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Introduction

The need for action at scale to address the climate crisis is more urgent than ever. Climate change is already impacting our health and resulting in a rise in chronic conditions such as heart disease, stroke, lung cancer and respiratory illnesses. The World Health Organization (WHO) estimates that air pollution alone causes seven million premature deaths each year.

As the Lancet Countdown 2022 Report outlines, "the world faces a critical juncture. A health-centred, aligned response to the compounding crises can still deliver a future where people can not only survive, but thrive".

Leader Quote: Pascal Soriot, CEO of AstraZeneca: "While much has been said about the damage to weather patterns, crop yields and coral reefs, less well understood is the effect a hotter world has on our health. The reality is that **the climate crisis** is the biggest health crisis of our time, bigger even than Covid-19." Excerpt from April 2023 article in Guardian (<u>Link</u>)

Sustainability at AstraZeneca means harnessing the power of science and innovation and our global reach to build a healthy future for people, society, and the planet. Our sustainability strategy is guided by three interconnected strategic priorities: Access to healthcare, Environmental protection, and Ethics and transparency. Our environmental protection ambition is to accelerate the delivery of net-zero healthcare, proactively managing our environmental impact across all activities, and investing in nature and biodiversity, recognising that a healthy environment is critical for human health.

On climate we have an ambitious science-based decarbonisation strategy: Ambition Zero Carbon (AZC). We are on track to reduce greenhouse gas emissions from our global operations by 98% by 2026, from a 2015 baseline, and halve our entire value chain footprint by 2030, on the way to a 90% reduction by 2045, from a 2019 baseline, to reach science-based net zero.

Video 1: (Not specific award submission) Intro to AstraZeneca's Ambition Zero Carbon strategy (no sound)





Documents:

<u>AstraZeneca 2022 Sustainability Report</u> (Page 22) <u>AstraZeneca 2022 Sustainability Data Summary</u> (Page 6)

Video 2: (Not specific award submission) Intro to AstraZeneca's renewable energy strategy (no sound)

1	RE100 Changemaker
What sustainability targets has your company set alongside your RE100 goal? How do they complement each other?	Our global energy consumption is approximately half electricity, for power, and half fossil gas, for heat and CHP. In 2021, we transitioned to 100% imported electricity globally from certified renewable sources. As we were unable to purchase renewable electricity certificates for Russia in 2022, this reduced to 99%. When taking into account electrical output from on-site CHP units that run on fossil gas, in 2022 91% of our total electricity consumption came from certified renewables. Our targets and reporting are comprehensive and do not exclude any locations or use-types from our targets and reporting. Transitioning our imported electricity to renewables has supported the 59% reduction in total Scope 1 & 2 emissions we have achieved since 2015. However, to deliver on our 98% absolute reduction target by 2026 we must decarbonise our heat generation and CHP units. We have committed that by the end of 2025 we will reduce absolute energy use 10% and double energy productivity compared with 2015 (EP100); we will use 100% renewable energy for electricity (RE100) and heat; and we will maximise our transition to EVs in our road fleet (EV100).
What's driving your company to go beyond your RE100 target? And what role has your RE100 commitment played in this?	 In addition to emission reduction, we aim to Lead in Sustainability in <i>how</i> we achieve our science-based targets. Leading in Sustainability recognises that only high quality, impactful and scalable solutions will deliver the real world impacts that are necessary to tackle the climate and health nexus and support an energy transition that is accessible to our suppliers, customers and patients. It is also an opportunity to attract and retain talent in a competitive marketplace and demonstrate a leading approach to customers whose interest in our sustainability strategy has increased significantly. That is why we have developed a number of focus areas that go well beyond the % renewable" metric, as follows: Efficiency: following the IEMA GHG Hierarchy and prioritising demand side reduction together with maximising self-generation – in 2022 alone we invested \$26.6 million in energy efficiency and onsite renewable energy. We have achieved a 14.4% absolute reduction in total energy consumption globally from our 2015 baseline despite growing revenue, achieving an 89.7% increase in energy productivity (EP100) since 2015. Solar PV and batteries: recognising the many benefits of self-generated renewables to site energy costs, resilience, temporal relevance and employee engagement, we have committed \$23.1 million over 2022-2024 to on-site solar photovoltaic (PV) installations at ten sites in eight countries. Once operational, the total output from all our on-site solar PV will be 27 GWh of electricity, equivalent to over 3% of our global electricity use. Where grid reliability is a significant issue, we have began coupling solar PV projects with battery storage and are implementing one such project at our Puerto Rico manufacturing facility. Imported electricity and heat/fuel procurement focus areas: Additionality: we are prioritising investments and energy purchase agreements that deliver real world GHG emissions reductions y displacing foss
	relevance of our energy procurement. Our original RE100 commitment was the catalyst to develop this strategy and the quality criteria provided by RE100 has acted as a robust baseline on which we have developed internal standards and scoring mechanisms for energy proposals – not only for electricity but also heat and fuels.



	partnership, we will access high quality bioenergy with carbon capture and storage (BECCS) through the Northern Lights partnership in Norway, as a result the biomethane production has the potential to be not just net zero but net negative.
	Leader Quote: Juliette White, Vice President Global SHE & Operations Sustainability, at AstraZeneca, said: "At AstraZeneca, we are committed to operating in a responsible way that recognises the interconnection between the needs of patients, society and the limitations of our planet. We're proud to be working in partnership with innovative organisations like Future Biogas to enable the sustainable discovery, development and manufacture of medicines and vaccines. Through such collaborations, we're making progress on our [Ambition Zero Carbon targets]." (Links: Future Biogas; edie)
What benefits will your sustainability strategies have on, for example, increasing the percentage of renewables on the grid or driving systemic change?	We are committed to driving the systemic change critically needed to mitigate climate change. The greenest MWh is the one you don't use so our investments and achievements on energy efficiency and energy productivity are demonstrating that absolute energy reductions are possible even in a fast-growing global business.
	Achieving over half of our global energy needs from additional, new to grid, renewables will increase total renewables production and with our requirements on geographic and temporal relevance the impact and utilisation of all our energy procurement will support system change locally and real world GHG emissions reduction.
	In the pharmaceutical sector, around 50% of the emissions come from the supply chain – with heat, power and logistics being significant contributors. Through the Sustainable Markets Initiative (SMI) Health Systems Task Force , a public-private partnership championed by our Chief Executive Officer, Pascal Soriot, we have joined forces with leaders from across the healthcare system, to accelerate the delivery of net zero healthcare systems. In the area of supply chains, ahead of COP27 seven Task Force members announced joint action to reduce GHG emissions, including committing to switching to renewable power, evaluating renewable power purchase agreements in China and India, and exploring green heat solutions by 2025. In 2023, to facilitate access to renewable energy in the region, the Task Force announced joint, minimum climate and sustainability targets for suppliers, to address emissions across the value chain and reduce the complexity of multiple asks for suppliers.
	We are a founding member of Energize , an initiative that supports suppliers in the pharmaceutical sector to switch to renewable energy, helping to drive system-level change. The first Energize PPA buyers' cohort has brought together seven suppliers and two sponsors to purchase renewable electricity, resulting in a potential aggregate of 2 terawatt-hours (TWh) of electricity demand in Europe and North America.
What are the benefits of setting ambitious sustainability targets?	We're taking bold, science-led action on climate because it's the right thing to do and makes business and broader economic sense. Our stakeholders (including patients, customers, current and future employees, investors) also expect us to take action on climate. Using a science-led, patient-first approach we are focused on discovering and developing life-saving medicines to help improve patient outcomes while lowering the economic and environmental burden of healthcare, helping to build more sustainable health systems in the long-term.
	In parallel, setting ambitious sustainability targets enables us to build resilience and manage the risks and opportunities presented by climate change:
	 If we are not supporting high quality projects and are seen to be over-claiming the benefits we open ourselves to fair accusations of greenwash Careful consideration now will make the long-term contracts we are signing resilient to future GHG accounting rule changes for instance on bioenergy and market instruments.

2	RE100 Key Collaborator
How have you worked with other companies to achieve your renewable electricity goals?	Creating sustainable healthcare and a sustainable planet for all requires collaboration at scale and pace. We recognise that no organisation, government, or institution can do it alone. That is why we were one of the first companies to sign up to all three of the following Climate Group initiatives: by the end of 2025 we will reduce absolute energy use and double energy productivity compared with 2015 (EP100); we will use 100% renewable energy for electricity (RE100) and heat; and we will maximise our transition to EVs in our road fleet (EV100). Through public-private partnerships like the SMI Health Systems Task Force and the Energize initiative, we are working with our peers to accelerate the transition to renewable electricity.
	Within our own energy supply marketplace we are working closely with suppliers towards solutions with real world benefits, with suppliers whose climate commitment are aligned with our own.
How are you working with your supply chains to enable them to switch to renewables?	We're taking concrete steps to decarbonise, together with partners across our value chain. We are a founding member of the Energize programme launched at COP26 – a 'first of its kind' collaboration of ten of the largest pharmaceutical companies and Schneider Electric, to encourage and support our suppliers to buy renewable energy at scale. The Energize program uses collective buying power to help suppliers switch to renewable energy, and at a better cost, enabling our suppliers to cut their Scope 2 emissions and in-turn our Scope 3 emissions.
	The programme is designed to overcome typical market barriers such as inadequate knowledge about renewable energy transactions, load size, lack of credit, and the need for guidance throughout a complex and protracted contracting process. Participating suppliers learn about the renewable energy market, receive guidance on the different options, and can access and contract for renewable energy on their own or as part of a collaborative Power Purchase Agreement (PPA) buyers' cohort. The first Energize PPA buyers' cohort has brought together seven suppliers and two sponsors to purchase renewable electricity, resulting in a potential aggregate of 2 terawatt-hours (TWh) of electricity demand in Europe and North America.
	In 2023, the Pharmaceutical Supply Chain Initiative (PSCI) and Energize announced a collaboration to amplify existing direct communications to suppliers, and further support discussions with suppliers. The AstraZeneca Sustainable Procurement team has led the partnership creation via the Decarbonisation Topic Team at PSCI, working collaboratively with the sustainable procurement teams at GSK, Novartis and Takeda.
	"Decarbonising the pharma supply chain is a huge undertaking that requires partnership and collaboration. I'm delighted that the PSCI and Energize are working together to support the whole of the pharma sector supply chain through a shared value approach. By raising awareness about the world of renewable energy and providing a platform and solution for the pharma companies and their suppliers to decarbonize, we are making the transition to net zero a reality for the sector."
	- Rob Williams, Director Procurement Sustainability at Astrazeneca and Co-lead of the PSCI Decarbonisation Team
	In addition to Energize, our Chief Executive Officer Pascal Soriot champions the Sustainable Markets Initiative (SMI) Health Systems Taskforce, which comprises global health leaders and aims to accelerate the delivery of net zero healthcare. Through the public-private partnership, we are driving action across three essential areas: digital health care, supply chains, and patient care pathways.
	In the area of supply chains, ahead of COP27 seven Task Force members announced joint action to reduce GHG emissions, including committing to switching to renewable power, evaluating renewable power purchase agreements in China and India, and exploring green heat solutions by 2025.
	"Climate change is the greatest global health threat of our time. During the pandemic, the healthcare sector stepped up and showed what can be achieved when we work together. Today, we act with the same urgency to tackle the climate crisis, with the collective commitments announced by the Sustainable Markets Initiative Health Systems Task Force setting a benchmark for others to drive action."

	- Pascal Soriot, Chief Executive Officer, AstraZeneca, and Champion of the SMI Health Systems Task Force.
	In 2023, to facilitate access to renewable energy in the region, the Task Force announced joint, minimum climate and sustainability targets for suppliers, to address emissions across the value chain and reduce the complexity of multiple asks for suppliers.
Why is it important for your company to share knowledge and best practices?	AstraZeneca has set an ambitious target to halve its entire value chain footprint (from 2015 baseline) by 2030 leading to a 90% reduction by 2045 (from 2019 baseline).
	Our Scope 3 footprint is more than 20 times greater than our Scope 1 and 2 footprint, and our ambitions will only be achieved through close collaboration with our supply chain partners. We cannot do this alone. We need to know our suppliers are on the same road to net zero. That is why we have set the goal that, by 2025, 95% of our key suppliers and partners should have verified science-based targets, and we are working closely with our sector peers to support the progression to a low carbon economy.
	We are committed to sharing knowledge and best practices from our decarbonisation journey because we want our suppliers to come to come on our climate action journey with us.
Are there any examples of	Collaboration is essential and setting minimum expectations jointly to work with suppliers is key – this enables much greater change.
your company's efforts to share key learnings?	We are a supporter of the Sustainable Procurement Pledge (SPP) , joining their League of Champions. Last week we celebrated World Sustainable Procurement Day, seeing the benefits of Procurement teams working together, across all industry sectors, to share responsible sourcing practices.
	The insights shared through SPP bring transparency to sustainable procurement challenges and allow procurement professionals to accelerate solutions to build a healthy future for people, society, and our planet. We will be working with SPP to build knowledge around best-practice and sharing this as part of our ONEProcurement learning resources.
	We recognise the need for common approaches to reporting, to simplify processes and accelerate sustainability. To gain consistent insight into our Scope 3 emissions, we rely on our suppliers' CDP submissions. By using this robust third-party platform, when our suppliers submit data for AstraZeneca's Scope 3 programme, it can also be used with their other customers.
	In 2021, we invited our top 250 suppliers to participate in the CDP Supply Chain program, and more than 70% of those suppliers disclosed their climate change data, including many suppliers who had never disclosed through CDP before. In 2022, we stepped up our action further and have now invited over 700 suppliers to report through CDP – nearly three times the number invited in 2021 year.
Why is it important for your company to publicly report and disclose your	We report our environmental data to track and benchmark progress. This enables us to and meet the demands of our stakeholders, protect, and improve our company's reputation, and boost our competitive advantage.
, progress?	

3	Beyond 100%
When did your company achieve 100% (as verified by CDP)?	In 2021, we transitioned to 100% imported electricity globally from certified renewable sources through purchasing certificates from the same country, and same year, as our consumption. As we were unable to purchase renewable electricity certificates for Russia in 2022, this reduced to 99%. When factoring in electrical output from on-site CHP units that run on fossil gas, in 2022, 91% of total electricity consumption came from certified renewables. Our targets and reporting are comprehensive and do not exclude any locations or use-types from our targets and reporting.
Having reached 100% renewable electricity, what goals have you set beyond your 100% target and Why is it important for you to achieve these goals?	In addition to our 100% renewable electricity targets, to achieve our Ambition Zero Carbon targets we are striving to develop new sustainable heating and cooling sources. Our approach prioritises demand reduction in the first instance and the assessment of electrification options, such as heat pumps and electric boilers, while also looking at substitution of fossil fuels, mostly gas, with sustainable alternative fuels and a preference for innovative and new to grid solutions .
	Building on a UK partnership for biomethane that was signed with Future Biogas in 2021, in 2023 we announced a partnership with Vanguard Renewables to enable the delivery of renewable natural gas (RNG) to all of our sites in the United States – collectively our largest consuming market for fossil gas globally – by the end of 2026.
	We have also committed that by 2025 we will reduce absolute energy use 10% and double energy productivity compared with 2015 (EP100) and we will maximise our transition to EVs in our road fleet (EV100). Looking beyond our Scope 1 and 2 emissions, we are engaging across our entire value chain to halve our entire value chain footprint by 2030, on the way to a 90% reduction by 2045 from a 2019 baseline. We have set the goal that by the end of 2025, 95% of our spend in Scope 3 Categories 1 (purchased goods and services) and 2 (capital goods), and 50% of our spend in Scope 3 categories 4 (upstream transportation) and 6 (business travel) will be with companies that have science-based targets (SBTs) to limit global warming to <1.5C.
	We recognise that our contribution to society must respect our environment and ensure the sustainable use of the planet's finite natural resources. Achieving our RE100 and EP100 targets, delivering on our Ambition Zero Carbon goals and driving system-wide change through collaboration is vital to reducing the environmental impact of healthcare and mitigating climate change. We are working to deliver net-zero healthcare , acknowledging that approximately 5% of global greenhouse gas (GHG) emissions are emitted from the healthcare sector.
What beneficial impact will this have on	Our efficiency investments already save millions of USD per year in energy costs and in conjunction with increased on-site solar PV makes sites more resilient by being less exposed to rising energy costs and local grid instability, supporting the research and manufacture of medicines while managing cost of goods.
your operations?	The long-term agreements for biomethane and power in our key markets reduces the cost variability and so improves future planning.
What impact will this have on the wider region?	We are one of the first to market when it comes to our biomethane agreements in the US and UK. By pioneering new procurement approaches and focusing on new-to-grid, or 'additional', production we are growing those markets for everyone's benefit.
	The greenest MWh is the one you don't use so our investments and achievements on energy efficiency and energy productivity are demonstrating that absolute energy reductions are possible even in a fast-growing global business.
	Achieving over half of our global energy needs from additional, new to grid, renewables will increase total renewables production and with our requirements on geographic and temporal relevance the impact and utilisation of all our energy procurement will support system change locally and real world GHG emissions reduction.
Have you collaborate d or cooperated with other RE100 members in	We have collaborated with RE100 and some of its members through the sharing of our priority areas with a view that in the future we could share our internal standards, strategy and decision-making tools to support others in sourcing renewable energy with integrity and impact.

