



INTERNATIONAL SOCIETY OF HEALTHCARE ETHICS AND COMPLIANCE PROFESSIONALS

ESG Questionnaire December 2023 among ETHICS members

Frédéric Poels, Andy Gascard

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Survey settings

- **Conducted Nov 28 till Dec 11, 2023**
- **Primarily among ETHICS members**
- **33 participants – response rate approximately 30 % (status Dec 13, 2023)**

Polling Questions

- **How many of the responses (organizations) conducted a Risk Assessment prior to there ESG Strategy / Program implementation?**
 - **Less than 50 %**
 - **50 to 80 %**
 - **More than 80 %**
- **Where did the survey participants see most ESG benefits**
 - **Cost Reduction**
 - **Reputation and Trust**
 - **Harmonization of Internal Processes**
 - **All of the above**

Executive Summary – part 1

- 50 % of responses are coming from organization representatives with less than 10 Billion USD annual Revenue
- Almost all these organizations conducted a ESG Risk Assessment (owned by management board), established an ESG strategy / program and have started to familiarize and to implement ESG principles
- However, 60 % of organizations are in early stage (last 2 years or less) – this gets reflected also by the responses of questions 10 (current focus areas are: Policies & Procedures, Infrastructure, Training and Communication)
- 50 % plus ESG seems to be driven by Mgmt. Board
- Recommendation where to focus first in case of upcoming conferences
 1. Benchmarking the practical approach taken by healthcare and other companies, small and large, to bring ESG programs to life and to which existing functions ESG responsibilities are allocated (ethics & compliance, legal, finance, sustainability or full integration into business functions)?
 2. How can ethics & compliance professionals help the CEO/board/advisory board to develop an overall ESG strategy of a typical healthcare company based on their experience in driving ethical and integer business conduct and creating value for the organization?
 3. Identifying and sharing the tools which we have in the ethics & compliance toolkit that are suited to achieve the ESG goals and to support the implementation of an ESG program?

Executive Summary – part 2

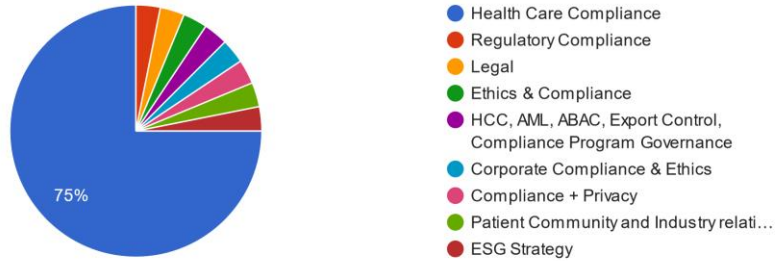
- Benefits (Details see Q12)
 - Reputation, responsibility and trust
- Current Challenges (Details see Q13)
 - Tone at the top
 - Alignment with overall company strategy
 - Ownership of ESG program and/or specific directives
 - Resources
 - Cross-functional alignment within the organization
 - Data sources, data management, reporting
- Meeting with experts and peers, what would you appreciate most? (Details see Q14)
 - Best practice sharing, most critical
 - Peer-to-peer learning, most critical
 - Interpretation and discussion of the rules of the regulations and its obligations, requirements and deliverables
 - The role of Health Care Compliance in this total ESG subject
 - Connect, share and learn

Question 1 to 4

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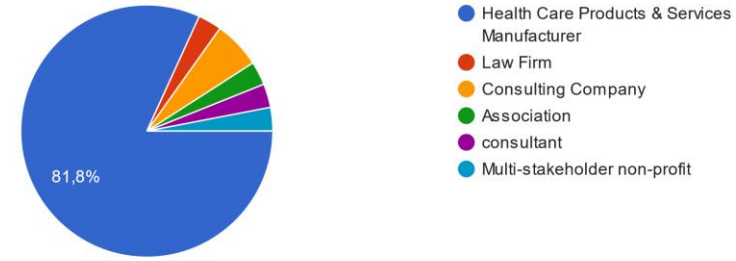
1. What is your department / area of responsibility?

32 Antworten



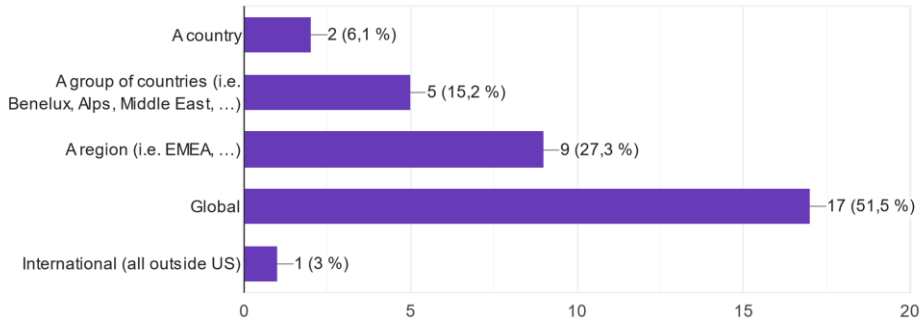
2. Scope of your company

33 Antworten



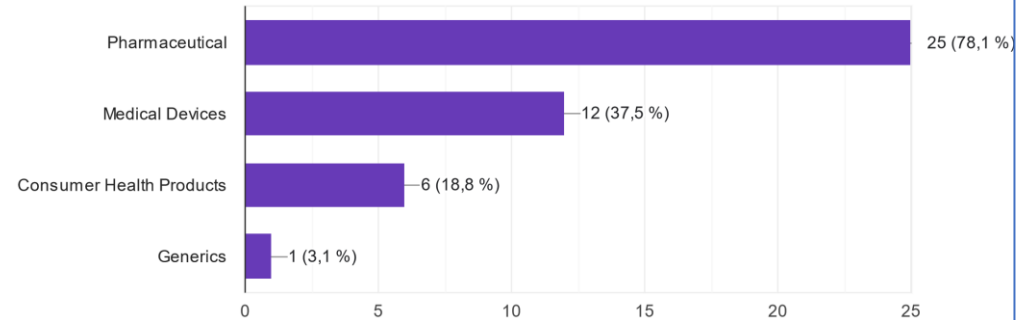
3. Your geographical responsibility

33 Antworten



4. What sector are you in?

32 Antworten



Take away

- Q1 and Q2 reflect our ETHICS membership structure
- Q3: 55 % with multiregional responsibility -> high in their organization hierarchy -> probably well familiar with organization general strategies
- ...

Note:

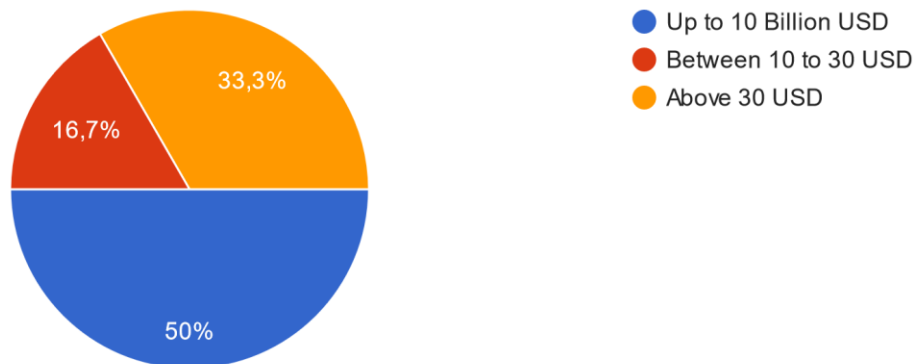
- 'Antworten' means 'Responses'
- Some questions allow multiple answer options

Question 5 and 6

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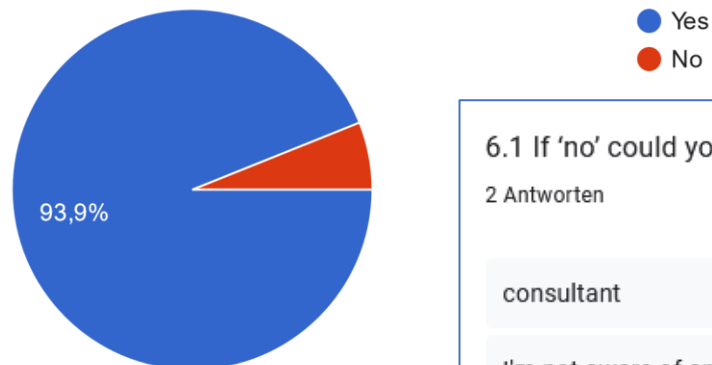
5. Size of your overall company annual revenue

30 Antworten



6. Is your company exposed to any ESG (environmental, social, governance) regulations?

33 Antworten



6.1 If 'no' could you briefly explain why not?

2 Antworten

consultant

I'm not aware of any specific regulation

Take away

- Q5: 50 % of responses reflect the situation in organization of up to 10 Billion USD
- Q6: 31 of the 33 participants can really speak about ESG efforts in their organization -> critical to bear in mind for the following questions
- ...

Note:

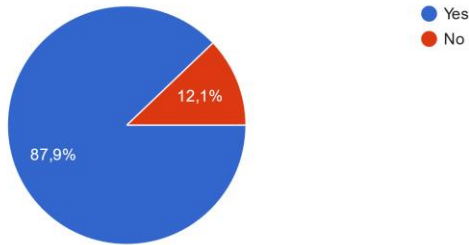
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Question 7

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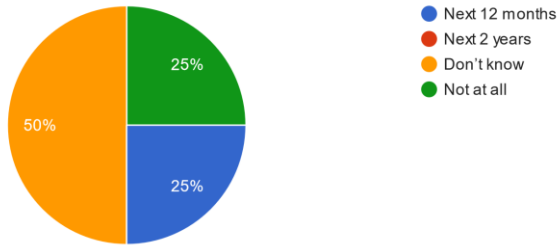
7. Does your company have an ESG strategy / program in place?

33 Antworten



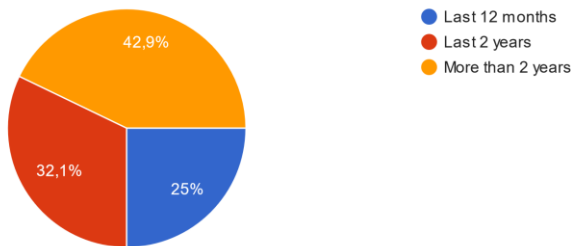
7.1 If 'no' are you planning to put such an ESG strategy / program in place?

4 Antworten



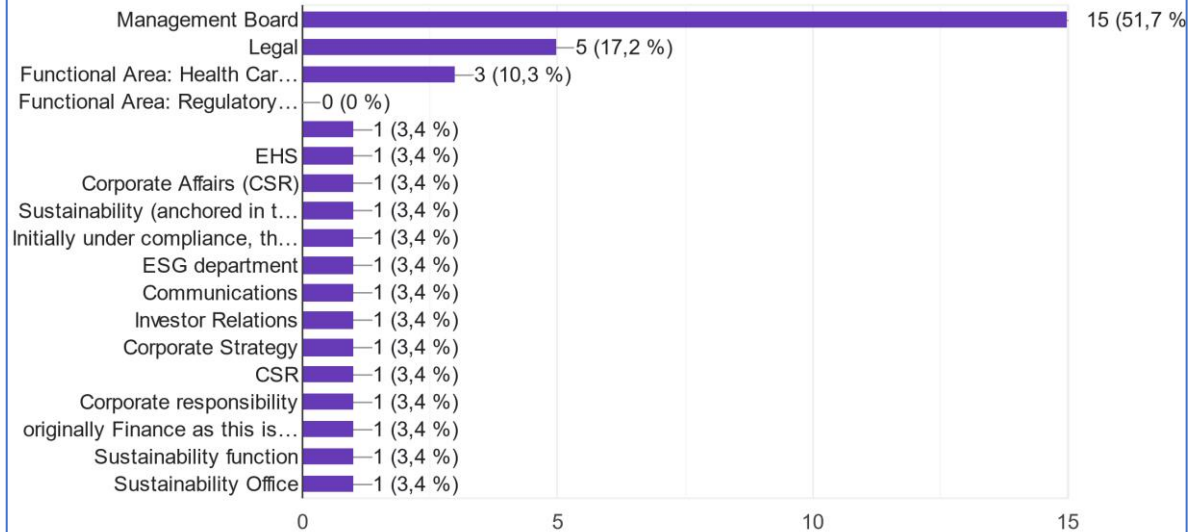
7.2 If 'yes', since when does your company have an ESG strategy / program in place?

28 Antworten



7.3 If 'yes' which company function was driving the establishment / implementation of such an ESG strategy / program?

29 Antworten



Take away

- Q7: according to Q6.1 94 % of organizations do have an ESG strategy / program in place
- Q7.2: 60 % of organizations are in early stage (last 2 years or less)
- Q7.3: 50 % plus ESG seems to be driven by Mgmt. Board
- Q7.3: it would be interesting to understand: EHS, CSR, Sustainability – terms might be used simultaneously

Note:

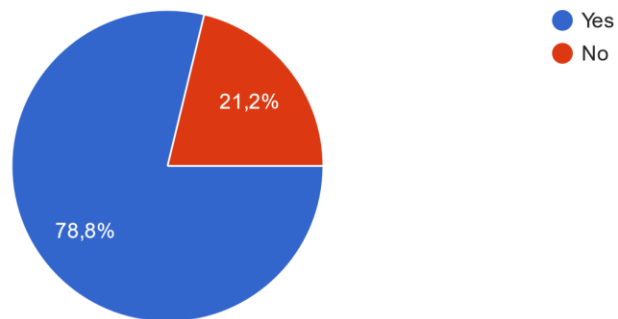
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Question 8 and 9

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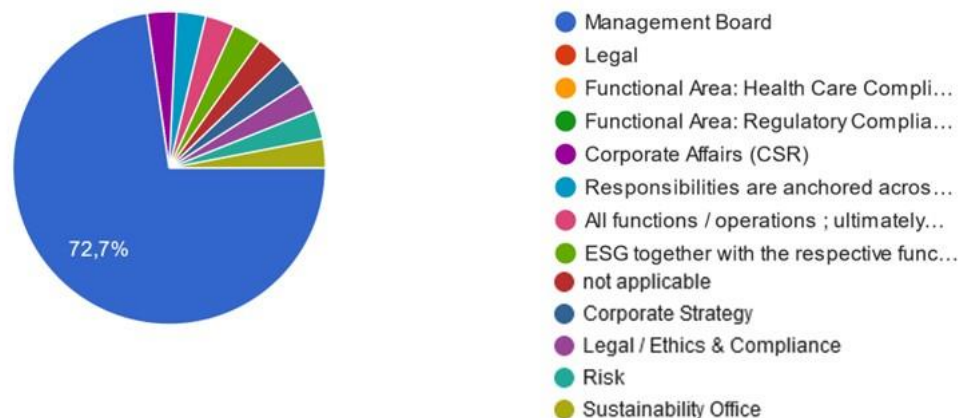
8. Is your ESG strategy / program based on or will be based on an ESG related Risk Assessment?

33 Antworten



9. Who within your company owns the overall resolution(s) of these Risk Assessment results?

33 Antworten



Take away

- Q8: 'No' is driven by 2 scores 'not relevant' and 2 scores 'not yet started'
- Q8: actually 26 out of 29 organizations conducted a Risk Assessment
- Q9: obvious, that Mgmt. Boards are taking ownership here
- ...

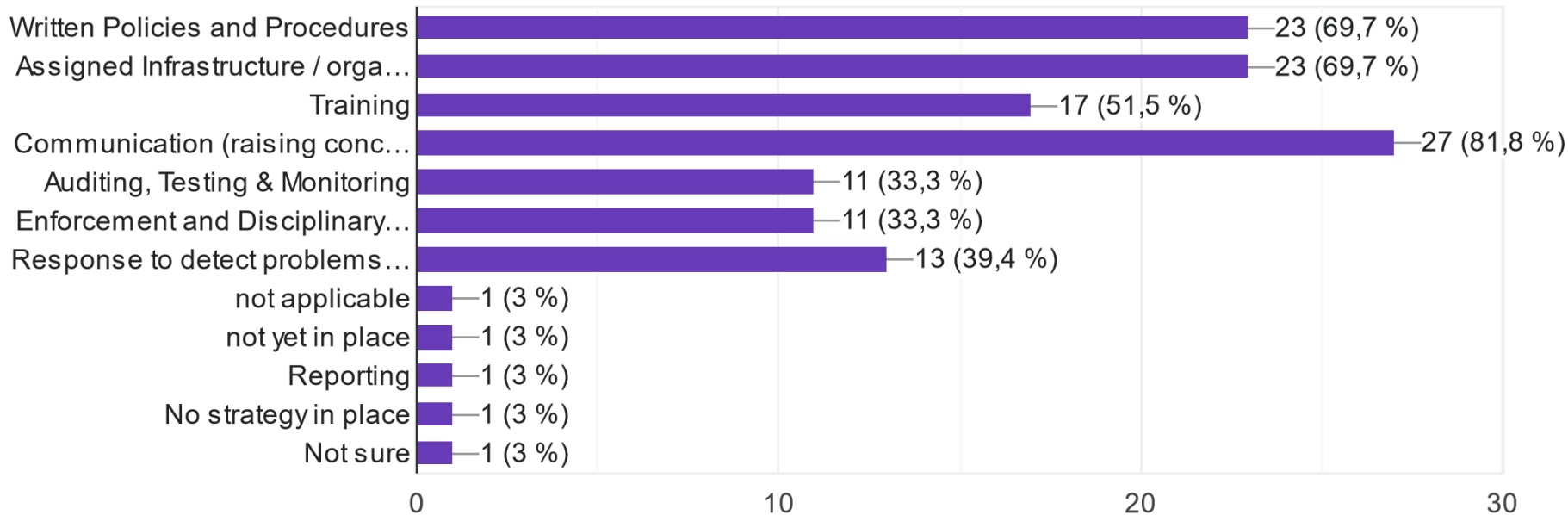
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Question 10

10. Provided your company has already an ESG strategy / program in place, which of the following elements are covered by your strategy / program?

33 Antworten



Take away

- Highest scores are on Communication, Policies & Procedures and Infrastructure – followed by Training
- Might be an indicator that most organizations are still in early stages and building the foundation
- ...

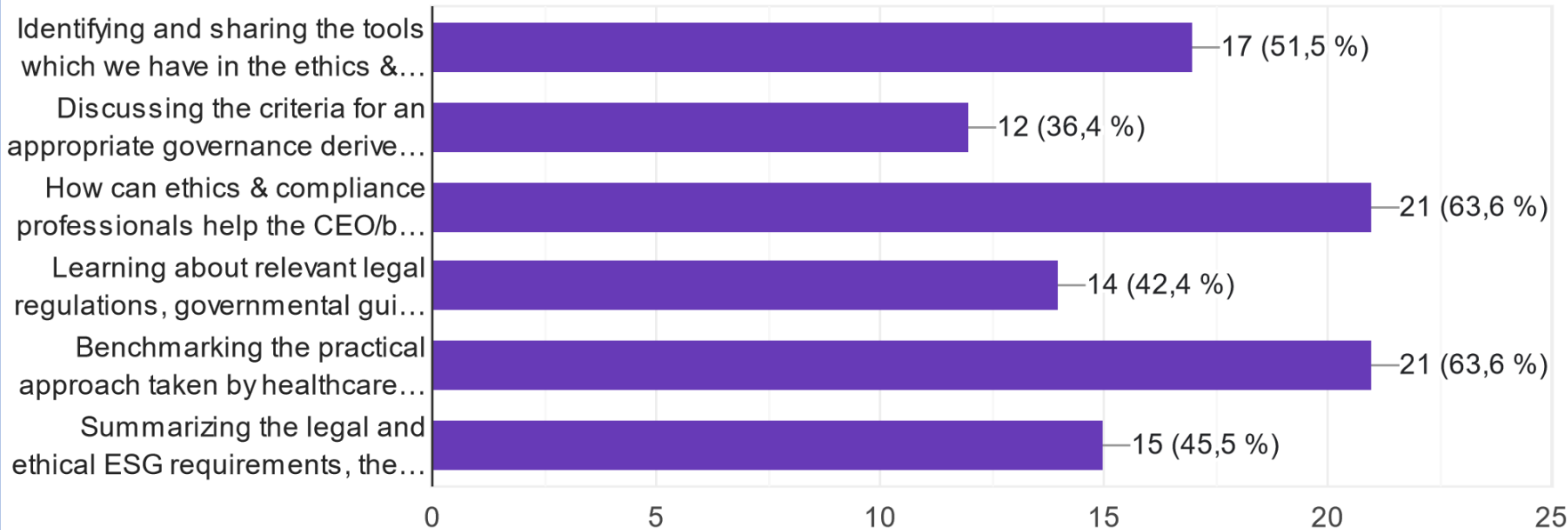
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Question 11

11. Provided you are able to attend a 'Share & Learn' / 'Peer-to-Peer Learning' event (face-to-face), please select your top 3 focus areas you would like to hear more about?

33 Antworten



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- Some questions allow multiple answer options

Take away

- Highest scores are on 'Benchmarking the practical approach ...', 'How can E&C professionals help the CEO / Board ...', 'Identifying and sharing the tools which we have in E&C toolkit that are suited to achieve ESG goals ...'
- Those 3 items might be critical agenda items for upcoming ESG events / meetings
- ...

Q12 – Where do you see benefits for your company in regards to ESG ?

16 Responses

investor relations, partners

Reputation and trust, leading to sustainability (not only green sustainability, but strategic, financial/commercial sustainability) which in turn is positive for the patients (which is the primary and ultimate goal).

Reputational, Ethical

Everywhere – employees, patients, public

Differentiation versus competitors, obtaining investment

Talent retention / competitiveness / tender processes / review our ways of delivering products, etc.

It is a requirement of some banks to lend you money and a demand for society.

Our organization is doing work to establish how industry patient engagement can be integrated into ESG strategy.

Enhance reputation through metrics

Reputation

Being a sustainable business

Competitive advantage

On the middle and long run I am sure only companies that have a robust ESG strategy will be successful

Upholds corporate responsibility

Leaner business

Need to learn more about it first

Q13 – What do you consider the most critical challenge of ESG for your company?

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31 Responses

Focus and resource dedication

Tone at the top - Rationale to have an ESG program might not be what I wished it was.

Sufficient resources to carry it forward. If no dedicated team, then often not prioritized by some supporting functions.

Not sure.

KPI implementation and reporting

Make sure the strategy is implemented.

Embedding implementation of stricter ESG reporting requirements across the organization (in regards to CSRD/EU Taxonomy implementation)

Align with corporate strategy

Navigating between legal requirements and key expectations

Third party risk management

Working across Silos to get audit proof data

Getting lost in the complexity of regulations

Ownership + alignment and coordination between the different departments

Reporting, Third party related risks within the value chain

Resources (human and financial) + integration of ESG within the business strategy + showing that this is not just a tick the box exercise but adding value

Understand if it is a trend or a fashion for some companies.

Need to learn more about it first

Encouraging good practice of comprehensive integration of patient engagement in the ESG strategy of others.

Define ownership; resources

Governance in Global company

Lack of common standards

ESG and its response affects/involves all business functions

The "E" in "ESG".

Understanding what role compliance plays when you have a dedicated department

Resources, lack of enforcement pressure.

There are many challenges. Astra Zeneca has put in place ambitious strategy, but it will require joint efforts and commitments from big companies and governments to have impact we need.

Reputation and sustainability

Containing scope and ambitions to available resources

Adequate resource

Administrative burden

Access & affordability, prevention, CO2, plastics

Take Away of Q 13

- Tone at the top
- Alignment with overall company strategy
- Ownership of ESG program and/or specific directives
- Resources
- Cross-functional alignment within the organization
- Data sources, data management, reporting

Q14 – Meeting with experts and peers, what would you appreciate most? What would be of added value for you?

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31 Responses

Open discussion and learn from my peers on how to supervise/monitor such program

integration of ESG and ERM, HCC compliance governance

Discuss strategic drivers.

Benchmarking maturity of healthcare organizations in the space. Sharing lessons learned.

Understanding better the requirements and how they apply to small companies

Sharing best practices, examples from different approaches to ESG program

Share best practices

Learning about approaches of peers and defining industry best-practice

Experts

Share practices

Sharing practices on ESG risk assessments, third party risk management assessment and process

Best practice exchange

Information and idea exchange

Learning how others are approaching this topic, practical implementation examples

Share best practice

Practical information on the what, how, who of implementing ESG program

Learn about legal environment. Learn about interfaces to Ethics and Compliance and common tools and methodology

Sharing of learnings / experiences / concrete stories about what worked or not

Hear experiences of implementation (difficulties and best practices) and how Associations can help in the process of implementation.

Strategic understanding first (overlap between compliance and ESG) before we talk about regulations / reporting requirements

Practical examples

Understanding challenges and trends, how a multi-functional approach can be applied to ESG

Clear background of ESG obligations; practical examples of successful management

Best practices, benchmark, role of Ethics & Compliance, etc.

Understanding what other companies are doing, understanding what are the most valuable and available tools for aggregating information of different departments throughout the company

Practical experience

Expert knowledge

Experience report of someone in a similar company
Ways of changing the culture in a sustainable manner.

Understanding the Global Compliance departments involvement

Sharing practices and how Ethics and Compliance can contribute more to ESG strategy delivery

Share best practices and learn from organizations having a mature ESG strategy already implemented

Take Away of Q 14

- Best practice sharing, most critical
- Peer-to-peer learning, most critical
- Interpretation and discussion of the rules of the regulations and its obligations, requirements and deliverables
- The role of Health Care Compliance in this total ESG subject
- Connect, share and learn

Next Steps

- **Digest survey results**
- **Align on Executive Summary and Take Aways per question**
- **Take survey outcome as critical source to organize ESG conferences in the next 12 month**

