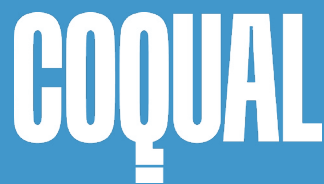


JUNE 2022

KEY FINDINGS

Measuring Diversity in the Biotech Industry

Tracking Progress in Small and Large Companies





Why this study?

In 2021, BIO partnered, for the third consecutive year, with Coqual, an industry-leading think tank devoted to diversity, equity, and inclusion (DEI) in the workplace, to investigate the state of DEI in the biotechnology industry.

This report analyzes the findings from a voluntary survey sent to BIO member companies, fielded from November 2021 to January 2022. Data is included from the 99 companies that responded. To measure year-over-year progress on DEI in the industry, the report also notes, where possible, shifts from BIO's 2020 report, *Measuring Diversity in the Biotech Industry: Advancing Equity and Inclusion*.



"We aim to be the employer of choice in biotech/pharma and in doing so believe in the value of investing in building a diverse talent pipeline. We look for opportunities to collaborate with others in the industry to achieve these goals."

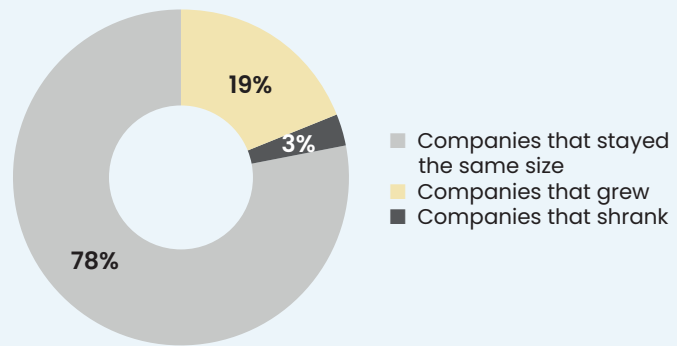
— Survey respondent

Business remained strong in 2021

In 2021, companies and industries around the world continued to deal with the effects and repercussions of the ongoing COVID-19 pandemic. The biotech industry was able to remain stable through these continued unprecedented times—78% of the companies in the sample for this report stayed the same size (as measured by number of employees), 19% of companies grew, and only 3% of companies shrank (**Fig. 1**).

Figure 1. Change in size of respondent companies

Change in number of employees from 2020 to 2021 (n=98)



Gender Diversity: Representation of women employees is on an upward trend, but still low for women executives

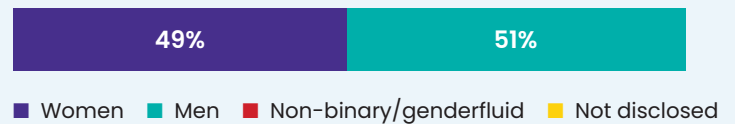
Gender representation of employees in this year's sample nearly reached parity—companies reported that 49% of their total employees are women and 51% are men (**Fig. 2**). We continue to see that the representation of women decreases at higher levels of an organization—only 34% of executive teams and 20% of CEOs were reported to be women (**Fig. 2**).

However, progress continues to be made—within the companies in this year's sample, nearly four in ten indicated a 5% or more increase in the number of women executives (including almost one-quarter indicating a 15% or more increase in women executives).

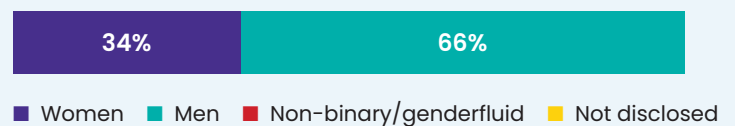
Representation data for professionals who identify outside of the gender binary of male and female remains almost non-existent, as many organizations do not yet actively collect data.

Figure 2. Representation by gender (2021 data)

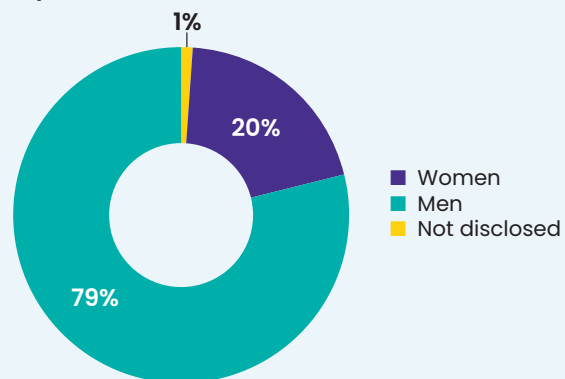
Total employees (n=36)



Executive (n=39)



CEO (n=84)



Racial/Ethnic Diversity: White employees continue to be overrepresented at senior levels

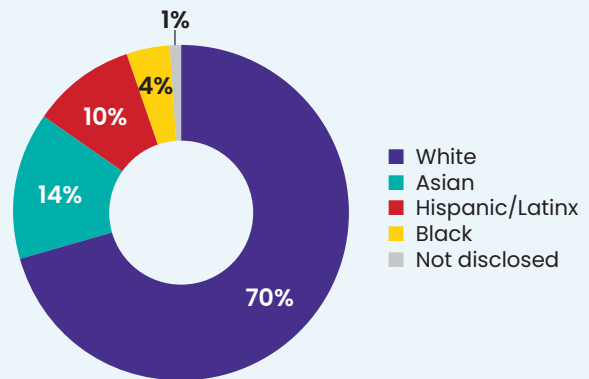
Representation for employees of color continues to be an area of needed focus, a trend identified in both previous reports. In 2021, people of color made up 38% of total employees, but only 24% of executive teams and 28% of CEOs (Fig. 3). However, there was meaningful growth when looking within the companies in the 2021 sample—more than four in ten increased representation of executives of color by more than 5%, including 19% that increased representation of executives of color by more than 15%. The majority of the remaining companies had little change in representation of executives color, and only 4% saw any decrease at all.

Additionally, on average across the sample, 6% of employees and 4% of executives do not disclose race information (Fig 3.).

Figure 3. Representation by race and ethnicity (2021 data)

Race and ethnicity	Total employees (n=28)	Exec (n=31)
White	56%	72%
Asian	21%	15%
Hispanic/Latinx	7%	4%
Black	6%	3%
2+ races	3%	0.3%
Native Hawaiian/Pacific Islander	0.5%	0%
Native American/Alaskan Native	0.1%	2%
Not disclosed	6%	4%

CEO (n=71)



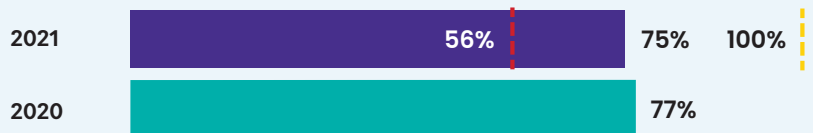
Maintaining progress on data collection, with continued opportunity

The number of companies that collect any demographic data remained steady at 75% in 2021 (Fig. 4), after the large jump from 51% in 2019 to 77% in 2020. The biggest gain was in the percentage of organizations that collect data on LGBTQ identity, more than doubling from 2020 to 2021 (10% to 21%) (Fig. 4).

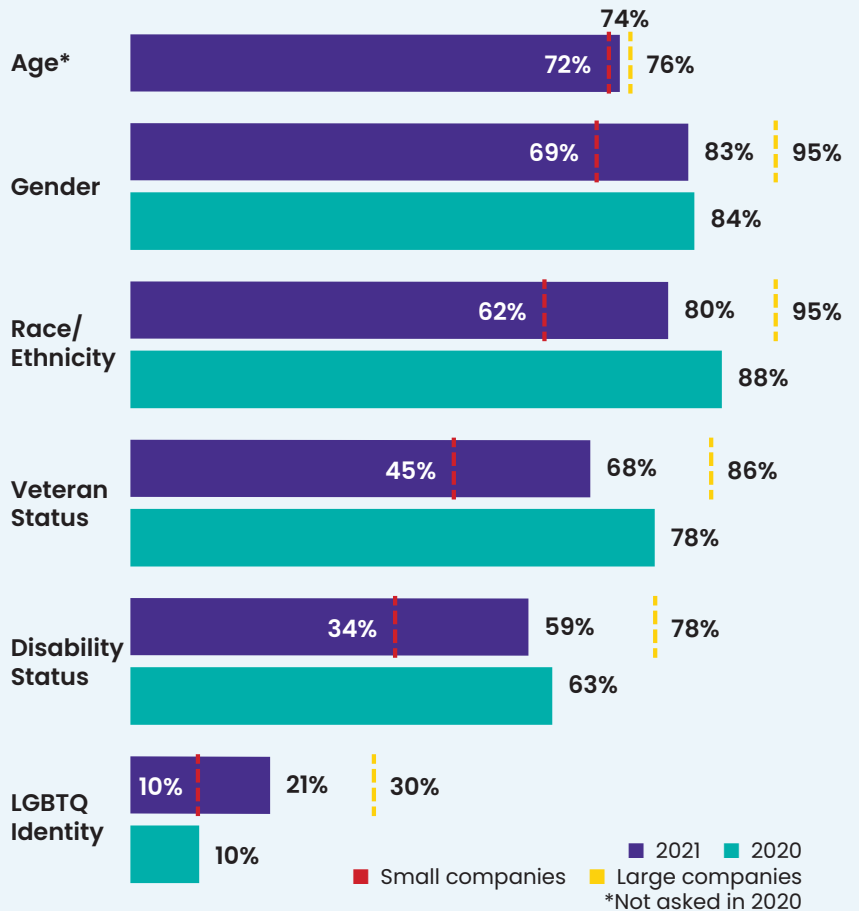
Few organizations formally collect demographic data from their Board members so this year's report did not have enough sample to evaluate gender or race/ethnicity representation at the Board level.

Figure 4: Collection of employee demographic data

Collects any employee demographic (n=91)



Which demographics does your organization ask employees to disclose? (n=66)



Need to increase focus on taking action to attract, hire, and promote key talent

Almost all organizations (nearly eight out of ten) indicate that attracting, recruiting, and promoting diverse talent are priorities of their DEI program (Fig. 5). However, tactics that would help advance these goals are being used less broadly. For example, career fairs and conferences targeting women and people of color are used to recruit by less than one-third of organizations (Fig. 6) and less than one-fifth of companies have set goals to promote/develop women and people of color.

Figure 5: Diversity and inclusion program priorities (n=47)

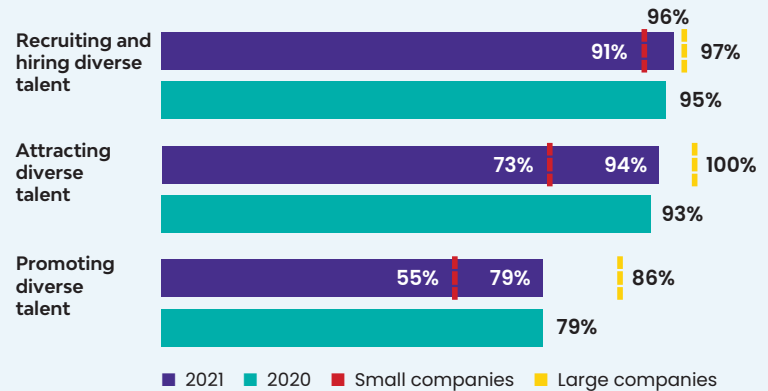
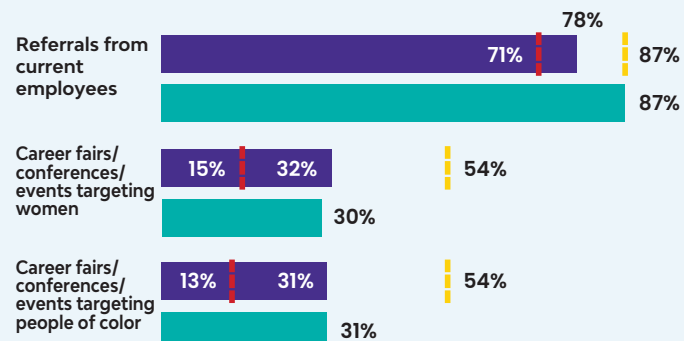
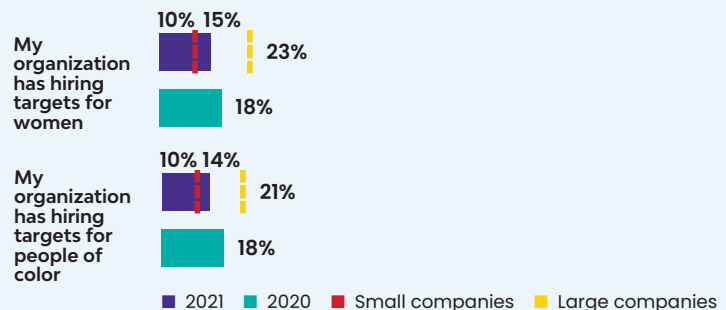


Figure 6: Hiring Practices

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



Which of the following statements are true at your organization? (n=91)



Notable differences between small and large organizations

In this year's analysis, we focused more deeply on the differences between large and small organizations' DEI efforts. More small organizations (i.e., those with 100 or fewer employees) participated in this year's survey vs. previous years, 56% vs. 52% (**Fig 7**), giving us an opportunity to better understand how size affects the way companies invest in, communicate about, and prioritize DEI.

For example, small and large organizations differ significantly in the establishment of their HR and DEI functions. While large organization respondents all have HR staff (100%) and the vast majority have DEI programming (86%), only half of small organizations have HR staff (50%), and only a minority have DEI programming (18%) (**Fig. 8**).

Figure 7. Size of respondent companies

Number of employees (n=99)

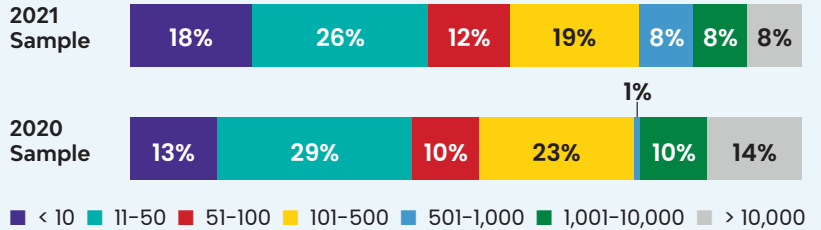
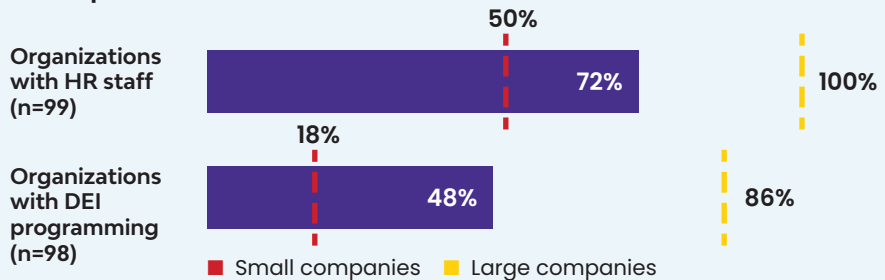


Figure 8. Organizations with HR staff and DEI programming (2021 data)

All respondents

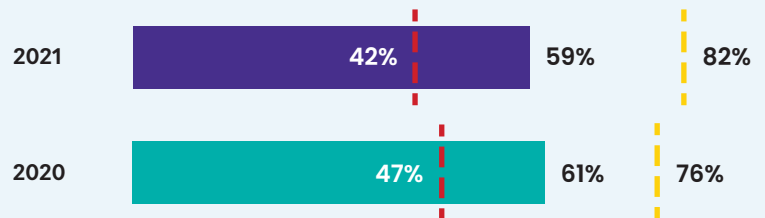


Small organizations have opportunities to increase their commitment to DEI

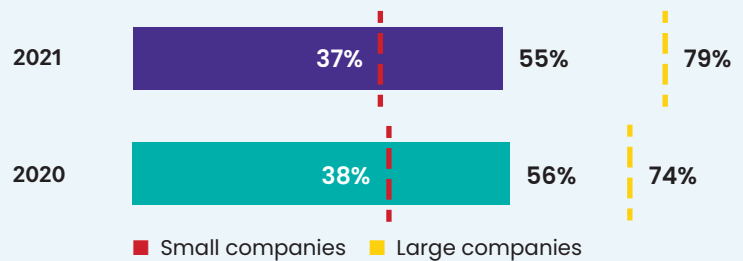
Four out of ten small companies have a stated goal to create an inclusive environment (Fig. 9) and 37% have a public commitment to diversity (Fig. 9). While many aspects of DEI may require increased resourcing, making such DEI commitments are an opportunity for small companies to make quick, visible progress and signal priorities to the market.

Figure 9: Commitment to DEI

Have a stated goal regarding creating an inclusive environment (n=91)



Say their organization has a public commitment to diversity (n=91)



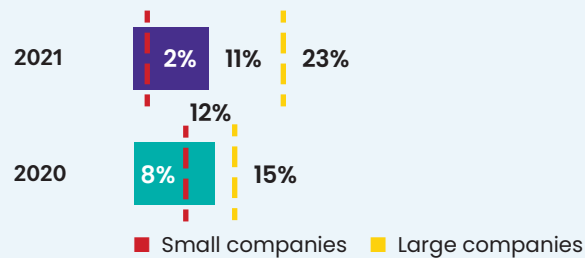
Large companies set DEI commitments, but can make progress on accountability

Most large companies have an expressed commitment to DEI. More than eight out of ten say DEI is one of their organizations stated values; more than three-quarters also have a stated goal to create an inclusive environment (Fig. 9) and nearly the same say their organization has a public commitment to diversity (Fig. 9).

However, this does not yet consistently result in DEI accountability. Only 15% of large organizations consider workforce diversity in leader evaluations, and DEI metrics impact performance evaluations and/or compensation for leaders in only 23% of large organizations (Fig. 10).

Figure 10: Leadership Accountability

Say diversity and inclusion metrics impact performance evaluations and/or compensation for leaders (n=99)



Companies continue to experiment with and implement a variety of DEI initiatives

Companies in this year's sample again executed on a range of initiatives to support their DEI efforts (Fig. 11a-c). Perhaps unsurprisingly, larger organizations, which have more resources and infrastructure, are more likely than smaller companies to have such initiatives in place. However, employees can experience exclusion and marginalization from managers and colleagues regardless of company size; and in the biotech industry, where growth can happen quickly, those organizations which have not begun to seed DEI approaches risk magnifying inequities with such growth, as well as losing talent to other organizations.

Figure 11a: Which of the following does your organization have or do to support its diversity and inclusion efforts? (2021 data)

Hiring and promotion (n=88)

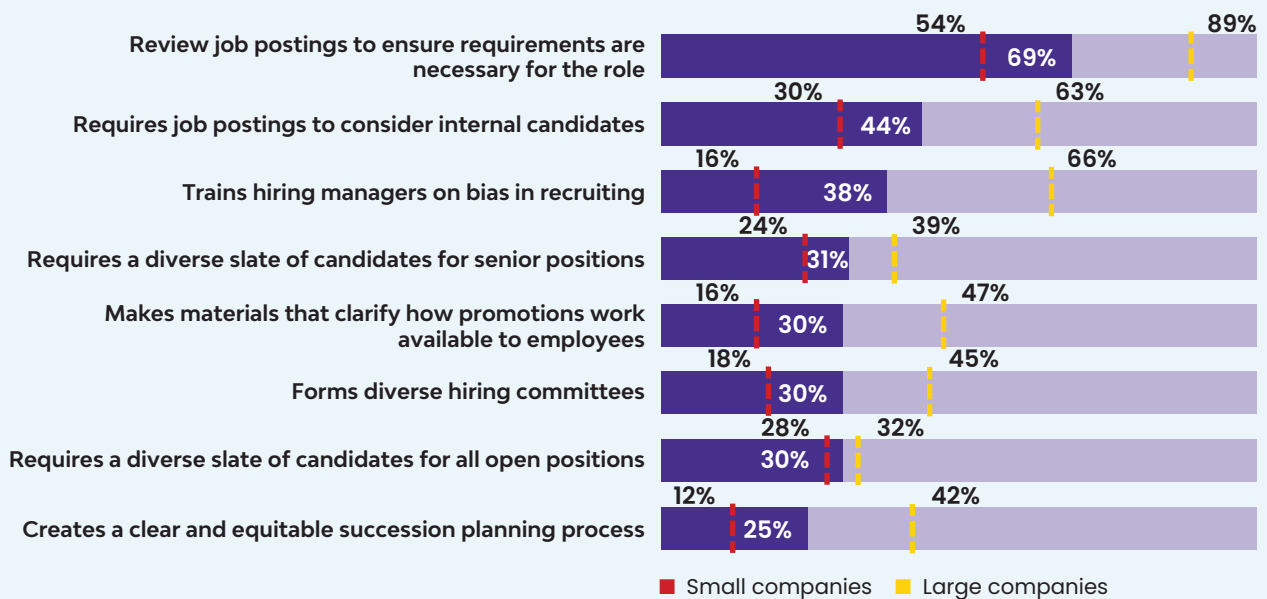


Figure 11b: Which of the following does your organization have or do to support its diversity and inclusion efforts? (2021 data)

Official DEI training and programs (n=90)

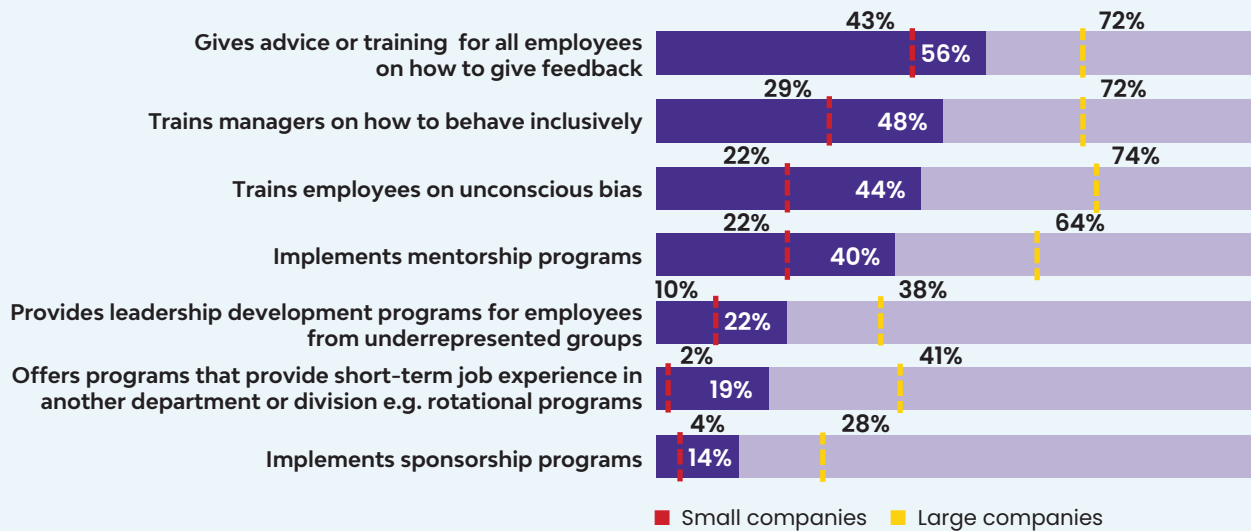
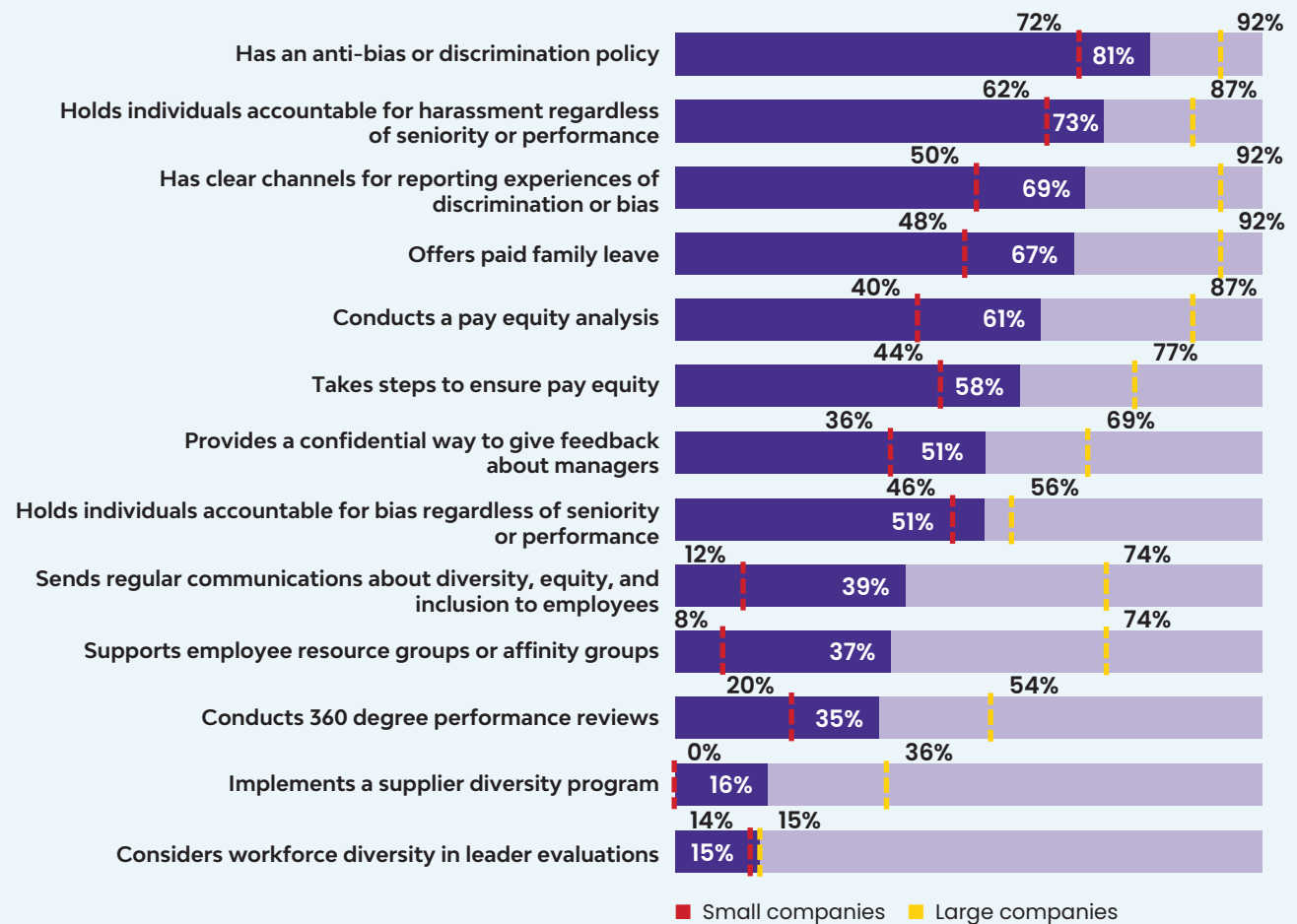


Figure 11c: Which of the following does your organization have or do to support its diversity and inclusion efforts? (2021 data)

Company policies (n=89)



Large companies should focus on sustaining and growing existing DEI efforts

While companies with more than 100 employees engage in DEI efforts at rates significantly higher than their smaller counterparts, significant areas of opportunity still remain. For example, only 32% of large employers require a diverse slate for senior positions and 28% have sponsorship programs.

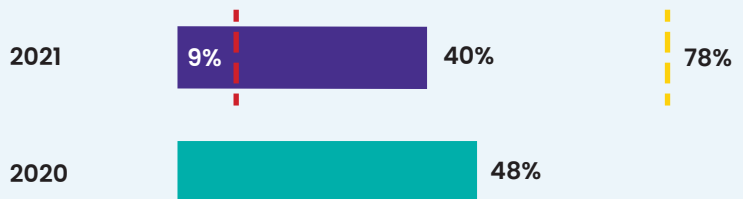
Small organizations should focus on making progress on prioritized DEI initiatives and setting up Employee Resource Groups (ERGs)

Small organizations not only lag behind large organizations on nearly every metric when it comes to DEI initiatives (Fig. 11), but also have low participation in a more absolute sense. For example, small companies rarely utilize DEI metrics to impact leader evaluations and/or compensation (2%) (Fig. 10), train hiring managers on bias in recruiting (16%) (Fig. 11a), or train employees on unconscious bias (22%) (Fig. 11b).

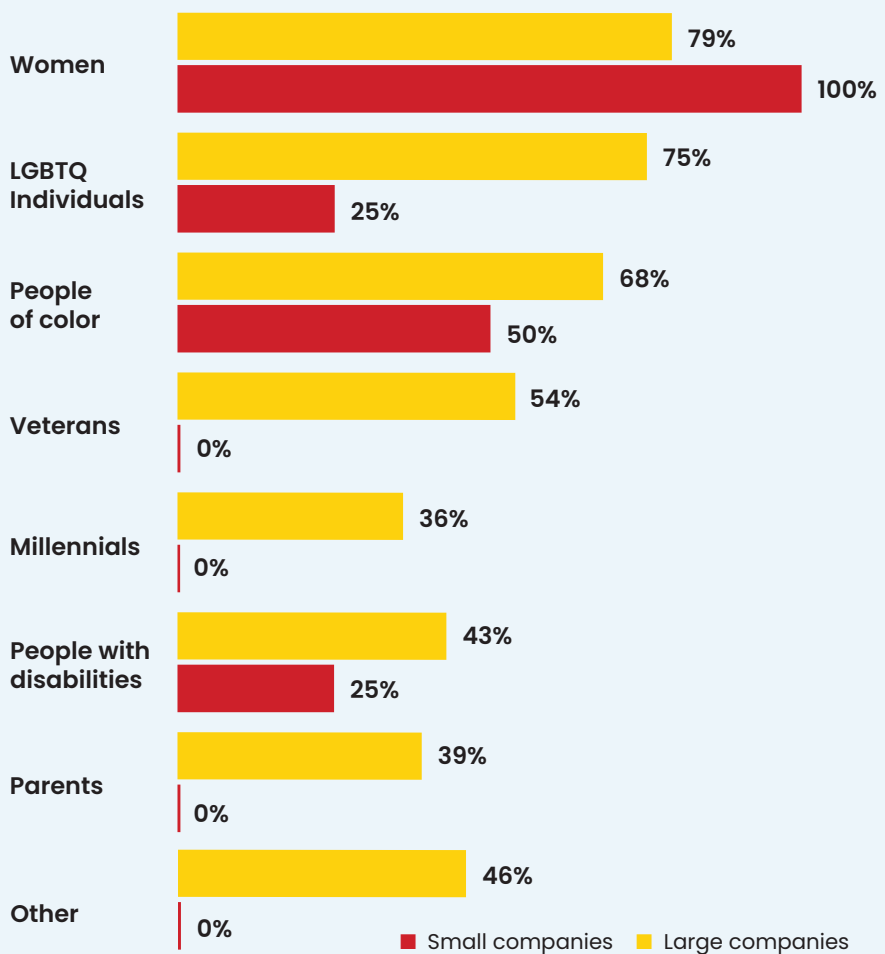
Fewer than one out of ten small organizations have ERGs compared to almost eight out of ten large organizations (Fig. 12). Smaller companies can also focus on expanding the types of ERGs they offer—none of this year’s small companies have ERGs for veterans, millennials, or parents, and only one out of four offer ERGs for LGBTQ individuals (Fig. 12).

Figure 12: Employee Resource Groups (ERGs)

Organizations that have Employee Resource Groups (n=80)



Of organizations with Employee Resource Groups, those that have them for the following groups (2021 data) (n=32)



Where to go from here: Differing paths based on company size

Coqual's DEI maturity curve provides a framework that companies can use to understand how to approach any DEI initiative. Where an organization sits on the maturity curve will guide what level, type, and sequence of action the company should take to move forward. Companies may find themselves in several stages at the same time (e.g., by priority, or cohort), depending on where they have focused DEI efforts historically. Read our full report for targeted strategies companies can implement today.

For **larger companies**, the DEI maturity curve stages are as follows:

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

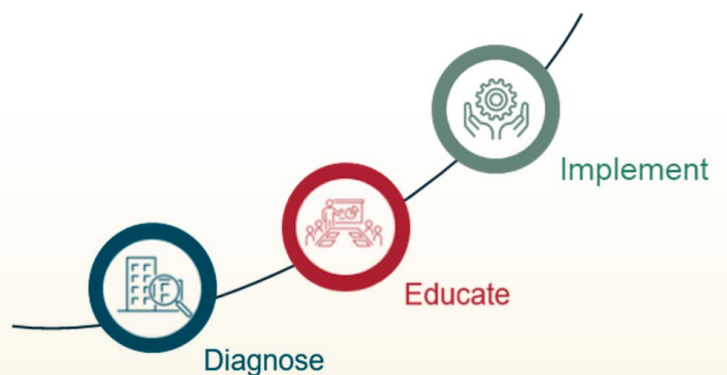


Coqual has developed a new DEI maturity curve that is more relevant for **smaller organizations** and provides a framework tailored to fit their needs.

Given the challenges with scaling programmatic interventions until small organizations grow, we present a maturity curve with three modified phases.

The **small organization** DEI maturity curve stages are as follows:

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. **Implement:** Launch targeted programs to embed DEI principles with individuals and the organization as a whole

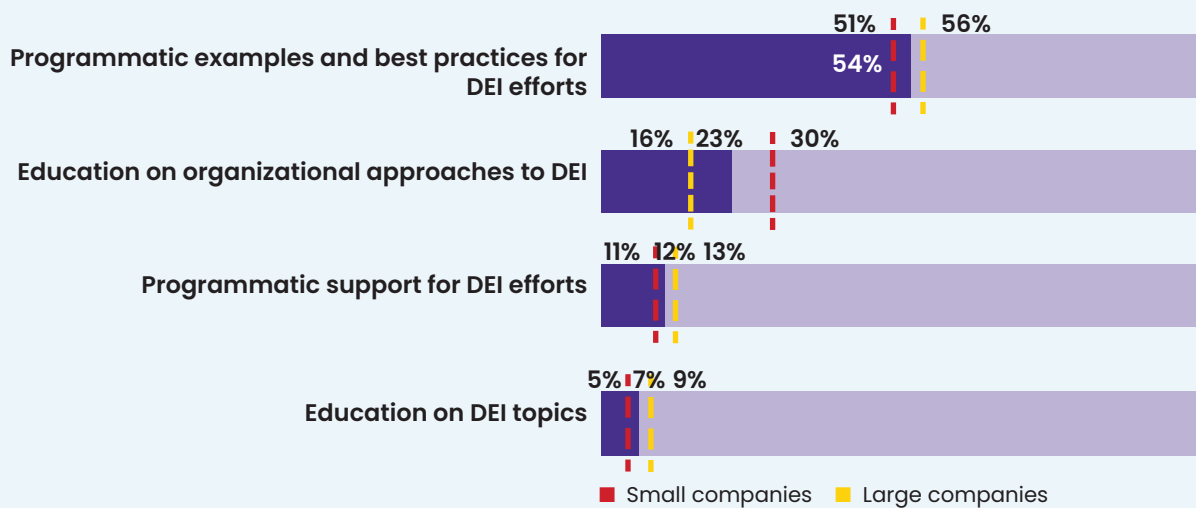


BIO as a DEI thought leader and resource for the biotechnology industry

In this year's survey, we asked companies about the support they'd like to get from BIO as they pursue DEI priorities. More than half of organizations wanted BIO to provide best practices for DEI efforts across the industry, so they can understand how best to drive DEI efforts within their organizations.

The second-most common request was for education on organizational approaches to DEI. Smaller organizations, in particular, reported interest in this type of education: 30% of smaller companies vs. 16% of larger companies (**Fig. 13**). BIO is committed to providing support to organizations as they continue to pursue DEI goals and initiatives.

Figure 13: How can BIO most effectively support diversity, equity, and inclusion at your organization? (n=97)



Appendix: Methodology

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 the two previous years' reports. The survey was conducted online by Coqual from November 2021 to January 2022, with 99 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 2020 and 2021 samples are relatively similar (e.g., in company size, revenue, geographic location, and other factors detailed in the full report), data from the 2021 sample is compared to data in last year's report when possible.

In the charts featured throughout, percentages may not always add up to 100 because of computer rounding or multiple responses from respondents. All charts only report sample size ("n") for our 2021 data. For the purposes of this report, the terms "organization" and "company" are used interchangeably to represent survey respondents.





COQUAL