



Building Responsible Supply Chains – Decarbonisation in Pharmaceuticals

Robert Williams

Director, Sustainable Procurement, **AstraZeneca**

Vice Chair, **Pharmaceutical Supply Chain Initiative**

PUBLIC. JULY 2024.



AstraZeneca at a glance

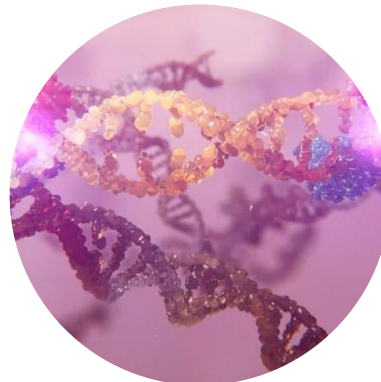
We are a global, science-led, patient-focused pharmaceutical company seeking to unlock the power of what science can do.



Science and
innovation-led



Patient-focused



Leading in our therapy
areas

Oncology
CVRM

Respiratory & Immunology
Rare Disease



Diversified
portfolio and
global reach



Positively
impacting people,
society and
the planet



Problem: the climate crisis is a health crisis

The problem:
Health care: **5%** of
global emissions



50% of health care emissions come
from supply chains

Our response:
Ambition
Carbon Zero



Our task:
Decarbonising the
supply chain



As a global health care provider, we have to take urgent action



Challenges: Scale and complexity

Our industry



Healthcare – **5% GHG globally**
(Aviation 2-3%)

Our Scale



Global presence
Legal and ethical variance

Leading change

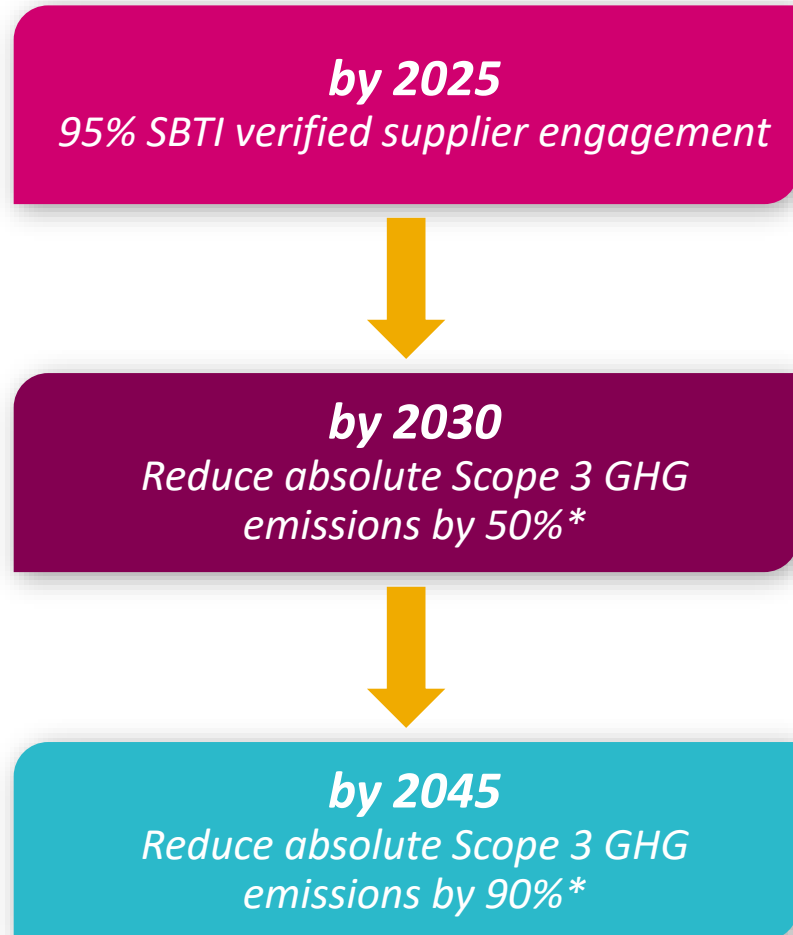


Resistance and inertia



Driving change: AstraZeneca's SBTI climate targets

TARGETS



*long term public goals
support supply chain
engagement and action
planning*



Approach: Three pillars of influence



Leading with peers



External partnerships



Supplier collaboration

Leading with Peers: Sustainable Markets Initiative Health Systems Taskforce

	Dimension	Supplier Targets
By 2025	Disclose emissions	Assess and disclose Scope 1, 2, and 3 emissions¹ by 2025
	Set science-based targets	By 2025, commit to set near-term targets aligned to the 1.5°C pathway (SBTi)
	Reduce, recycle and reuse waste and energy	By 2025, set targets to reduce waste (incl. solvents) & energy and reuse materials in manufacturing
Continuous beyond 2025	Switch to renewable power ²	Commit to switch to at least 80% renewable power² by 2030 & make commitment public
	Switch to renewable heat	By 2030, explore options to source green heat
	Cascade targets upstream	Commit to set standards for own suppliers
	Reduce water usage	Set targets to increase water efficiency and commit to adopt water stewardship standards
	Decarbonise transport solutions (transport suppliers only)	Transport suppliers to make SBTi-aligned commitments by 2025 and include green transportation solutions in their core offering by 2030



Sustainable Markets Initiative



Our Modes of Impact

The PSCI seeks to build responsible supply chains for the whole of the pharmaceutical and healthcare supply chain. We do this through three main workstreams: audit, capability building, and collaborative projects.



Audit Program

Capability Building



Collaborative Projects



IF YOU SEE A CUSTOMER LOGO ON THIS SLIDE...



Partnerships: collaborative action, supporting suppliers to switch to renewable electricity



Energize
A program to increase access to renewable energy for pharmaceutical supply chains
Powered by Schneider Electric's Zeigo

IN PARTNERSHIP WITH:
PSCI PHARMACEUTICAL SUPPLY CHAIN INITIATIVE
Building responsible supply chains

The banner features a blue background with a circular inset showing a female pharmacist in a white lab coat examining a box of medicine on a shelf. To the left, a male construction worker in a white hard hat and safety vest looks towards the right. The background also includes a stylized graphic of solar panels and blue lines representing energy or data flow.

Sponsored by:



Partnerships: using third party standards to support AstraZeneca supplier sustainability expectations



**AZ Policies &
Contract Terms**



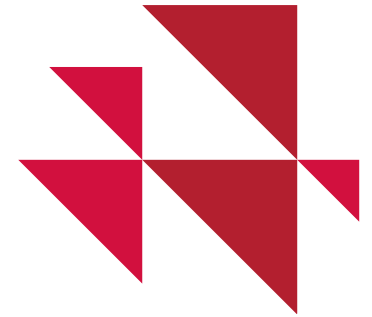
**Inclusion &
Supplier Diversity**



EcoVadis
ESG rating



SBTi
Climate Action



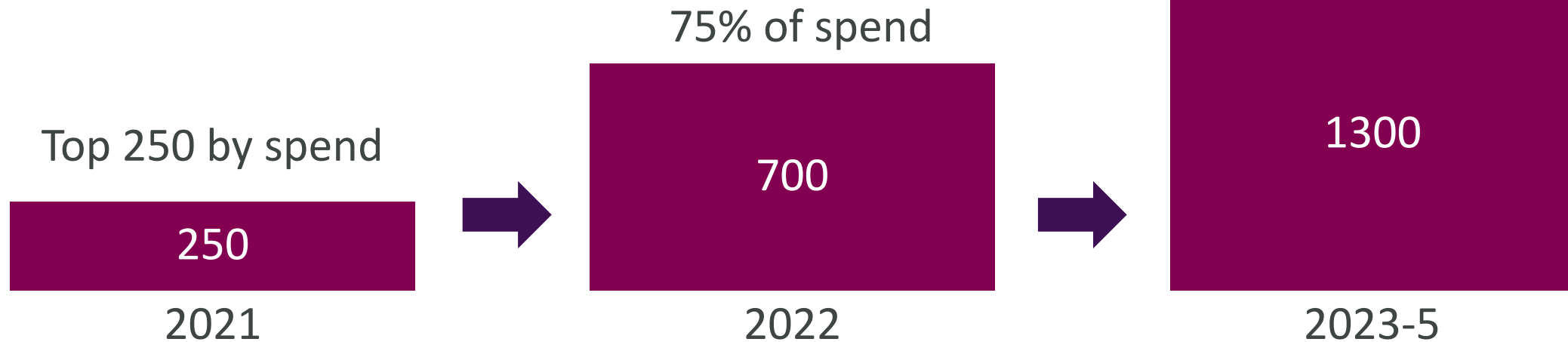
CDP
Carbon disclosure

And requirements are changing, underpinning our expectations:

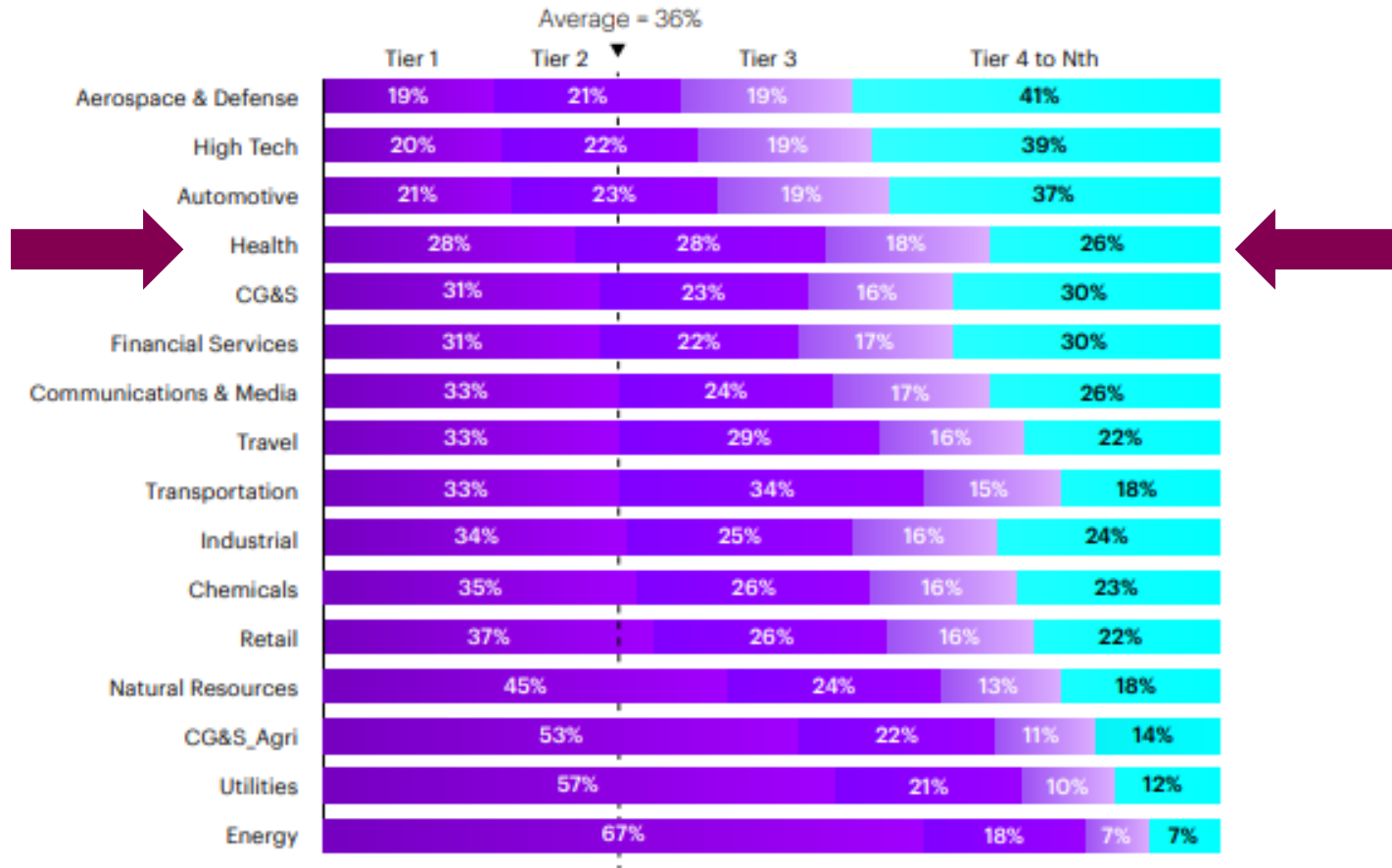
- growing **legislation and customer requirements** for transparency & traceability up the supply chain Tier 2+
- e.g. upholding human rights, deforestation-free, removing carbon emissions



Supplier collaboration: AstraZeneca engaging our suppliers, large and SME



Transparency: needs supplier cascade Tier 2+ emissions



Health sector
% emissions by Tier

Tier 1 28%

Tier 2 28%

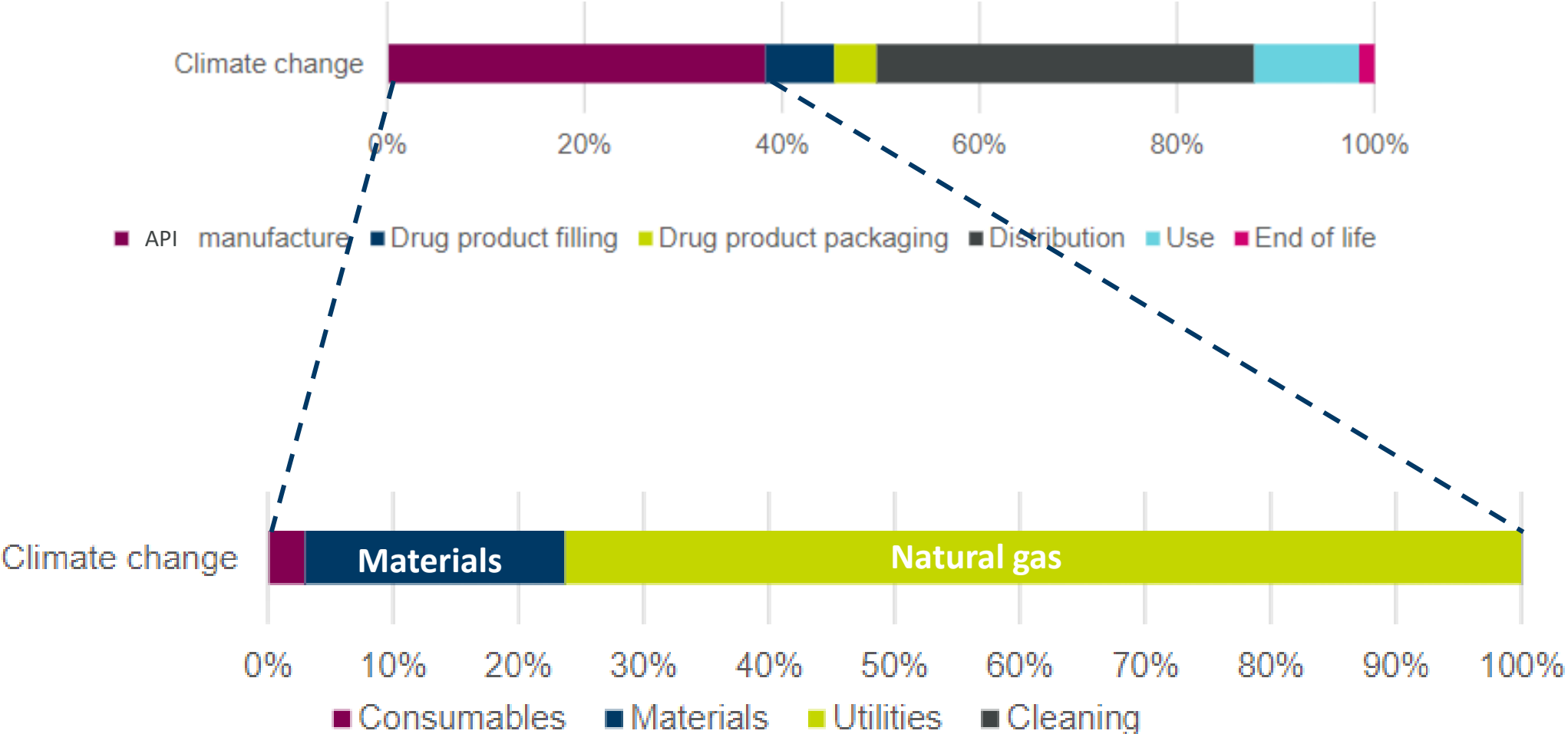
Tier 3 18%

Tier 4 26%



Transparency: address the sources of carbon emissions

Mapping supply chain emissions with Life Cycle Assessment 'teardown' to understand what levers to pull to decarbonise



Partnership solutions: Vanguard Renewables



Strategic collaboration

Digital Twin

AZ procurement and supply chain expertise

Outcome: decarbonisation of AZ medicines

Healthy patient and healthy planet



Results: Achievements within Scope 3: 2023



TARGETS

by 2025

95% SBTI verified supplier engagement

by 2045

*Reduce absolute Scope 3 GHG emissions by 90%**

by 2030

*Reduce absolute Scope 3 GHG emissions by 50%**

Carbon reduction

- >65% of supplier spend committed to Science Based Targets (SBTI)
- > 700 suppliers disclosed to CDP; primary emissions data for 52% of supplier spend

Green energy usage (Energize)

- >2 terawatt hours of renewable electricity demand
- > 500 suppliers recruited (Europe and USA) to Energize program

Embedding best practice (EcoVadis)

- Embedding responsible sourcing practices
- >2,000 suppliers rated for Environmental Social Governance
- >65% of supplier spend with those exceeding 45-point acceptable score



Lessons learned building responsible supply chains

Start **EARLY**



Form **PARTNERSHIPS**



Prioritise **ACTION**



PUBLIC leadership



Confidentiality Notice

This file is private and may contain confidential and proprietary information. If you have received this file in error, please notify us and remove it from your system and note that you must not copy, distribute or take any action in reliance on it. Any unauthorized use or disclosure of the contents of this file is not permitted and may be unlawful. AstraZeneca PLC, 1 Francis Crick Avenue, Cambridge Biomedical Campus, Cambridge, CB2 0AA, UK, T: +44(0)203 749 5000, www.astrazeneca.com

