

ROYALTY PHARMA

2022 ENVIRONMENTAL,
SOCIAL & GOVERNANCE REPORT

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A Message from our Chairman and Chief Executive Officer



At Royalty Pharma, our mission is to accelerate innovation in life sciences and thereby positively impact patient lives globally. To accomplish this, we partner with innovators such as academic institutions, research hospitals, non-profits and companies at the forefront of discovering lifesaving therapies to improve human health through solutions tailored to the needs of our partners.

We create value for our stakeholders by funding innovation across the life sciences ecosystem and investing in approved and development-stage therapies. In evaluating these opportunities, we focus on many characteristics, such as whether the therapy provides significant benefits to patients, has a strong scientific rationale and offers a compelling value proposition to the health care system.

As innovators, we recognize the importance of integrating ESG topics into our business. In 2022, our ESG Committee expanded our formal ESG effort by completing our first materiality assessment and improving transparency through the publication of our ESG fact sheet and 2021 GRI and SASB Summary. We are encouraged and motivated by our achievements thus far, and committed to further strengthening our policies and practices to address ESG topics throughout our business.

Through our policies and practices designed to minimize our ESG risk, we uphold our commitments to our stakeholders and partners. We support our employees by fostering an environment in which they feel professionally challenged and valued for their contributions, and this has contributed to very low employee turnover.

We have a powerful commitment to philanthropy. We have committed approximately \$29 million to alliances that address complex health care challenges. Our efforts are guided by a desire to improve access to health care and medicine. We recognize how socioeconomic status and race contribute to the disparity of equity in health outcomes around the world, and are committed to supporting efforts to address these issues.

Underpinning these efforts are our robust governance, risk management and compliance programs, which are foundations of our success. Our diverse, majority independent Board is focused on reinforcing and evolving our ESG policies and practices through strong oversight and guidance.

We are the largest buyer of biopharmaceutical royalties and a leading funder of innovation in the biopharmaceutical industry and our unique business model has tremendous prospects for compounding growth in the coming years. By funding and accelerating the golden age of life sciences innovation, we are helping to transform patient lives. We look forward to our continued engagement with you, our stakeholders, as we progress on our goals in the years ahead.

Sincerely,

A handwritten signature in blue ink that reads "Pablo Legorreta". The signature is fluid and cursive.

Pablo Legorreta, Chairman of the Board and Chief Executive Officer

Who We Are

Vision and Mission



Since our founding in 1996, Royalty Pharma has been a pioneer in the royalty market, collaborating with innovators from academic institutions, research hospitals and non-profits through small- and mid-cap biopharmaceutical companies to leading global pharmaceutical companies.

We have assembled a portfolio of royalties that entitles us to payments based directly on the top-line sales of many of the industry's leading therapies.

35+ commercial products
11 development-stage product candidates

From 2012, when we began acquiring royalties on development-stage product candidates, through March 31, 2023 we have entered into transactions to acquire biopharmaceutical royalties, milestones and related assets with an aggregated transaction value of approximately \$25 billion, representing nearly 60% of all royalty transactions by value announced during this period.

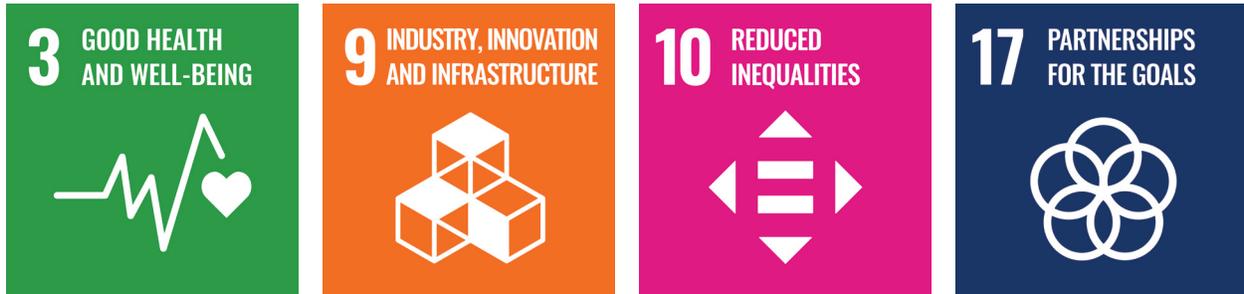
Strong 2022 Financial Profile



Note: Please refer to Royalty Pharma's Current Report on [Form 8-K](#) dated February 15, 2023 for our GAAP to non-GAAP reconciliations.

OUR APPROACH TO ESG AND SUSTAINABILITY

We are continuing to shape our ESG efforts and are committed to expanding our sustainable development strategy. We have aligned our ESG efforts with the four [United Nations \(UN\) Sustainable Development Goals](#) (SDGs) where we believe that we can have the greatest impact based on our business, strategy and expertise.



2022 Sustainability Highlights

- Committed to approximately \$29 million in charitable pledges and contributions
- Engaged third-party consultants to improve our ESG practices and strategies
- Conducted our first materiality analysis
- Improved the comprehensive benefits offered to employees
- Expanded opportunities for employee professional development
- Increased communication and alignment between the ESG Committee and the Nominating and Corporate Governance Committee on ESG progress

Engaging our Stakeholders

During our first materiality assessment in 2022, we conducted stakeholder surveys, interviews and workshops, engaged in dialogue with our ESG Committee, performed document analysis and industry research. Our process included consultations with investors, employees, senior management and directors.

From this analysis, we identified the following material issues:



BUSINESS OVERSIGHT

- Corporate Governance
- ESG Governance



PATIENTS

- Responsible Investment
- Access to Health and Medicine



TALENT

- Diversity, Equity and Inclusion
- Human Capital Management

In the coming years, we will prioritize these key areas of focus to identify opportunities for improvement and differentiation based on our unique business model.

Accelerating Innovation

We play an important role in accelerating innovation in life sciences to transform patient lives. We partner with institutions and companies at the forefront of discovering lifesaving therapies to improve human health with funding solutions tailored to the needs of our partners.

Highlights

- From 2020 to 2022, 91% of transactions by value were executed with academic institutions, non-profits or small- and mid-cap biopharmaceutical firms
- Grew portfolio to address more than 30 diseases across 7 therapeutic areas as of March 2023
- Acquired royalties on six new therapies in 2022
- Donated and pledged approximately \$29 million in 2022 to non-profits focused on health equity and underserved communities

\$20 million committed to Mount Sinai, \$7.5 million committed to the Leukemia & Lymphoma Society (LLS) over five years and \$1 million committed to Cambridge in America

The unprecedented pace of biopharmaceutical innovation in recent years, coupled with the proliferation of new biopharmaceutical companies and the increasing cost of drug development, has created a significant need for capital in the biopharmaceutical ecosystem. As a company focused on providing tailored funding solutions to harness the potential of this groundbreaking era of innovation in medicine, we are well positioned to thrive in this rapidly growing market.

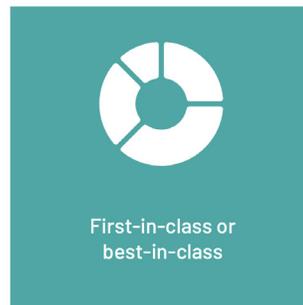
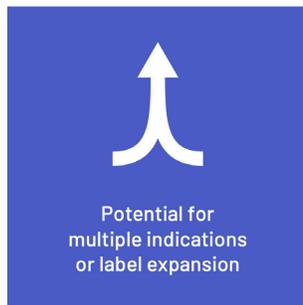


Responsible Investment

Our mission is to accelerate innovation in life sciences and transform patient lives globally.

We play a crucial role in biopharmaceutical innovation by funding the development of leading biopharmaceutical products that positively impact human health. We estimate that academic institutions and non-profits will spend more than \$1 trillion to fund life sciences research and development over the next decade. Over the same period, currently unprofitable biopharmaceutical companies are expected to require more than \$1 trillion in capital to fund operating expenses to develop and commercialize new therapies. We are committed to continuing our important role in supporting innovation to benefit patients.

Our Framework Focuses on Key Product Success Factors



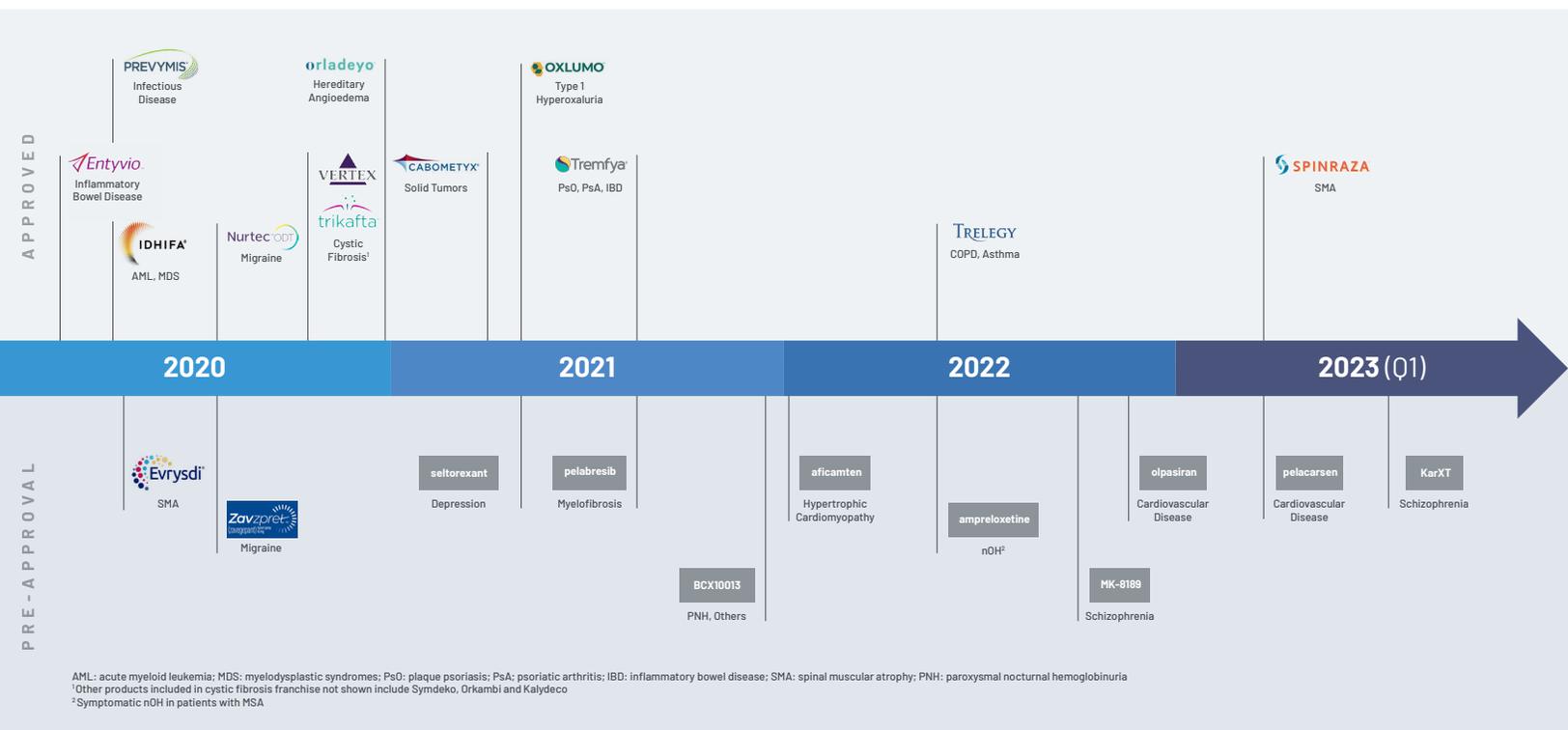
UNIQUE BUSINESS MODEL

Royalty Pharma is currently the largest buyer of biopharmaceutical royalties and a leading funder of innovation in the industry. We support innovation directly and indirectly in the following ways:

- Direct partnerships with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties or milestones
- Indirect acquisitions of existing royalties from the original innovators, which provides these organizations with immediate capital to fund additional research

We have a highly flexible, capital-efficient business model that is agnostic to therapeutic area and treatment modality, allowing us to acquire royalties on some of the most attractive therapies across the biopharmaceutical industry.

Increasing Diversification of Portfolio



Since 2020, we have announced approximately \$10.5 billion in transactions to fund innovation. In that time, we acquired royalties on 31 unique therapies, 16 of which were development-stage. The therapies in our portfolio address more than 30 diseases which cover 7 therapeutic areas as of March 2023.

We believe that the size and diversification of our portfolio compare favorably with many of the largest biotechnology companies. We anticipate that our portfolio will continue to grow as we invest in approved and development-stage therapies in the years to come.

Our Portfolio

<p>29% Neurology Nurtec ODT Zavzpret Tysabri KarXT seltorexant MK-8189 trontinemab amprelosetine</p>	<p>28% Rare Disease Trikafta Kalydeco Orkambi Symdeko Evrysdi Spinraza Oxlumo Orladeyo Crysvita BCX10013</p>	<p>19% Cancer Trodelvy Xtandi Imbruvica Cabometyx Erleada tulumimetostat pelabresib</p>	<p>8% Cardio-Metabolic Farxiga Soliqua aficamten pelacarsen olpasiran</p> <p>6% Hematology Promacta</p>	<p>5% Immunology Tremfya Entyvio</p> <p>3% Respiratory Trelegy Airsupra</p> <p>2% Other</p>
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The above reflects each therapeutic area's percentage of 2022 Royalty Receipts except for Spinraza royalties as these were added to our portfolio in 2023.

Biohaven Case Study

Challenge

Migraines, characterized by debilitating headaches and reduced functionality, are a pervasive problem that affects an estimated 15% of the U.S. population and costs approximately \$27 billion annually. Prior to the development of Nurtec ODT (rimegepant), an oral CGRP inhibitor, the therapeutic options for migraine sufferers had major limitations:

- Triptans offer inadequate relief and are contraindicated for many patients
- NSAIDs have potential gastrointestinal/cardiovascular side effects
- Opioids have a risk of abuse/misuse



Investment and Outcome

Biohaven, a clinical-stage biopharmaceutical company at the time, developed Nurtec ODT, an oral, small-molecule calcitonin gene-related peptide receptor antagonist for the acute treatment and prevention of migraine. Two positive Phase 3 trials demonstrated clear efficacy for Nurtec ODT, including rapid onset of pain relief with one dose and sustained benefit through 48 hours.

Biohaven needed a partner who understood the business and could grow with the company. Royalty Pharma entered into the first of multiple funding transactions with Biohaven in 2018 to provide the resources needed to support Nurtec ODT's development through commercialization, zavegepant's clinical development, glutamate modulator platform advancement and advancement of the company's earlier pipeline and clinical infrastructure.

Nurtec ODT received Food and Drug Administration (FDA) approval in 2020 and EU approval in 2022 (under the brand name Vydura) and is now launching globally. In addition, zavegepant was approved by the FDA as Zavzpret in March 2023 as an intranasal formulation for acute treatment of migraine.

We partnered with Biohaven in four transactions totaling approximately \$760 million in funding to accelerate the development and commercialization of innovative migraine therapies for patients. In 2022, Pfizer acquired Biohaven. We expect Pfizer to significantly expand patient access globally to this transformative medicine.



"When you look at the Company's performance, we've had an increase in valuation—over 50 percent—every single year since our IPO, and that's really thanks to Royalty Pharma helping to fund the company. I have to say I think it was the most important decision we made as a company. I don't think there is any other company that would have been as innovative as Royalty Pharma and creative with us along the way. It is really thanks to Royalty Pharma that we've had the success we have today."

Dr. Vlad Coric, CEO of Biohaven

ROBUST DUE DILIGENCE

Royalty Pharma's comprehensive due diligence process has been sharpened over 25+ years and ESG considerations are a component of our investment process. 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 thorough due diligence. Our ESG due diligence process depends on investment-specific considerations, such as our level of influence and control.

Ahead of an initial investment, we leverage the expertise of Royalty Pharma's management team and third-party experts and advisors to assess ESG-driven risks and identify ESG-driven opportunities. Our objective is to identify and assess material ESG, regulatory, geopolitical and reputational considerations, while advancing consistent and thoughtful responsible investment processes in the biopharmaceutical industry.

We generally partner with companies that operate under the oversight of major regulatory agencies and adhere to industry standards, such as [PhRMA's Principles on Conduct of Clinical Trials](#) and [BIO's Principles on Clinical Trials](#).

In our due diligence process, we may rely in part on insights from health care professionals. Our [Code of Business Conduct and Ethics](#) applies to our interactions with health care professionals.



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

In 2023, we published our [Responsible Investment Policy](#). The policy outlines how we identify opportunities and minimize ESG risk in our investment practices. Royalty Pharma is committed to responsible investment through:

- Incorporating material ESG, regulatory, geopolitical and reputational considerations, including access to health and medicine, research and development, ethical clinical trials, therapeutic area profile, ethical conduct and product quality and safety into Royalty Pharma’s investment decision-making and management practices. This includes considering key risks and opportunities during the due diligence process and, where we believe we can have a material impact, engaging on these matters with our partners
- Leveraging the expertise of Royalty Pharma’s management team and third-party experts and advisors to assess ESG-driven risks and identify ESG-driven opportunities
- Advancing consistent and thoughtful responsible investment processes in the biopharmaceutical industry by collaborating with key stakeholders
- Accountability for Royalty Pharma’s responsible investment approach, progress and goals through transparency to the public, investors and other stakeholders. This includes periodic reports on our ESG performance, including public ESG reporting and disclosure
- Maintaining Royalty Pharma’s governance and culture to ensure that Royalty Pharma acts as a good citizen in the community

Our policy details a formal procedure to evaluate all Royalty Pharma investment activities and includes the following:

- 1) We review and evaluate investment opportunities for potential exclusionary issues. This review determines whether there are any critical ESG or reputational concerns with regard to a potential investment or partner.
- 2) We conduct due diligence on deal-specific issues. During this step, we evaluate material ESG risks and opportunities related to the investment or partner, including access to health care and medicine, research and development, ethical clinical trials, therapeutic area profile, ethical conduct and product quality and safety.
- 3) We review and record our findings. In this phase, we document key risks and opportunities in discussions and investment decisions as they relate to the investment or partner. In addition, we track relevant findings even when no additional actions are needed.

Accountability for our investment process extends throughout our organization and is supported by subject matter experts, who collaborate to achieve strong outcomes, and our executive leadership, who provides ultimate oversight of our responsible investment efforts.

We are committed to driving continuous improvement in our approach and integrating ESG into our strategies and investments. Our Nominating and Corporate Governance Committee will review our Responsible Investment Policy at least annually and provide updates when needed.

Access to Health Care and Medicine

INVESTMENTS

Our business model promotes the development of innovative therapies.

We support expanding patient access to health care and medicine by providing funding to organizations addressing unmet patient needs through innovation and engaging in philanthropic activities.

Our initial \$3.3 billion acquisition of royalties on cystic fibrosis (CF) franchise products, which included Kalydeco and what later became approved as Orkambi, Symdeko and Trikafta, from the Cystic Fibrosis Foundation more than doubled funding to develop new life-saving therapies and support CF patient care. This was the largest pharmaceutical royalty purchase ever completed at the time and was described as “a transformational moment for people with cystic fibrosis and the entire CF community” by Cystic Fibrosis Foundation Former President and CEO Robert J. Beall, Ph.D.

Our due diligence process is an important element of supporting access. We assess the profile of a product and consider whether it is a first- or best-in-class product and/or provides a benefit over existing treatments.



"These new funds give us a tremendous opportunity to supercharge our efforts to develop lifesaving new therapies, ensure that the best possible care and resources are available for people with CF, and pursue daring, new opportunities that one day may lead to a permanent, lifelong cure for this disease."

Robert J. Beall, Ph.D.; Cystic Fibrosis Foundation Former President and CEO

Approximately 55% of the therapies from which we receive royalties address diseases on the 2022 Access to Medicines Index.*

*The rare disease classification is assigned to products that have received Orphan Drug Designation from the FDA.



"Royalty Pharma takes a holistic approach to investing. Our ultimate goal is to invest in therapies that transform patient lives globally and, as such, ESG considerations are incorporated into our investment process. While the attractiveness of any given opportunity is based on many factors, how a particular medicine will positively impact human health is of critical importance and the lens through which we examine each opportunity."

Brienne Kugler, Senior Vice President, Research & Investments

PROVIDING CAPITAL TO SUPPORT CLINICAL DEVELOPMENT

In November 2022, we announced the acquisition of a royalty interest in olpasiran for \$250 million and future milestones from Arrowhead, a leader in RNA interference (RNAi) therapeutics, to help achieve their strategic objectives and fund their attractive pipeline. Olpasiran is a small interfering RNA (siRNA) originally developed by Arrowhead using its proprietary Targeted RNAi Molecule, or TRiM™, platform and licensed to Amgen in 2016. Olpasiran is designed to lower levels of lipoprotein(a) (Lp(a)), a genetically-determined independent risk factor for cardiovascular disease, and is entering a Phase 3 cardiovascular outcomes study to determine whether treatment with olpasiran can reduce the risk of cardiovascular events in patients with atherosclerotic cardiovascular disease and high levels of Lp(a). Cardiovascular disease remains the most common cause of death worldwide despite certain treatment advances and new therapeutic targets are greatly needed. Olpasiran is a promising medicine in late-stage development with the potential to lower lipoprotein(a). This transaction is consistent with our strategy of acquiring royalties on innovative therapies in areas of high unmet patient need.

We serve a unique role at the heart of funding life sciences innovation and believe there will continue to be significant opportunities to deploy capital and fund innovation with the goal of providing patients with access to innovative medicines.

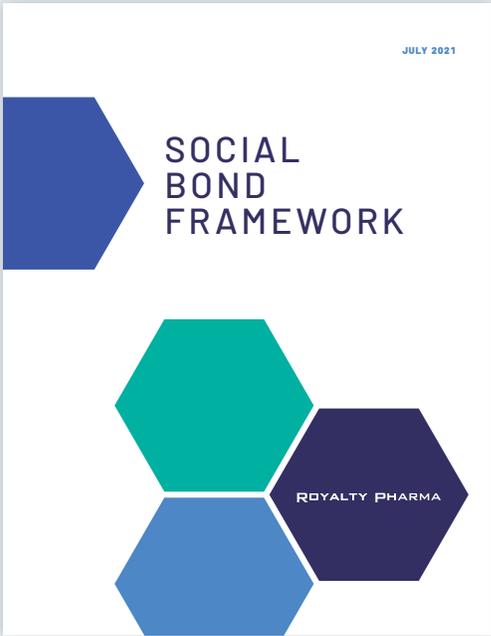
Social Bond

In 2021, we introduced our [Social Bond Framework](#). Through the issuance of social bonds, we aim to finance and refinance, in whole or in part, social investments that align with our mission to positively impact human health.

We intend for our social bond proceeds to be used for investments related to partnerships that fund innovation in the biopharmaceutical industry and treat diseases such as:

- Orphan diseases, as defined by the FDA
- Top diseases or leading causes of death, as defined by the World Health Organization (WHO) and/or the UN
- Diseases that are underserved by research and treatment options

ISS ESG, our second-party opinion provider, determined that our Social Bond Framework made a “significant contribution to SDG 3.”



IMPACT OF OUR INAUGURAL SOCIAL BOND

In 2021, we issued our inaugural social bond under our Social Bond Framework, consisting of \$600 million fixed-rate 10-year notes. Eligible investments advanced our broader ESG initiatives and contributed to SDG 3 (Good Health and Well-being) and SDG 9.5 (Enhance Scientific Research, Encourage Innovation).

Building on our commitment to diversity, equity and inclusion, the co-managers for our bond issuance included minority- and women-owned business enterprises and service-disabled veteran-owned business firms.



“The issuance of our inaugural Social Bond in July 2021 enabled us to continue executing on our mission as we deploy capital to fund innovation in the biopharmaceutical industry. We are proud to have fully allocated these proceeds as of June 2022 across six qualifying investments, including the acquisition of the Cystic Fibrosis Foundation’s residual royalty interest on Vertex’s cystic fibrosis franchise and direct investments with biopharmaceutical partners to accelerate the development and launch of therapies to treat rare and debilitating diseases.”

Sarah Cata, Vice President, Treasurer

PHILANTHROPY

We support access to medicine through innovation. Our philanthropic efforts seek to address the challenges of a complex, evolving world by providing funds and resources to support programs that do the following:

- Enable innovation in life sciences
- Reduce the risk of disease
- Strengthen and ensure equal access to quality health care

We have donated and pledged approximately \$29 million in 2022 to non-profits focused on health equity and underserved communities.

ADDRESSING SYSTEMIC INEQUITIES THROUGH PHILANTHROPY

Royalty Pharma has established multiple partnerships aimed at supporting institutions that are leading the way in promoting access to high-quality care.

MOUNT SINAI Our \$20 million commitment to Mount Sinai established the Mount Sinai-Royalty Pharma Alliance for Health Equity Research to support the Institute for Health Equity Research (IHER) in its ongoing efforts to close the health care disparity gap and translate discoveries into sustainable, scalable initiatives and policies that break down systemic barriers to care among communities in New York City, the United States and the world.

In addition to our \$20 million commitment, we and researchers at Mount Sinai are undertaking a joint research collaboration that leverages our proprietary datasets and Mount Sinai's population data to programmatically identify racial and other inequities in how patients with common diseases, such as type 2 diabetes and chronic kidney disease, are treated and these patient outcomes. From this collaborative research and intellectual exchange, the alliance between Royalty Pharma and Mount Sinai is designed to deepen our shared commitment to resolving disparities in medicine and promoting health equity.

LIFE SCIENCE CARES NEW YORK In 2022, Royalty Pharma was proud to be a founding platinum corporate sponsor for the launch in New York City of Life Science Cares (LSC), a collective effort of the life science industry to reduce the impact of poverty. LSC unites the human and financial resources of local companies and industry leaders to support non-profit service organizations doing the strongest work fighting poverty and inequalities in New York. LSC focuses on education and its impact on poverty – providing support to two local organizations, BioBus and HYPOTHEkids, to improve STEM education and provide opportunities for future careers in life sciences. These organizations were selected based on their incredible commitment to teaching science in dynamic ways to underserved and underrepresented children in New York City.

LEUKEMIA AND LYMPHOMA SOCIETY (LLS) Myeloma is the most common blood cancer in African Americans, and it affects this population twice as much as white Americans. However, African Americans are less likely to receive the newest information and therapies and are more likely to experience treatment delays. To address these barriers to information and treatment, we made a charitable commitment totaling \$7.5 million to LLS, a global leader in the fight against blood cancer.

Our commitment is intended to advance LLS' work to overcome these disparities by bringing information and support to people in their communities. Through Myeloma Link, LLS works with trusted institutions in African American communities, including churches, senior centers and community health centers, to raise awareness about myeloma, educate communities about the signs and symptoms of the disease, provide information on myeloma and connect people with the resources they need. In 2022 alone, this initiative reached over 20,000 participants through 60 events, including 12 patient education programs, 28 community awareness activities and 4 health care provider education programs.

SUPPORT OF PHYSICIANS IN EMERGING MARKETS

Our CEO and founder, Pablo Legorreta, has spent more than 10 years dedicated to improving the health ecosystem in Latin America, an important emerging market. Through his efforts, Mr. Legorreta connected Alianza Médica para la Salud (AMSA), a non-profit organization dedicated to educating and empowering physicians in Latin America, with the Open Medical Institute (OMI), an international initiative which aims to improve healthcare on a global scale through education and research. Physicians trained by the OMI are given the opportunity to improve their medical skillsets and learn how to enhance the health care systems in their communities.



In addition to Mr. Legorreta's personal work and contributions totaling more than \$7.6 million, Royalty Pharma has pledged \$320,000 to the American Austrian Foundation to underwrite OMI's costs for three in-person and broadcast seminars over a three-year period.

OMI trained 3,387 physicians from Latin America in partnership with AMSA from 2010 to 2022

GIVING BACK TO OUR COMMUNITY

We recognize our responsibility to giving back to our local community. In 2022, we enhanced our community engagement efforts with new initiatives, including in-person volunteering events.

In addition to these new initiatives, we launched a matching charitable donation program in 2022. This program provides each employee with a match of up to \$1,000 in donations to the charities of their choosing.

Building and Supporting Talent

11.9% headcount growth in 2022

11 years average tenure among the executive leadership team

5.6% total turnover in 2022

100% access to competitive benefits

Talent Management and Engagement

Our ability to hire and retain top talent is a driving force behind our culture. We are focused on creating a supportive and values-based culture that elevates our employees' health, well-being and growth.

IN 2022, WE CONTINUED TO INVEST IN OUR WORKPLACE CULTURE BY SUPPORTING OUR EMPLOYEES ACROSS MANY FACETS OF WELLNESS.

Employee Health and Wellness

One area of focus is supporting the general well-being of our employees. In 2022, we hosted a dedicated wellness month and introduced a variety of wellness initiatives for employees.

Community Engagement

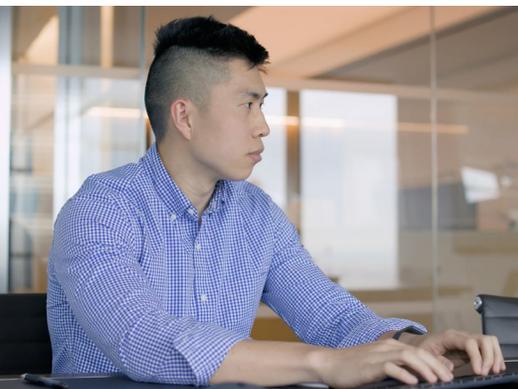
We encourage our employees to give their time and resources to causes that they value and we help coordinate teams so they can engage in volunteer opportunities with local organizations.

Company Culture

We hold offsites to foster community in the workplace. In 2022, we hosted a company-wide retreat that included an in-depth workshop on company culture. We also launched a Fireside Chat Initiative featuring interactive discussions between employees and Board members, executive management and other prominent senior members of the life sciences community.

Professional Development

We enhance employee growth through professional development offerings. In 2022, we expanded our intensive six-month leadership program to include employees at various organizational levels and solicited feedback on what future training they would like to see offered.



COMPENSATION AND BENEFITS

We offer employees a competitive salary and all employees are eligible for an annual cash bonus. As part of the compensation package, we provide access to a 401(k) retirement plan and we began offering a 401(k) match of up to 5% in 2023. We pay more than 95% of the aggregate cost of medical insurance premiums for all employees and 100% of premiums for dental, vision, long-term disability and life insurance. In 2022, 90% of employees were granted restricted stock awards in an effort to further align the interests of employees with the performance of the Company.

ROYALTY PHARMA OFFERS THE FOLLOWING COMPETITIVE BENEFITS TO ALL EMPLOYEES

- Generous paid vacation time, including 25 days of paid time off (PTO), which includes two quiet weeks, in addition to 13 holidays
- Full medical, vision and dental benefits
- Access to a 401(k) plan with Company match
- Long-term disability and limited life insurance
- Hybrid schedule
- Fitness options
- Complimentary COVID-19 and flu vaccination shots
- Commuter benefits
- Company match for charitable 501(c)3 contributions

To help employees make the best decisions for themselves and their families, we provide access to a health care benefit consultation service and an employee assistance program. Employees have the option to enroll in several additional benefits, including accident insurance, identity theft protection, legal service plans and flexible spending accounts.

In 2023, we began offering complimentary membership to One Medical, a membership-based primary care practice that makes it easier to receive quality health care. Through One Medical, employees have access to a primary care provider, virtual health care services, same-day and urgent needs appointments and mental health services. Employees also have access to TouchCare Healthcare Concierge, which offers unlimited consultations from a team of professional advisors who can assist with addressing medical billing mistakes, finding and coordinating with health care providers and selecting a health insurance plan.



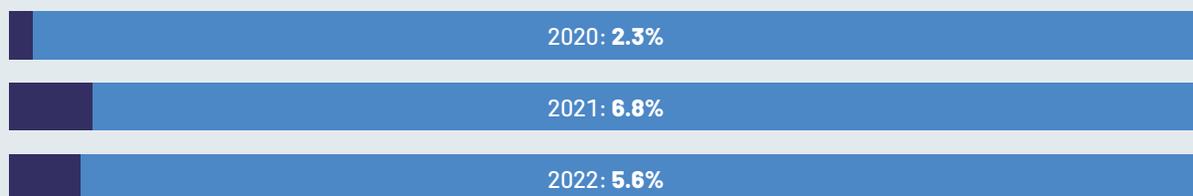
WORK/LIFE BALANCE

We take a thoughtful approach to work/life balance. After conducting a survey in 2021 and listening to employees, we determined that the future of work at Royalty Pharma is hybrid. To support this hybrid workplace structure, under which most employees work remotely twice per week, we provide in-home office equipment and technology.

We support employees during all stages of their lives. For employees who are growing their families, we ensure that parents have quality time to adjust and bond with the newest member of their family by offering 16 weeks of leave to the primary caregiver and four weeks of leave to the secondary caregiver.

Furthermore, we offer generous PTO each year as well as added flexibility during the holidays.

VALUING OUR EMPLOYEES HAS RESULTED IN EXCEPTIONALLY LOW TOTAL TURNOVER RATES



PROFESSIONAL DEVELOPMENT

Employee Evaluations

We prioritize open lines of communication with regular check-ins to conduct employee evaluations. Employees are evaluated at least annually and each department head is empowered to adopt a schedule and strategy that works best for their team.

Coaching and Training

In 2021, we launched an employee learning and development program featuring external leadership coaches. The program helps participants identify personal development goals and enhance their leadership skills through three core components: group coaching, self-development and social learning.

In 2022, we committed to expanding our intensive six-month leadership program. As of December 31, 2022, 48% of our employees have completed this program. Our goal is to expand this opportunity to everyone at the Company who wishes to participate.

We also offer an array of professional development training throughout the year, including, beginning in 2023, a course offered by Harvard University on advanced negotiations. We encourage continuing professional education for our employees and provide tuition reimbursement and extend education reimbursement to all employees on a case-by-case basis.

CHIEF SPONSORSHIP

Royalty Pharma supports our employees' pursuit of professional and personal goals. We sponsor the membership fee for our high-performing senior-level women who are part of the Chief Network, a private professional network designed to enable women in C-suite, senior executive, and VP positions to strengthen their leadership, magnify their influence and pave the way to bring others with them.

A FIRESIDE CHAT WITH ROYALTY PHARMA BOARD MEMBER CATHY ENGELBERT

We initiated fireside chats to inspire, engage and strengthen lines of communication. The chats are designed to highlight an individual and their professional journey and invite them to share insights they have gained throughout their professional journey. Our first fireside chat in 2022 featured Cathy Engelbert, a Board member who spoke about becoming the first female CEO of Deloitte and, later, the commissioner of the Women's National Basketball Association. She emphasized the value of participating in mentor programs and building a network, and shared how she establishes trust with colleagues by focusing on the little wins.



Cathy Engelbert, Royalty Pharma Board member

The first fireside chat received extremely positive feedback, and we look forward to hosting more. Kristin Stafford, Chief Accounting Officer, enjoyed the experience and sees the value in these conversations in the workplace.



"Our fireside chat with Cathy Engelbert was a fantastic opportunity for the women at Royalty Pharma to have an intimate discussion centered on female leadership. Hearing about Cathy's journey was truly inspirational. We are fortunate to have such an impressive trailblazer on our Board who is also an advocate for the advancement of women in the workforce."

Kristin Stafford, Senior Vice President, Chief Accounting Officer

SAFETY

We do not tolerate discrimination or harassment. We actively promote a safe and respectful work environment for all employees. Our Policy Prohibiting Discrimination, Harassment and Retaliation is specifically designed to be broader than the law and prohibits unwelcome conduct. It is our policy to keep any such complaints, as well as the resolution of such complaints, confidential to the extent practicable, subject to the Company's responsibility to conduct an appropriate investigation and take necessary disciplinary action. Annual certification of compliance with the Employee Handbook and Harassment Prevention Training is required and 100% of employees completed this training in 2022.

Diversity, Equity and Inclusion

We strive to create an environment in which employees feel empowered to bring their full and authentic selves to work. We are committed to practices that promote diversity, equity and inclusion (DEI), including the following activities:

- Encouraging supervisors to foster an inclusive environment in which employees are valued for their diverse perspectives and viewpoints
- Recruiting candidates from diverse backgrounds and lawfully expanding advancement opportunities for diverse employees
- Enforcing the Company's equal employment opportunity, non-discrimination, non-harassment and non-retaliation policies

DIVERSITY INTERNSHIP PROGRAM THROUGH PROJECT ONRAMP

Royalty Pharma is proud to support the inaugural summer of Project Onramp NYC in 2023 through the hiring of two interns for our Research and Investments team. Project Onramp creates paid summer internships for college students who are under-resourced and underrepresented, helping to bridge the opportunity gap for these promising young people.

We have partnered with industry experts to establish a strategy and implement supporting initiatives. In 2022, 74% of employees participated in a workshop hosted by external experts focused on unconscious bias. Prior to the workshop, employees were encouraged to take two implicit association tests which helped explore embedded assumptions that many people have about particular groups and/or identities.

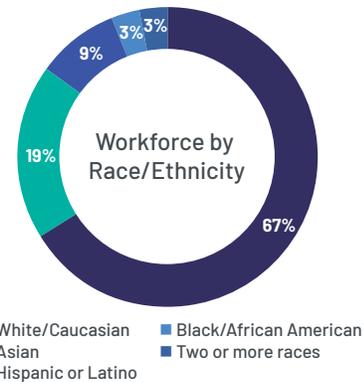
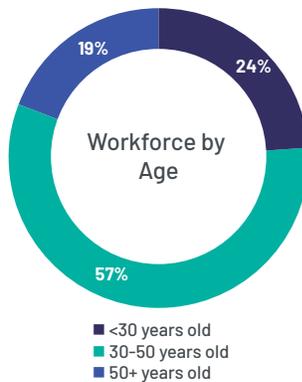
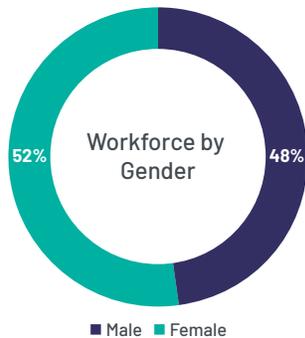
In 2022, 50% of new hires were ethnically or racially diverse



“As the Head of Human Capital at Royalty Pharma, my goal is to cultivate an environment that fosters collaboration and provides opportunities to learn and grow both professionally and personally. Diversity has been at the forefront of Royalty Pharma’s initiatives and, to that end, we have created the Senior Leadership Committee, comprised of a diverse group of professionals who focus on listening and embracing various points of view to effect positive change throughout Royalty Pharma.”

Alessandra Sassun, Head of Human Capital

2022 Workforce Diversity Data



Percentages may not total 100 due to rounding

In 2023, we formed a DEI taskforce. Comprised of a cross-section of employees from different departments, tenures and levels, this advisory group will help share our DEI efforts internally by offering suggestions and recommendations for how best to embed DEI into all aspects of Royalty Pharma’s culture. This group will meet regularly to discuss issues and offer solutions to leadership.

To inform this work and generate useful insights regarding DEI and other matters, we will deploy an employee engagement survey. We are hopeful that this initiative will cultivate a more diverse and inclusive Royalty Pharma.

Engaging with Employees

Royalty Pharma has an open-door culture that empowers employees to speak freely and directly address issues with their teams and managers. This feedback is essential to ensuring that we understand the perspectives and concerns of our employees who are fundamental to the success of the business. We have also leveraged surveys to gather input on important topics such as our transition to a hybrid work model.

We engage with employees through regular town hall meetings which provide updates on topics such as the business, financial performance and human capital. Ahead of each meeting, employees are welcome to submit questions for the leadership team to address.

Recognizing and celebrating accomplishments are additional areas of focus for employee engagement. It is important to us to acknowledge and celebrate the achievement of company goals and recognize individual, team and overall achievements.

COMPANY RETREAT

During our 2022 companywide retreat, all employees gathered offsite for two days of team building in an informal setting. A guest speaker hosted a workshop that facilitated a discussion on culture and opportunities to further improve the working environment. As a result of this positive engagement, we have implemented more frequent town hall meetings, created more opportunities for up-and-coming talent to take the lead on company projects, formed the Senior Leadership Committee and implemented more regular company-wide communications from senior leaders.



SENIOR LEADERSHIP COMMITTEE

As the Company grows, we are committed to ensuring that employee voices are heard. We believe that positive change at the Company will be fueled by the diverse backgrounds, viewpoints and experiences that our employees bring to the table.

In 2022, we formed the Senior Leadership Committee. This committee is structured to promote cross-functional collaboration throughout the Company so that senior employees can tackle challenges, debate issues and contribute to strategic initiatives. We are also making strides to advance women in our leadership ranks, with women representing 31% of our senior leadership team.

Managing our Business

At Royalty Pharma, we believe that our ESG strategy, policies and practices will create sustainable long-term value for our company, employees, shareholders and other stakeholders.

GOVERNANCE HIGHLIGHTS	
<p>New Governance Policies and Practices</p> <ul style="list-style-type: none"> Supplier Code of Conduct Responsible Investment Policy Executive Share Ownership Policy Clawback Policy Employee Restricted Share Award Program 	<p>Expanded ESG Reporting</p> <ul style="list-style-type: none"> ESG Fact Sheet GRI Standards SASB Standards Inaugural ESG Report in 2023

Board Structure

BOARD LEADERSHIP

The Chairman of the Board is our founder, Pablo Legorreta, who has also led the Company as CEO since its inception. Henry Fernandez, the CEO of MSCI Inc., serves as Royalty Pharma's Lead Independent Director, presiding over periodic meetings of our company's independent directors and serving as a liaison between directors and the Chairman of the Board. Furthermore, 90% of our Board is independent, and 100% of our Board committees are comprised of independent directors.

Our Board believes that its independence from and oversight of management are maintained effectively through its leadership structure, composition and sound corporate governance policies and practices.

BOARD PERFORMANCE EVALUATION AND SUCCESSION PLANNING

Board and committee evaluations are ongoing and dynamic. In addition to regular open discussions, the Board conducts an annual evaluation to determine the effectiveness of the Board, its committees and each Board member. This process also provides an opportunity to reflect upon and improve processes. In terms of succession planning, the Nominating and Corporate Governance Committee and the Board itself may recommend director candidates for election to the Board.

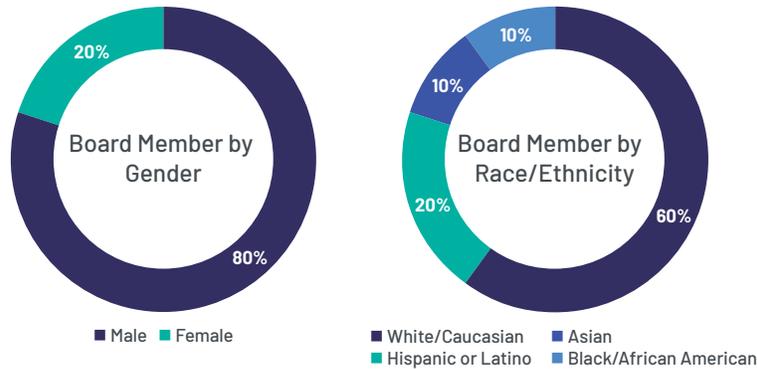
Board Skills Matrix



	PABLO LEGORRETA	✓		✓	✓			✓		✓
	HENRY FERNANDEZ	✓	✓		✓		✓	✓	✓	✓
	BONNIE BASSLER, PH.D.	✓		✓		✓	✓		✓	
	ERROL DE SOUZA, PH.D.	✓		✓	✓	✓	✓	✓	✓	✓
	CATHERINE ENGELBERT	✓	✓		✓		✓	✓	✓	
	M. GERMANO GIULIANI	✓	✓	✓	✓		✓			
	DAVID HODGSON	✓	✓		✓		✓	✓	✓	
	TED LOVE, M.D.	✓		✓	✓	✓	✓	✓	✓	✓
	GREGORY NORDEN	✓	✓	✓	✓		✓	✓	✓	
	RORY RIGGS	✓	✓	✓	✓		✓	✓		

BOARD DIVERSITY

We believe that the inclusion of diverse backgrounds and perspectives is critical to successful performance. The Nominating and 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.



Shareholder Engagement

Royalty Pharma communicates with investors regularly through investor meetings, investor conferences, press releases, conference calls and our website.

Shareholder Engagement by the Numbers



INAUGURAL INVESTOR DAY

During our Inaugural Investor Day, we highlighted our strong growth outlook and the power of our unique business model. Our leadership team provided a deep review of our business model and strategic plan to drive value creation for all stakeholders, including through our commitment to ESG.

Presentations included a partner testimonial underscoring our position as the leading partner funding innovation in life sciences as well as a video showcasing our engaged, team-oriented culture.

[View our Investor Day Presentation](#)

[View our Partner Testimonial Video](#)

[View our Video Introduction to Royalty Pharma's Culture](#)



ESG Oversight

At Royalty Pharma, we believe that appropriate controls and oversight are essential to effective operations and sustainable growth. The Board provides general oversight of our ESG approach and the Nominating and Corporate Governance Committee is tasked with primary oversight of our ESG policies, practices and progress. 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.



Royalty Pharma sponsored and organized the Accelerating Bio-Innovation Conference

CROSS-FUNCTIONAL ESG COMMITTEE

Royalty Pharma maintains a dedicated, cross-functional ESG Committee comprised of managers and team leads across several departments, including legal and human resources.

The goals of the ESG Committee are to formalize and strengthen our ESG efforts and foster ESG integration throughout the Company. The ESG Committee usually meets weekly and provides quarterly updates to the Nominating and Corporate Governance Committee of the Board.



HENRY FERNANDEZ

As Lead Independent Director, Henry Fernandez is committed to further integrating ESG into our operations to generate sustainable value for investors.

Mr. Fernandez is uniquely equipped to drive this effort, as he also serves as CEO of MSCI. He was selected to serve on our Board because of his extensive finance, leadership and ESG experience.

"The full integration of ESG into a corporation's strategy minimizes risk and protects the long-term value creation of an organization and the interests of its stakeholders."

Henry Fernandez, Lead Independent Director of Royalty Pharma plc and CEO, Director and Chairman of MSCI Inc.

Policies and Practices

At Royalty Pharma, we maintain robust governance policies and practices that adhere to high standards of regulatory compliance, ethics, transparency and integrity.

ETHICS AND COMPLIANCE

We maintain a Compliance Manual as well as a [Code of Business Conduct and Ethics](#) that must be annually reviewed with certification by all employees of their obligation to comply with these policies. In 2022, 100% of employees certified that they had reviewed the Code of Business Conduct and Ethics.

We also maintain a [Supplier Code of Conduct](#) that represents our expectations and those of our industry for sustainable performance. This Supplier Code of Conduct includes ethical concerns such as business integrity, fair competition, animal welfare, data protection and conflicts of interest. It also addresses labor concerns, including non-discrimination.

Our [Human Rights Policy](#) is aligned with the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We base our Human Rights Policy commitments on the International Bill of Human Rights and the principles set out in the International Labour Organization's Declaration of Fundamental Principles and Rights at Work. Our Human Rights Policy applies to our operations, and we expect the same commitments from our partners.

Furthermore, our [Whistleblower Policy](#) establishes procedures for the receipt and handling of complaints. Any employee may anonymously submit a good faith complaint through our whistleblower hotline without fear of retaliation of any kind.

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 a potential conflict of interest may arise. All employees must certify disclosure of any conflicts of interest annually.

DATA PRIVACY AND CYBERSECURITY

Royalty Pharma maintains a robust Cybersecurity and Personal Data Breach Policy that reflects our efforts to mitigate risks. Our Chief Technology Officer oversees our cybersecurity strategy, including implementing policies and procedures, escalating issues that present a material risk and ensuring that all employees have sufficient cybersecurity training. The Chief Technology Officer reports to the CEO and periodically briefs the Audit Committee and the Board on cybersecurity issues. Several members of our Board bring experience in managing and mitigating technology risks which aids in overseeing our information security. Our Technology Committee identifies, monitors and prioritizes the Company's cybersecurity risk environment as well as promotes awareness and proactive risk mitigation and accountability.

Our technology team monitors our security infrastructure with tools designed to detect suspicious behavior. We use a platform to conduct phishing simulations and 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. All employees as well as anyone with access to our electronic systems, information, software and hardware are required to follow our cybersecurity policy. In 2022, 100% of employees acknowledged this policy through signed attestations of the Compliance Manual.

Managing our Environmental Impact

Our Commitment to the Environment

We are committed to implementing key sustainability practices across our operations and taking steps to measure, manage and minimize our environmental impact where possible. We believe that sustainability is critical to addressing related risks and opportunities for our business.

As the largest buyer of biopharmaceutical royalties and a leading funder of innovation across the biopharmaceutical industry, the majority of our operations are office based; thus, our direct environmental impact as a company are low. We are committed to transparency through the publication of our Greenhouse Gas emissions (GHG). We intend to continue expanding our Scope 3 emissions measurements and create a clear framework to reduce our impact in accordance with our Environmental Policy.

Our Commitment to Transparency

We are focused on tracking our carbon footprint, mitigating our impact through energy efficiency and identifying ways to reduce our environmental impact. Royalty Pharma plc conducted a CO₂e emissions measurement for 2021 and 2022.

Royalty Pharma plc's GHG emissions were calculated using methodologies drawn from the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development (GHG Protocol). Adhering to the criteria of the GHG Protocol, Royalty Pharma obtained external limited assurance from Ernst & Young LLP for the emissions disclosed below as part of our ongoing efforts to improve the transparency and accuracy of our disclosures (see Independent Accountants' Review Report at p. 48). Our organizational boundaries were defined using the financial control approach. Therefore, because Royalty Pharma plc is externally managed, it did not have any Scope 1 or Scope 2 emissions. Royalty Pharma plc also performed a scoping exercise to consider relevant Scope 3 emission categories per the GHG Protocol. The analysis identified emissions related to portfolio investments (Scope 3, Category 15) as the most material emissions category under the GHG Protocol.

Our investments for Scope 3 Category 15 are primarily comprised of royalties on a portfolio of biopharmaceutical products. We receive royalties in cash on these products based on respective royalty terms and product performance. Additionally, we are entitled to receive returns on other investments through our joint ventures, equity method investees and holding of debt instruments. We calculated Royalty Pharma plc's Scope 3 Category 15 GHG emissions by disaggregating our portfolio as follows:

Royalty investments for which product marketer/payor emission data is available. We estimated the emissions from such investments by applying a derived emission intensity of the product's marketer or payor to our related royalty receipts. The emission intensity is calculated as the published 2021 Scope 1 and Scope 2 (market-based) emissions from the royalty product's marketer/payor's Carbon Disclosure Project (CDP)'s Climate response or their ESG (or equivalent) report, divided by the marketer/payor's 2021 or 2022 reported revenue taken from their CDP Climate response or their financial reports, such as the annual report.

Royalty investments for which marketer/payor emission data is not available. We estimated the emissions from such investments by applying the estimated emission intensity factor of the product's marketer or payor to our related royalty receipts. The estimated emission intensity is calculated as the average emission intensity from our portfolio of marketers/payors that do have published 2021 Scope 1 and Scope 2 (market-based) emissions data divided by the average reported 2021 or 2022 revenues of these marketers/payors (Estimated Emission Intensity).

Other investments. We estimated the emissions from equity investments in private companies and debt securities with listed companies. We calculated our investees' estimated emissions for 2021 and 2022 by multiplying the investees' total revenue by the Estimated Emission Intensity. We then take a proportionate share of the investees' estimated emissions by multiplying the investees' estimated emissions by Royalty Pharma plc's interests in the investees.

GHG EMISSIONS		Years Ended December 31,	
		2021	2022
Metrics	Unit	Amounts	Amounts
Scope 1 GHG Emissions	Metric tonnes carbon dioxide equivalent ("MT CO ₂ e")	-	-
Scope 2 GHG Emissions (Location-based & Market-based)	MT CO ₂ e	-	-
GHG Emissions from Investments (Scope 3 Category 15)	MT CO ₂ e	18,445	19,610

We are dedicated to being thoughtful in our approach to achieving carbon neutrality. We are committed to creating an ambitious and achievable path to carbon neutrality in the coming years.

Reducing our Operational Footprint

Our New York City office is located in a building with Energy Star certification and WELL designation. We encourage our entire team to play a role in reducing our environmental footprint.

We are taking concrete steps to reduce our environmental impact through initiatives such as conversion to smart, low-voltage, energy-efficient office lighting. Transportation emissions from commuting are minimal, as most employees travel to work using public transportation.



EVERY ACT COUNTS

To minimize the waste we send to landfills, our operations team has spearheaded an effort to limit single-use items by stocking our facilities with reusable glassware, mugs and utensils. When we do order single-use items, our operations team ensures that the items are compostable whenever possible. We have also implemented an ion water filtration system to reduce the need for single-use water bottles and provided each employee with a reusable water bottle to promote use of the filtration system.

Environmental Considerations Across our Partner Network

Our partners are essential to our environmental commitment. In the past year, we have become even more intentional about investing with environmental consciousness in mind. As we look beyond the footprint of our employees and office, we seek partners who value environmental sustainability. This is particularly important because Royalty Pharma neither directly conducts biopharmaceutical research and development nor manufactures or markets the biopharmaceutical assets in which we invest. Thus, we seek to encourage environmental awareness on the part of our partners through our [Environmental Policy](#) and [Supplier Code of Conduct](#).

Promoting Transparency

About this Report

We are pleased to publish Royalty Pharma's 2022 Environmental, Social and Governance (ESG) Report, which is aligned with Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) reporting standards. GRI standards enable organizations to report on their material impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency regarding 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 our business in funding innovation across the biopharmaceutical industry, we have reported against the two SASB sector standards most relevant to our business: 1) Biotechnology & Pharmaceuticals (HC-BP) and 2) Asset Management & Custody Activities (FN-AC). The GRI and SASB indices direct readers to responses contained in this report and external documents.

We are publishing this report on May 5, 2023, based on the January 1, 2022 to December 31, 2022 fiscal year, unless otherwise specified. Where applicable, we have provided updates on our progress in 2022 and our planned activities for 2023.

For questions about this report, please email contact@royaltypharma.com or contact us at 110 East 59th Street, New York, NY 10022. More information about our ESG policies and practices is available on our website, www.royaltypharma.com, under "Corporate Responsibility."

Royalty Pharma plc is externally managed and does not employ its own personnel and instead depends upon RP Management, LLC, and its officers and employees for virtually all of the services it requires. Because RP Management, LLC provides Royalty Pharma plc and its subsidiaries with management for its day-to-day operations, we believe that presenting certain information in this report for both Royalty Pharma plc and its subsidiaries and RP Management, LLC on a combined basis will assist in comparability of our ESG policies and practices with our peers. For purposes of this report only, references to "Royalty Pharma," the "Company," "we," "us," or "our" and similar expressions refer to Royalty Pharma plc and its subsidiaries and RP Management, LLC. References to either Royalty Pharma plc or RP Management, LLC are intended to refer only to the specifically stated entity.

We have obtained limited assurance from Ernst & Young LLP of Royalty Pharma plc's Greenhouse gas emissions (GHG) data for the years 2021 and 2022. See the Independent Accountants' Review Report for full details of the assurance scope, assurance standards used, work undertaken and conclusions. In addition, Royalty Pharma plc's consolidated financial statements are externally audited by Ernst & Young LLP.

GRI Index

Statement of use: Royalty Pharma has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Indicator	Description	Response
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1	Organizational details	Who We Are, p. 4 Workforce performance table, p. 44 2022 Form 10-K, pp. 52-53, 97-98 2023 Proxy Statement, pp. 8-9
	2-2	Entities included in the organization's sustainability reporting	2022 Form 10-K, pp. 97-98
	2-3	Reporting period, frequency and contact point	<p>We are publishing this report on May 5, 2023, based on the fiscal year January 1, 2022, to December 31, 2022. The period for our financial reporting is in line with our ESG reporting period.</p> <p>For questions about this report, please contact us using the address: 110 East 59th Street New York, NY 10022 or at contact@royaltypharma.com</p>
	2-4	Restatements of information	We updated our methodology and excluded estimated emissions of RP Management, LLC.
	2-5	External assurance	Ernst & Young LLP has assured the Royalty Pharma GHG emissions for the years ended December 31, 2022 and 2021. The consolidated financial statements are also externally audited by Ernst & Young LLP.
	2-6	Activities, value chain and other business relationships	Our Company, p. 3 2022 Form 10-K, pp. 1-20
	2-7	Employees	Workforce performance table, p. 44
	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.
	2-9	Governance structure and composition	Board Structure, p. 24 2023 Proxy Statement, pp. 8-11, 22-24 Royalty Pharma Board of Director's Overview Royalty Pharma Board Committee Assignments

GRI Index

Statement of use: Royalty Pharma has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Indicator	Description	Response
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-10	Nomination and selection of the highest governance body	Board Structure, p. 24 2023 Proxy Statement, pp. 30-31 Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter
	2-11	Chair of the highest governance body	Board Structure, p. 24 2023 Proxy Statement, p. 24 Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Oversight, p. 28 2023 Proxy Statement, pp. 22-38 Royalty Pharma Board of Director's Overview Royalty Pharma Board Committee Assignments Royalty Pharma Nominating and Corporate Governance Committee Charter Royalty Pharma Corporate Governance Guidelines
	2-13	Delegation of responsibility for managing impacts	ESG Oversight, p. 28 2023 Proxy Statement, pp. 36-38 Royalty Pharma Nominating and Corporate Governance Committee Charter
	2-14	Role of the highest governance body in sustainability reporting	ESG Oversight, p. 28 Royalty Pharma Nominating and Corporate Governance Committee Charter
	2-15	Conflicts of interest	Board Structure, p. 24 2023 Proxy Statement, pp. 46-49 Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter
	2-16	Communication of critical concerns	Policies and Practices, p. 29 2023 Proxy Statement, pp. 22-35
	2-17	Collective knowledge of the highest governance body	Board Structure, p. 24 2023 Proxy Statement, pp. 11, 33, 35

GRI Index

Statement of use: Royalty Pharma has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Indicator	Description	Response
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	Board Structure, p. 24 2023 Proxy Statement, pp. 11, 32-33, 35 Royalty Pharma Corporate Governance Guidelines Royalty Pharma Nominating and Corporate Governance Committee Charter
	2-19	Remuneration policies	2023 Proxy Statement, pp. 13, 39-40, 51-58 Royalty Pharma Clawback Policy
	2-20	Process to determine remuneration	2023 Proxy Statement, pp. 51-55
	2-21	Annual total compensation ratio	2023 Proxy Statement, p. 62
	2-22	Statement on sustainable development strategy	A Message from our Chairman and Chief Executive Officer, p. 3
	2-23	Policy commitments	Our Company, p. 3 Policies and Practices, p. 29 Royalty Pharma Code of Business Conduct and Ethics Royalty Pharma Supplier Code of Conduct Royalty Pharma Environmental Policy Royalty Pharma Human Rights Policy Statement Royalty Pharma Employee Handbook
	2-24	Embedding policy commitments	Policies and Practices, p. 29 Royalty Pharma Code of Business Conduct and Ethics Royalty Pharma Supplier Code of Conduct Royalty Pharma Environmental Policy
	2-25	Processes to remediate negative impacts	Policies and Practices, p. 29 Our Commitment to the Environment, p. 30 2023 Proxy Statement, pp. 36-38 Royalty Pharma Environmental Policy Royalty Pharma Whistleblower Policy
2-26	Mechanisms for seeking advice and raising concerns	Engaging with Employees, p. 23 ESG Oversight, p. 28 Policies and Practices, p. 29 2023 Proxy Statement, pp. 24-35 Royalty Pharma Whistleblower Policy contact@royaltypharma.com	

GRI Index

Statement of use: Royalty Pharma has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Indicator	Description	Response
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	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. 2022 Form 10-K, pp. 19, 38
	2-28	Membership associations	Biotechnology Innovation Organization (BIO) FastCures Advisory Board CEO Action for Diversity & Inclusion
	2-29	Approach to stakeholder engagement	Our Company, p. 3 Engaging with Employees, p. 23 Shareholder Engagement, p. 26 2023 Proxy Statement, pp. 31-32
	2-30	Collective bargaining agreements	There are no employees covered by collective bargaining agreements.
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Engaging our Stakeholders, p. 6
	3-2	List of material topics	Engaging our Stakeholders, p. 6 Shareholder Engagement, p. 26
Human Capital Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management and Development, p. 18
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Management and Development, p. 18 Workforce performance tables, pp. 46-47
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Management and Development, p. 18
	401-3	Parental leave	Talent Management and Development, p. 18 Workforce performance tables, p. 47

GRI Index

Statement of use: Royalty Pharma has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Indicator	Description	Response
MATERIAL TOPICS			
Human Capital Management			
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management and Development, p. 18
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management and Development, p. 18
Diversity, Equity, and Inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management and Development, p. 18
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Workforce performance tables, pp. 44-47 EEO-1 2022 Consolidated Report
	406-1	Incidents of discrimination and corrective actions taken	There were 0 firmwide incidents of discrimination.
Responsible Investment			
GRI 3: Material Topics 2021	3-3	Management of material topics	Responsible Investment, p. 8 Responsible Investment Policy Note that there is not a relevant GRI Topic standard for this material issue.
Access to Health and Medicine			
GRI 3: Material Topics 2021	3-3	Management of material topics	Access to Health Care and Medicine, p. 13 Note that there is not a relevant GRI Topic standard for this material issue.
Corporate and ESG Governance			
GRI 3: Material Topics 2021	3-3	Management of material topics	Board Structure, p. 24 ESG Oversight, p. 28 Note that there is not a relevant GRI Topic standard for this material issue.

SASB Sustainability Accounting Standards 2018*

SASB Code and Accounting	Accounting or Activity Metric	Response
SASB INDEX: BIOTECHNOLOGY & PHARMACEUTICALS		
Safety of Clinical Trial Participants, Access to Medicine, Affordability & Pricing, Drug Safety, Counterfeit Drugs, Ethical Marketing, Supply Chain Management		
SASB HC-BP-210a.1	Ensuring quality and patient safety during clinical trials	<p>We are passive investors and therefore do not have operational control over the discovery, clinical development, manufacturing or commercialization of the therapies from which we receive royalties. However, we seek to partner with companies who prioritize responsible practices through our investment process and comprehensive due diligence practices.</p> <p>Responsible Investment, p. 8</p> <p>Responsible Investment Policy</p> <p>Given that royalties from Vertex, Biogen, Johnson & Johnson, Pfizer, and AbbVie made up over 50% of our royalty receipts for 2022, please see below for links to their most recent disclosures on these topics:</p> <p>Vertex 2022 Corporate Responsibility Report, pp. 32-33</p> <p>Biogen 2022 ESG Report, pp. 60-63</p> <p>Johnson & Johnson 2021 ESG Disclosure Index, pp. 25-27</p> <p>Pfizer 2022 ESG Report, pp. 71-73</p> <p>AbbVie 2022 ESG Action Report, pp. 82-84</p>
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-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	

* This applies the 2018 version of the SASB Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

SASB Sustainability Accounting Standards 2018*

SASB Code and Accounting	Accounting or Activity Metric	Response
SASB INDEX: BIOTECHNOLOGY & PHARMACEUTICALS		
Safety of Clinical Trial Participants, Access to Medicine, Affordability & Pricing, 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	<p>We are passive investors and therefore do not have operational control over the discovery, clinical development, manufacturing or commercialization of the therapies from which we receive royalties. However, we seek to partner with companies who prioritize responsible practices through our investment process and comprehensive due diligence practices.</p> <p>Responsible Investment, p. 8</p> <p>Responsible Investment Policy</p> <p>Given that royalties from Vertex, Biogen, Johnson & Johnson, Pfizer, and AbbVie made up over 50% of our royalty receipts for 2022, please see below for links to their most recent disclosures on these topics:</p> <p>Vertex 2022 Corporate Responsibility Report, pp. 32-33</p> <p>Biogen 2022 ESG Report, pp. 60-63</p> <p>Johnson & Johnson 2021 ESG Disclosure Index, pp. 25-27</p> <p>Pfizer 2022 ESG Report, pp. 71-73</p> <p>AbbVie 2022 ESG Action Report, pp. 82-84</p>
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	

* This applies the 2018 version of the SASB Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

SASB Sustainability Accounting Standards 2018*

SASB Code and Accounting	Accounting or Activity Metric	Response
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	Access to Health and Medicine, p. 13 Royalty Pharma Social Bond Framework
SASB HC-BP-240a.2	Products on the WHO List of Prequalified Medicinal Products	2022 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	Talent Management and Development, p. 18 Workforce Performance Table, pp. 44-47 Royalty Pharma Employee Handbook
SASB HC-BP-330a.2	Voluntary and involuntary turnover rate	Workforce Performance Table, pp. 44-47
Business Ethics		
SASB HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	2022 Form 10-K, p. 49
SASB HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	Not applicable. Royalty Pharma does not interact with health care professionals outside of its investment due diligence process. 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	Who We Are, p. 4 Responsible Investment, p. 8 2022 Form 10-K, p. 15

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SASB Sustainability Accounting Standards 2018*

SASB Code and Accounting	Accounting or Activity Metric	Response
SASB INDEX: ASSET MANAGEMENT & CUSTODY ACTIVITIES		
Transparent Information & Fair Advice for Customers		
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	There are no known covered employees with records of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings.
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	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.
SASB FN-AC-270a.3	Description of approach to informing customers about products and services	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.
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	Diversity, Equity, and Inclusion, p. 21 Workforce Performance Table, p.44
		Our most up to date EEO-1 is located here .
Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory		
SASB FN-AC-330a.1	Amount of assets under management, by asset class, that employ integration of ESG issues, sustainability-themed investing and screening	Responsible Investment, p. 8 Access to Health Care and Medicine, p. 13 Responsible Investment policy
SASB FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	Responsible Investment, p. 8 Responsible Investment policy
		2022 Form 10-K, p. 19 Royalty Pharma Supplier Code of Conduct Royalty Pharma Social Bond Framework Royalty Pharma 2022 Human Rights Policy Statement

* This applies the 2018 version of the SASB Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

SASB Sustainability Accounting Standards 2018*

SASB Code and Accounting	Accounting or Activity Metric	Response
SASB INDEX: ASSET MANAGEMENT & CUSTODY ACTIVITIES		
Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory		
SASB FN-AC-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. Our Manager will cast votes 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.
Business Ethics		
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 financial industry laws or regulations	2022 Form 10-K, pp. 38, 48
SASB FN-AC-510.a.2	Description of whistleblower policies and procedures	Policies and Practices, p. 29 Royalty Pharma Whistleblower Policy
Activity Metrics		
SASB FN-AC-000.A	Total registered and total unregistered assets under management	2022 Form 10-K, pp. 87-127
SASB FN-AC-000.B	Total assets under custody and supervision	2022 Form 10-K, pp. 87-127

* This applies the 2018 version of the SASB Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

Workplace Performance: Social¹

Metric	2020	2021	2022
Total Workers	51	67	75
Number of employees	51	67	75
Number of contractors	0%	0%	0%
Permanent	100%	100%	100%
Temporary	0%	0%	0%
Non-guaranteed hours	0%	0%	0%
Workforce			
Full-time	100%	100%	100%
Part-time	0%	0%	0%
Workforce by Gender			
Male	49%	51%	48%
Female	51%	49%	52%
Not disclosed	0%	0%	0%
Other	0%	0%	0%
Transgender	0%	0%	0%
Workforce by Age			
< 30 years old	16%	25%	24%
30-50 years old	61%	55%	57%
50+ years old	24%	19%	19%
Workforce by Geography			
North America	100%	100%	100%
South America	0%	0%	0%
Europe	0%	0%	0%
Asia Pacific	0%	0%	0%
Africa	0%	0%	0%

¹ Percentages may not total 100 due to rounding

Workplace Performance: Social¹

Metric	2020	2021	2022
Workforce by Race/Ethnicity			
White/Caucasian	78%	70%	67%
Black/African American	0%	0%	3%
Asian	14%	18%	18%
Hispanic or Latino	6%	9%	9%
Native American	0%	0%	0%
Two or more races	2%	3%	3%
Undisclosed/Unknown	0%	0%	0%
Diversity in Management			
Women VP-level and above (%)	35%	32%	30%
Ethnic/racially diverse VP-level and above (%)	17%	29%	27%
Diversity in Board of Directors			
Independent directors (%)	70%	70%	90%
Number of women on Board	2	2	2
Percentage of women on Board	20%	20%	20%
Number of ethnic/racially diverse directors on Board	4	4	4
Percentage of ethnic/racially diverse directors on Board	40%	40%	40%

¹Percentages may not total 100 due to rounding

Workplace Performance: Employee Turnover and Rate²

Metric	2020	2021	2022
EMPLOYEE TURNOVER NUMBERS			
Voluntary	1	2	2
Involuntary	0	2	2
Total	1	4	4
Turnover by Gender			
Men	1	2	3
Women	0	2	1
Turnover by Age			
< 30 years old	0	2	2
30-50 years old	0	1	2
50+ years old	1	1	0
EMPLOYEE TURNOVER RATE			
Voluntary	2.3%	3.4%	2.8%
Involuntary	0.0%	3.4%	2.8%
Total	2.3%	6.8%	5.6%
Turnover by Gender			
Men	4.0%	5.9%	8.3%
Women	0.0%	6.1%	2.6%
Turnover by Age			
< 30 years old	0.0%	11.7%	11.1%
30-50 years old	0.0%	2.7%	4.7%
50+ years old	8.3%	7.7%	0.0%

²Only region of operation is the United States

Workplace Performance: New Hires²

Metric	2020	2021	2022
Total	16	20	12
Employee growth rate	42%	31%	12%
New Hires by Gender			
Men	11	11	5
Women	5	9	7
New Hires by Age			
< 30 years old	7	11	7
30-50 years old	7	8	5
50+ years old	2	1	0
Diversity in New Hires			
Percentage of ethnic/racially diverse	33%	50%	50%

²Only region of operation is the United States

Workplace Performance: Parental Leave

Metric	2022
Total number of employees that were entitled to parental leave	75
Men	36
Women	39
Total number of employees that took parental leave, by gender	4
Men	2
Women	2
Return to work and retention rates of employees that took parental leave, by gender	100%
Men	100%
Women	100%



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Management of Royalty Pharma plc:

We have reviewed Royalty Pharma plc's ("Royalty Pharma") accompanying Schedules of Greenhouse Gas Emissions included in Appendix A (the "Subject Matter") for the years ended December 31, 2021 and December 31, 2022, based on the criteria also set forth in Appendix A (the "Criteria"). Royalty Pharma's management is responsible for the Subject Matter, based on the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be based on the Criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is based on the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. As such, a review does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

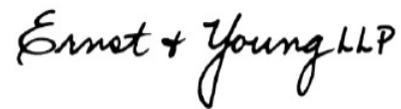
We are required to be independent of Royalty Pharma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review engagement. Additionally, we have complied with the other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. Our review consisted principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances.

As described in Appendix A the Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

The information included in Royalty Pharma's 2022 Environmental, Social and Governance Report, other than the Subject Matter, has not been subjected to the procedures applied in our review and, accordingly, we express no conclusion on it.

Based on our review, we are not aware of any material modifications that should be made to the Schedules of Greenhouse Gas Emissions for the years ended December 31, 2021 and December 31, 2022 in order for it to be based on the Criteria.

The logo for Ernst & Young LLP, written in a black, cursive script font.

May 5, 2023

Appendix A
 Royalty Pharma plc
 Schedules of Greenhouse Gas Emissions
 Subject Matter

		Years Ended December 31,		
		2022	2021 ⁽²⁾	
Metrics ⁽¹⁾	Unit	Amounts	Amounts	
Scope 1 Greenhouse Gas (GHG) Emissions	Metric tonnes carbon dioxide equivalent ("MT CO ₂ e")	_(1)	_(1)	World Resources Institute ("WRI") / World Business Council for Sustainable Development's ("WBCSD") The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)
Scope 2 GHG Emissions (Location-based & Market-based)	MT CO ₂ e	_(1)	_(1)	World Resources Institute ("WRI") / World Business Council for Sustainable Development's ("WBCSD") The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)
GHG Emissions from Investments ("Scope 3 Category 15") ⁽³⁾	MT CO ₂ e	19,610	18,445	Refer to Note (3) below for descriptions of calculation methodologies.

- (1) Royalty Pharma plc ("Royalty Pharma") defines its GHG emissions inventory organizational boundaries using the Financial Control Approach. All facilities and investments over which Royalty Pharma has financial control are included in the GHG emissions inventory. Royalty Pharma is externally managed by Royalty Pharma Management LLC (the "Manager"), which is not financially controlled by Royalty Pharma. Scope 1 and Scope 2 GHG emissions are borne by the Manager. Royalty Pharma does not have facilities contributing to Scope 1 or Scope 2 GHG emissions based on the financial control boundary. Under the Financial Control Approach GHG emissions from the Manager's operating leases (e.g., purchased heat, purchased cooling, and purchased electricity) are not considered to be part of Royalty Pharma's Scope 2 Emissions.
- (2) Royalty Pharma is using the year ended December 31, 2021, as the baseline year for Scope 1, 2, and Scope 3 Category 15 GHG emissions. This base year was chosen based on the availability of data and represents the first year Royalty Pharma calculated and reported GHG emissions. Royalty Pharma annually assesses whether the base year inventory may need to be adjusted in response to changes in its structure or changes subsequently identified that result in more than a 5% change in base year GHG emissions.

(3) Royalty Pharma's investments for Scope 3 Category 15 are primarily comprised of royalties on a portfolio of biopharmaceutical products. Royalty Pharma receives royalties in cash on these products based on respective investment terms and product performance. Additionally, Royalty Pharma is entitled to receive returns on other investments through our joint ventures, equity method investee and holding of debt instruments. Below further describes how Royalty Pharma calculates emissions related to these investments.

- *Royalty investments for which marketer/payor emission data is available.* Approximately 84% and 87% of emissions in 2022 and 2021, respectively, were calculated using a derived emission intensity from the respective royalty product's marketer/payor's publicly available data and applied to the related royalty cash receipts received by Royalty Pharma. The emission intensity is calculated as the published 2021 scope 1 and scope 2 (market-based) emissions from the royalty product's marketer/payor's CDP's Climate response or their ESG (or equivalent) report, divided by the marketer/payor's 2021 or 2022 reported revenue taken from their CDP Climate response or their financial reports, such as the annual report.
- *Royalty investments for which marketer/payor emission data is not available.* Approximately 6% and 4% of emissions in 2022 and 2021, respectively, were calculated using an estimated emission intensity applied to the related royalty cash receipts received by Royalty Pharma. This method is applied to those marketers/payors where published 2021 scope 1 and scope 2 (market-based) emissions are not available. The estimated emission intensity is calculated as the average of scope 1 and scope 2 (market-based) emissions of marketers/payors for Royalty Pharma's investments with published 2021 data divided by the average reported 2021 or 2022 revenues of these marketers/payors "Estimated Emission Intensity".
- *Other investments.* Approximately 10% and 9% of emissions in 2022 and 2021, respectively, were calculated using the methods for equity investments in private companies and for available for sale debt securities with listed companies. Royalty Pharma calculated its investees' estimated emissions for 2021 and 2022 by multiplying the investees' total revenue by the Estimated Emission Intensity. Royalty Pharma then take its proportional share of the investees' emissions by multiplying the investees' estimated emission by its interest in the investee.

For equity investments, Royalty Pharma's proportional share of emissions was calculated based on the Royalty Pharma's equity ownership interest in the investee times the investee's estimated scope 1 and 2 (market-based) emissions.

For available for sale debt securities with listed companies, Royalty Pharma's proportional share of emissions was calculated as the proceeds funded by Royalty Pharma divided by the total market capitalization of common shares and total borrowings of the investee times the investee's estimated scope 1 and 2 (market-based) emissions.

Cautionary Statement

The data and information in this report ("Report"), which has been prepared by Royalty Pharma plc, are presented for informational purposes only. This Report shall not constitute an offer to sell or the solicitation of any offer to buy any interest, security or investment product. The information in this Report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons, and Royalty Pharma assumes no obligation to update the information herein. Nothing contained herein constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision. This Report should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities.

This Report contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "target," "forecast," "guidance," "goal," "predicts," "project," "potential" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective assets, our industry, our beliefs and our assumptions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. You should evaluate all forward-looking statements made in this Report in the context of the numerous risks outlined in Part I under Item 1A. under "Risk Factors" in our Annual Report on Form 10-K.

Any forward-looking statement speaks only as of the date on which such statement is made, and Royalty Pharma assumes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Certain information contained herein relating to any goals, targets, intentions or expectations, including with respect to net-zero 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 Royalty Pharma's application of the SDGs, as such application is subject to change at any time and in Royalty Pharma's sole discretion. Further, statistics and metrics relating to ESG matters are estimates and may be based on assumptions or developing standards (including Royalty Pharma's internal standards and policies).

Similarly, there can be no assurance that Royalty Pharma'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. Royalty Pharma 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 partners do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of an ESG initiative by the partner; the nature and/or extent of investment in, ownership of or, control or influence exercised by Royalty Pharma with respect to the partner; and other factors as determined by Royalty Pharma on a case-by-case basis. ESG factors are only some of the many factors Royalty Pharma considers in deploying capital, and there is no guarantee that Royalty Pharma will deploy capital with partners that create positive ESG impact or that consideration of ESG factors will enhance long-term value and financial returns for investors. To the extent Royalty Pharma engages with partners on ESG-related practices, there is no guarantee that such engagements will improve the financial or ESG performance of any investment or the partner. 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 Royalty Pharma 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 Royalty Pharma. Nothing contained herein is intended to predict the performance of any investment or partner. 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 Royalty Pharma's application of its ESG policies and procedures and do not purport to be a complete list thereof. Further, references to partners 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 Royalty Pharma's beliefs as of the date hereof based on prior experience and certain assumptions that Royalty Pharma 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 Royalty Pharma as described herein will continue, and such processes and operations may change, even materially. The actual investment process used for any or all of Royalty Pharma's investments may differ materially from the process described herein.

Certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof. While these third-party sources are believed to be reliable, Royalty Pharma makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor. Actual results may differ materially from any forward-looking statements.

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