



Sustainable
Procurement
Pledge

Pharmaceutical &
Life Sciences

**Best Practices:
Unlock the power of
experience sharing**
We want to hear from you!

September 12 | 15:00 – 16:00 CET



Photo by [Anne Nygård](#) on [Unsplash](#)

Before we get going...

This session will be recorded

- Subscribe to [SPP YouTube](#) channel for all recordings

We encourage interaction & questions

- Please use the tools on the right to ask questions etc.

Join our chapters on LinkedIn

- [SPP Pharma](#)

We are building a community of 1 million

- Together, as a network, we are changing the procurement profession. To do this we need more people collaborating, please invite your peers.
- Join the SPP community for more activities [here](#).

Select “Language and speech” > “Turn on Live Captions”

People & the planet need your [Pledge!](#)

Best Practices:
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Agenda



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- ❑ *Opening and Welcome: Meet Maria & Rob*
- ❑ *SPP Pharma Chapter re-launch*
- ❑ *Our Stories*
 - ❑ *Pfizer*
 - ❑ *AstraZeneca*
- ❑ *Best Practices Sharing initiative*
 - How to participate*
- ❑ *Summary and Next Steps*
- ❑ *Q&A*



Sustainable
Procurement
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Pharmaceutical &
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Relaunching the SPP chapter: Pharmaceutical & Life Sciences

Pharmaceutical & Life Sciences - The Sustainable
Procurement Pledge (spp.earth)

Robert Williams

Sustainable Procurement Director
SPP Pharma Co-Chair



Maria Terracina

Sustainable Procurement Lead
**SPP Pharma Co-Chair and
Presenter**



Hannah Loake

*Sustainable Procurement
Associate Director*
Presenter





Driving Decarbonization across the Pharmaceutical Supply Chain

Pfizer

Is your case study linked to an 'ugly truth' or a 'key success factor'?

We recognize global climate change as one of the defining issues of our time, requiring collective action to mitigate the impact it may have on human health and continuity of access to critical medicines and vaccines. As our actions alone are not enough to tackle climate change our case study is linked to a 'key success factor' in catalyzing collective action.

What does the case study help tackle?

With approx. 80% of our Greenhouse Gas (GHG) inventory being Scope 3 (value chain) emissions this case study provides insights to the approach taken to build and sustain our Net Zero supplier engagement program.

What was the outcome and how did you measure it?

In 2021, Pfizer set an ambitious near-term engagement target, validated by the Science Based Targets initiative (SBTi), aiming for 64% of our suppliers by spend to set science-aligned goals by 2025. In 2022 we achieved 29%, and in 2023, we made significant progress, reaching 51% of suppliers by spend committed to SBTi targets. We are well on track to meet our 2025 target.

Who was involved (departments/roles)?

Pfizer's internal Net Zero program is sponsored at the Executive Leadership Team level and led by a core team composed of cross functional business leaders. Nine technical workstreams have been established to cover the breadth of decarbonization efforts within our own operations and across our value chain. **Supplier impact**, which I lead, is one of them. It involves a cross-functional team of Procurement, EHS, Legal and Finance colleagues ensuring a comprehensive approach.

In 2022 a key step forward was taken: we identified 1-2 Procurement representatives by material category as **Net Zero Champions** to facilitate connection & consistency of goals and actions across the entire Procurement organization.

The NZ Champions active engagement and passion are crucial to our success story.

What were the key success factors?

Pfizer has a long history of climate action, achieving >60% reduction in GHG emissions since 2000 and being one of the first pharmaceutical company to have our then GHG targets validated by SBTi in 2015. Our initial supplier engagement target focused on collecting information on our suppliers' environmental targets and performance through a survey administered by a third party. Expectations on what information should be provided by suppliers was not fully defined leading to inconsistency in reporting practices.

In 2021 we introduced our first **Net Zero supplier engagement maturity model** that segments suppliers into one of 5 levels based on their maturity in environmental sustainability commitments. The power of the model was proven as we have integrated it into our supplier selection and RFX scoring processes as well as SRM. This facilitated tracking of supplier progress year over year

For less mature suppliers, we launched a **Commitment Letter** initiative. It's a pledge through which suppliers commit to establish a GHG emissions baseline and set science-based GHG emission reduction targets for their company (Scope 1 & 2) emissions by 2025.

Our suppliers' response has been remarkable, with almost **200 letters signed!**

As of Q4 2023 we have mobilized these Suppliers through "**Call to Action**" meetings, promoting the SBTi commitment, which boosted our latest results.

In 2024 we have enhanced our maturity model introducing the collection of GHG data from more mature suppliers. Direct reporting of their Scope 1&2 footprint related to our sourcing, supports our longer-term strategy.

Last but not least, since 2021 we hosted three **Net Zero Supplier Summits**, with increasing participation and interest to ensure and confirm the reciprocal engagement and collaboration towards the common decarbonization goal.

What are your watch-outs for others attempting this?

- Invest in upskilling and empowering your procurement team, empowering them to take ownership to drive the conversation.
- Identify and prioritize top suppliers for focused efforts and set clear expectations.
- Have climate action maturity duly embedded into the tender selection criteria and SRM discussions.
- Leverage industry networks by joining peer groups (e.g. PSCI) or collective Scope 2 initiatives (e.g., Energize).

How would you recommend those with less resources attempt this?

Influence your Company leads to embrace the climate challenge focusing on decarbonization and embed it into the company culture throughout the entire organization.

Who were the main drivers (the people that were boots on the ground), and the main leadership sponsor?

Environment, Health & Safety and Legal co-lead the overall Net Zero strategy, committing to an ambitious vision, and driving leadership support and execution; Chief Procurement Officer drives Net Zero commitment across the Procurement organization. The Indirect Sourcing Lead sparked the program before passing the baton to me. Our Executive Leadership sponsor is our Chief Global Supply Officer, who keeps our company leadership team updated.



Maria Terracina
Sustainable Sourcing Lead





Leading Supplier Decarbonization in Pharma

AstraZeneca

Is your case study linked to an 'ugly truth' or a 'key success factor'?

The 'ugly truth' is that supplier data is a challenge for all of us, which also impacts our progress on sustainable procurement. The 'key success factor' is seeing past this, to the key performance indicators of supplier sustainability progress. This is key to our case study of leading supplier decarbonisation.

What does the case study help tackle?

When AZ started our supplier engagement, we didn't have visibility of all their sustainability activities. We also discovered they were finding it difficult to drive sustainability up the supply chain. We want this case study to help others start faster – 2030 is now getting very close.

What was the outcome and how did you measure it?

AstraZeneca committed to a very challenging short term goal of 95% supplier spend with those who have science-based targets by the end of 2025. We have made great progress, but still need to go faster. Now we have two thirds of our spend with suppliers who have made public commitments to climate action on SBTI. An amazing one in eight of all companies on SBTI the registry are suppliers to AstraZeneca.

Who was involved (departments/roles)?

Our CEO and Board are deeply engaged in sustainability, particularly decarbonization because of the recognized link between global warming and human health impacts. Our Group Sustainability team provide expert advice on climate modelling, reporting requirements and resilience. Our Sustainable Procurement team has grown and now supports the Global Procurement team to embed sustainability with suppliers.

What were the key success factors?

AstraZeneca was one of the first seven companies globally to have our Net Zero science-based target validated by the Science Based Targets Initiative – SBTI

Supplier sustainability engagement is led by a team embedded within Procurement which helps translate sustainability into procurement ways of working including contracting. This is a key success factor.

Our Sustainable Procurement team is small, so we've built an extended team of 'Sustainability Champions' from within Category Management, to support on environmental, social and nature sustainability topics. This has been essential for two-way feedback to support improvements in process, tools and data.

The active participation of our Board (including carbon targets on their scorecards) continues to be key in securing funding and driving success.

We are engaged with around 4,000 suppliers and our top 85% of spend is managed by our global category teams who embed sustainability requirements within our contracts. All other suppliers are managed by the Sustainable Procurement team. This division of work supports delivery while the Procurement team continues to manage change, adopting sustainability as part of the Procurement toolkit.

We also engage our suppliers through our supplier conferences, and through the Pharma sector PSCI Supplier Conference (direct materials suppliers) which provides

sector input to ensure suppliers understand this is an entire market change, not just an AZ change.

What are your watch-outs for others attempting this?

- Make sure internal comms and training for Procurement and Business stakeholders are as simple as possible - there is a lot of jargon to understand.
- One training session is not enough – use a range of comms and engagement approaches over prolonged period of time to reach all team members
- Have support from your CPO to set goals in individual performance scorecards - % category spend with SBTI
- Sustainability must become everyone's business. Deepening business engagement in supplier sustainability is a real opportunity for Procurement leadership and business partnering across the organization.

How would you recommend those with fewer resources attempt this?

Leverage industry networks by joining peer groups such as SPP and PSCI or join collective initiatives to increase access to renewable energy such as Energize.

Who were the main drivers (the people that were boots on the ground), and the main leadership sponsor?

Our CPO, Nataša Vidmar is an amazing sponsor who has never wavered from driving the progress needed despite competing pressures on Procurement. Resilience in the Sustainable Procurement team has also been essential to maintain momentum. And key people in Categories who feel passionate about sustainability and have supported us with real positivity when others around them were struggling.



Robert Williams
Sustainable Procurement Director



Leading Supplier Decarbonization in Pharma AstraZeneca:

We are facing the same challenges. Resilience is needed.

Getting started is the hardest part – leverage tools to make it easier.

Internal stakeholder alignment and support is critical.

Capability building is fundamental.





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About the Best Practices Sharing Initiative

- Learning from each others successes and failures*
- Inspire and collaborate*
- Earn recognition for stand-out projects*

*To participate, send your case studies to:
Charlotte Horder <Charlotte@spp.earth>*

Leading Supplier Decarbonization in Pharma Case Study Template

Your case study should address the following questions:

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- Is your case study linked to an 'ugly truth' or a 'key success factor'?
- What does the case study help tackle?
- What was the outcome and how did you measure it?
- Who was involved (departments/roles)?
- What were the key success factors?
- What are your watch-outs for others attempting this
- How would you recommend those with less resources attempt this?
- Who were the main drivers (the people that were boots on the ground), and the main leadership sponsor?

Leading Supplier Decarbonization in Pharma

Your Company Name

Is your case study linked to an 'ugly truth' or a 'key success factor'?

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What does the case study help tackle?

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What was the outcome and how did you measure it?

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What were the key success factors?

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How would you recommend those with fewer resources attempt this?

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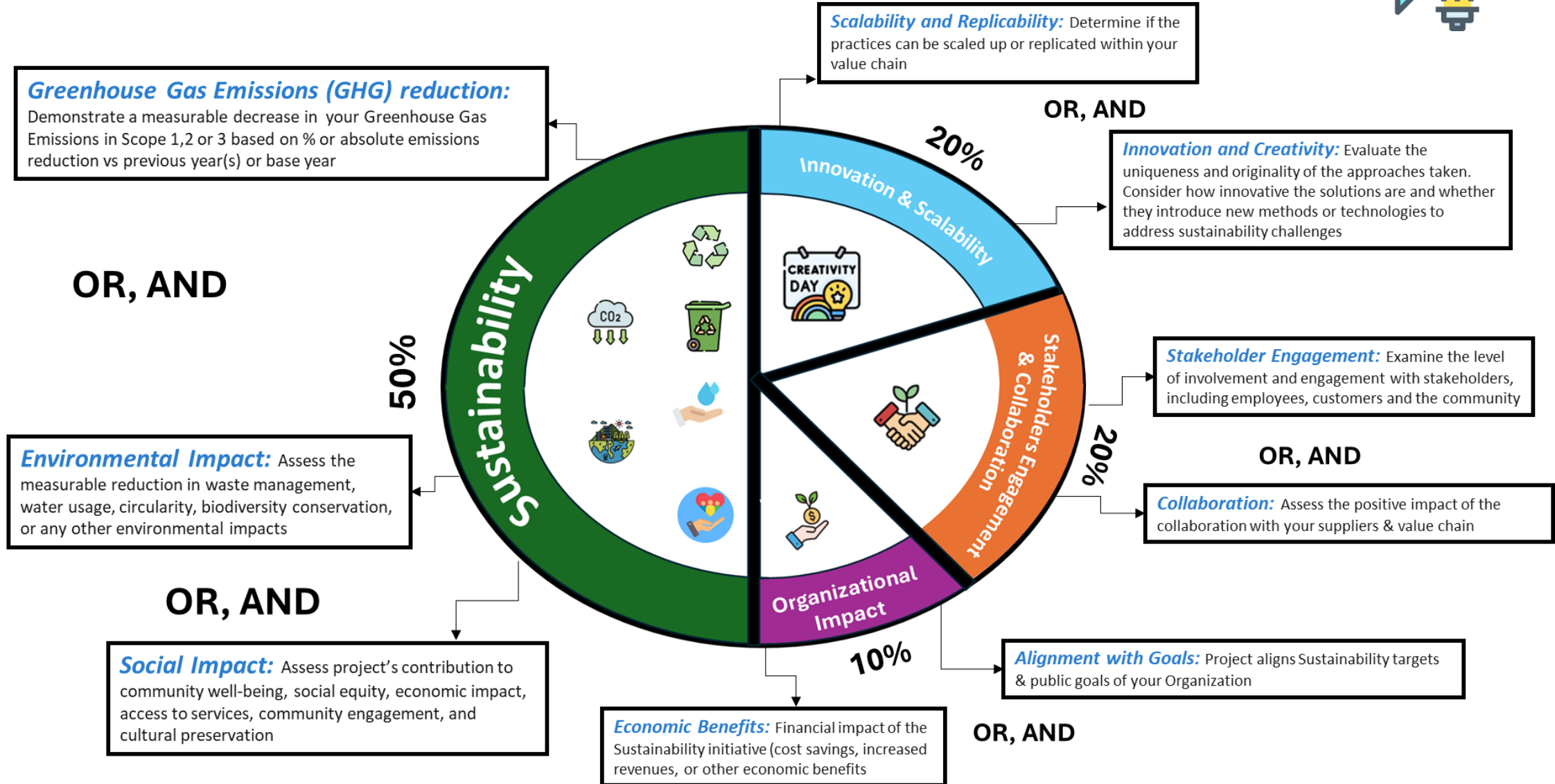


Name

Job Title



Evaluation Criteria for Best Practices Proposals



Project Timeline and Key Milestones



Q&A

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Finishing up...

Deadline for submission

Friday 11th October

Next SPP Pharma meeting

Beginning October - EUDR

Suggestions for future meeting topics

We want to hear from you!

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Thank You!

Join us in building a community of 1 Million...