



# Supplier Sustainability Guide

Sustainability requirements for working  
with AstraZeneca

February 2025



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Greenhouse Gas emissions (GHG) come from multiple sources. These are categorised into three groups or 'Scopes' as per GHG Protocol, you will see this terminology referenced within this guide:

### Scope 1 and 2 emissions

- Scope 1 emissions are generated from a source which a company directly owns or controls e.g., burning fuel in company-owned vehicles.
- Scope 2 emissions are indirect emissions generated from purchased energy e.g. electricity purchased to power an office.

### Scope 3 emissions

- Scope 3 emissions are generated by a company's value chain. They include all emissions not accounted for in a company's Scope 1 & 2 emissions. They often represent the majority of a company's total GHG emissions. 97% of AstraZeneca's total emissions are Scope 3 emissions, the majority of which are attributed to purchased goods and services.



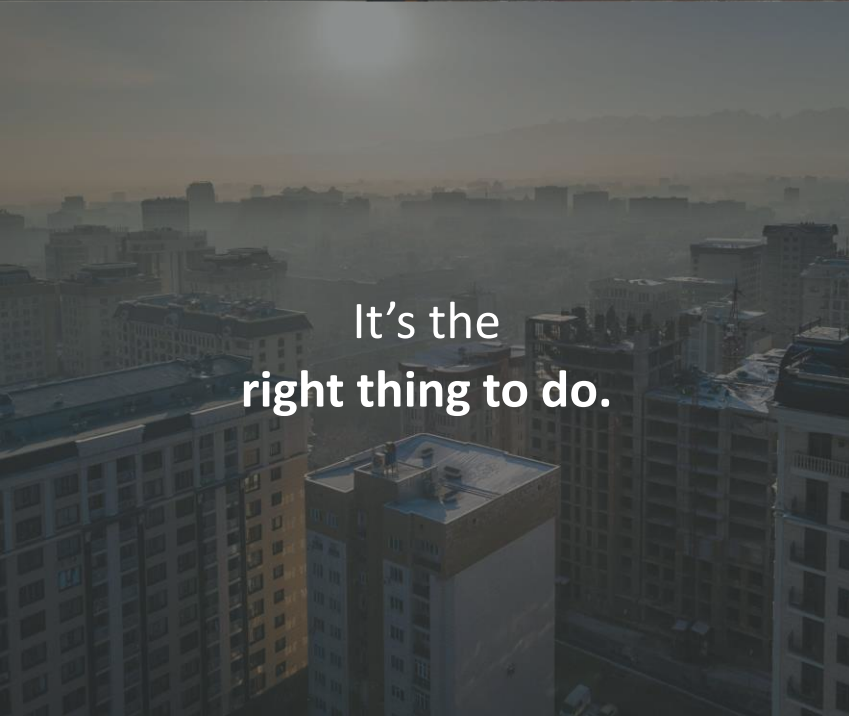




To support innovation,  
we need to **transform** how  
healthcare is delivered...



For the **health** of people,  
**society** and the planet.



It's the  
**right thing to do.**



This is **not** philanthropy,  
or corporate social  
responsibility.



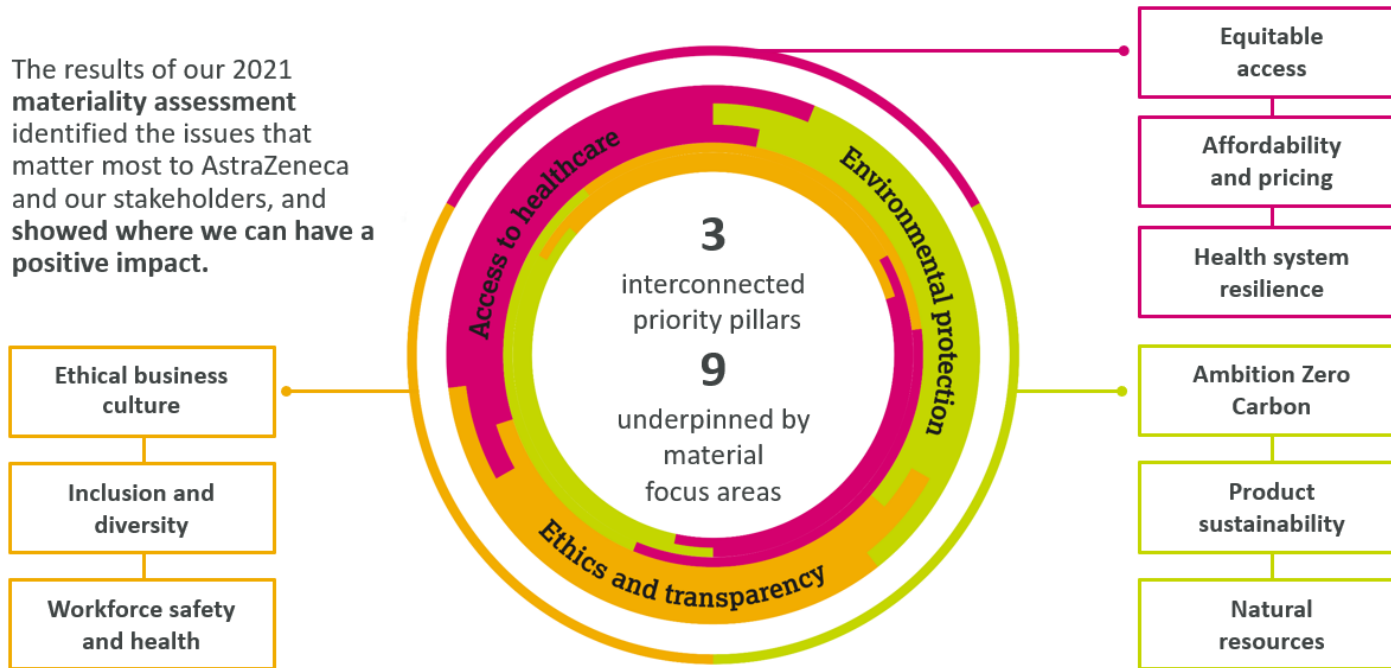
This is **business critical**  
and the **responsibility**  
of all of us.



# AstraZeneca sustainability strategy & public targets

## AZ Sustainability strategy

The results of our 2021 **materiality assessment** identified the issues that matter most to AstraZeneca and our stakeholders, and showed where we can have a positive impact.



## Public targets

*by 2025 95% SBTI verified supplier engagement*

*by 2030 Reduce absolute Scope 3 GHG emissions by 50% - carbon negative*

*by 2045 Reduce absolute Scope 3 GHG emissions by 90% - Net Zero*

*Responsible sourcing strategies for 12 key natural raw materials by end 2025*

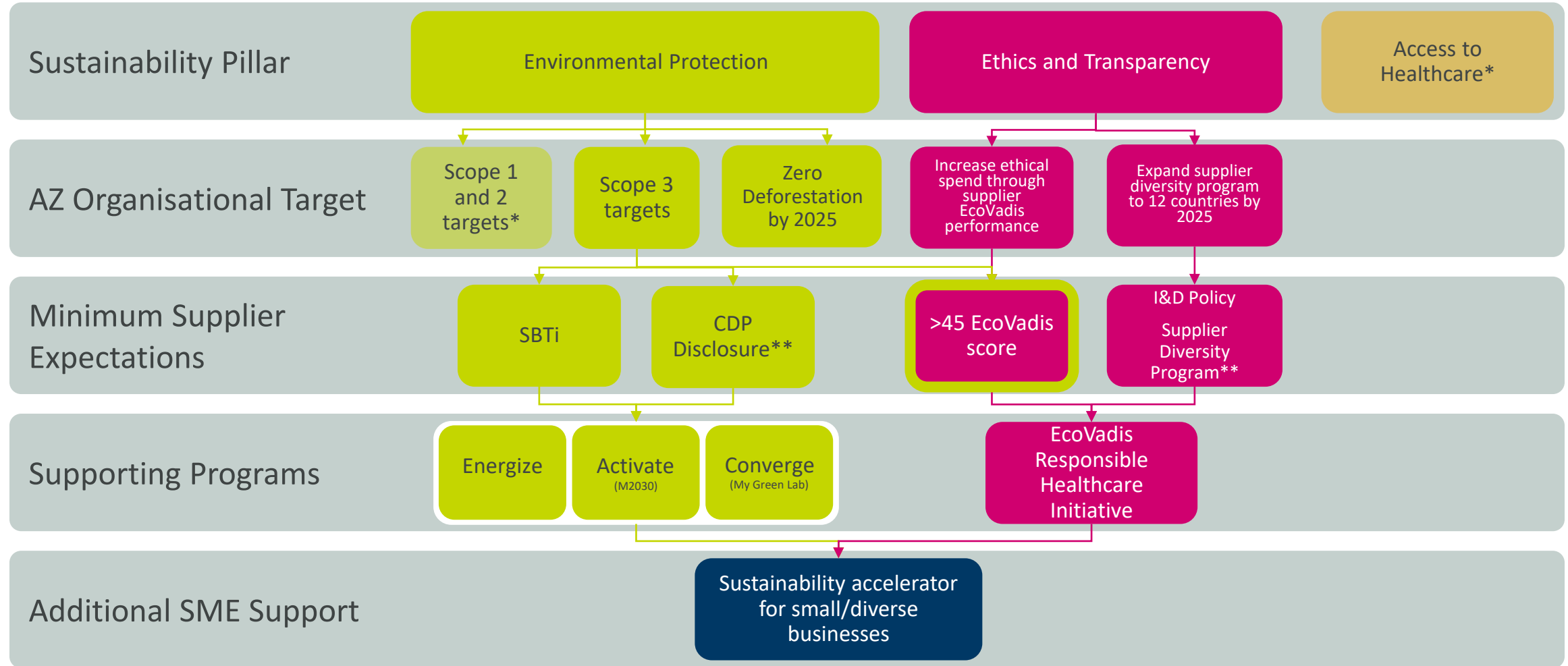
*Commitment to Zero deforestation for key materials by end 2025*

*Expand supplier diversity program to 12 countries by end 2025*

*Increase ethical spend through supplier EcoVadis performance*



# How do suppliers fit in with AstraZeneca's Targets?



\*Outside sustainable procurement team focus

\*\* Suppliers above specific spend threshold



# Our Partners - Programs



## M2030's Activate

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Working with active pharmaceutical ingredient (API) supply chains to enable environmental impact reduction of the healthcare sector.



A collaboration between Schneider Electric and the world's leading pharmaceutical and healthcare companies to increase access to renewable electricity at scale for our suppliers.



RHI leverages the EcoVadis platform to increase efficiency by allowing healthcare, pharmaceutical and biotechnology suppliers to share scorecards with many customers at once in an antitrust-safe environment. It also accelerates sustainability performance through targeted capacity building activities.



The Converge initiative uniquely draws upon the collective influence of pharmaceutical industry leaders to propel suppliers toward reducing the environmental impact of their operational labs through My Green Lab Certification.





# Our Partners - Networks



## Sustainable Markets Initiative

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We are leading members of SMI Health Systems Task force, which is chaired by our CEO Pascal Soriot



Collaboration of pharmaceutical companies to provide to build responsible supply chains and sustainability capability throughout the supply chain



The SPP provides a non-commercial, safe space for open and honest peer-to-peer exchange, learning and collaboration for procurement professionals



## Regional Supplier Diversity Networks





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Including NMSDC, WeConnect International, European Supplier Diversity Program and regional equivalents



# AstraZeneca Supplier Sustainability Expectations

All suppliers are required to comply with our [Expectations of Third Parties policy](#)

Requirement	What	Why	Who & When
 <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p> <p>Have an SBTi-validated carbon reduction target by 2025*</p>	Science-Based Targets Initiative assesses carbon emissions targets in line with 1.5 degrees pathway	Critical to achieve collective decarbonisation goals across the supply chain	A one-time target validation by end of 2025 for suppliers we spend over \$250k with annually.
 <p>Achieve annual EcoVadis rating with an overall score above 45</p>	A general Environment, Social, Governance (ESG) rating platform	Driving holistic sustainability progress across the supply chain	Annual submission for suppliers with annual spend over \$250k.
 <p>Annual disclosure of emissions data for GHG Scopes 1, 2 and 3</p>	An environmental data and sustainability strategy disclosure platform	Collecting primary emissions data to improve the accuracy of our scope 3 reporting	Annual submission for suppliers with annual spend over \$1.3m.
 <p>Apply inclusive practices in workplace and supply chain incl. publication of I&amp;D policy</p>	I&D policies & practices shared via EcoVadis; set up Supplier Diversity program**	Driving social impact through inclusion and diversity across the supply chain	Where no I&D and supplier diversity policies exist, suppliers with annual spend over \$250k commit to establishing policies

\* In some cases, this deadline will be extended for new suppliers. Please refer to the clauses stated in your contract

\*\*Requirement may be waived under specific circumstances e.g. no subcontracting taking place



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










**YOU WILL BE ASKED TO MAKE A COMMITMENT TO SBTI**

# How AstraZeneca's expectations can help your business



# Timelines for Minimum Supplier Expectations

	2025						2026
	Jan/Feb	Mar/Apr	May/June	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb
SBTi Commitment Set Deadline*	 <p>Once a formal commitment is set, suppliers should submit their targets as soon as possible to allow time for SBTi review</p>						
SBTi Target Validated Deadline*							
EcoVadis - Questionnaire Completion**							
EcoVadis - Expert Analysis**							
CDP							
Publication of D&I Policies and establishment of Supplier Diversity Program**							



Deadline



EcoVadis and CDP requirements repeat annually

\*In some cases, these deadlines will be extended for new suppliers. Please refer to the clauses stated in your contract.

\*\*EcoVadis and D&I activities are not required to take place in the months pictured, their inclusion in this chart is to give you an indication of the total time required for each phase.



# Beyond minimum supplier expectations

What does high supplier performance in sustainability look like to AstraZeneca?

## Environmental Protection

- 10% (of baseline) CO2e footprint reduction each year, aiming to halve emissions by the end of this decade
- A public commitment to achieve 100% Renewable Energy by 2030, with progress by end 2025
- Provision of primary emissions data for goods or services provided to AZ, including developing Product/Service Carbon Footprints
- Planning to reduce impacts on Nature, including conserving biodiversity and reducing water use

## Ethics & Transparency

- EcoVadis score above 45 in all sub-categories and over 64 average score
- A commitment to have at least 15% AstraZeneca Tier 2\* spend per year with small businesses and diverse-owned suppliers
- Provide data on your supply chain spend with small or diverse-owned subcontractors through the Proveedor platform

\*Tier 2 is the spend you have with your suppliers in support of your business with AstraZeneca.







# What Now?

A step-by-step guide for suppliers



**The Science Based Targets initiative (SBTi)** was created to define a science-based standard for net-zero target setting.

SBTi guides companies on how much and how quickly they need to reduce their greenhouse gas emissions to align with the 2015 Paris Agreement global warming target i.e. limiting global warming to 1.5 degrees Celsius, compared to pre-industrial levels.

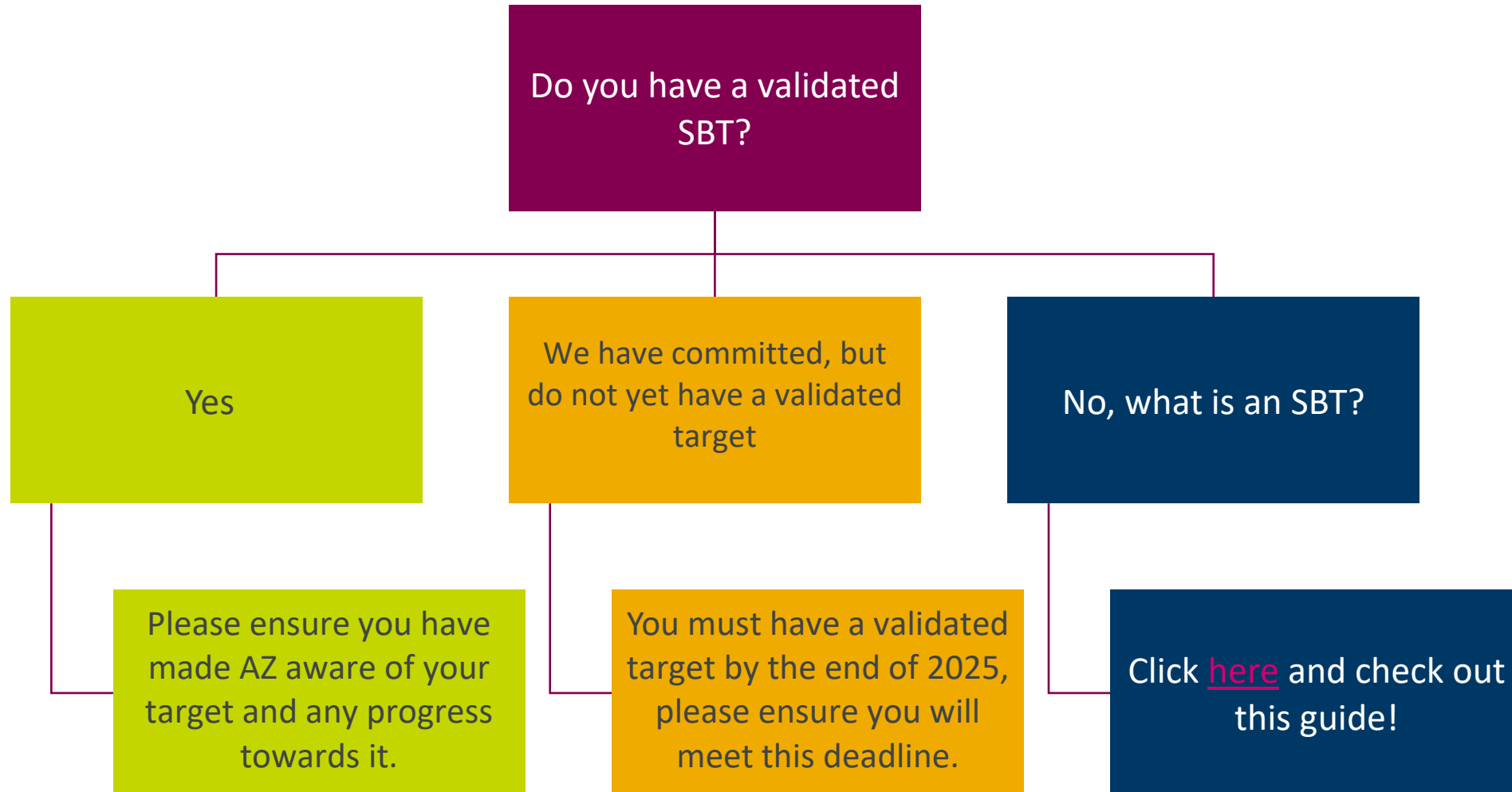


SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Where to start with Science-Based Targets



# SBTi Process

For more relating to AstraZeneca's SBTi requirement, review our FAQ'S [here](#).

## 1. Register

All companies are required to first register with SBTi Services via the Validation Portal.<sup>1</sup>

Create an individual account [here](#) then follow the instructions to create a company account.

More information on the registration process including the information required can be found [here](#).

## 2. Commit

A formal commitment to setting a SBT should be made within the Validation Portal, via a simple agreement completed by an authorised company executive.<sup>2</sup>

## 3. Develop

Once committed, you can begin the process of creating targets in line with the SBTi Standard. There are two options:

- [Near-term target](#)
- [Net-Zero target](#)

AstraZeneca requires supplier to set a near-term target at minimum.

SME's have their own streamlined target setting [pathway](#).

## 4. Submit

Download the [Target Submission Form](#) and complete before submitting along with any supporting documents via the Validation Portal.

Following technical screening, the target validation is completed by SBTi and is payable by the company.

More detail on costs can be found [here](#).

## 5. Communicate

One month after your target has been approved it will be published on the '[Companies Taking Action](#)' page on the SBTi website and partner websites.

You will receive a welcome pack with advice on how to communicate your new target to your stakeholders.

## 6. Disclose

Following approval, you should disclose your companies' emissions annually and monitor your progress towards your target

<sup>1</sup> New requirement from 29 Oct 2024

<sup>2</sup> This step is not required for SMEs following the streamlined SME target-setting route





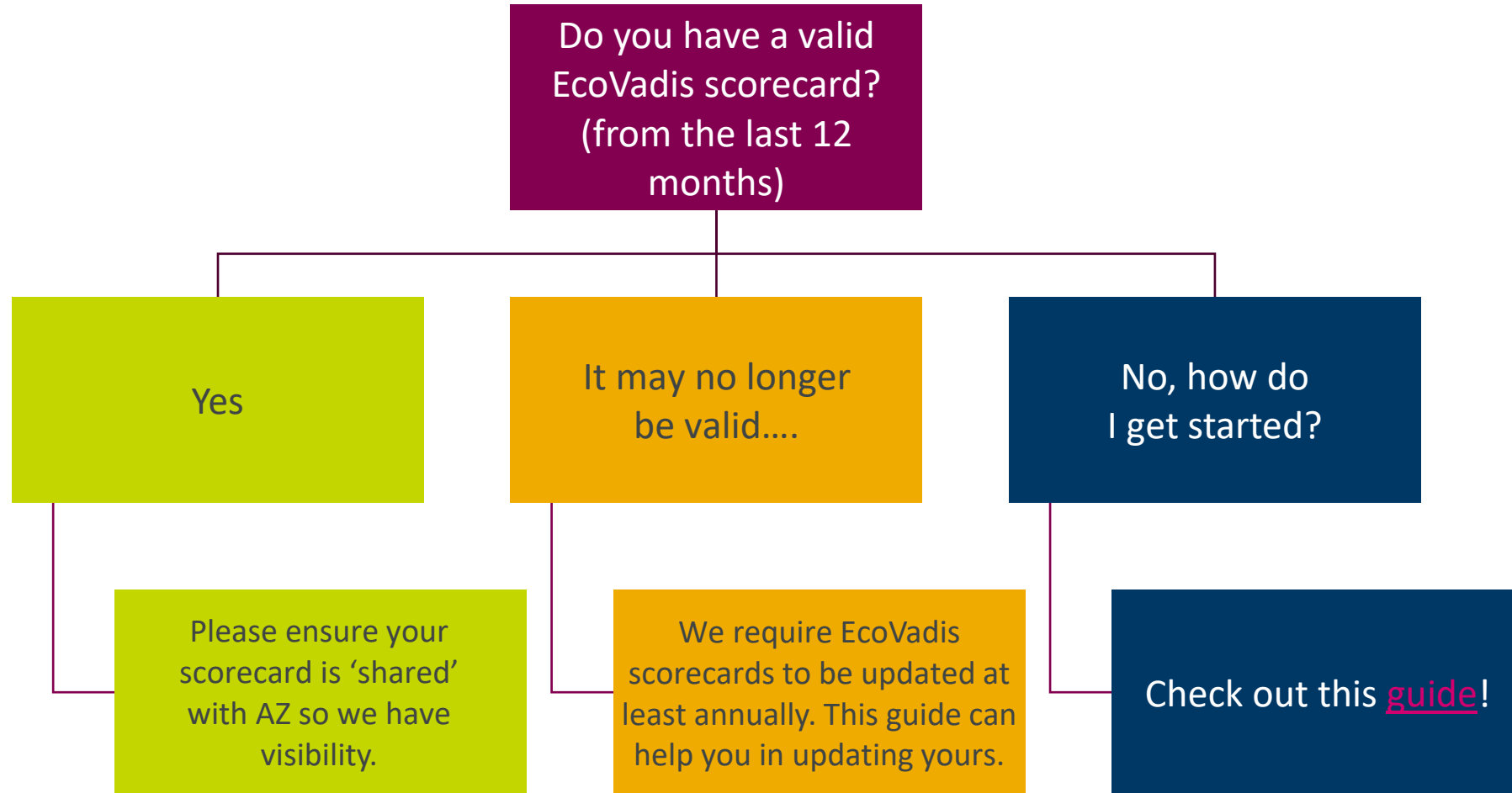
EcoVadis is an Environmental and Social Governance (ESG) assessment company. Since its founding in 2007, EcoVadis has grown to become the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 100,000+ rated companies. The assessment is customised based on industry, country, and company size.

The Sustainability Scorecard illustrates performance across 21 indicators grouped into 4 main themes:

- Environment (including a Carbon Scorecard)
- Labour & Human Rights
- Ethics
- Sustainable Procurement



# Where to start with EcoVadis



# EcoVadis Process

For more relating to AstraZeneca's EcoVadis requirement, review our FAQ'S [here](#).

## 1. Registration

Once you receive an AstraZeneca invite from EcoVadis, you must register to the platform and provide general information about your company. This data will then be verified by EcoVadis' data management team to customise your questionnaire and subscription offer. More details on subscriptions including pricing can be found [here](#). Registrations can be made without a prior invite [here](#) although in this case you must ensure that scorecards are shared with AstraZeneca once available.

## 2. Questionnaire

After receiving and processing your registration, you will receive a notification with your username and a link to create your password to access the platform, where you can choose your subscription plan and start completing your company's sustainability questionnaire and provide supporting documentation. The questionnaire must be completed within 30 days.

## 3. Expert analysis

After you submit the questionnaire, EcoVadis' sustainability analysts will collect sustainability-related news about your company from publicly available sources and assess your answers and supporting documents. You can check the estimated publication dates of your results on your EcoVadis Ratings platform but can generally expect a result in 6-8 weeks.

## 4. Results

Once Expert Analysis is completed by EcoVadis, you will receive an email notification with a link to your scorecard. This scorecard will also be visible to AstraZeneca. You can share that with any other requesting organisations/must share with AstraZeneca if you did not begin with an invite from us. The EcoVadis platform will generate corrective actions based on improvement areas identified in your assessment.

## 5. Re-assessment

Your scorecard is valid for 12 months and should be updated annually, this will demonstrate any progress from incorporating corrective actions throughout the year.



# EcoVadis Scoring Categories

For more relating to AstraZeneca's EcoVadis requirement, review our FAQ'S [here](#).





**CDP** is a not-for-profit which runs a global environmental disclosure system for investors, businesses, cities, states, and regions. CDP was set-up with the purpose of developing a standardised environmental reporting model which simulates financial accounts. Suppliers with whom we spend over \$1.3m annually are required to complete CDP's climate change questionnaire which enables the identification of environmental risk management and mitigation opportunities



# Where to start with CDP



# CDP Process

For more relating to AstraZeneca's CDP requirement, review our FAQ'S [here](#).

## 1. Activate

You will receive an invite to register on CDP from AstraZeneca at the start of April each year. You must register or log-in to a pre-existing CDP account to activate your participation. You will then receive an invitation to participate in the submission process from CDP and will be able to view the questionnaire. Suppliers requested to disclose to CDP by AstraZeneca will not be required to pay any fees.

The questionnaire is extensive, so you are recommended to begin working on the questionnaire as soon as you receive the invite from AstraZeneca. The key data we require from supplier includes emissions and the verification of those emissions as well as energy related activity.

## 2. Report

Large companies are expected to provide:

- Scope 1 and Scope 2 emissions data which has been verified by an external third party
- Scope 3 emissions, categories 1-8 (this data does not have to be verified by an external third-party, but verification is highly encouraged)

The SME version of the questionnaire requires:

- Scope 1 and Scope 2 emissions data which has been verified by an external third party
- Scope 3 emissions, categories 1-8 (this data does not have to be verified by an external third-party, but verification is highly encouraged)

You must submit a completed questionnaire in September each year. The specific deadline will be clearly communicated to you.

## 3. Results

Your submission will be assessed by CDP and you will receive a CDP score which will represent a combination of your environmental performance and the completeness of your questionnaire submission. AstraZeneca and any other requesting parties will also receive these results.





Inclusion and diversity (I&D) is fundamental to the success of AstraZeneca because innovation requires breakthrough ideas that come from a diverse workforce and partners empowered to challenge conventional thinking. Supplier Diversity ensures small and diverse suppliers have equal access to purchasing opportunities.

We want to work with suppliers who share our values, who recognise that inclusion is a right and diversity is a strength, and who demonstrate a commitment to I&D through robust policies, practices, and measurable actions within their workplace and supply chain.





# Where to start with I&D



# Inclusion and Diversity (I&D)

## 1. Your workforce

As part of AstraZeneca's Supplier Diversity initiative, you will be responsible for the sharing your organization's Inclusion and Diversity (I&D) and Supplier Diversity policies, practice, and goals with AstraZeneca through the EcoVadis platform. For more guidance on developing an I&D policy, visit EcoVadis Resources.

We recognise that the definitions of small, medium enterprises (SMEs) and diverse-owned companies vary between countries. The definition of a diverse-owned supplier is typically a business which is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group in that country (e.g. female-owned businesses, LGBTQ+ owned businesses, Black, Indian, Asian, or Latino owned and other minority owned businesses). AstraZeneca uses the definitions determined by each country's regulatory bodies to define a small business.

## 2. Your supply chain

We encourage suppliers to have at least 15% of AstraZeneca's tier 2 spend with small and/or diverse-owned businesses (please refer to the clauses stated in your contract). As part of this we require suppliers to:

- Calculate baseline data on your total supply chain and/or AstraZeneca specific spend with small and diverse suppliers
- Provide data by quarter, on an annual basis, to AstraZeneca on your spend with small and diverse-owned suppliers (i.e. AstraZeneca Tier 2 suppliers)
- Create a strategy to achieve >15% spend with small & diverse suppliers (AstraZeneca's Tier 2 suppliers)
- This data collection will be done through the Proveedor platform and you will receive an invite to participate in January of each year.



# Setting up a Supplier Diversity program



## Step-by-Step Guide to Setting Up Your Program

Leadership Commitment & Accountability

Strategy & Governance

Integration into Sourcing & Business Processes

Internal and External Outreach: Advocacy Partners & Resources

Supplier Development

Measuring Progress & Continuous Improvement

Access the "How to Setup Supplier Diversity Program" webinar : [Training Materials](#) Password: AstraZeneca2023



# Further Resources

- [Sustainable Healthcare Coalition](#) | A healthcare sector-led group that looks for the greatest opportunities to inspire sustainable practices in healthcare through collaboration
- [Scope 3 Peer Group](#) | Keep track of rapidly-evolving scope 3 best practice and guidance to make faster and more confident progress, together
- [SME Climate Hub](#) | The SME Climate Hub is a non-profit global initiative that empowers small to medium sized companies to take climate action and build resilient businesses for the future
- [Embedding Project](#) | Useful resources that help companies embed sustainability across their operations and decision-making
- [WBCSD Resources](#) | The Climate Drive
- [Net-Zero Journey for Companies](#)
- [Pharma Net- Zero Delivery Playbook](#) | This PSCI Playbook builds on that work to provide 24 detailed emissions reduction initiatives across 7 impact areas that map to the drug development lifecycle.
- [EV100](#) | Making electric transport the new normal by 2030
- [RE100](#) | Accelerate change towards zero carbon electricity at scale
- [Renewable Thermal Collaborative](#) | Coalition for organizations that are committed to scaling up renewable heating and cooling at their facilities and dramatically cutting carbon emissions

