



2021
GRI AND SASB
SUMMARY

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We are pleased to publish Royalty Pharma’s summary of data and activities aligned with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) reporting standards. The GRI Standards enable organizations to report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development. SASB Standards guide the disclosure of financially material sustainability information by companies to investors and specify the most relevant issues to financial performance in each industry. SASB Standards are under the oversight of the International Sustainability Standards Board. Given the unique overlap of Royalty Pharma’s business in funding innovation across the biopharmaceutical industry, we have reported against two separate SASB Standards: 1) Biotechnology & Pharmaceuticals (HC-BP) and 2) Asset Management & Custody Activities (FN-AC).

The information included represents fiscal year 2021 (January 1, 2021–December 31, 2021) data unless otherwise specified.

We welcome your feedback at contact@royaltypharma.com.

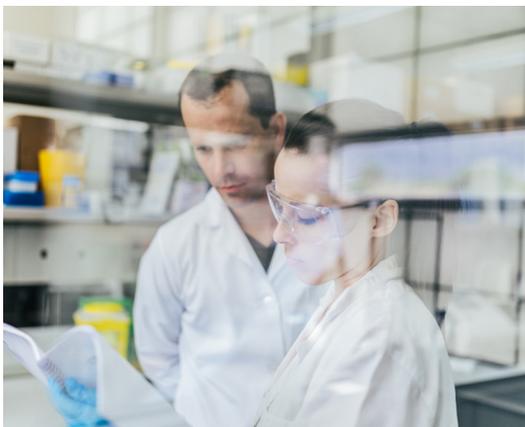
About Royalty Pharma



Founded in 1996, Royalty Pharma is the largest buyer of biopharmaceutical royalties and a leading funder of innovation across the biopharmaceutical industry, collaborating with innovators from academic institutions, research hospitals and non-profits through small and mid-cap biotechnology companies to leading global pharmaceutical companies. Royalty Pharma has assembled a portfolio of royalties which entitles it to payments based directly on the top-line sales of many of the industry's leading therapies.

Royalty Pharma funds innovation in the biopharmaceutical industry both directly and indirectly – directly when it partners with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly when it acquires existing royalties from the original innovators. Royalty Pharma's current portfolio includes royalties on more than 35 commercial products, including Vertex's Trikafta, Kalydeco, Orkambi and Symdeko, Biogen's Tysabri, AbbVie and Johnson & Johnson's Imbruvica, Astellas and Pfizer's Xtandi, GSK's Trelegy, Novartis' Promacta, Pfizer's Nurtec ODT, Johnson & Johnson's Tremfya, Roche's Evrysdi, Gilead's Trodelvy, and 11 development-stage product candidates.

Our Approach to ESG



Our sustainability efforts reflect the uniqueness of our business model. We believe that our ESG strategy, policies and practices will create sustainable long-term value for our company, our employees, our shareholders and other stakeholders while also helping us reduce risk and identify new opportunities.

We have aligned our efforts with four of the **United Nations Sustainable Development Goals** (SDGs), where we can have the greatest impact based on our business, strategy and expertise.



In 2022, we completed our first materiality assessment. During the assessment, we conducted stakeholder surveys, interviews, workshops, conversations with the core ESG working group, document analysis and industry research. Investors, employees, senior management and our board of directors (“Board”) were consulted during our process. We plan to use these findings to prioritize our efforts going forward.

We have also sought to calculate Scope 1 and 2 emissions and certain Scope 3 emissions data. We intend to describe the steps taken in developing and implementing decarbonization plans, where relevant and available, and we look forward to sharing more about our ESG progress in the coming years.

GRI INDEX



GRI Index

Organization Details

<p>GRI 2-1 Organizational details</p>	<p>Royalty Pharma refers to Royalty Pharma plc and its subsidiaries. Royalty Pharma plc is externally managed and does not employ its own personnel but instead depends upon RP Management, LLC (the “Manager”) and its executive officers and employees for virtually all the services it requires. Royalty Pharma plc is a publicly traded company listed on The Nasdaq Stock Market LLC under the ticker symbol “RPRX”.</p> <p>Royalty Pharma 10-K, pp. 20, 96-97</p> <p>Royalty Pharma 2022 Proxy Statement, pp. 8-9</p> <p>Royalty Pharma Workforce Data</p>
<p>GRI 2-2 Entities included in the organization’s sustainability reporting</p>	<p>Our ESG reporting includes our legal entity structure in alignment with our financial reporting, except where noted. The information covered in this reporting highlights our performance and initiatives in fiscal year 2021.</p> <p>Royalty Pharma 10-K, pp. 96-97</p>
<p>GRI 2-3 Reporting period, frequency and contact point</p>	<p>We are publishing this GRI and SASB Summary on December 21, 2022, based on the fiscal year January 1, 2021, to December 31, 2021. The period for our financial reporting is in line with the reporting period for these indices. We report financial results each quarter on a calendar year basis. The period for our GRI and SASB Summary aligns with our fiscal year 2021 financial results, which are accessible on our website: SEC Filings</p> <p>For questions about this report, please contact us using the address: 110 East 59 Street New York, NY 10022 or at contact@royaltypharma.com</p>
<p>GRI 2-4 Restatements of information</p>	<p>There have been no restatements of information.</p>
<p>GRI 2-5 External assurance</p>	<p>At this time, Royalty Pharma does not seek external assurance for its ESG reporting. Royalty Pharma’s consolidated financial statements are externally audited by Ernst & Young LLP.</p>
<p>GRI 2-6 Activities, value chain and other business relationships</p>	<p>We have relationships with numerous suppliers and partners, who provide products and services for our business. Key products and services that we procure include: professional services, including legal, financial, tax, consulting and business services; information technology, such as telecommunications, hardware, cloud storage and business applications; data and market information; office support services; training and professional development services and transportation and travel. We are committed to fostering procurement relationships that expand the beneficial impact of our business and mitigate potential risks.</p> <p>See About Royalty Pharma, p. 3</p> <p>Royalty Pharma 2021 Form 10-K, pp. 1-20</p>

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Organization Details

GRI 2-7 Employees

As of December 31, 2021, Royalty Pharma employed 67 employees. We do not employ any contractors. For a full breakdown of our employees year over year, see the [Royalty Pharma Workforce Data](#) in the Appendix.

GRI 2-8 Workers who are not employees

Although we receive services from workers employed by third-party vendors and service providers, none of those services are rendered by workers who meet the definition of “other workers” provided in the guidance associated with the standard.

Governance

GRI 2-9 Governance structure and composition

[Royalty Pharma Board of Director’s Overview](#)
[Royalty Pharma Board Committee List](#)
[Royalty Pharma 2022 Proxy Statement, pp. 8-11, 21-33](#)
[Royalty Pharma ESG Fact Sheet, p. 11](#)

GRI 2-10 Nomination and selection of the highest governance body

The Nominating and Corporate Governance Committee, in recommending director candidates for election to the Board, and the Board, in nominating director candidates, will consider candidates who have a high level of personal and professional integrity, strong ethics and values and the ability to make mature business judgments. In evaluating director candidates, the Nominating and Corporate Governance Committee and the Board may also consider the following criteria as well as any other factor that they deem to be relevant: (A) the candidate’s experience in corporate management, such as serving as an officer or former officer of a publicly held company; (B) the candidate’s experience as a board member of another publicly held company; (C) the candidate’s professional and academic experience relevant to the pharmaceutical industry; (D) the strength of the candidate’s leadership skills; (E) the candidate’s experience in finance, accounting and compensation practices; (F) whether the candidate has the time required for preparation, participation and attendance at Board meetings and committee meetings, if applicable, and (G) the candidate’s diversity (race, ethnicity, gender, geography, sexual orientation, age, nationality, religious beliefs, socio-economic status, physical and/or mental capabilities). The Nominating & Corporate Governance Committee and the Board are committed to actively seeking out highly qualified diverse individuals to include in the pool from which new Board candidates are chosen. Each individual will be evaluated in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company’s business.

[Royalty Pharma Corporate Governance Guidelines](#)
[Royalty Pharma Nominating and Corporate Governance Committee Charter](#)

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Governance

<p>GRI 2-11 Chair of the highest governance body</p>	<p>Pablo Legorreta is the Chairman and Chief Executive Officer of Royalty Pharma plc.</p> <p>Our Board determined that having our Chief Executive Officer also serve as the Chairman of our Board provides us with optimally effective leadership and is in our best interests and those of our shareholders. Mr. Legorreta founded and has led our company since its inception. Our Board believes that Mr. Legorreta's strategic vision for our business, his in-depth knowledge of our operations and the biopharmaceutical industry and his experience serving on our Board and as Chief Executive Officer since our inception make him well qualified to serve as both Chairman of our Board and Chief Executive Officer.</p> <p>The Board has appointed Henry Fernandez as our Lead Independent Director. As Lead Independent Director, Mr. Fernandez presides over periodic meetings of our independent directors, serves as a liaison between the Chairman of our Board and the independent directors and performs such additional duties as our Board may otherwise determine and delegate.</p> <p>The Board has adopted procedures for the disclosure of potential conflicts of interest and requires that disclosures be made at least annually and at any time an actual or potential conflict of interest may arise. This also includes notification of changes in circumstances for primary employment or changes in personal or business circumstances.</p> <p>In addition, each year as part of our annual compliance certifications, we ask all employees to certify that they have disclosed any conflicts of interest and have read all applicable Royalty Pharma policies.</p> <p>Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter Royalty Pharma 2022 Proxy Statement, pp. 22, 44-48</p>
<p>GRI 2-12 Role of the highest governance body in overseeing the management of impacts</p>	<p>The Board has oversight for the Company's approach to ESG. It receives regular updates on the Company's approach to ESG issues.</p> <p>Royalty Pharma Board of Director's Overview Royalty Pharma Board Committee List Royalty Pharma Nominating and Corporate Governance Charter Royalty Pharma 2022 Proxy Statement, pp. 21-36 Royalty Pharma ESG Fact Sheet, p. 11</p>
<p>GRI 2-13 Delegation of responsibility for managing impacts</p>	<p>Royalty Pharma Nominating and Corporate Governance Committee Charter Royalty Pharma ESG Fact Sheet, p. 11 Royalty Pharma 2022 Proxy Statement, pp. 8-9, 34-36</p>

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Governance

<p>GRI 2-14 Role of the highest governance body in sustainability reporting</p>	<p>The Board and the Nominating and Corporate Governance Committee review significant public disclosures regarding corporate responsibility and sustainability issues. In addition, members of the Royalty Pharma management team review and approve ESG reporting to ensure that material issues are addressed.</p> <p>Royalty Pharma Nominating and Corporate Governance Committee Charter</p>
<p>GRI 2-15 Conflicts of interest</p>	<p>The Board has adopted procedures for the disclosure of potential conflicts of interest and requires that disclosures be made at least annually and at any time an actual or potential conflict of interest may arise. This also includes notification of changes in circumstances for primary employment or changes in personal or business circumstances. In addition, each year as part of our annual compliance certifications, we ask all employees to certify that they have disclosed any conflicts of interest and have read all applicable Royalty Pharma policies.</p> <p>Royalty Pharma 2022 Proxy Statement, pp. 44-48 Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter</p>
<p>GRI 2-16 Communication of critical concerns</p>	<p>Members of senior management, including Royalty Pharma’s Chief Executive Officer and other executives, present to the Board throughout the year at both regularly scheduled and special meetings, and the Board receives regular updates. Members of committees of the Board have the ability to raise concerns with the respective committee chairs, and the chairs will subsequently report those concerns to the full Board. No critical concerns were reported for the 2021 reporting period.</p> <p>Royalty Pharma 2022 Proxy Statement, pp. 21-33</p>
<p>GRI 2-17 Collective knowledge of the highest governance body</p>	<p>Royalty Pharma 2022 Proxy Statement, pp. 30-31, 33 Royalty Pharma ESG Fact Sheet, p. 11</p>
<p>GRI 2-18 Evaluation of the performance of the highest governance body</p>	<p>Board and committee evaluations take place in an ongoing and dynamic manner, with regular discussions during executive sessions of the Board, and the Board conducts an annual self-evaluation that is intended to determine whether the Board, its committees and each member of the Board is functioning effectively and to provide an opportunity to reflect upon and improve processes and effectiveness. The information gathered from these self-evaluations is summarized and further discussed with the Nominating and Corporate Governance Committee to explore potential opportunities to enhance overall Board and committee performance.</p> <p>Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter Royalty Pharma 2022 Proxy Statement, pp. 30-31, 33</p>

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Compensation

<p>GRI 2-19 Remuneration policies</p>	<p>Please see pages 49–63 of the Royalty Pharma 2022 Proxy Statement for information on how we determine remuneration for our senior executives.</p> <p>Pages 37–38 of our 2022 Proxy Statement detail remuneration policies for our directors.</p> <p>We also engage with shareholders at least annually before proxy season during our Governance Roadshow to discuss our executive compensation program, among other governance topics.</p> <p>Accountability is a fundamental value to Royalty Pharma. To reinforce this value through our executive compensation program, our Manager and executive officers are subject to a strong compensation recovery (“Clawback”) policy.</p> <p>Royalty Pharma Clawback Policy</p> <p>Royalty Pharma 2022 Proxy Statement, pp. 37–38, 49–63</p>
<p>GRI 2-20 Process to determine remuneration</p>	<p>The Management Development and Compensation Committee has oversight responsibilities for reviewing the compensation and fees payable to the Manager under the Management Agreement and determining remuneration for our non-employee directors for Board and Committee service. We are externally managed and do not directly employ our executive officers. Our Management Development and Compensation Committee is therefore not responsible for designing the executive compensation program for our executive officers. However, our Manager strives to create an executive compensation program to balance the goals of attracting, motivating, rewarding and retaining our executive officers, including our named executive officers, with the goal of promoting the interests of our shareholders. The Management Development and Compensation Committee engages an independent compensation consultancy to support its oversight responsibilities of the Company’s compensation policies and practices, including assistance with defining the Company’s compensation peer group and updates to the Management Development and Compensation Committee on compensation and regulatory trends.</p> <p>Royalty Pharma 2022 Proxy Statement, pp. 51–52</p>
<p>GRI 2-21 Annual total compensation ratio</p>	<p>Royalty Pharma 2022 Proxy Statement, p. 62</p>

GRI Index

Strategy, Policies and Practices

<p>GRI 2-22 Statement on sustainable development strategy</p>	<p>Royalty Pharma 2022 Proxy Statement, pp. 34–36 Royalty Pharma ESG Fact Sheet, pp. 5, 9</p>
<p>GRI 2-23 Policy commitments</p>	<p>Policy commitments are shared with senior management, including the Chief Executive Officer and the Board. All directors, officers and employees are responsible for knowing and following the guidelines in the Code of Business Conduct & Ethics.</p> <p>Royalty Pharma ESG Fact Sheet, p. 11 Royalty Pharma Code of Business Conduct and Ethics Royalty Pharma Supplier Code of Conduct Royalty Pharma Environmental Policy Royalty Pharma Human Rights Policy Royalty Pharma Employee Handbook</p>
<p>GRI 2-24 Embedding policy commitments</p>	<p>Royalty Pharma ESG Fact Sheet, p. 11 Royalty Pharma Code of Business Conduct and Ethics Royalty Pharma Supplier Code of Conduct Royalty Pharma Environmental Policy</p>
<p>GRI 2-25 Processes to remediate negative impacts</p>	<p>Royalty Pharma 2022 Proxy Statement, pp. 34–36 Royalty Pharma Whistleblower Policy</p>
<p>GRI 2-26 Mechanisms for seeking advice and raising concerns</p>	<p>Royalty Pharma 2022 Proxy Statement, pp. 23–33 Royalty Pharma Whistleblower Policy, p. 4 contact@royaltypharma.com</p>

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Strategy, Policies and Practices

<p>GRI 2-27 Compliance with laws and regulations</p>	<p>Royalty Pharma has not been subject to any material instances of non-compliance with laws and regulations during the reporting period. No material fines or non-monetary sanctions were imposed on Royalty Pharma during the reporting period.</p> <p>Royalty Pharma 2021 Form 10K, p. 19</p>
<p>GRI 2-28 Membership associations</p>	<p>Biotechnology Innovation Organization (BIO) FasterCures Advisory Board CEO Action for Diversity & Inclusion</p>

Stakeholder Engagement

<p>GRI 2-29 Approach to stakeholder engagement</p>	<p>Royalty Pharma believes that engaging with stakeholders is the best way to address the issues that matter most to them. We engage with employees through quarterly Town Hall meetings. Ahead of each Town Hall, questions are collected from employees for the leadership team to address during the Q&A session. Pulse surveys are regularly utilized, which help to gauge employee sentiment and feedback throughout the year. We also provide clear communication and resources through our Employee Handbook, Compliance Manual and our website.</p> <p>We are committed to the health, safety and wellness of our employees. Following the start of the COVID-19 pandemic, during 2020, our operations transitioned to a remote work environment to keep our employees safe. In 2021, a survey was utilized in order to properly assess our employees' willingness and concerns in returning to work at our office. We now generally operate under a hybrid model, with most employees working remotely twice per week, depending on the needs of each individual team.</p> <p>We communicate with investors regularly through investor meetings, broker conferences, press releases, conference calls and our website. In 2021, we met with shareholders representing more than 50% of our shares outstanding. Interactions included 10 investor conferences and special events, 6 non-deal roadshows and approximately 400 interactions. More recently, we hosted our inaugural Investor Day in May 2022, which included nearly 250 participants from the investment community.</p> <p>We engage with shareholders on governance matters at least annually by hosting a Governance Roadshow before proxy season. During these engagements, we review and receive feedback on our governance practices as well as the design of our executive compensation program. We engage on an ad hoc basis during the rest of the year.</p> <p>Royalty Pharma 2022 Proxy Statement, pp. 29-30</p>
<p>GRI 2-30 Collective bargaining agreements</p>	<p>There are no employees covered by collective bargaining agreements.</p>

GRI Index

Disclosures on Material Topics

<p>GRI 3-1 Process to determine material topics</p>	<p>In 2022, we completed a materiality assessment. During the assessment, we conducted stakeholder surveys, interviews, workshops, conversations with our core ESG working group, document analysis and industry research. Investors, employees, senior management and directors were consulted during our process.</p>
<p>GRI 3-2 List of material topics</p>	<p>We intend to share the results from the 2022 materiality assessment in 2023.</p>

SASB INDEX

Biotechnology & Pharmaceuticals

The following table provides responses and/or locations of information to address the requirements of SASB's Biotechnology & Pharmaceuticals industry standard. We report using this industry standard because we operate in the center of the biopharmaceutical ecosystem and share many of the positive attributes of the industry. Our capital efficient business model is largely passive as we do not conduct research and development, manufacture or market biopharmaceutical products.

Asset Management & Custody Activities

The following table provides responses and/or locations of information for Royalty Pharma addressing the requirements of SASB's Asset Management & Custody Activities industry standard. We report using this industry standard because we are a leading funder of innovation across the biopharmaceutical industry.

SASB Index: Biotechnology & Pharmaceuticals

Safety of Clinical Trial Participants, Access to Medicine, Affordability & Pricing, Drug Safety

SASB HC-BP-210a.1 Ensuring quality and patient safety during clinical trials

SASB HC-BP-210a.2 FDA Inspections resulting in Voluntary Action Indicated (VAI) and Official Action Indicated (OAI)

SASB HC-BP-210a.3 Monetary impact of legal proceedings from clinical trials in developing countries

SASB HC-BP-000.A Number of patients treated

SASB HC-BP-240b.1 Settlements from Abbreviated New Drug Application (ANDA) litigation involving payments and/or provisions to delay bringing an authorized generic product to market

SASB HC-BP-240b.2 Annual percentage change in U.S. average list price and average net price

SASB HC-BP-240b.3 Largest annual percentage change in U.S. list price and net price

SASB HC-BP-250a.1 List of products in the FDA MedWatch Safety Alerts for Human Medical Products database

SASB HC-BP-250a.2 Number of fatalities associated with products reported in the FDA Adverse Event Reporting System

SASB HC-BP-250a.3 Number of recalls issued, total units recalled

SASB HC-BP-250a.4 Total amount of product accepted for takeback, reuse or disposal

Royalty Pharma supports innovation and positively impacts human health by providing capital to the biopharmaceutical ecosystem. We are passive investors and therefore do not have any operational control over the discovery, clinical development, manufacturing, or commercialization of the therapies from which we receive royalties. However, we seek to promote responsible practices through our investment process, partner selection, and comprehensive due diligence practices.

Ahead of initial investment, Royalty Pharma conducts robust due diligence, which endeavors to leverage the knowledge and expertise of our research and investments team, outside counsel and experts, and third-party frameworks and standards to identify and assess potentially material ESG and reputational risks through review of clinical, regulatory, IP, manufacturing, commercial, and governance policies and activities. Our research and investment team will review critical ESG or reputational concerns and coordinate with subject-matter experts when appropriate. Depending on the nature of a particular issue identified through due diligence, Royalty Pharma may hire special advisors, including counsel and consultants as necessary. Outside consultants and outside counsel who specialize in environmental issues, health and safety, supply chain management, intellectual property and other specialized topics may be engaged as needed. ESG management and reputational risk strategies reflect investment-specific nuances and considerations, such as our level of influence and control.

Please also see the [Royalty Pharma Supplier Code of Conduct](#), [Royalty Pharma Social Bond Framework](#), [Royalty Pharma ESG Fact Sheet](#) and Appendix for more details.

Given that royalties from Vertex, Biogen, Johnson & Johnson and AbbVie made up over 50% of total revenues for 2021, please see below for links to their disclosures on these topics:

[Vertex 2021 Corporate Responsibility Report, pp. 32–33](#)

[Johnson & Johnson 2021 ESG Disclosure Index, pp. 25–27](#)

[Biogen Year in Review 2021, pp. 128–130](#)

[AbbVie 2021 ESG Action Report, pp. 64–66](#)

SASB Index: Biotechnology & Pharmaceuticals

Drug Safety, Counterfeit Drugs, Ethical Marketing, Supply Chain Management

SASB HC-BP-250a.5 Number of FDA enforcement actions in response to violations of current Good Manufacturing Practices

SASB HC-BP-260a.1 Methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting

SASB HC-BP-260a.2 Process for alerting customers and business partners of potential or known risks associated with counterfeit products

SASB HC-BP-260a.3 Number of actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products

SASB HC-BP-270a.1 Total amount of monetary losses as a result of legal proceedings associated with false marketing claims

SASB HC-BP-270a.2 Description of code of ethics governing promotion of off-label use of products

SASB HC-BP-430a.1 Percentage of facilities and Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients

SASB HC-BP-510a.2 Description of code of ethics governing interactions with health care professionals

Royalty Pharma supports innovation and positively impacts human health by providing capital to the biopharmaceutical ecosystem. We are passive investors and therefore do not have any operational control over the discovery, clinical development, manufacturing, or commercialization of the therapies from which we receive royalties. However, we seek to promote responsible practices through our investment process, partner selection, and comprehensive due diligence practices.

Ahead of initial investment, Royalty Pharma conducts robust due diligence, which endeavors to leverage the knowledge and expertise of our research and investments team, outside counsel and experts, and third-party frameworks and standards to identify and assess potentially material ESG and reputational risks through review of clinical, regulatory, IP, manufacturing, commercial, and governance policies and activities. Our research and investment team will review critical ESG or reputational concerns and coordinate with subject-matter experts when appropriate. Depending on the nature of a particular issue identified through due diligence, Royalty Pharma may hire special advisors, including counsel and consultants as necessary. Outside consultants and outside counsel who specialize in environmental issues, health and safety, supply chain management, intellectual property and other specialized topics may be engaged as needed. ESG management and reputational risk strategies reflect investment-specific nuances and considerations, such as our level of influence and control.

Please also see the [Royalty Pharma Supplier Code of Conduct](#), [Royalty Pharma Social Bond Framework](#), [Royalty Pharma ESG Fact Sheet](#) and Appendix for more details.

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[Biogen Year in Review 2021, pp. 128-130](#)

[AbbVie 2021 ESG Action Report, pp. 64-66](#)

SASB Index: Biotechnology & Pharmaceuticals

Access to Medicine

SASB HC-BP-240a.1 Access to health care for diseases and countries as defined by the Access to Medicine Index

Royalty Pharma’s mission is to accelerate innovation in life sciences and transform patient lives globally. We fund innovation in the biopharmaceutical industry both directly and indirectly - directly when we partner with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly when we acquire existing royalties from the original innovators. As an example, our \$3.3 billion royalty acquisition of Kalydeco, Orkambi, Symdeko and Trikafta from the Cystic Fibrosis Foundation provided capital that allowed the foundation to more than double funding to develop new life-saving therapies and support cystic fibrosis patient care.

Approximately 60% of the number of therapies from which we receive royalties address diseases on the Access to Medicines list.

[Royalty Pharma 2021 Social Bond Impact Report](#)

[Royalty Pharma 2021 Form 10-K, pp. 8-16](#)

[Royalty Pharma ESG Fact Sheet, pp. 6-7](#)

SASB HC-BP-240a.2 Products on the WHO List of Prequalified Medicinal Products

[Royalty Pharma 2021 Form 10-K, p. 2](#)

[World Health Organization Prequalification of Medical Products](#)

Employee Recruitment, Development & Retention

SASB HC-BP-330a.1 Discussion of talent recruitment and retention efforts

Our people and culture drive our success. We are focused on supporting our employees’ health, well-being and growth. To build a high-performing, diverse team, we seek to foster an inclusive environment that stays true to our core values.

Compensation and Benefits

Employees are offered a competitive salary and 100% of employees are eligible for an annual cash bonus. 100% of employees receive equity grants as a part of their compensation as well as access to a 401(k) retirement plan. Royalty Pharma pays almost 100% of medical insurance premiums for employees and 100% of premiums for dental, vision, long-term disability and life insurance. For employees opting to use a high-deductible health plan, Royalty Pharma provides access to a health savings account (HSA) and contributes a generous portion on behalf of the employee each year. To help employees make the best decisions for themselves and their families, Royalty Pharma provides employees and their families with access to a health care benefits consulting service, an employee assistance program, retirement planning and counseling. For those using Citi Bike to commute, membership costs are 100% reimbursed.

Employees also have the option to enroll in additional life insurance options, accident insurance, identity theft protection, legal service plans, flexible spending accounts and pre-tax commuter accounts.

Additional on-site benefits include access to a fitness center and complimentary flu shots. To promote employee wellness, new benefits were added in 2022, such as on-site massages and access to an online fitness app.

SASB Index: Biotechnology & Pharmaceuticals

Employee Recruitment, Development & Retention

SASB HC-BP-330a.1 Discussion of talent recruitment and retention efforts (continued)

Professional Development

Royalty Pharma has a department-specific approach to evaluating employee performance. Managers are expected to routinely check in to ensure that lines of communication are open. Performance is evaluated at least annually. We leave flexibility to our team managers in how they approach performance reviews, with some performing 360 reviews and others using other evaluation methods.

In 2021, an employee learning and development program was launched using external leadership coaches. 100% of participants in the initial cohort reported that they found the program to be useful. Some participants requested to continue their training beyond the program, and so Royalty Pharma continues to provide additional sessions with leadership coaches as requested by employees. The six-month program has now been expanded, and Royalty Pharma has set a goal to have 100% of employees complete the program.

Tuition reimbursement is also available for degree programs and certifications on a case-by-case basis.

Work-Life Balance

Like many other organizations in 2020, our operations transitioned to remote work to keep our employees safe. To ensure a productive remote work environment, we have provided in-home office equipment, such as monitors, web cameras and desks, to help our workforce furnish their home offices.

In 2021, a survey was utilized to properly assess our employees' willingness or concerns in returning to work in an office environment. Following those survey results, we now operate generally under a hybrid model, with most employees working remotely twice per week, depending on the needs of each individual team.

Royalty Pharma closes for two weeks at the end of December in addition to holidays and generous paid time off each year. As an extra incentive to encourage our team, the week before Labor Day is provided as an additional week of vacation to encourage time to recharge if predetermined corporate targets are met.

For employees who are growing their families, Royalty Pharma ensures the parents have quality time to adjust and bond with the newest member of their family by offering 16 weeks of leave for the primary caregiver and 4 weeks of leave to the secondary caregiver.

Safety

Royalty Pharma does not tolerate discrimination or harassment and promotes a safe and respectful work environment for all employees. Royalty Pharma's Policy Prohibiting Discrimination, Harassment and Retaliation is specifically designed to be broader than the law and to prohibit unwelcome conduct even if such conduct would not form the basis of a legal claim. Annual certification of compliance with the Employee Handbook and Harassment Prevention Training is required, and 100% of employees completed this training in 2021.

[Royalty Pharma Employee Handbook](#)

[Royalty Pharma ESG Fact Sheet, p. 10](#)

SASB HC-BP-330a.2 Voluntary and involuntary turnover rate

Voluntary and involuntary turnover were 3.4% each for 2021 for a total of 6.8%. For a full breakdown of our employees year over year, please see the [Royalty Pharma Workforce Data](#) in the Appendix.

[Royalty Pharma ESG Fact Sheet, p. 10](#)

SASB Index: Biotechnology & Pharmaceuticals

Business Ethics

SASB HC-BP-510a.1 Total monetary losses from legal proceedings related to corruption and bribery

When public disclosure criteria are met, monetary losses as a result of legal proceedings are included in [Royalty Pharma 2021 Form 10-K, Legal Proceedings, p. 47](#)

SASB HC-BP-510a.2 Description of code of ethics governing interactions with health care professionals

[Royalty Pharma Code of Business Conduct and Ethics](#)

Activity Metrics

SASB HC-BP-000.B Number of drugs in portfolio and in research and clinical development

[Royalty Pharma 2021 Form 10-K, p. 15](#)

SASB Index: Asset Management & Custody Activities

Transparent Information & Fair Advice for Customers

<p>SASB FN-AC-270a.1 (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings</p>	<p>There are no known covered employees with records of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings.</p>
<p>SASB FN-AC-270a.2 Amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers</p>	<p>There are no known monetary losses as a result of legal proceedings associated with marketing and communications of financial product-related information to new and returning clients.</p>
<p>SASB FN-AC-270a.3 Description of approach to informing customers about products and services</p>	<p>The performance of Royalty Pharma plc is reported at least on a quarterly basis through SEC filings in our 10-Q, 10-K and 8-K and made publicly available to all investors. Additionally, all marketing and advertising materials submitted to our legal and compliance team will be reviewed to confirm that they are not fraudulent or misleading and that they comply with any applicable rules, regulations and our policies.</p>

SASB Index: Asset Management & Custody Activities

Employee Diversity & Inclusion

SASB FN-AC-330a.1 Percentage of gender and racial/ethnic group representation for executive management, non-executive management, professionals and all other employees

At Royalty Pharma, we strive to create an environment where employees feel empowered to bring their full and authentic selves to work. Royalty Pharma has partnered with industry leaders to prepare a Diversity, Equity and Inclusion (DEI) strategy and develop and implement supporting initiatives, which may include professional development activities, such as workshops or training.

2021 Workforce Diversity



For a full breakdown of the diversity of our employees year over year, please see the [Royalty Pharma Workforce Data](#) in the Appendix.

[Royalty Pharma Employee Handbook](#)

[Royalty Pharma 2022 Proxy Statement, pp. 34-35](#)

[Royalty Pharma EEO-1 2021 Consolidated Report](#)

[Royalty Pharma ESG Fact Sheet, p. 10](#)

SASB Index: Asset Management & Custody Activities

Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory

<p>SASB AC-IB-410a.1 Amount of assets under management, by asset class, that employ integration of ESG issues, sustainability-themed investing and screening</p>	<p>We incorporate ESG considerations as one input into our investment process as part of the evaluation of ideas, company dialogue and counterparty monitoring. As such, the assessment of ESG aspects is incorporated into the wider investment process as part of a holistic consideration of risk and opportunity. ESG aspects may therefore be considered alongside other economic drivers when evaluating the attractiveness of an opportunity.</p> <p>Royalty Pharma Social Bond Framework Our Approach to Due Diligence</p>
<p>SASB AC-IB-410a.2 Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies</p>	<p>Royalty Pharma supports innovation and positively impacts human health by providing capital to the biopharmaceutical ecosystem. Ahead of initial investment, Royalty Pharma conducts robust due diligence, which endeavors to leverage the knowledge and expertise of our research and investments team, outside counsel and experts and third-party frameworks and standards to identify and assess potentially material ESG and reputational risks through review of clinical, regulatory, IP, manufacturing, commercial and governance policies and activities. Our research and investments team will review critical ESG or reputational concerns and coordinate with subject-matter experts when appropriate. Depending on the nature of a particular issue identified through due diligence, Royalty Pharma may hire special advisors, including counsel and consultants as necessary. Outside consultants and outside counsel who specialize in environmental issues, health and safety, supply chain management, intellectual property and other specialized topics may be engaged as needed. ESG management and reputational risk strategies reflect investment-specific nuances and considerations, such as our level of influence and control. For more information on our due diligence process, see Our Approach to Due Diligence.</p> <p>Royalty Pharma 2021 Form 10-K, p. 7 Royalty Pharma Supplier Code of Conduct Royalty Pharma Social Bond Framework Royalty Pharma 2022 Human Rights Policy</p>

SASB Index: Asset Management & Custody Activities

Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory

SASB AC-IB-410a.3 Description of proxy voting and investee engagement policies and procedures

Royalty Pharma has adopted proxy voting policies and procedures (the “Proxy Policy”) in accordance with requirements under Rule 206(4)-6 of the Investment Advisers Act. The major proxy-related issues generally fall within five categories: corporate governance, takeover defenses, compensation plans, capital structure and social responsibility. Our Manager will cast votes for these matters on a case-by-case basis. Our Manager will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management’s accountability to shareholders or present compensation plans that are commensurate with enhanced manager performance and market practices. We may occasionally be subject to conflicts of interest in the voting of proxies due to business or personal relationships we maintain with persons having an interest in the outcomes of certain votes. If, at any time, we become aware of an existing or potential conflict of interest relating to a particular proxy proposal, we will resolve the conflict before voting or obtain a consent or take other steps designed to ensure that the decision is in the best interests of the beneficial owners of the shares and is not the product of conflict. Appropriate documentation will be maintained by our legal and compliance team. In accordance with Rule 204-2 of the Advisers Act, the Manager maintains appropriate books and records in connection with the Proxy Policy.

SASB Index: Asset Management & Custody Activities

Business Ethics

<p>SASB FN-AC-510a.1 Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations</p>	<p>Royalty Pharma did not sustain any monetary losses in 2021 as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice or other related financial industry laws or regulations. As a public company, Royalty Pharma reports all such matters that are material in our filings with the SEC.</p> <p>Royalty Pharma 2021 Form 10-K, pp. 37, 47</p>
<p>SASB FN-AC-510a.2 Description of whistleblower policies and procedures</p>	<p>We are committed to doing business with integrity and upholding the highest standards of ethical conduct. We have adopted a Whistleblower Hotline hosted by an independent third party that allows for open reporting or anonymous and confidential reporting, which is available to all our employees, directors and vendors. This supports our employees, directors and vendors in coming forward with concerns about unethical or unlawful behavior. Reporting through the hotline can be done anonymously 24/7 through a web-based form or through dedicated toll-free telephone numbers. All incidents are reviewed by the Chief Legal Officer and escalated appropriately depending on the nature of the complaint. All employees certify their understanding of policies, including our Code of Business Conduct and Ethics and Whistleblower Policy on an annual basis. Through this annual compliance certification, we seek to clearly communicate that any employee who comes forward with a complaint will not be subject to retaliation as a result of reporting violations through the Whistleblower Hotline.</p> <p>Royalty Pharma Whistleblower Policy</p>
<p>SASB FN-AC-000.A Total registered and total unregistered assets under management</p>	<p>Royalty Pharma 2021 Form 10-K, pp. 86–128</p>
<p>SASB FN-AC-000.B Total assets under custody and supervision</p>	<p>Royalty Pharma 2021 Form 10-K, pp. 86–128</p>

ADDITIONAL MATERIAL TOPICS

Additional Material Topics

Environment

Royalty Pharma recognizes our responsibility to help protect the planet and we are committed to supporting those who are working to improve global environmental sustainability. As part of this purpose, we commit to continuously evaluate the key environmental impacts of our operations and take steps to measure, manage and minimize those impacts. We have also sought to calculate Scope 1 and 2 emissions and certain Scope 3 emissions data. We intend to describe the steps taken to develop and implement decarbonization plans, where relevant and available.

We encouraging more environmentally friendly practices at our headquarters in New York, NY, to minimize our waste generation. Installing water fountains supports the use of reusable water bottles, for example, and reimbursing Citi Bike memberships for employees encourages a carbon-free and healthier commute. We are also partnering with our building management to encourage green building certification. Our building has ENERGY STAR certification and WELL designation.

As we look beyond the footprint of our own employees and office, we seek to partner with suppliers who share the same environmentally sustainable values. We are also in the process of incorporating more specific environmental considerations as part of our investment due diligence process.

[Royalty Pharma 2022 Proxy Statement, p. 36](#)

[Royalty Pharma Environmental Policy](#)

[Royalty Pharma ESG Fact Sheet, p. 9](#)

Royalty Pharma GHG Emissions Overview ¹ / Total Emissions (MT CO2e)					
Scope 1 Mobile	-	Total Scope 2 Market Emissions	113	Total Scope 3 Category 6 (Business Travel) ²	851
Scope 1 Stationary	-	Total Scope 2 Location Emissions	113	Total Scope 3 Category 15 (Investments) ³	15,679
Total Scope 1 Emissions	-				

¹We have presented Scope 2 and Scope 3, category 6 emissions for the Manager to aid in comparability to our peers. Scope 3, category 15 emissions are for Royalty Pharma plc.

²Includes emissions from the use of ground transportation, air travel and hotels.

³Calculated according to the investment-specific method by collecting Scope 1 and Scope 2 emissions calculated by the marketer and allocating emissions based on our share of the investment.

Additional Material Topics

Data Privacy and Cybersecurity

We have adopted a robust Cybersecurity and Personal Data Breach Policy that exemplifies our viewpoint on our internal security processes and the procedures in place to ensure the protection of data and assets. Like most institutions, Royalty Pharma faces the risk of scams and security breaches, which can have a detrimental impact on our systems, technology infrastructure and reputation. Striving to minimize this potential risk, we have security measures in place to ensure that information remains secure and protected. In addition to procedural policies, data security is a leading topic at the head of the organization. Several of our directors bring experience in managing and mitigating cybersecurity and technology risks, which provides the Board with insight into such risks and aids in overseeing our information security, operations and systems, as well as our continuing investment in and development of the program. The Board receives updates or training, as necessary, on cybersecurity issues from management, technical experts and legal advisors, as required.

Our Chief Technology Officer oversees our cybersecurity strategy. This includes developing and implementing policies and procedures, escalating any issues as necessary that present a material risk to the Company and employees and ensuring that all employees have sufficient cybersecurity training. The Chief Technology Officer reports directly to the Chief Executive Officer and periodically briefs the Audit Committee and the Board on any material weaknesses or failures in the Company's cybersecurity program and cybersecurity issues.

Our Technology Committee is responsible for identifying, monitoring and prioritizing the Company's cybersecurity risk environment as well as promoting cybersecurity awareness and proactive mitigation and accountability of cybersecurity risks. Our technology team monitors our security infrastructure with tools designed to detect suspicious behavior.

We employ leading technologies to monitor network behavior, identify threats through analytics and proactively mitigate attacks across the enterprise. We employ a security awareness platform through which we conduct simulations of phishing attacks coupled with employee training.

We assess vendors who will have access to our data or systems to measure their adherence to relevant industry best practices and standards. Employees who work with technology vendors are expected to conduct appropriate due diligence and monitor compliance with security assessments on an ongoing basis. These assessments encourage the use of third-party service providers who comply with applicable laws, rules and regulations.

All Royalty Pharma employees, which include remote workers, suppliers, interns and any individuals with access to the Company's electronic systems, information, software and hardware, are required to follow our cybersecurity policy. Annual training on these procedures is required, and 100% of employees completed the training in 2021.

Additional Material Topics

Compliance

Royalty Pharma has a Compliance Manual detailing ethics and compliance policies. At least annually, all employees must certify that they have reviewed the Compliance Manual and understand the obligation to comply with the policies. All new employees are required to read the policies contained in the Compliance Manual and attest to understanding and agreeing to comply with the policies as part of the onboarding process. The Compliance Manual is reviewed on an ongoing basis by the compliance team and is revised throughout the year as deemed necessary due to regulatory, business or risk changes. The Chief Compliance Officer will notify all employees of material policy changes and provide the updated Compliance Manual to all employees.

Philanthropy

Our philanthropy seeks to address the challenges of a complex and evolving world by providing funds and resources to support programs that enable innovation in the life sciences, reduce the risk of disease, strengthen access to health care and ensure equal access to quality health care. Between 2020 and 2021, Royalty Pharma donated \$5.3 million to support COVID-19 research. In 2021, entities affiliated with Royalty Pharma donated over \$700,000 across six organizations, including the Leukemia & Lymphoma Society, Milken Institute and Cambridge in America.

These contributions are part of a long-standing tradition at Royalty Pharma of supporting science and innovation to improve the lives of all.

[Royalty Pharma ESG Fact Sheet, pp. 6-7](#)

APPENDIX



Our Approach to Due Diligence for New Investments



Clinical



Regulatory, IP, Manufacturing



Commercial



Contracts, Governance

<p>Physician diligence</p> <ul style="list-style-type: none"> • US/EU/Japan • KOL/academic • Community • Surveys 	<p>Non-clinical</p> <ul style="list-style-type: none"> • Pharmacokinetics • Pharmacodynamics • Dose modeling 	<p>Intellectual property</p> <ul style="list-style-type: none"> • US/EU/Japan and other • Litigation scenario analysis • Multiple opinions 	<p>Claims analysis</p> <ul style="list-style-type: none"> • Patient diagnosis, treatment, compliance • Site of care • Other patient metrics 	<p>Market sizing</p> <ul style="list-style-type: none"> • Patient finding • Claims-driven • Epidemiology • Scaled market surveys 	<p>Transactional</p> <ul style="list-style-type: none"> • Accounting treatment • Tax implications
<p>Statistics</p> <ul style="list-style-type: none"> • Probability of success • Effect size modeling • Enrollment modeling • Statistical analysis plans 	<p>Toxicology</p> <ul style="list-style-type: none"> • Animal toxicologists • Specialized areas - (i.e., ophthalmology) 	<p>Manufacturing</p> <ul style="list-style-type: none"> • Modality expertise: small molecule, biologics, gene therapy • Regulatory perspectives • Capacity planning 	<p>US pricing</p> <ul style="list-style-type: none"> • Pricing modeling • Gross-to-net modeling 	<p>Payors</p> <ul style="list-style-type: none"> • Payor/PBM executives • Formulary analyses 	<p>Licensing and contracts</p> <ul style="list-style-type: none"> • Analysis of contract language • Risk assessment • Expert structuring and drafting
<p>Clinical</p> <ul style="list-style-type: none"> • Interview former R&D executives • Patient-level data analysis • Immunogenicity and specific safety observations • Clinical trial design and study reports • Comparative analysis 		<p>Drug delivery</p> <ul style="list-style-type: none"> • Auto-injectors and devices • Design and human factors • Formulation technologies 	<p>Competition</p> <ul style="list-style-type: none"> • Landscape analysis • Product profile and cost comparisons 	<p>International access</p> <ul style="list-style-type: none"> • Market-by-market pricing • Addressable patients • Yearly access caps and other structures 	<p>Management & governance</p> <ul style="list-style-type: none"> • Experience and strategy • Compensation alignment
<p>Patients & Caregivers</p> <ul style="list-style-type: none"> • Efficacy, tolerability, convenience perspectives • Social media 		<p>Regulatory</p> <ul style="list-style-type: none"> • US/FDA meeting minutes • EU/EMA meeting minutes • International (PMDA, other) • Consultants 	<p>Commercial strategy</p> <ul style="list-style-type: none"> • Interview sales and marketing executives, MSLs and district managers • Required promotional spend 		<p>Environmental, Social & Governance</p> <ul style="list-style-type: none"> • Board oversight • ESG-informed investment processes

US: United States; EU: European Union; KOL: key opinion leader; FDA: Food & Drug Administration; EMA: European Medicines Agency; PBM: pharmacy benefit managers; MSL: medical science liaison; PMDA: Pharmaceuticals and Medical Devices Agency; ESG: environmental, social and governance; IP: intellectual property

Royalty Pharma Workforce Data			1 OF 3
Workforce	2021	2020	
Total workers	67	51	
Number of employees	67	51	
Number of contractors	0%	0%	
Permanent	100%	100%	
Temporary	0%	0%	
Non-guaranteed hours	0%	0%	
Workforce	2021	2020	
Full-time	100%	100%	
Part-time	0%	0%	
Workforce by Gender	2021	2020	
Male	51%	49%	
Female	49%	51%	
Not disclosed	0%	0%	
Other	0%	0%	
Transgender	0%	0%	

Totals may not add to 100% due to rounding

Royalty Pharma Workforce Data 2 OF 3

Workforce by Age	2021	2020
< 30 years old	25%	16%
30–50 years old	57%	63%
50+ years old	18%	22%
Workforce by Geography	2021	2020
United States and Canada	100%	100%
Latin America	0%	0%
Europe	0%	0%
Asia Pacific	0%	0%
Africa	0%	0%
Workforce by Ethnicity	2021	2020
White	70%	78%
Black	0%	0%
Asian	18%	14%
Hispanic	9%	6%
Native American	0%	0%
Other	0%	0%

Totals may not add to 100% due to rounding

Royalty Pharma Workforce Data			3 OF 3
Workforce by Ethnicity	2021	2020	
Undisclosed/Unknown	0%	0%	
Minorities in workforce (%)	30%	22%	
Diversity in Management	2021	2020	
Number of Company executives	6	5	
Women VP-level and above (%)	32%	35%	
Minorities in management (VP-level and above)(%)	29%	17%	
Diversity in Board of Directors¹	2021	2020	
Independent directors(%)	70%	70%	
Number of women on Board	2	2	
Percentage of women on Board	20%	20%	
Attracting and Retaining Talent	2021	2020	
Number of new hires	20	16	
Percentage of ethnic/racially diverse new hires	50%	25%	
Employee growth rate	39%	44%	
Voluntary turnover rate	3.4%	2.3%	
Involuntary turnover rate	3.4%	0%	

Totals may not add to 100% due to rounding; ¹As of April 28, 2022

Cautionary Statement

This data and information in this report ("Report") has been prepared by Royalty Pharma plc (the "Company"), is made for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy securities. The information set forth herein does not purport to be complete or to contain all of the information you may desire. Statements contained herein are made as of the date of this Report unless stated otherwise, and neither the delivery of this Report at any time, nor any sale of securities, shall under any circumstances create an implication that the information contained herein is correct as of any time after such date or that information will be updated or revised to reflect information that subsequently becomes available or changes occurring after the date hereof.

This Report contains statements that constitute "forward-looking statements" as that term is defined in the United States Private Securities Litigation Reform Act of 1995, including statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, in contrast with statements that reflect historical facts. Examples include discussion of our strategies, financing plans, growth opportunities and market growth. In some cases, you can identify such forward-looking statements by terminology such as "anticipate," "intend," "believe," "estimate," "plan," "seek," "project," "expect," "may," "will," "would," "could" or "should," the negative of these terms or similar expressions. Forward-looking statements are based on management's current beliefs and assumptions and on information currently available to the Company. However, these forward-looking statements are not a guarantee of the Company's performance, and you should not place undue reliance on such statements. Forward-looking statements are subject to many risks, uncertainties and other variable circumstances, and other factors. Such risks and uncertainties may cause the statements to be inaccurate and readers are cautioned not to place undue reliance on such statements. Many of these risks are outside of the Company's control and could cause its actual results to differ materially from those it thought would occur.

The forward-looking statements included in this Report are made only as of the date hereof. The Company does not undertake, and specifically declines, any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments, except as required by law.

Certain information contained herein relating to any goals, targets, intentions or expectations, including with respect to carbon emissions targets and related timelines, is subject to change, and no assurance can be given that such goals targets, intentions or expectations will be met. The United Nations Sustainable Development Goals (SDGs) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on the Company's application of the SDGs, as such application is subject to change at any time and in the Company's sole discretion. Further, statistics and metrics relating to ESG matters are estimates and may be based on assumptions or developing standards (including the Company's internal standards and policies).

Similarly, there can be no assurance that the Company's ESG policies and procedures as described in this Report, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. The Company is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies and procedures based on cost, timing or other considerations. Statements about ESG initiatives or practices related to marketers do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of an ESG initiative to or within the marketer; the nature and/or extent of investment in, ownership of or, control or influence exercised by the Company with respect to the marketer; and other factors as determined by the marketers on a case-by-case basis. ESG factors are only some of the many factors the Company considers in making an investment, and there is no guarantee that the Company will make investments in products that create positive ESG impact or that consideration of ESG factors will enhance long-term value and financial returns for investors. To the extent the Company engages with marketers on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment. In addition, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by the Company will reflect the beliefs or values, internal policies or preferred practices of investors or with market trends.

Except where opinions and views are expressly attributed to individuals, general discussions contained within this Report regarding the market or market conditions represent the view of either the source cited or the Company. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns.

Case studies presented herein are for illustrative purposes only, have been selected in order to provide examples illustrating the Company's application of its ESG policies and procedures with respect to its investments and do not purport to be a complete list thereof. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Further, references to the investments included in the illustrative case studies should not be construed as a recommendation of any particular investment or security. Certain information was provided by third parties and certain statements reflect the Company's beliefs as of the date hereof based on prior experience and certain assumptions that the Company believes are reasonable, but may prove incorrect. Past performance is not necessarily indicative of future results.

There can be no assurance that the operations and/or processes of the Company as described herein will continue, and such processes and operations may change, even materially. The actual investment process used for any or all of the Company's investments may differ materially from the process described herein.

Certain information contained in this Report relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this Report, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, all of the market data included in this Report involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while the Company believes its own internal research is reliable, such research has not been verified by any independent source.

"Royalty Pharma," the "Company," "we," "us" and "our" refer to Royalty Pharma plc and its subsidiaries on a consolidated basis. The "Manager" refers to RP Management, LLC, a Delaware limited liability company, our external advisor which provides us with all advisory and day-to-day management services. Royalty Pharma plc is externally managed and does not employ its own personnel, but instead depends upon the Manager and its executive officers and employees for virtually all of the services it requires. References to an "employee" or "employees" and such similar expressions refer to such person's or persons' role at the Manager, unless the context of a particular reference requires otherwise.

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