders at the company.	Better leverage ERGs. As discussed in the ERG spotlight, companies should not place the sole onus of driving DEI on these groups. However, ERGs are critical community spaces for underrepresented talent, and once they are established, can be valuable partners in driving innovative DEI programming and achieving business goals.

And, don't forget the Board. All companies—no matter what stage—can make a commitment to and plan for collecting Board demographics, including race/ethnicity, gender, and LGBTQ identity as a start. Representation at the Board level should be tracked and maintained as a DEI priority.

RECOMMENDATIONS: DEI IMPLEMENTATION

Every organization is unique, and as such will craft DEI efforts that best speak to their mission, vision, values, location, customer base and beyond. Many of our implementation recommendations, however, are broadly applicable—though can be tailored to a company’s specific circumstances.

Remember: it is not only possible but common to start small to test the efficacy of an initiative. For example, the initiative can target a specific sub-group or set of high-potential employees, a certain location or

geography, or even a specific business unit. The company can start with a pilot to socialize the program, gain buy-in and incorporate feedback for future iterations. The most common way that later-stage companies grow their DEI implementation is through scaling. Once organizations have piloted an initiative to select groups or locations and refined it, they must make and execute a plan to equitably scale it across the enterprise.

Below are examples of best practices that companies can implement depending on where they are on the DEI maturity curve:

	Earlier stages (diagnose, educate)	Later stages (pilot, scale)
Drive equity in compensation and benefits	<p>Commit to pay equity: Competitive candidates and high potential employees of all demographics value a commitment to equitable pay. Begin by doing the research to understand where the gaps currently are in pay equity across the organization and make a public commitment to pay equity going forward.</p> <p>Target benefits to resolve inequities: Many biotech firms have a paid family leave policy in place. Companies can expand standard offerings by, for example, expanding and destigmatizing leave for all genders. Parity in family leave is a key workplace benefit for attracting highly skilled workers.</p>	<p>Employ pay equity: Implement pay equity across the organization, continually revisit and reanalyze, and adjust as needed.</p> <p>Enhance compensation and benefits policies and processes: Establish the company as a trailblazer that champions equity by going beyond benchmarking to other organizations to being innovative and industry leading in setting policies and processes. Consider making permanent solutions that emerged as necessities in 2020 – such as greater flexibility for the workforce – to signal to employees and jobseekers alike that the company is willing to forge new paths to promote equity.</p>
Implement sponsorship programs	<p>Educate on sponsorship. Sponsorship is a relationship in which a more-senior advocate uses their power and influence to advance the career of a high-potential protégé. Educating leaders and rising talent about the importance of sponsorship to career trajectory and the roles and responsibilities of the relationship ensures that everyone knows how to build the visibility and relationship capital that is crucial to success at any company—particularly for underrepresented employees.</p>	<p>Set up and scale sponsorship. Companies can begin by piloting sponsorship initiatives. As sponsorship gains widespread buy-in from leaders, companies can then focus on further embedding sponsorship into the culture and emphasizing the connection between a culture of sponsorship and company success. When sponsorship becomes ingrained, its effects can be far-reaching; for example, succession plans are easier to diversify, and leadership becomes more representative when sponsorship across lines of difference is done well.</p>
Encourage and support feedback	<p>Forge a feedback culture. A culture of honest, actionable feedback is critical to companies’ ability to innovate and grow and employees’ ability to further their careers. Early-stage companies can focus on building processes that promote regular feedback throughout the year, such as quarterly performance check-ins and annual performance reviews.</p>	<p>Support a culture of feedback by training all employees on how to give and greenlight actionable feedback, especially across lines of difference. Think about alternative, confidential ways to give feedback to supplement existing channels, including the addition of 360 reviews. Two-way feedback is critical in ensuring accountability for manager and leadership behaviors.</p>

SPOTLIGHT

HOW SMALL COMPANIES CAN GROW EQUITABLY

Biotechnology companies can become big, fast. Among our sample alone, 26% of companies grew in number of employees between the beginning of 2019 and the end of 2020. The speed of growth in the industry is reason enough for companies to view DEI as an imperative today, not an issue to be addressed down the line.

Many of the most impactful efforts can be put into practice without significant additional resources or capacity. Small companies can consider the following foundational steps to ensure more equitable company growth:

- **Incorporate DEI into your values** from the start and ensure that your priorities and strategy align with those values.
- **Widen the “funnel” to find prospective candidates.** Establish a recruitment strategy that leverages career programs at minority-serving institutions, plus conferences, career fairs, and networking events for underrepresented groups. Ensure that your strategy applies to roles throughout the pipeline, including in leadership and when selecting new Board members.
- **Forget “culture fit.”** This commonly touted term is too nebulous to be compatible with DEI efforts. When used in hiring and reviews, it often allows bias to go unaccounted for and results in “like hiring like.” Instead, implement proven best practices for hiring and recruiting.

DIVERSITY, EQUITY & INCLUSION AT BIO

BIO is committed to providing access to talent, access to capital, and building trust with consumers and patients.



BIO Equality Agenda

A national effort in collaboration with our partners and member organizations in the biotechnology sector that aims to counteract the systemic inequality, injustice, and unfair treatment of underserved communities.



BIO Board Initiative

A collaborative initiative to advance corporate board diversity by identifying partners and experts in corporate governance, connecting future and current corporate leaders, and providing resources and best practices.



Measuring Diversity in the Biotech Industry

An annual survey and report tracking diversity and inclusion programs, policies, goals, and representation within BIO member companies.

Visit bio.org/dei to access resources for the industry.

END NOTES

- i Sylvia Ann Hewlett, with Kerrie Peraino, Laura Sherbin, and Karen Smberg, *The Sponsor Effect: Breaking Through the Last Glass Ceiling* (Cambridge: Harvard Business Review, 2010).
- ii <https://datacenter.kidscount.org/data/tables/6539-adult-population-by-race#detailed>
- iii Ella Bell Smith, Sylvia Ann Hewlett, Trevor Phillips, and Ripa Rashid with Melinda Marshall and Tai Wingfield, *Easing Racial Tensions at Work* (New York: Center for Talent Innovation, 2017).
- iv https://www.accenture.com/_acnmedia/Thought-Leadership-Assets/PDF/Accenture-CompetitiveAgility-GCPR-POV.pdf#zoom=50
- v <https://www.payscale.com/data/job-referrals>
- vi Sylvia Ann Hewlett, Melinda Marshall, and Laura Sherbin, with Tara Gonsalves, *Innovation, Diversity, and Market Growth* (New York: Center for Talent Innovation, 2013).
- vii <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html>
- viii When Women Lose All the Jobs: Essential Actions for a Gender-Equitable Recovery - Center for American Progress
- ix Ibid
- x <https://www.forbes.com/sites/jackkelly/2020/11/19/nearly-30-million-baby-boomers-forced-into-unwanted-retirement/?sh=206d647b5d7d>

COQUAL



Biotechnology
Innovation
Organization