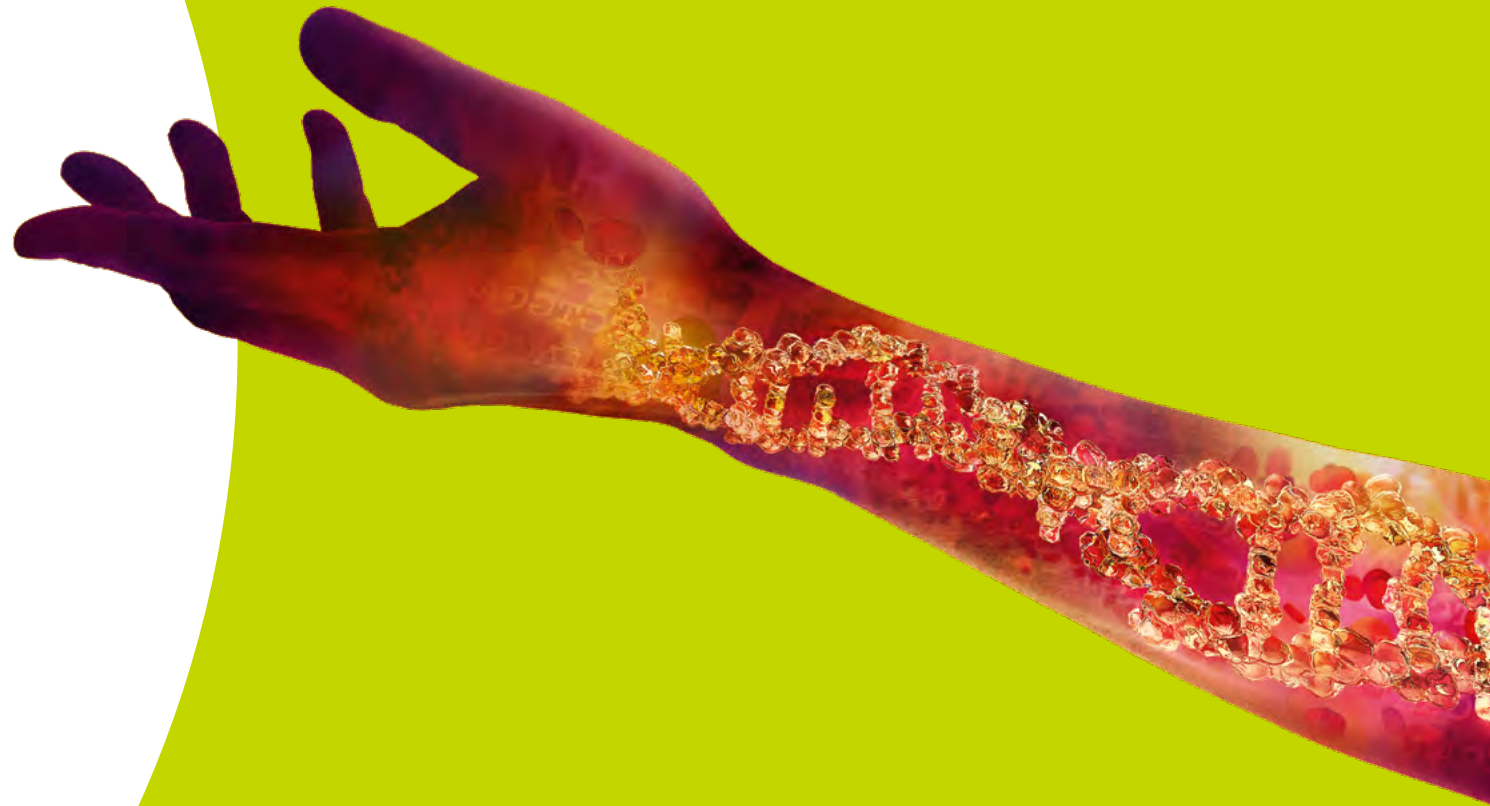




Making science accessible

Sustainability Summary
for Employees 2017



Sustainability at AstraZeneca

We're making science accessible

“2017 was a defining year for AstraZeneca as we continued the successful execution of our strategy of returning to growth. But, for us, this is only part of the story. We want to be valued and trusted by all our stakeholders as a source of great medicines now and in the future. That means delivering sustainable growth and making decisions with the long term in mind. This way of thinking is embedded into our Purpose and Values. It drives our sustainability priorities, which are intrinsic to our operating model and the way we do business, as well as supporting the delivery of our strategy.”

Pascal Soriot, Executive Director and CEO, AstraZeneca

Our sustainability pathway

Making science accessible

At AstraZeneca, we are united by our desire to push the boundaries of science. It's how we will help transform the lives of patients around the world, how we will continue to motivate our people and how we will deliver value to our shareholders. We strive to incorporate long-term environmental, social and accountability considerations into our decisions.



Access to healthcare

We aim to improve access to healthcare around the world by tailoring our programmes to the communities they will serve. In some cases, this means overcoming healthcare barriers such as access and pricing of medicines.



Environmental protection

We reduce environmental impacts on human health and the natural world, using innovative science to find new ways to conserve our natural resources and ensure the environmental safety of our products.



Ethics and transparency

We want to be valued for the medicines we provide and trusted for the way we work. That means demonstrating ethical business practices and a high level of integrity in everything we do.

Underpinning everything we do is our approach to people and business, including human rights, employee development and advocacy. We call these elements our **Sustainability foundations**.

View www.astrazeneca.com/sustainability for our full report.



Our sustainability ambition

Make our science accessible by delivering our business strategy in a way that brings wider benefits to society and the planet.

Connecting to global needs

The United Nations Sustainable Development Goals

The UN 2030 Agenda for Sustainable Development is a universal action plan for a fairer, safer and healthier world. Success is measured using the Sustainable Development Goals (SDGs). We map our impacts across five SDGs, emphasising the goal for good health and wellbeing.



Thanks to the efforts of colleagues all over the world, we have:

- Reached nearly 7.2 million people through our access to healthcare programmes
- Reached more than 2.25 million young people through our disease prevention initiative, the Young Health Programme
- Activated 67% of our sites to promote healthy lifestyles
- Reduced reportable injuries by 17% and the vehicle collision rate by 28% from our 2015 baseline
- Activated or partnered with over 5,500 healthcare facilities
- Trained over 26,000 health professionals.

We also support and track progress to the targets for:



Sustainability at AstraZeneca

We prioritise based on our ability to impact

Our material issues, as shaped by company and stakeholder influence, fall within three sustainability priorities and our Sustainability foundations. They define how we're making science accessible.

Internal influencers

Our strategic priorities

Achieve scientific leadership
Return to growth
Be a great place to work

Our Values



We follow the science



We put patients first



We play to win



We do the right thing



We are entrepreneurial



External influencers

Global megatrends

Unmet medical needs

Non-communicable diseases (NCDs) include cardiovascular, metabolic and respiratory diseases and cancers. They are associated with ageing populations and lifestyle factors, and are increasing worldwide.

Expanding and ageing patient populations

The number of people accessing healthcare is increasing, as is healthcare spending, particularly by the elderly.

Political and economic uncertainty

Civil war and political unrest have caused instability around the world, leading to large numbers of refugees fleeing their homes.

Climate change

Clean air, safe drinking water, sufficient food and adequate shelter are all compromised by the impacts of climate change, extreme heat and intensified natural disasters.

Access to healthcare

We improve lives by increasing access

We aim to improve lives by reducing the burden of non-communicable diseases (NCDs) through expanding disease prevention, infrastructure capacity and affordability.

Why it matters

NCDs account for seven out of ten deaths, making them the leading cause of death worldwide¹.

Our employees share our ambition to transform the lives of people around the world regardless of location or economic circumstance. To achieve this, we are continuing to invest in research to find ways of preventing NCD-related burdens. Together we will bring our science to those who need it.

Understanding NCDs

40 million

deaths each year

15 million

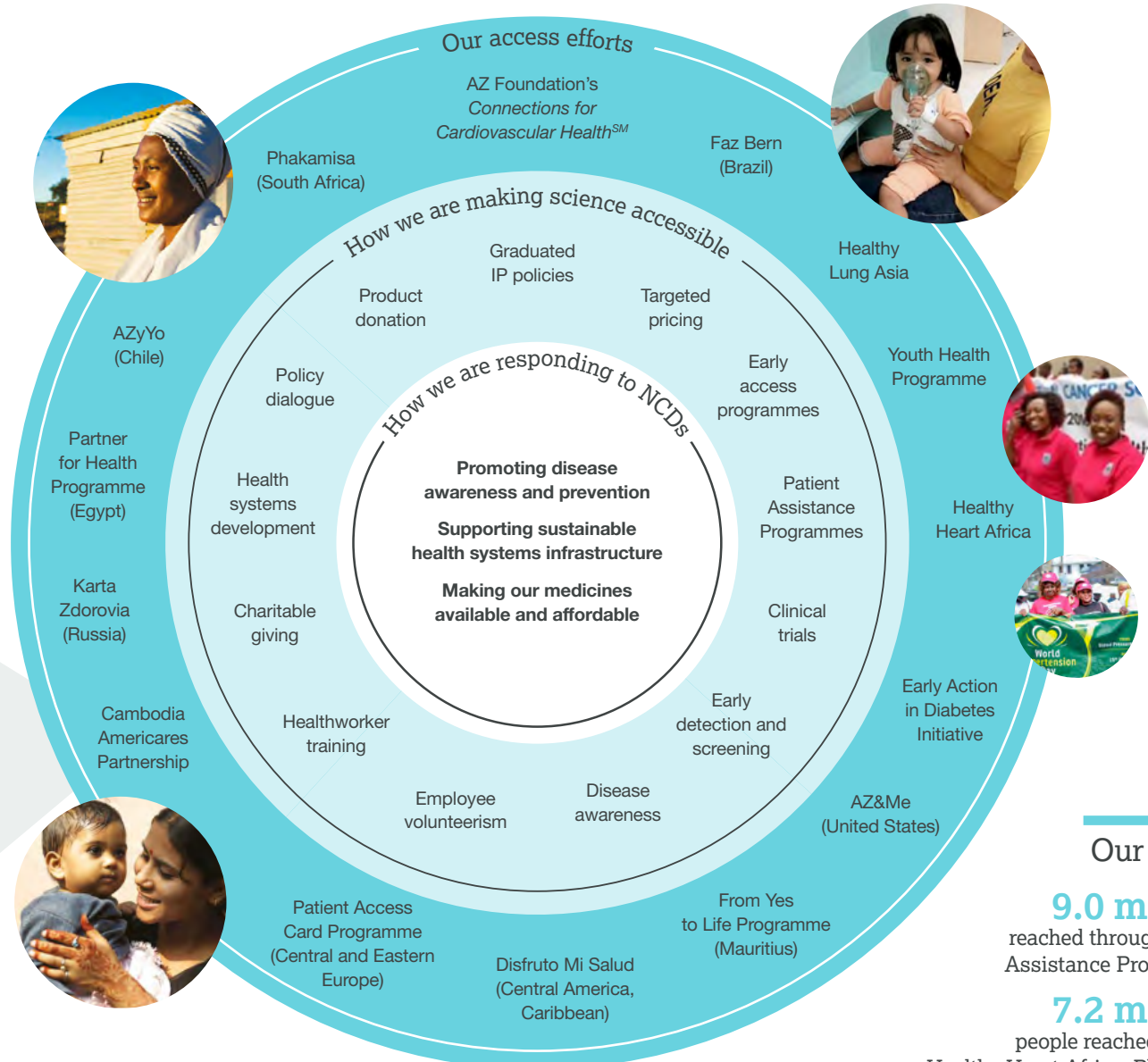
premature deaths in people aged 30–69

80% premature deaths

occur in low and middle-income countries

Lifestyle factors that can lead to NCDs

Tobacco use, physical inactivity, harmful use of alcohol and unhealthy diets



Our efforts

9.0 million

reached through Patient Assistance Programmes

7.2 million

people reached through Healthy Heart Africa, Phakamisa and Healthy Lung Asia

¹ World Health Organization. Global status report on non-communicable diseases 2014.

Our stories

“ I was attracted to AstraZeneca to continue my genomics and precision medicine research for many reasons, one of these being an opportunity to directly help patients get access to new and better-targeted therapies. Remarkably, more than 90% of our pipeline now uses a Precision Medicine approach. The way we are making this often ground-breaking science more accessible to patients, through our own medicines and by working with others, is a huge motivator for me.”

Slavé, Genome Analytics



Healthy Lung Asia

Training healthcare professionals and volunteers in South Africa

Our Phakamisa programme with South Africa's Foundation for Professional Development brought together organisations to address breast, prostate and respiratory disease through accredited courses. In 2017, we trained 762 healthcare professionals in cancer diagnosis, treatment and care.

Partnering with the Cancer Association of South Africa and the Breast Health Foundation, our colleagues trained 507 Phakamisa 'Navigators' – teams of volunteers and counsellors who go into the community to raise awareness and support patients.

By the end of 2017, Navigators reached over 1.4 million people, helping to identify over 5,300 malignant lumps and refer patients for treatment. A monthly average of nearly 900 patients are supported by Phakamisa Navigators.

The team also continued expanding by implementing the breast cancer model to support prostate cancer patients. We created an innovative new app for our NGO partners to share and communicate patient screening data, and we worked on online training tools for our primary care volunteers.

Raising awareness of respiratory diseases in Asia

In 2017, we launched the Healthy Lung Asia programme, focused on asthma and chronic obstructive pulmonary disease (COPD) and lung cancer in nine Asian markets. We aim to raise the profile of respiratory disease with policymakers and build health-system capacity to support future service to patients.

Key highlights of the programme included:

- Reaching over 134,000 people through education, diagnosis or treatment of COPD or asthma
- Training over 4,400 primary, secondary or tertiary care physicians and 1,100 respiratory nurses in COPD and asthma care
- Agreed over 4,900 respiratory centres to provide screenings
- 14 partnerships and 3 memoranda of understanding developed by our multi-stakeholder task force to increase public awareness and deliver improved care throughout Asia.

We have developed strategic plans for nine markets, and have initiated government and stakeholder partnerships to sustain the programme.

Supporting local health systems in Africa

Nearly one in three African adults is estimated to have hypertension (high blood pressure), the highest prevalence of any region¹. Our Healthy Heart Africa (HHA) programme aims to support local health systems in Africa by increasing awareness of the symptoms and risks of hypertension and by offering education, screening and reduced-cost treatment. The programme served 46% more people in 2017, completing 5.7 million screenings since launch.

By the end of 2017, we trained more than 5,300 health workers and activated 675 health facilities through the HHA programme. Through training, we are addressing the specific need for more healthcare workers. The World Health Organization (WHO) estimates the world needs 17 million more health workers, especially in Africa and Southeast Asia.

We also encouraged AstraZeneca colleagues in the region to apply to join the HHA ambassador programme - a skills-based mentoring initiative that matches employees with a local partner in Kenya to contribute their expertise and experience in delivering the Healthy Heart programme.

Our goal

25 million

people reached globally by 2025 through our access to healthcare programmes, improving early diagnosis and access to treatment

¹ World Health Organization. Global status report on non-communicable diseases 2014.

Environmental protection

We use a scientific approach for a healthy planet

We work to reduce environmental impacts on human health and the natural world, using innovative science to find new ways to conserve our natural resources and ensure the environmental safety of our products.

Our strategy

Taking a scientific approach to environmental sustainability, we strive to reduce our environmental impact by protecting our air, biodiversity, land and water, reducing our dependence on natural resources and ensuring the environmental safety of our products. We monitor and manage performance through comprehensive assurance programmes that include performance reporting, internal auditing and an annual management review.

Over the last three years, we've invested \$60 million in innovating for environmental efficiency through our Natural Resources Reduction Governance Group (NRRGG) Fund. We will continue to invest at a similar level through to 2025 to reduce our dependence on natural resources and meet our targets. We measure our use of natural resources and assess water stress to identify where we can invest and improve further.

Our strategy addresses four environmental sustainability issues:

- Reducing our greenhouse gas (GHG) emissions to combat climate change
- Protecting natural resources through energy, waste and water management
- Leading the way to minimise pharmaceuticals in the environment
- Preserving biodiversity.

We describe targets, governance and outcomes for each of these priorities in our [full report](#).

Minimising impacts across the life cycle of a medicine

We are committed to ensuring effective environmental management of our products from pre-launch through to product end-of-life. We work at all stages of a medicine's life cycle – from the design of active pharmaceutical ingredient (API) production and formulation processes, devices and packaging through to distribution, patient use and final disposal. We aim to lead our industry in understanding and mitigating the effects of pharmaceuticals in the environment (PIE).

Featured highlights

In 2017 we achieved:

7% reduction

in greenhouse gases (total operational GHG footprint in 2017: 1,658,548 tonnes)

63%

of our total electricity imports were from renewable sources

10% reduction

in water use (total water footprint in 2017: 3.89 million m³)

100%

of API discharges¹ from AstraZeneca sites demonstrated as safe

>90%

of API discharges¹ from globally managed direct suppliers demonstrated as safe



¹ Scope is 50 APIs for which data is available to calculate safe API discharge limits and based on 2016 manufacture.

Environmental protection

Our stories

Tackling climate change across our value chain

We will source 100% renewable power worldwide by 2025. We set science-based emissions reduction targets based on three bands (or scopes) of emissions. Scope 1 represents carbon emissions at our sites and from our vehicles; Scope 2 includes emissions from our electricity use; and Scope 3 emissions include those from our supply chain and customer use.

The vehicles we choose can help our Scope 1 emissions. In Sweden, home to 2% of our fleet vehicles, all new company cars will be electric or plug-in hybrids. The target we have set for the pilot in Gothenburg, Sweden, is to bring our average carbon dioxide emissions per kilometre (CO₂/km) down from 118 grams in 2016 to 60 grams in 2020, putting us ahead of the 2021 EU vehicle manufacturer target of 95 grams of CO₂/km.

Our international freight transport impacts our Scope 3 emissions. Switching from air to sea freight has resulted in large absolute emissions reductions (16% since 2015) and cost savings. In 2017, 63% of all international freight (measured in tonne.km) was by sea.



See our GHG emissions across the value chain table

Our goal

100%

of our power will be renewable worldwide by 2025

Using the sun to power our operations

Colleagues at our Wuxi site in China installed a 1 MW solar panel system on the roof with the potential to generate 1,000 megawatt hours of electricity each year. The solar panels are estimated to reduce our CO₂ emissions by 734 tonnes every year, equalling nearly 4% of the site's total emissions. Innovatively, colleagues on the site partnered with an external investor responsible for the equipment investment, system operation and management. In exchange, we lease the rooftop site to the partner to offset its power needs. We achieved our CO₂ reduction aims without capital investment and the site utility cost has decreased due to the lower price of PV power.

Transforming packaging

Medical kits for our clinical studies have to be transported all over the world. Many of the medicines we're trialling need to be kept at a particular temperature and are transported in thermal packaging. The boxes we were using were heavy, making them difficult to handle, and they were also disposable, resulting in large quantities of waste, including Styrofoam and gel packs. When multiplied by the 40,000 shipments each year, the environmental impact was significant.

Chris in Clinical Supply Chain Distribution at our Macclesfield site in the UK started working with Fisher Clinical Services (our distribution partner) to look for an alternative. The Credo Cube is a reusable thermal box. It is smaller and lighter with space for more medical kits in each box. Once delivered, the Credo Cube is unpacked and sent back for reuse. We have now made 18,000 shipments with kits for 25 clinical studies in nine major locations. The return rate on the boxes is 98%, beyond even the project's stretch target. As a result, we are saving \$3 million, but more significantly, have already avoided over 240,000kg of solid packaging waste, equivalent in weight to a jumbo jet. And user feedback has been glowing, with one user saying, "We love the reuse system, we hated the waste before" and another adding, "It's fantastic AstraZeneca introduced a better way of doing this".

“For anyone in AstraZeneca looking to make a similar change, I'd encourage you to tailor the story of your innovation to the people you want to influence. With our reusable packaging, different elements appealed to different audiences, but those elements coming together has resulted in a fundamental change to the way we do business.”

Chris, Clinical Supply Chain Distribution



Ethics and transparency

We operate with integrity

We want to be valued for not only our medicines, but also for the way we work. We aim to lead our industry in demonstrating ethical business practices and applying high levels of integrity to everything we do. We seek to consistently apply high standards of ethical practice and scientific conduct throughout our business and supply chain.

Our strategy

At AstraZeneca, we endeavour to operate in a transparent and ethical way and expect the same high standards from our suppliers and partners. Whether it's investing in alternatives to animals in science for our research or refusing to tolerate bribery or any other form of corruption, we go above and beyond what is required of us to be an example of how good business is done. Behaving with the highest level of ethics and transparency is expected of every employee.

We prioritise eight sustainability issues:

- Setting strong anti-bribery and anti-corruption controls
- Ensuring ethical sales and marketing
- The way we interact with patients
- Transparency of our clinical trials
- Our approach to bioethics
- Responsible bioethics with animals in science
- Ethically managing our supply chain
- Having product security controls to deter counterfeiting.

We describe targets, governance and outcomes for each of these priorities in our [full report](#).

Featured highlights

In 2017 we achieved:

100%
of our active employees were trained in the new Code of Ethics

6,139
supplier assessments completed to ensure compliance with our high standards

\$6.9 million
worth of counterfeit and illegal AstraZeneca products seized through investigations that resulted in 40 raids and 60 arrests

78%
of our spend was assessed through our third-party risk management programme

34
trial summaries were made publicly available to improve transparency



Our stories

“AstraZeneca’s values are my values. All my professional career I have been seeking the opportunity to be an authentic leader and the new AstraZeneca Code of Ethics gives me that opportunity. The change drives employees’ accountability and empowers them to take decisions. It moves us away from focusing on the small details and encourages us to talk about intentions, ethics and perception, transforming the focus of the way we do business.”

Jolanta, Compliance, Europe

Code of Ethics training for all

In 2017, we launched our mandatory Code of Ethics (the Code), which replaced our Code of Conduct. The Code is based on our company Values, expected behaviours and key policy principles. It outlines our ethical commitments in simple terms and explains why they matter, empowering everyone who works for AstraZeneca to make decisions in the best interests of the company and the people we serve, now and in the long term. Sustainability is featured as one of four high-level Global Policies in the new Code.

Our Code of Ethics is at the core of our compliance programme. We have translated it into approximately 40 languages. It provides clear direction as to how our commitment to honesty and integrity is to be realised through consistent actions across all areas of the business.

All colleagues at every level and function of the business are required to complete annual compliance training to help them understand the Code and how to apply it.

Empowering a responsible supply chain

Our future success depends on building and maintaining a strong and sustainable supply chain that supports our manufacture and sales of new medicines and upholds our high ethical standards, set out in our Global Standard Expectations of Third Parties. Monitoring and improving performance across the 57,000 suppliers we use around the world protects our business and, more importantly, the patients who use our medicines. We use our third-party risk management (3PRM) process to assess where we are spending our money. In 2017, we assessed 78% of our spend through 3PRM.

We also set annual targets to reduce the environmental impact in our value chain. In 2017, we partnered with a supplier to help select cars for our global fleet that will reduce our CO₂ emissions and meet safety needs. We used our supplier’s knowledge to help develop our policy, which led to us beginning to move from traditional internal combustion engines to future electric vehicle fleets and alternative mobility solutions. The supplier helped with the business cases to adopt new safety technologies such as autonomous emergency braking (AEB) systems on all new cars in Europe, the US and Japan. In 2017, we:

- Reduced global fleet emissions by 19% since 2015
- Reduced collision rates by 24% for AEB users since 2015
- Shifted our fleet to greener vehicles in Sweden.

Our goal

100%

of our spending will be assessed through our third-party risk management (3PRM) programme by 2025

Improving the ethical use of animals in science

The use of animals in science remains a small but vital part of the process of developing new life-saving and life-improving medicines. Under the leadership of our Chief Veterinary Officer, our Council for Science and Animal Welfare (C-SAW) is the expert decision-making group accountable for animal welfare and compliance across the AstraZeneca Group of companies.

We continue to be one of the few pharmaceutical companies consistently seeking to reward our scientists and animal care staff for exceptional commitment and delivery of work supporting the 3Rs (replacement, refinement and reduction of the use of animals in science). Our annual C-SAW Global 3Rs Awards is a competitive and highly visible awards scheme. Our winners in 2017 were:

- A group working at a frontier of precision medicine, where a novel experimental design for mouse studies used the population response of individual animals, achieving a significant reduction in the numbers of animals needed compared to traditional studies
- A team adopting a new approach to cell culturing techniques prior to patient-derived xenograft (PDX) to study cancer in mice, with the potential for very large reductions in the numbers of animals needed in PDX studies
- A collaborative project with an external partner to redesign a type of regulatory animal study, allowing smaller numbers of animals to be used while preserving scientific integrity and regulatory acceptance.

Sustainability foundations

We focus on people

We strive to be a great place to work and a responsible corporate citizen. We are dedicated to creating an inclusive, open and trusting organisation that embraces the skills, knowledge and unique abilities of every individual. We invest in our employees' wellbeing and their professional development, while encouraging everyone who works for AstraZeneca to use skills and experience for the benefit of local communities.

Our strategy

Our people are the key to our success. Without our committed, highly skilled and ambitious workforce, our company wouldn't enjoy the success it does in transforming the lives of patients around the world. We work hard to recruit and retain the very best talent and pride ourselves on being an attractive and ethical employer.

Our Sustainability foundations reflect our Values and abiding commitment to people: our employees, patients, suppliers and communities.

Our long-standing commitment to our people is reflected across nine foundational sustainability issues:

- Diversity and inclusion
- Respecting human rights
- Delivering workplace health and safety
- Fostering employee development and retention
- Product safety and quality
- Interact with and disclose public policy and advocacy efforts
- Investing in our communities
- Meeting fair taxation expectations
- Providing fair compensation

We describe targets, governance and outcomes for each of these priorities in our [full report](#).

Featured highlights

In 2017 we achieved:

17%
reduction in workplace injuries

28%
reduction in driver collisions

44.4%
senior roles held by women

81%
of employees feel AstraZeneca is a great place to work

88%
of senior vacancies filled internally

919
grants distributed to communities through our Community Investment Contributions

\$25 million
donated to support local communities

\$401 million
worth of medicines and 29,000 staff hours



Our stories

“ Being a scientist by background, scientific excellence was an obvious factor in my decision to work at AstraZeneca. However, it wasn’t the deciding factor. Outside of work, contributing to the protection of our environment through the way I act during my everyday life has always been important to me so it was vital that my employer’s business operations also did this. I am very proud to now work at AstraZeneca as I believe that our drive to achieve scientific leadership will not only improve patients’ lives worldwide but also ensure we continue to lead the way in protecting our environment.”

Charlotte, Brand and Social Media

Ensuring a healthy and safe workplace

In 2017, our West Chester site in the US received a coveted AstraZeneca Safety Health and Environment Excellence award for its highly effective behavioural safety programme. Colleagues on site called the programme S.W.A.T. (Safely Working at All Times). The programme includes raising awareness, rapid safety assessments, safety campaigns, a safety social media tool and learning from incidents. A team of technicians with a passion for safety keep the momentum going across the site. The incident rate reduced by 83% from 2016 levels and the site achieved 1 million hours without a lost time injury.

Another award winner in the safety category was the Packing and Logistics engineering project at our Macclesfield site in the UK. The project is a \$112 million capital investment involving demolition of old facilities, construction of a high bay warehouse and the refurbishment of an existing facility. The site adopted a One Team safety culture, including a detailed project safety plan, safety incentives and the adoption of industry best practice, which resulted in 500,000 hours and two years injury free.

Empowering and developing our employees

As part of our ambition to transform the learning culture in AstraZeneca, we have implemented a best practice, cloud-based global learning management system that provides a platform to ensure all employees can access development opportunities. In 2017, we launched Leading People, a social online learning platform, with over 4,000 managers enrolling on the course. We saw a significant increase in the score for a number of key Pulse survey questions in this group, in particular those around engagement and personal development.

Leading People was recognised externally at the Learning Technology Awards 2017, with a Gold award for Best Learning Platform Implementation and Silver for Best Use of Social and Collaborative Technologies. We also launched a pilot for over 200 employees for the related programme Leading Self, which will be rolled out globally in 2018. In addition to these programmes, we have used this technology platform to deliver training modules on diversity, inclusion and sustainability.

Investing in our communities

Wherever we work in the world, we aim to make a positive impact on our local communities. In 2017, we gave more than \$25 million in Community Investment Contributions to more than 900 non-profit organisations in 61 countries around the world. We also donated more than \$401 million of medicines in connection with Patient Assistance Programmes around the world, the largest of which is our AZ&Me programme in the US.

We donated medicines worth more than \$4 million (US Wholesale Acquisition Cost Value) in response to disasters and humanitarian needs.

We encourage colleagues to volunteer and support their efforts with at least one day of paid leave for volunteerism. In 2017, our employees volunteered over 29,000 hours on community projects in countries around the world. “A very valuable and rewarding day,” said one employee volunteer, while another agreed that it was “a great way to further improve relationships and team working whilst helping others”. Colin, in the IMED Operations unit, added: “The power of collective volunteering cannot be underestimated. A single day reaching into the community can have a wider impact than financial support alone. Whether collaboratively supporting a local hospice, as part of iVolunteer, or inspiring our next generation of scientists and engineers, via our STEM ambassador programme, the personal rewards are truly gratifying.”

