



## Pharmaceutical companies intensify their social impact reporting on Access-to-medicine

The ability to contribute to health equity and, more specifically, facilitate access-to-medicine, has increasingly become a priority for the pharmaceutical industry and its investors. This has been accelerated by the work of the Access to Medicine Foundation and the publication of its index—the Access to Medicine Index related to Low- and Middle-Income Countries. In this study, we sought to identify the areas of health equity and access-to-medicine that matter most to pharmaceutical companies based on the indicators that they measure and report publicly. By building a database of the non-financial ESG indicators reported by the 15 highest revenue pharmaceutical companies over time, we observed that, overall, social impact reporting has become much more extensive and specific in the last three years. The industry has widely adopted several indicator categories. We refer to these as the *baseline* set of indicators, which include categories such as “equitable pricing. Others, which require more transformation in the industry’s standard operating procedures, have been gradually gaining importance. We call these indicators the *rising stars*, which include company ranking in the Access to Medicine Index and the adoption of access planning frameworks. Finally, we observed categories which were less represented in reporting but could represent the *new frontier*, including indicators related to patent/intellectual property sharing and licensing. ➤

**The approach: Analysing the social impact reporting of large pharmaceutical companies**

The United Nations has set ambitious 2030 Sustainable Development Goals (SDGs) to fight both communicable diseases (SDG 3.3) and non-communicable diseases (SDG 3.4). Access-to-medicine is an essential lever for ending epidemics and reducing the mortality of devastating non-communicable diseases, such as cardiovascular diseases and cancer. Pharmaceutical companies play a key role in addressing this challenge and face demand from external stakeholders, including investors, public authorities/payers, patients, and media, to report tangible outcomes related to these objectives. The Access to Medicine Foundation, a reference organisation for fostering initiatives on increasing access to medicine, publishes every 2 years the Access to Medicine Index which ranks largest R&D based pharmaceutical companies based on a detailed data collection and assessment. We conducted an analysis focused on the environmental, social and governance (ESG) indicators that pharmaceutical companies publicly report with a focus on health equity. We reviewed the top 15 pharmaceutical companies' annual reports, or stand-alone ESG reports if available, catalogued the quantitative metrics and case studies, classified the indicators within overarching categories and monitored the evolution of these indicators over the last three years. We believe that analyzing public reporting gives an interesting perspective on what these companies are prioritising and investing in, as well as what they believe matters to their investors, complementing the analysis of the Access to Medicine Foundation.

For this work, we focused on the direct social impact as life sciences companies and major players in the healthcare ecosystem, related to health equity and access-to-medicine : we did not include reporting related to upstream/downstream value chain (such as human right/social commitments and due diligence policies for value chain workers) or social impacts of climate change and environmental issues (e.g., water stress in production vs. water security and rights for local communities). We defined 18 indicator categories in the following four main pillars (see the Appendix for a detailed list of the categories): :

- 1. Governance:** Governance of companies' social impact and access-to-medicine through a proactive assessment of priorities, setup of relevant processes, metrics and objectives, and assignment of roles and responsibilities. Broader performance indicators (e.g., ATMi ranking) and financial instruments linked to ESG/ social impact performance (e.g., sustainability bonds) are also included here.
- 2. Research and Development (R&D):** Consideration of access-to-medicine in R&D, notably including the selection and prioritization of diseases with a high unmet medical need or a high disease burden in low- and middle-income countries, the existence of access plans developed during clinical development stages and efforts related to diversity in clinical trials.
- 3. Product Delivery:** End-to-end optimization of access-to-medicine across all steps of the pharmaceutical product launch and delivery, from registration to last mile supply. This also includes indicators related to pricing and donations.
- 4. Healthcare Systems Capacity Building:** Support for local healthcare systems through investments or the engagement of local communities and organisations, as well as building local capacities that allow access to care and treatments, including manufacturing, supply chains and training of patients and healthcare professionals.

While these pillars and categories were inspired by the Access to Medicine Foundation's analytical framework, they aim to classify what pharmaceutical companies publicly report, which is not standardised yet. They also go beyond access-to-medicine in low- and middle-income countries, as some of the reported indicators refer to the broader topic of diversity (e.g., in clinical trials) or affordability in high-income countries.

**Pharmaceutical companies report more and broaden their social impact**

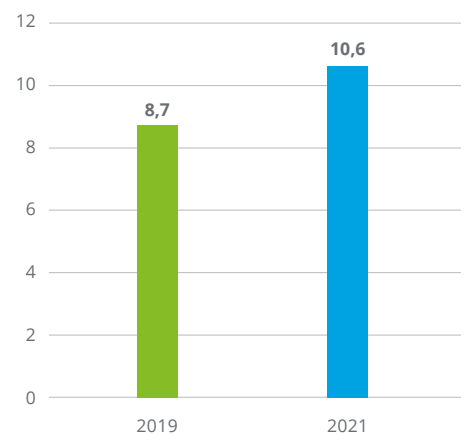
Looking at the three-year evolution, we can observe that large pharmaceutical companies have expanded their social impact efforts and have invested more in reporting their actions and achievements.

**More categories (breadth):** On average, pharmaceutical companies report

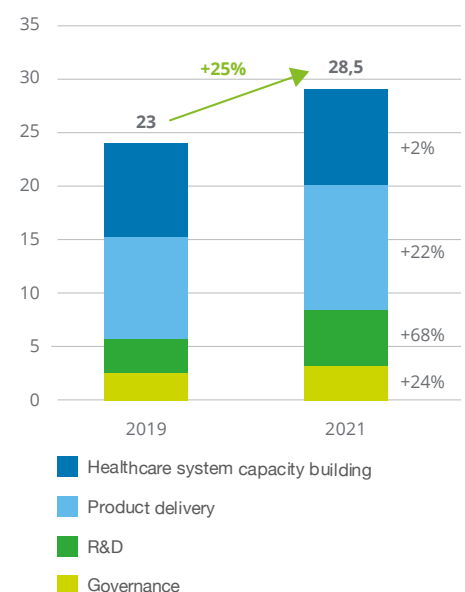
on about 11 of the 18 social impact categories, up from nine categories three years ago. A total of nine out of the 15 analysed pharmaceutical companies have increased their coverage, which shows a clear commitment to communicate a broader impact to external stakeholders and to demonstrate end-to-end action on multiple levers in health equity.

**More indicators (depth):** The 15 pharma companies also use more indicators to reflect this broader impact: 29 indicators, on average, compared with 23 indicators three years ago, representing an increase of 25%. This reflects a growing internal mobilisation to monitor social impact actions.

**Evolution in the average # of categories covered by pharmaceutical companies**



**Evolution in the average # of indicators reported**



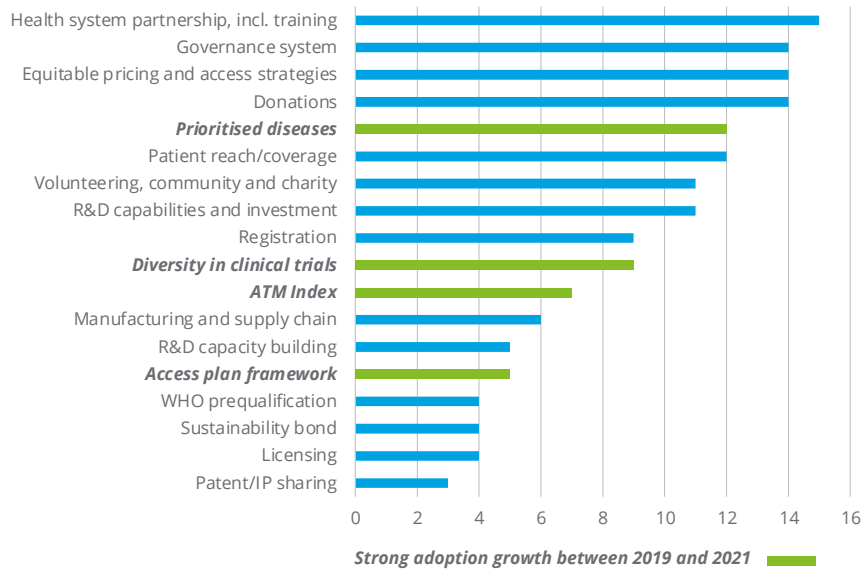
**Key reporting topics of the baseline: Governance systems, equitable pricing and access, health systems partnerships and donations**

In detailing the indicators across the 18 categories, we observe that pharma companies have almost unanimously selected four categories for their reporting: “governance systems for ESG/social impact/access-to-medicine”, “equitable pricing and access initiatives”, “donations”, and “health system strengthening and training”. Each category was chosen by 14 of the top 15 pharmaceutical companies. Among them, “equitable pricing and access initiatives” and “health system strengthening, and training” have the highest average number of indicators (four to five), which also indicates the importance of such topics in the demonstration of social impact.

- **Governance system for ESG/social impact/access to medicine:** This includes indicators such as the definition of the ESG strategy, the existence of priorities, committees and the relation between top management compensation and targets. It can be broad and related to ESG overall.
- **Equitable pricing and access initiatives:** These indicators relate to the resources and efforts put in place to enable affordability and access. Some are specifically linked to pricing, notably in the US (e.g., percentage of change in the average net price across the US product portfolio vs. that in the previous year). Country-level affordability initiatives and patient-level market access initiatives (e.g., related to patient access programs) are also accounted for here.
- **Donations:** This includes mostly quantitative indicators related to pharmaceutical products donated by the company, be it in volume or the number of patients reached, globally or in relation to specific disasters (e.g., hurricanes).
- **Health system strengthening and training:** This includes the reporting of actions and performance related to strengthening local healthcare systems, be it in partnership with global or local NGOs, local government or institutional funds, or addressing patients and healthcare professionals directly through awareness campaigns and training.

From our perspective, these categories reflect the common view of what it takes to foster access-to-medicine. We refer

**Ranking of categories in 2021 (# of pharmaceutical companies reporting on the category)**



to these as the baseline, as they can significantly impact access-to-medicine but do not require pharmaceutical companies to significantly transform their ways of working.

**Areas of increased attention in the rising stars: Prioritised diseases, access plan framework, diversity in clinical trials and Access to Medicine Index ranking**

Beyond the baseline indicators, we have observed that certain indicator categories have grown significantly during the past three years. We note four key categories in particular: “prioritized diseases”, “access planning framework”, “diversity in clinical trials”, and “Access to Medicine Index ranking”. In most cases, not only have these categories been adopted by more pharmaceutical companies than they were three years ago, but they have also been given more importance in terms of the average number of indicators reported.

- **Prioritised diseases:** These indicators report resources and efforts committed to developing products targeting prioritised diseases for low- and middle-income countries. Especially, the spread of infectious diseases could be further accelerated in the medium-long term e.g., because of climate change. They can include quantitative reporting, such as amounts invested in the R&D of specific priority diseases, as well as descriptive case studies. We have also included indicators related to antimicrobial resistance (AMR).

- **Access plan framework:** This category of indicators relates to the existence and adoption of a structured approach to access plan development for R&D projects and commercialised products, which outlines plans to ensure that a given product will be accessible to underserved populations/low- and middle-income countries (e.g., percentage of R&D pipeline with global access plans in place).
- **Diversity in clinical trials:** This category includes reported actions to improve diversity in clinical trials and the inclusion of low- and middle-income countries in these. It can also include broader efforts to address health disparities based on race or ethnicity and to better understand the needs of specific racial or ethnic patient populations.
- **ATM Index:** This indicator reflects the position or evolution of the position of the company within the Access to Medicine Index (note: all companies included in our analysis are not ranked in the ATM Index).

This trend demonstrates the willingness and commitment of large pharma companies to go beyond quick wins and report on R&D and dimensions that are transforming their areas of investment (“prioritised diseases”) and ways of working (“access plan and framework” and “diversity in clinical trials”). The rise of the “ATM Index ranking” indicator is a very strong signal of this commitment because moving, or even maintaining, a company position in the Index requires significant internal company mobilisation across a broad number of dimensions related to access to medicine.

**Less observed but emerging on the next frontier: Patent/intellectual property sharing and licensing**

We have also observed that some categories are significantly lagging and are not yet reported by most large pharmaceutical companies. We have noted little reporting on “patent/IP sharing”, i.e., limiting the number of patent filings in low- and middle-income countries. The same is true regarding indicators related to licensing, i.e., granting voluntary, royalty-free licences to generic manufacturers.

This likely reflects the hesitation of some pharmaceutical companies to lose control over their products’ commercialisation pre-loss of exclusivity, to forego opportunities in low- and middle-income countries where they have already developed an owned commercial capability or to risk facing issues such as cross-border grey markets, potentially hindering their products’ commercial potential in other countries. These indicators could be considered by some companies as potential threats to their business models. They would likely need further experience and reassurance that these actions can be done in a controlled manner without significant financial impact before further adoption can be seen.

**Conclusion**

The pharmaceutical industry is interestingly progressing in health equity reporting. While some indicator categories have become obligatory, pharma companies are increasingly reporting on efforts and achievements in areas requiring a significant internal transformation of their priorities and ways of working.

Nevertheless, it is important to highlight that we have observed very different reporting schemes among the top 15 pharmaceutical companies. Five companies are leading the way, reporting on an average of 33 indicators in 14 categories out of the 18. These companies are probably setting standards for what will be the key indicators industrywide in the future. Indeed, there remains a significant lack of health equity and access-to-medicine reporting standards in the industry, with strong heterogeneity in indicators across companies, to be compared with the growing harmonization of ESG reporting in general and to the upcoming 4 EU social standards (ESRS S1 Own workforce, ESRS S2 Workers in the value chain, ESRS S3 Affected communities, ESRS S4 Consumers and end-users) that will be applicable from Year End 2024.

Finally, by testing new social impact categories, these leaders are also defining new ways of working, rules and business models that will allow the industry to solve the issue of access-to-medicine and to progress towards the SDG 3.3 and 3.4 targets.



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Appendix

Pillar	Category	Description
<b>Governance</b>	Governance systems for ESG/social impact/ access to medicine	Definition of the ESG strategy, priorities, committees, and compensation-linked objectives
	ATM Index	Ranking in the Access to Medicine Index
	Sustainability bond	Creation of sustainability bonds and linkage of proceeds to the achievement of social impact performance
	Access plan framework	Development of a company-wide approach to develop access plans and strategies for pipeline and portfolio assets
<b>Research &amp; Development</b>	Prioritised diseases	Actions or resources committed to address prioritised diseases or antimicrobial resistance
	Diversity in clinical trials	Ensuring that the clinical trial patient selection process reflects the right level of diversity, and broader diversity-related actions
	R&D capabilities and investment	Resources and spending in R&D and the size and evolution of the R&D pipeline
<b>Product Delivery</b>	WHO prequalification	Product enrolment within the WHO prequalification of medicines program
	Patent/IP sharing	No filing or enforcement of patents in some low- and middle-income countries
	Licensing	Royalty-free/voluntary license agreements, e.g., with generic manufacturers
	Registration	Actions and key performance indicators related to product registration filings and marketing authorisation approvals
	Manufacturing and supply	Resources and efforts to improve and expand product manufacturing and supply chains
	Equitable pricing and access strategies	Resources and efforts committed to enable affordability (e.g., price evolutions and patient access programs)
	Donations	Donations of pharmaceutical products
	Patient reach	Quantification of the number of patients reached by company products
<b>Healthcare Capacity Building</b>	R&D capacity building	Collaboration with the healthcare ecosystem, contributing to R&D projects or R&D capacity development
	Healthcare system strengthening and training	Actions and partnerships to strengthen local health systems, including patient and healthcare professional awareness and training
	Volunteering, community, and charity	Grants and volunteering actions targeted towards the health and wellness development of specific communities

Note: The analysis is based on 2022 documents reporting 2021 performance, and 2019 documents reporting 2018 performance. Indicators include quantitative and qualitative key performance indicators, as well as the reporting of specific case studies describing company initiatives.



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