

## How we manage our supply chain

We extend our influence by demanding high standards of our **57,000** suppliers around the world.

**<1%**

### Critical direct suppliers

provide active pharmaceutical ingredients, formulation, packaging and devices.

**How we manage them:**



**3%**

### Non-critical direct suppliers

provide common commodities used for manufacturing operations.

**How we manage them:**



**97%**

### Indirect suppliers

provide goods and services across a range of activities used for general business purposes. Include office suppliers, travel, IT equipment, etc.

**How we manage them:**



## Third-party risk management (3PRM) assessments

**Initial assessment of activity, geography and value to assess the overall business risk**

- 26,352 supplier assessments completed since 2015
- 78% of our spend is assessed through the 3PRM process, an increase of 28% since 2016

**Where necessary, we conduct extended due diligence**

- 41 high risk audits
- 4% of suppliers had improvement plans
- 12 suppliers failed to meet required standards and were discontinued



## Quality audits

We conduct ongoing quality audits to ensure our suppliers have the proper controls in place.

- 477 internal quality audits of AstraZeneca suppliers in 2017

**We are increasing sustainability criteria**

In 2017, we signed a partnership with EcoVadis to expand our due diligence process, including asking about:

- Ethics
- Labour
- Human rights practices
- Environmental performance
- Sustainable procurement practices.

An EcoVadis pilot programme has completed 18 assessments.



## Environmental assessments

We collect energy, water and waste data from a portion of our Critical direct suppliers to measure impacts. These suppliers make up over 90% of our spend and 5% of our total operational GHG footprint.