

### People and Sustainability

#### Sustainability continued

BV

##### Environmental protection <sup>BV</sup>

A healthy environment is critical for human health and health system resilience, already impacted by climate change and the degradation of ecosystems. Science-led climate action and investments in nature and biodiversity are vital to improving health outcomes and proactively managing our environmental impact.

Through our Natural Resource Efficiency Fund, we have invested approximately \$175 million in environmental efficiency innovations since 2015. This, together with other central capital investments, has seen a further \$36.6 million spent in 2023, including 72 new projects.

##### Achievements in 2023

- > 67.6% reduction in Scope 1 and 2 GHG emissions since 2015.
- > 17.5% reduction in energy consumption since 2015.
- > 19.9 million trees planted by AZ Forest since 2020.
- > 19.5% reduction in water usage and 13.2% reduction in our waste since 2015.
- > 99% safe API discharges for AstraZeneca sites and 94% safe API discharges for globally managed first-tier supplier sites.
- > 97.6% of paper-based product packaging materials used in 2022 (data collated in 2023) confirmed as supplied from sustainable sources.

##### Ambition Zero Carbon

Approximately 5% of global GHG emissions come from the healthcare sector. We are accelerating the delivery of net-zero healthcare and our own progress towards net zero, as one of the first companies to have our Scope 1, 2 and 3 targets verified under the Science-Based Targets initiative Net-Zero Corporate Standard.

##### Near-term targets:

- > 98% absolute reduction in Scope 1 and 2 GHG emissions by 2026 from 2015 baseline, maximising transition to electric vehicles in our road fleet (EV100) by end of 2025 and using 100% renewable energy (RE100) for electricity and heat by end of 2025.
- > Reduce energy consumption by 10% and double energy productivity (EP100) from 2015 to 2025.
- > Launch first next-generation respiratory inhalers with near-zero climate impact propellant from 2025.
- > 95% of our suppliers by spend covering purchased goods and services and capital goods, and 50% of our suppliers by spend covering upstream transportation and distribution and business travel, will have science-based targets (SBTs) by 2025.

##### Longer-term targets:

- > 50% reduction in total Scope 3 GHG emissions by 2030 and 90% reduction by 2045, from 2019 baseline.
- > Carbon negative for all residual emissions from 2030 and science-based net zero by 2045.
- > Transition to next-generation respiratory inhalers with near-zero climate impact propellant across our portfolio by 2030.
- > Plant and maintain 200 million trees by 2030, through our global AZ Forest initiative.

Our goal of becoming carbon negative across our value chain from 2030 recognises that total emissions from value chain partners are significantly larger than from our own direct operations. We are embedding net-zero assessments into our existing and future product portfolios, engaging our suppliers to reduce their direct emissions through to 2030 and identifying carbon removal options.

##### Product sustainability

People and the planet will benefit from those medicines that have the smallest possible environmental impact, yet maintain the highest efficacy and safety standards. As technologies and healthcare systems evolve, so should solutions to reduce the use of energy, water and material, as well as waste and pollution generated from designing, manufacturing and delivering medicines to patients. We are using a data-driven approach through our Life Cycle Assessment (LCA) and Product Sustainability Index programmes to address the largest contributor to our Scope 3 emissions: our product value chains.

In 2023, we continued to focus on the next-generation propellant transition for pMDI products in our respiratory portfolio. The new propellant HFO-1234ze(E) has up to 99.9% lower GWP than propellants currently used in respiratory medicines. As essential, life-saving medicines for millions of respiratory patients globally, they are strategically important to our business and a key product-related element of Ambition Zero Carbon. In 2023, project milestones achieved included further Phase III investment decisions, a harmonised, global development programme, readouts of pivotal studies and initiation of key registration studies.

As part of our commitment to drive thought leadership and innovation to manage pharmaceuticals in the environment, we lead the Innovative Health Initiative PREMIER project, a partnership between the European Commission and the EFPIA. We are developing tools to identify potential environmental risks of APIs and make data more accessible to all stakeholders. In 2023, PREMIER published an evidence-led prioritisation of environmental data generation, aiming to reduce reliance on fish studies.

##### Natural resources

The conservation and sustainable use of natural resources and the protection and restoration of ecosystems are vital for a healthy future and to tackle the environmental drivers of disease. We are investing in nature to benefit planetary and societal health, while working towards sustainable resource use, water security and halting and reversing biodiversity loss.

Our targets aim to decouple water use and waste generation from business growth and to minimise environmental impacts from our supply chain and operations, supported by efficiency projects, collaboration with suppliers on responsible sourcing, designing out waste and pollution, and landscape restoration targets via AZ Forest.

##### Circular economy

Adopting circular business approaches and implementing efficient processes to develop and produce our medicines are key to reducing natural resources used in our value chains. We are leveraging our experience with Lean manufacturing and embedding best practices, working with organisations such as My Green Lab. In 2023, we introduced a new internal Site Waste Circularity Rate metric to drive improvements through increased recycling and the external reuse or repurposing of waste materials across all our sites.

##### Water stewardship

We continue to work with key stakeholders, including our ongoing collaboration with the World Wide Fund for Nature Sweden. Starting in 2024, we will invest \$5 million per year to fund nature restoration and water stewardship projects in the communities where we operate.

##### AZ Forest

In 2023, we announced an increase in our investment to \$400 million in our global AZ Forest programme, to plant 200 million trees by 2030 and ensure their long-term survival. This includes new or expanded projects in Brazil, India, Vietnam, Ghana, Rwanda and Kenya, which will contribute to our climate action, promote the restoration of biodiversity and natural habitats, and build community resilience. The programme is expected to restore more than 100,000 hectares worldwide, positively impacting an estimated 80,000 livelihoods and local communities. We are led by guiding principles that provide a baseline for project design and a consistent approach that follows the science. We do not purchase land for reforestation or own the trees, but have the rights to carbon certificates generated by some projects. In 2023, we planted over nine million trees using locally-appropriate species.