



# **ASTELLAS SUSTAINABLE PROCUREMENT PLEDGE**



**V 2.0**

# PRELUDE



*Procurement plays a pivotal role in nurturing enterprise-wide collaboration and value creation with our third party supply network. We are committed to strengthening a sustainable approach for the benefit of our stakeholders and a healthy future for our planet and patients with the creation of our global Sustainable Procurement Framework. This pledge reflects our unwavering commitment to sustainability, and we invite our employees, and suppliers to join us in this important endeavour.*



**Paul O'Neill**  
SVP Global Procurement



*Our Corporate Strategic Plan 2021 has set a strategic goal to "deepen our engagement in sustainability". Our Procurement division plays a vital role with center-led practices that embed integrity in our supply network and enable us to achieve sustainable solutions across our global operations. This approach will further enhance our capabilities to become a VALUE-driven life sciences innovator.*



**Shingo Iino**  
VP Sustainability

## OUR SUPPLIER'S COMMITMENT:

- Read, understand and ensure compliance with the sustainable procurement strategy principles outlined in this pledge document
- Flag to Astellas any activities which are incongruent to the sustainable procurement principles outlined in this pledge either prior to or during the course doing business with Astellas
- Refer to the sustainable procurement strategy principles as outlined in this pledge and incorporate them into sourcing submissions (where relevant)
- Provide Astellas with evidence upon request to support the supplier qualifications in this area, including but not limited to:
  - ✓ Commitments and positions, such as policies
  - ✓ Adherence to Astellas' Business Partner Code of Conduct
  - ✓ Processes such as management systems
  - ✓ Performance (e.g. GHG emissions, awarded spend to diverse suppliers, etc.)



## ASTELLAS' COMMITMENT:

The purpose of this pledge is based on the guiding principles as described in our Business Partner Code of Conduct (BPCOC) and is designed to ensure that Astellas colleagues and/or any organization who is undertaking procurement activities on Astellas' behalf is committed to procuring goods and services according to the pledge and are hereby required to:

- Comply with this pledge
- Incorporate this pledge and the Business Partner Code of Conduct in all sourcing documentation
- Apply the appropriate ESG selection criteria and corresponding weighting(s) as described within the supplier selection working document to award business to suppliers
- Collaborate with our suppliers via the global SRM framework to enable them to meet our ESG requirements and obtain innovative-solutions
- Periodically evaluate and monitor supplier performances and risks across selected ESG principles

# ASTELLAS SUSTAINABLE PROCUREMENT

Astellas recognizes being on the forefront of healthcare to turn innovative science into VALUE for our patients is predicated on building efficient and ethical relationships with our suppliers. Through the proper management and nurturing of healthy supplier relationships, Astellas will collaborate, innovate and proactively manage risk. We must foster collaboration with our suppliers to meet our sustainability goals across the value chain.

Aligned with the Astellas' Global Sustainability Direction, our Global Procurement department looks beyond the level of compliance to sustainable commitments to unlock value by embedding Environmental Social, and Governance (ESG) principles within our own procurement processes.

By incorporating Environmental, Social, and Governance principles into our procurement processes and decisions, we enable Astellas members and suppliers to contribute and commit to our sustainability objectives without compromising business requirements. These principles are translated into our sustainable procurement strategy which has been set out into the five (5) pillars.



# BUSINESS PARTNER CODE OF CONDUCT

## Sustainable Procurement Strategy



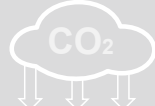
Business  
Partner Code  
of Conduct  
(BPCOC)



Supplier  
Diversity &  
Small Business  
Program



Third Party  
Lifecycle  
Management



Greenhouse  
Gas (GHG)  
Emission  
Reduction



Supplier  
Sustainability  
Performance

Astellas is committed to sustainability in all business activities and abiding by the highest ethical, social and environmental standards. We work with suppliers who share these commitments and who operate in a socially and environmentally responsible manner.

We believe in a strong relationship with our suppliers based on a mutual understanding of our core values. This Business Partner Code of Conduct communicates our expectations concerning:

- Ethical Business Practices
- Respect for Human and Labor Rights
- Protection of Worker Health and Safety
- Safeguarding the Environment
- Management Systems and Transparency

# BUSINESS PARTNER CODE OF CONDUCT

Astellas promotes social responsibility by engaging with suppliers to ensure they share our values and uphold the highest ethical and environmental standards. Hence, all suppliers will be required to comply and adhere to the Business Partner Code of Conduct, via one of the following procurement or business supporting processes:

- a. Sourcing process: included in all related documentation
- b. Supplier onboarding: Integrated into Astellas supplier lifecycle management
- c. Purchasing: embedded within the Astellas Terms & Conditions attached to the purchase order and embedded within all of the contract templates

## **We expect that all our suppliers:**

- ✓ Adhere & comply to Astellas Business Partner Code of Conduct via the appropriate channels



## **OUR AMBITION:**

*Adherence to the BPCOC  
by all its suppliers by the  
end of fiscal year 2025*

# SUPPLIER DIVERSITY & SMALL BUSINESS PROGRAM

## Sustainable Procurement Strategy



The Astellas Supplier Diversity & Small Business program is designed to proactively engage more traditionally excluded groups and create opportunities for them to gain a more equitable market share. Within Astellas we acknowledge the value that an inclusive supply base unlocks for our organization and customers.

The advocacy organizations we partner with allows Astellas to identify, certify and engage with more diverse suppliers and small businesses during our sourcing activities.

Astellas encourages and welcomes a diverse supply base as part of its commitment to equity and inclusion. This is to ensure that diverse individuals and companies are included to play a role in our vision to turn innovative science into value for patients, irrespective of race, nationality, gender, or age. We recognize that diverse suppliers bring unique backgrounds and experiences, serving as critical contributors to our ecosystem of value.

# SUPPLIER DIVERSITY & SMALL BUSINESS PROGRAM

Astellas is expanding its diversity & social procurement efforts and is formally launching the Astellas Supplier Diversity & Social Procurement program. These actions are being taken in accordance with Astellas' Sustainability efforts to contribute to society and evolve into a model that inspires trust, collaboration, and creates a positive impact on communities, as well as with Astellas' policy to provide fair and equitable opportunity to all qualified businesses to be considered potential suppliers to Astellas. This Program aims to include a broader range of traditionally excluded supplier groups, creating growth and development opportunities for these suppliers. This Program will initially focus on the United States and expand to other countries in the coming years.

## **We encourage our key suppliers to**

- ✓ Implement a small business or supplier diversity program and share valid relevant third party certifications
- ✓ Embed social procurement practices in their own supply chain and to provide solutions that creates additional value for local communities

## **We encourage our diverse and/or small business owned suppliers to**

- ✓ Self-attest to their business being diverse and/or small by providing the relevant and valid certifications
- ✓ Notify Astellas in a timely manner when the classification changes throughout the year



## **OUR AMBITION:**

*Expand our Supplier Diversity & social procurement footprint to other regions by the end of fiscal year 2025*

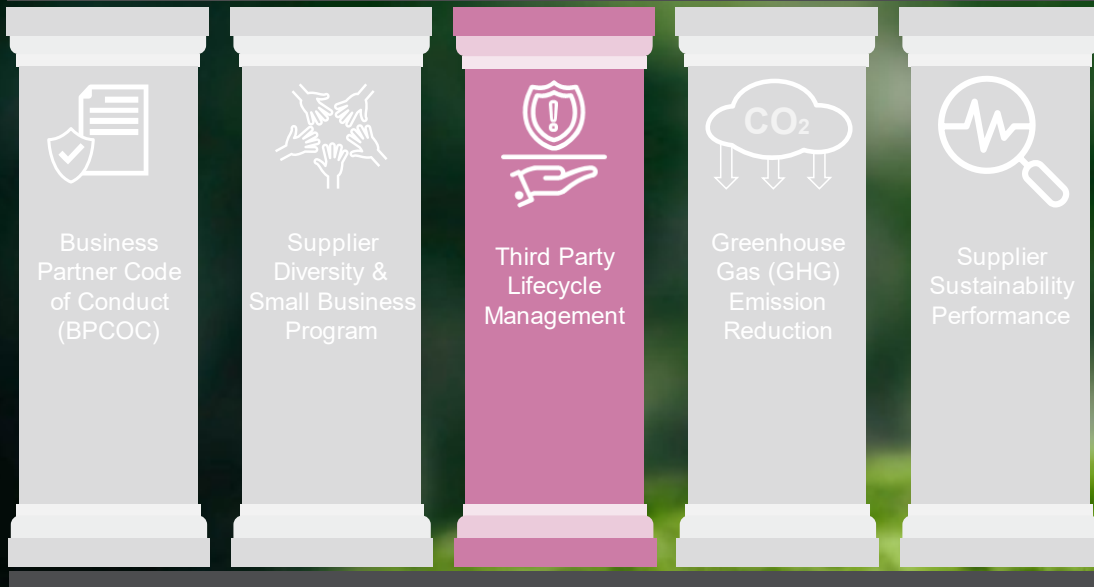
**&**

*Increase spend with diverse and small businesses on a year-on-year basis*



# THIRD PARTY LIFECYCLE MANAGEMENT

## Sustainable Procurement Strategy



Third Party Lifecycle Management (TPLM) is the risk mitigation framework covering all stages of the business partner relationship, which includes planning, due diligence, contracting, ongoing maintenance and transition. The purpose of this process is to increase transparency and consistency with respect to identifying, engaging, managing, and monitoring our extensive network of third parties to proactively address and mitigate supplier risk across the following domains:

- Solvency
- Anti-Bribery Anti-Corruption (ABAC)
- Data Security
- Data Privacy
- Labour Rights
- Environment, Health & Safety (EHS)

# THIRD PARTY LIFECYCLE MANAGEMENT

The Third Party Lifecycle Management (TPLM) program is administered across the countries where Astellas resides on a global scale with some variations in the process among the regions.

Suppliers are selected based on appropriate criteria that are directly related to our business objectives, including, but not limited to price, quality of goods or services, capability, past performance, reputation and sustainability.

TPLM is used to monitor the supplier relationship:

- Typically initiated upon contracting for goods and services, but provides coverage throughout the various stages of the relationship
- Includes guidance to help remediate a risk once it is identified, as well as properly managing risk before it arises
- Contributes to the security and resilience of the overall Astellas business
- Supports our overall regulatory compliance
- Enhances interactive communications with third parties
- Adhere to global policies and procedures

**We expect our suppliers to:**

- ✓ Complete the Third Party Questionnaire (TPQ) in a timely manner
- ✓ Provide additional requested documentation when required

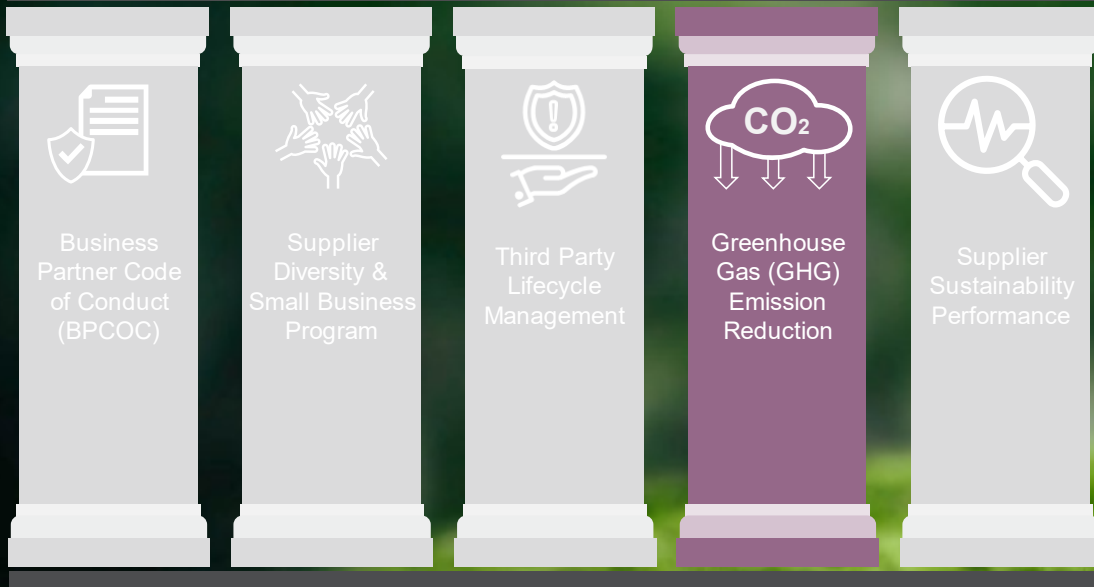


## OUR AMBITION:

*The TPLM program is administered uniformly across all Astellas affiliates with ongoing continuous improvement*

# GREENHOUSE GAS EMISSION REDUCTION

## Sustainable Procurement Strategy



In order to reduce greenhouse gas emissions in a manner consistent with the Paris Agreement and achieve net-zero emissions by 2050, we must form supplier partnerships and align strategies with the right capabilities to foster supplier innovation and drive incremental value.

By creating this framework, it will enable Procurement and our suppliers to contribute to the overall reduction of energy use, GHG emissions, GHG and/or energy-related costs, as well as mitigate GHG and/or energy-related risks.

# GREENHOUSE GAS EMISSION REDUCTION

Procurement continues to look for ways to collaborate with our suppliers and stakeholders in the value chain via the Supplier Relationship Management Framework to target category hotspots that are high-risk areas for scope 3 emissions and align sustainability goals.

Through effective relationship management and open communication, Procurement incentivizes suppliers to engage in sustainability goals through strong partnerships.

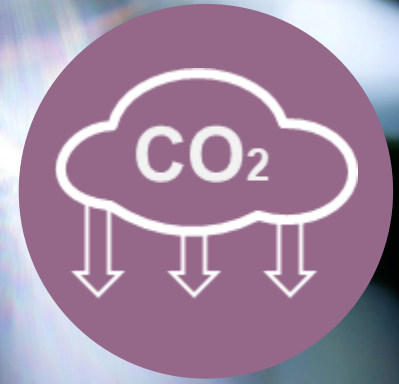
Supply chain efficiency and optimization of materials, resources, and energy use is a direct result of reducing scope 3 emissions.

With scope 3 emissions being one of the focus areas for Astellas, Procurement must bring visibility and transparency to GHG emissions throughout the supply chain and beyond.

This includes tracking GHG emissions of purchased goods and services, as well as working closely with suppliers in the value chain.

## **We expect our suppliers to:**

- ✓ Offer innovative solutions that will contribute to Astellas Net Zero emission goals
- ✓ Measure, report and submit their disclosed footprint data to Astellas
- ✓ Cooperate with Astellas to reduce their and their supply chain's carbon footprint



## **OUR AMBITION:**

***Achieve 37.5% reduction  
in Scope 3 emissions  
by 2030***

**&**

***Achieve Net Zero  
emissions by 2050***

# SUPPLIER SUSTAINABILITY PERFORMANCE

## Sustainable Procurement Strategy



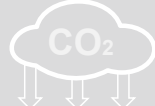
Business Partner Code of Conduct (BPCOC)



Supplier Diversity & Small Business Program



Third Party Lifecycle Management



Greenhouse Gas (GHG) Emission Reduction



Supplier Sustainability Performance

In order to further map the sustainability level of our supplier portfolio, we will be collecting data regarding our key suppliers to rate their commitment to sustainability and drive performance improvement where necessary. Based on the outcome of our supplier segmentation efforts which will be held annually as part of our global Supplier Relationship Management (SRM) framework, we will be able to identify the key suppliers which are in scope.

Astellas will measure and track the performance of our key suppliers by assessing the quality of each supplier's sustainability profile through its policies, actions and results by obtaining disclosed primary sustainability data from renowned global providers (e.g. CDP, SBTI, etc.) and/or conducting formal ESG assessments.

# SUPPLIER SUSTAINABILITY PERFORMANCE

Astellas will assess the suppliers' reliability, compliancy, and commitment to sustainability. To assess the latter, we may ask our suppliers to confirm that they are operating in accordance with sustainability principles via one or more of the following methods set out underneath. All results will be captured and tracked in the performance dashboard.

Suppliers will receive a Sustainability Performance score based on the results of these assessments. If the scoring is below the minimum threshold, we will collaborate with the supplier to develop and execute a sustainability performance improvement plan.

The objective criteria/qualifications for corresponding minimum threshold will be mutually developed in collaboration between Procurement and internal stakeholders.

## **We expect our suppliers to:**

- ✓ Fully understand their sustainable impact and willing to improve where deemed necessary
- ✓ Complete checklists and/or queries assessing their performance on various aspects, including ESG principles
- ✓ Provide their disclosed sustainability performance ratings, or be willing to be rated and improve their sustainability performance accordingly on a continuous basis
- ✓ Cooperate when we or an authorized third party acting on our behalf may contact suppliers and request a site visit, subject to customary confidentiality obligations, to verify compliance with sustainability principles in their operations



## **OUR AMBITION:**

***Astellas aims to have 80% of our key suppliers assessed by end of fiscal year 2025***

**&**

***75% of our rated key suppliers are performing above our minimum scoring threshold by fiscal year 2030***

# The Sustainable Procurement Strategy outlines Astellas' ESG priorities and relies on 5 pillars that are developed in partnership with the Sustainability Division

## We expect that all our suppliers:

Adhere & comply to Astellas Business Partner Code of Conduct via the appropriate channels

## We expect our suppliers to:

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- ✓ Complete checklists and/or queries assessing their performance on various aspects, including ESG principles
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- ✓ Cooperate with any request from Astellas, or an authorized third party acting on its behalf, for a site visit, subject to customary confidentiality obligations, to verify compliance with sustainability principles in their operations



## We encourage our key suppliers to:

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- ✓ Embed social procurement practices in their own supply chain and to provide solutions that create additional value for local communities



## We encourage our diverse and/or small business suppliers to:

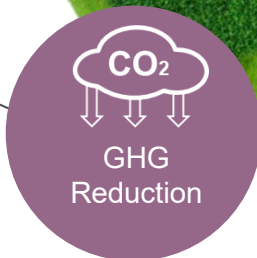
- ✓ Self-attest their business being diverse and/or small by providing the relevant and valid certifications
- ✓ Notify us in a timely manner when the classification changes throughout the year

## Sustainable Procurement Strategy

Integrating ESG principles into our global procurement processes and decision making (Pledge document)

## We expect our suppliers to:

- ✓ Offer innovative solutions that will contribute to Astellas Net Zero emission goals
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