



ecovadis

# Network Impact Report 2023

Collaborating to Drive Sustainability Improvement  
at Scale Across Global Value Chains



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## Foreword

2023 revealed just how much work remains to collectively build a more sustainable and equitable future. It was the **hottest year on record** – and by some margin. The symptoms of this disruption to our planet’s support system were felt around the world, with unprecedented consequences for communities, economies and ecosystems. Alongside these extreme weather events, carbon emissions continued to rise, biodiversity loss accelerated and serious human rights abuses and inequities persisted across global value chains. Progress on these issues was slowed by complex economic and political realities – from inflationary pressures to politicization around ESG.

Despite this challenging landscape, the year had bright spots illuminating pathways to a better future. Governments expanded efforts to encourage companies to address ESG issues in their value chains. The EU enacted the Corporate Sustainability Reporting Directive (CSRD) and other jurisdictions, including Canada with its Modern Slavery Act and California with the Climate Disclosure Act, began following early movers in Europe. COP 28 in Dubai sparked promising global cooperation on climate change through the creation of a first-of-its-kind “loss and damage fund” and the “Global Stocktake” – a science-based reality check on countries’ progress against their Paris Agreement commitments.

While these efforts are catalyzing change, businesses remain key to making sustainability a reality on the ground. The complexity and multi-tiered nature of global value chains has made it difficult for companies to fully identify the sustainability issues lurking within them. However, these same characteristics also make them incredibly powerful levers for scaling change. Equipped with the right intelligence and tools, companies can collaborate with suppliers to help them adopt better business practices, reduce their negative impacts and, ultimately, generate net positive impacts for people and the planet. Buyers can scale their approach to more suppliers and work with industry peers to unlock the full value-creation potential – from resilience building to competitive differentiation – of these networks.





This report is our annual “stocktake” of the sustainability progress being made by the 1,200 buyers and 130,000 rated suppliers in our own network. While our [Index Report](#) highlights scoring trends across our network, here we explore what the underlying scorecard data reveals in terms of the number of companies adopting best practices – across sustainability dimensions like carbon and diversity, equity and inclusion (DEI) – and building transparency by reporting key performance metrics to our platform. We also take a closer look at some of our solutions and tools helping companies drive this improvement at scale – and how we continue to evolve our approach to measuring and scaling positive impact.

Achieving true net positive impact across global value chains remains some ways off. But this report shows that committed companies are already making real changes benefiting workers, local communities and ecosystems around the world. We hope our transparency motivates you to start or accelerate your own sustainability journey and begin reporting on your impacts.

Sincerely,

Valérie Touchon  
Chief Impact Officer, EcoVadis





## Introduction: Driving Sustainability Improvement at Scale Across Our Network

As the cost of inaction rises and the benefits of a sustainability-focused approach to business multiply, we are seeing rapid growth in our network and deeper engagement with our solutions. More than 1,200 enterprise customers (“buyers”) worldwide – a 26% jump since 2022 – have now partnered with EcoVadis to accelerate their sustainable procurement efforts. Leveraging our platform and evolving solution suite, buyers are collaborating with the 130,000 suppliers EcoVadis has rated to help them adopt more sustainable business practices.

This report explores how we are helping these companies collectively drive “improvement at scale” and generate positive outcomes – or “impact” – for people and the planet. It taps into data from 47,000 sustainability performance scorecards published in 2023 alone to showcase what this improvement looks like in terms of tangible action on topics ranging from carbon to DEI. The number of suppliers directly disclosing key metrics related to these efforts on the EcoVadis platform is also highlighted.

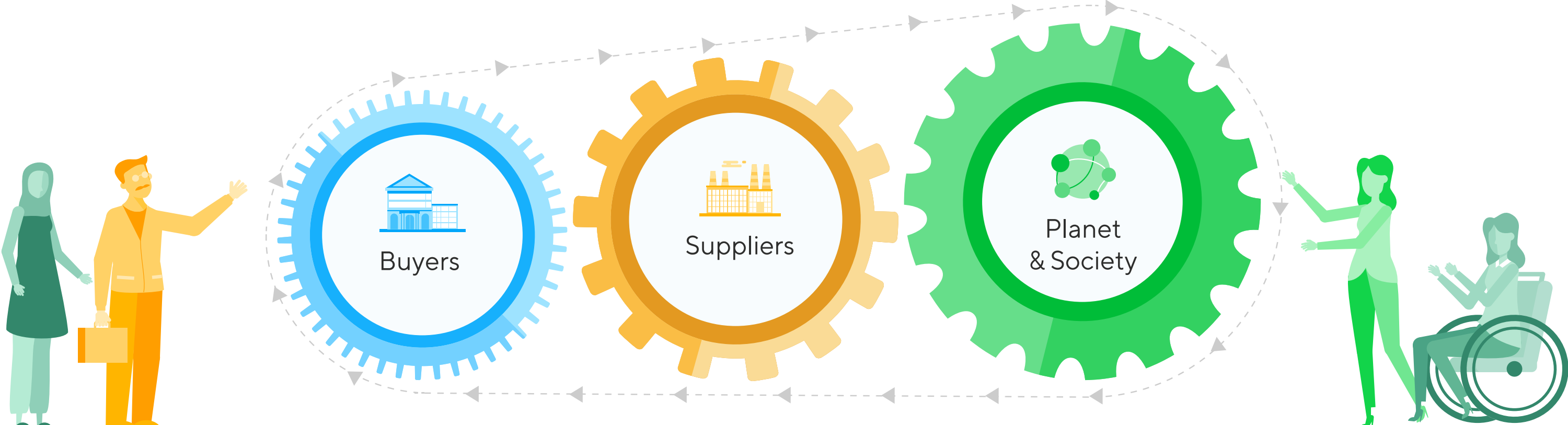
Between this data and customer case studies – including one profiling [AstraZeneca’s ambitious procurement efforts](#) – we provide unique insights into the power of buyer-supplier collaboration on sustainability. A diverse range of companies in our network are already leveraging our tools and support to help build more equitable and sustainable global value chains. Here, we explore how they are doing it and the progress made over the past year.





# Our Impact Model

Our impact model explains how we collaborate with our network to drive the adoption of more sustainable business practices at scale across global value chains, generating positive environmental and social outcomes in the process. The three stakeholders in this model – and key performance indicators (KPIs) for 2023 – are shown to the right.



**Buyers** use EcoVadis Ratings and solutions to map sustainability risks across their global value chain, assess supplier performance and engage them to facilitate improvement.

2023 KPIs

- 1,200** buyers in the network (+26% since 2022)
- €2.1 trillion** in global spend covered by EcoVadis Ratings (+22%)
- 2 million** companies screened by IQ Plus (+67%)
- 260** buyers using the Carbon Action Manager (+117%)
- 11** Sector Initiatives (+5) representing 122 buyers (+31%)

**Suppliers** leverage EcoVadis Ratings insights and platform tools like Corrective Action Plans and the Academy to improve their sustainability management system, adopt best practices and report their metrics.

2023 KPIs

- 130,000** suppliers in the network (+21% since 2022)
- 125 million** workers represented across the network (+40%)
- 47,000** sustainability scorecards generated (+18%)
- 8.2** point average scoring difference between reassessed and first-time rated companies

**Planet and society** benefit from the positive social and environmental outcomes generated by this process. These outcomes are then measured and fed back into the loop to refine and accelerate efforts.

Carbon

- 27,000** companies reporting at least one GHG metric to the EcoVadis platform (+108% since 2022)

Diversity, Equity & Inclusion

- 53,000** companies reporting at least one DEI metric to the EcoVadis platform (+10%)

In 2022\*, the median company reporting gender metrics to the platform had:

- 30%** women in its organization
- 23%** women in executive positions
- 22%** women on the board

\* 2023 figures for these metrics are still under calculation and reporting by companies in the network. We will report on them in the next edition.



# The EcoVadis Network



## Buyers in the Network

Buyers set the impact model in motion. By joining the network and inviting suppliers to undergo an EcoVadis assessment, they are taking the initial steps on a journey that will enable them to cascade their sustainability ambitions to hundreds or even thousands of suppliers. This ability to scale efforts and reach deeper tiers of the value chain is crucial given that the vast majority of the typical company’s sustainability footprint stems from its upstream activities.

As new buyers join the network and existing ones ramp up their programs, the amount of global procurement spend covered by EcoVadis Ratings has soared. These 1,200 buyers – spanning all global regions and hundreds of industries – covered more than €2.1 trillion in spend\* with ratings (54% of their collective total). This coverage rate continues to increase as companies move from a risk-based procurement approach to one centered around sustainability. More and more buyers in our network are allocating spend based on ratings performance, integrating ratings data into their request for proposal (RfP) criteria and rewarding high-performing suppliers. These efforts set the stage for more improvement on real-world sustainability challenges.

\* We used an updated methodology to calculate total spend and spend coverage in 2023. Spend figures from last year’s report were also recalculated using this methodology – the increases shown to the right are based on these updated figures. Calculations are based on the input of real data from enterprise customers (about 16% in 2023). Where real data is unavailable, we assume that buyers typically cover 50% of their spend with ratings. We estimated total procurement spend based on average spend statistics per industry (Bain & Company, 2023).

1,200  
buyers in the network

40,000  
active procurement users on our platform

47%  
of buyers included an EcoVadis Rating in RfP criteria

€2.1 trillion  
in global spend covered by EcoVadis Ratings (+22% since 2022)\*

Buyers represent a total of  
€3.9 trillion  
in global spend (+16%)\*





### The Buyer Journey

Each buyer's sustainable procurement journey with EcoVadis is unique, shaped by its starting maturity, value chain characteristics, business priorities and other factors. Our comprehensive solutions provide the insights, tools and support that companies at any maturity level need to improve their sustainable procurement approach. **We do this by enabling buyers to embark on a cyclical journey in which they:**

- Identify sustainability risks and opportunities across their value chain
- Assess the sustainability performance of priority and high-risk suppliers through EcoVadis Ratings
- Use scorecard insights and platform tools to engage suppliers and help them improve
- Monitor and report on supplier improvement, regulatory compliance and progress on sustainability goals
- Enhance and scale internal sustainable procurement processes and efforts

*We leverage EcoVadis Ratings to explain to our suppliers that sustainability clearly isn't just a score; it's the cornerstone of our reputation and success."*



**Dustin Deal**  
Director of Supply Chain Strategy & Operations





There are a number of solutions and features underpinning each stage. Here are some of the key ones – beyond EcoVadis Ratings – that are helping buyers drive improvement at scale.



### **IQ Plus**

Through AI-powered data mining and other features, IQ Plus enables procurement teams to scan their entire value chain for sustainability risks and opportunities. With these insights, buyers can take a more targeted approach to rating and engaging suppliers.

**420 buyers** using the solution (+75% since 2022)

**2 million suppliers** screened by buyers through IQ Plus (+67%)

[Learn more](#)



### **Carbon Action Manager**

Carbon Action Manager (CAM) gives buyers richer insights into the carbon performance of their suppliers. They can accelerate their value chain decarbonization efforts through carbon-specific tools and a dashboard.

**260 buyers** using CAM to assess supplier carbon performance (+117% since 2022)

**58,000 carbon performance scorecards** published since launch

**33% of companies** moved up an entire performance level upon reassessment in 2023

[Learn more](#)



### **EcoVadis Academy**

The Academy is an e-learning platform designed to help buyers and suppliers alike build capability on key sustainability topics. It currently includes over 50 courses in 9 languages, covering topics such as calculating emissions, DEI and preventing child and forced labor. Buyers can also create customized learning plans for targeted suppliers.

**8,000 buyers** using the Academy

**3,000 active learners** from buying organizations

**50+ sustainability courses** (more than 30 certified by the [CPD](#))

[Learn more](#)



## Building an Effective Sustainable Procurement Program

### Creating the Long-Term Foundation for Impact

This journey has helped many companies in our network build highly effective sustainable procurement programs – some from scratch. Achieving this takes time, commitment and an openness to organizational change. Many procurement teams start with a risk-focused approach, scoring quick but valuable wins by identifying high-risk suppliers in their value chains. However, the journey is designed to enable companies that engage holistically in the process to go well beyond risk management, equipping them to scale their efforts and positive impact over the long term.

Companies that fully leverage the rich insights and supplier data gained throughout each cycle are able to not only refine their procurement approach but also identify opportunities to innovate. Our network is full of examples of this type of program evolution. General Motors, one of our leading customers, is using our platform to support their innovative Sustainability Sub-Council (learn more on the [next page](#)).

### Baselining Maturity & Facilitating Growth

To build maturity, companies must first know where they are starting from. All new buyers in the EcoVadis network undergo a maturity review during onboarding that baselines the effectiveness of their sustainable procurement program across the five pillars shown to the right.

This process develops a roadmap for how companies can utilize our platform and tools to empower their program and reshape their organization around sustainability. The insights generated through the maturity review tap into procurement best practices shared by buyers across our network. This is an ongoing process, with annual reviews to help companies evaluate progress and fine-tune their strategy.

#### What pillars are effective sustainable procurement programs built on?

-  Visions and goals
-  Governance and resources
-  Policies, procedures and processes
-  Capability building and continuous improvement
-  Reporting





## General Motors' Sustainability Sub-Council

General Motors launched the Sustainability Sub-Council (SSC) in 2020 to support supplier ESG improvement.

Functioning as a representative voice for its broader value chain, it works collaboratively to review and refine sustainability initiatives and increase supplier engagement. For example, the SSC played a key role in providing feedback and direction for General Motors' [ESG Supplier Pledge](#). Suppliers who voluntarily signed the pledge aspire to achieve a minimum EcoVadis score of 50 across our Labor & Human Rights, Ethics and Sustainable Procurement themes by 2025.

EcoVadis occasionally engages in SSC meetings to support better understanding around the EcoVadis assessment methodology and process, which promotes wider knowledge sharing and enhancement of suppliers' sustainability programs through peer-to-peer learning.





### Accelerating Transformation Through Sector Collaboration: EcoVadis Sector Initiatives

Buyers can scale their sustainability efforts internally by engaging key stakeholders and externally by collaborating with trading partners. But there is another powerful lever of change available to companies looking to accelerate value chain transformation: sector collaboration.

**EcoVadis Sector Initiatives (SIs)** are highly effective vehicles for such collaboration. Eleven initiatives spanning a diverse range of sectors – from aviation to healthcare – are now using EcoVadis’ platform and solutions to share performance data and collectively address shared sustainability challenges across their interconnected value chains. Our data shows that participation in an SI benefits buyers and suppliers alike. It helps buyers improve supplier engagement and enables rated companies to improve faster than their network peers. **SIs give buyers an edge by enabling them to access:**

- ✓ **Initiative-wide sharing options**, such as the “one-click share to sector group” feature used by our largest SIs, that maximize transparency and supplier visibility.
- ✓ **Enhanced dashboards** that provide sector-specific benchmarks on scores, strengths and improvement areas, and other KPIs.
- ✓ **Collaborative tools** that boost supplier engagement with Corrective Action Plans, enhancing accountability and accelerating improvement.



**New initiatives launched in 2023**

122

buyers are members of an SI (29 new members since 2022)

Nearly 45,000 suppliers (40% of the network) are covered by an SI

Suppliers covered by an SI are outperforming the rest of the network:



53-point average EcoVadis score (vs. 50 for the rest of network)



30% respond to CDP (vs. just 6% of the rest of network)



Buyers in SI have a 66% net conversion rate (success in engaging suppliers through EcoVadis Ratings) vs. 33% for the rest of network

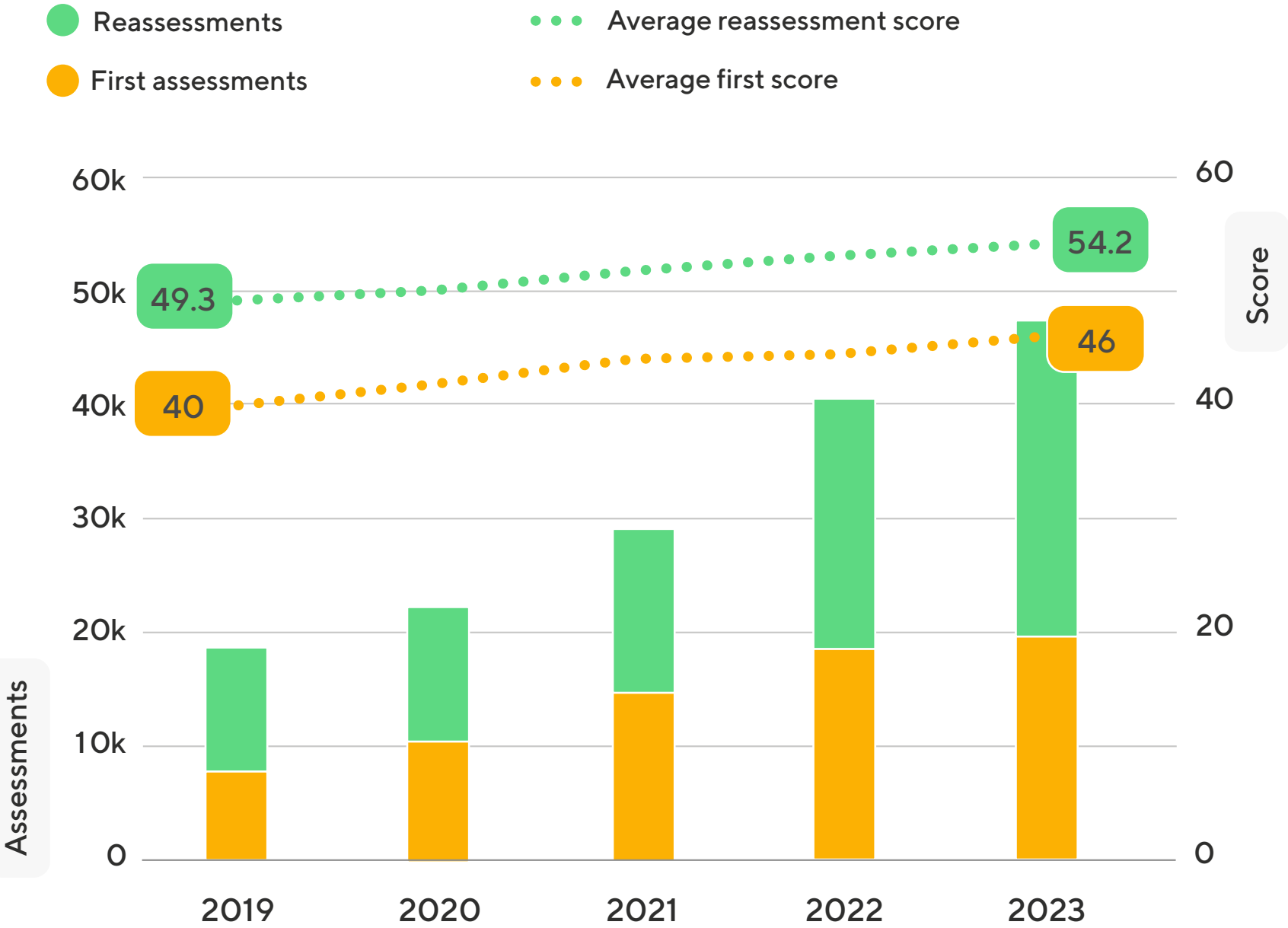


# Suppliers in the Network

While buyers are key to initiating the impact model and scaling its reach, the suppliers in our network make change happen on the ground. They are using EcoVadis solutions and tools to baseline their sustainability performance, build capability, improve their practices, and measure and report on progress. The 130,000 suppliers we have rated span more than 175 countries and 220 industries. This translates to roughly 125 million workers across global value chains that stand to directly benefit from these collective sustainability efforts. Factoring in the other stakeholders – including local communities and ecosystems around the world – that indirectly benefit, the impact potential represented by the EcoVadis network is immense.

In 2023, we assessed 19,500 suppliers for the first time and 27,500 for the second time or more. The 47,000 scorecards published through this process provide unique insights into how these companies are progressing on their sustainability journeys. This section explores what these scorecards reveal about network-wide adoption of best practices across two key sustainability topics: carbon and DEI. We also look at some of the metrics companies are reporting to the EcoVadis platform around these topics.

Rise in assessments and scoring average since 2019:  
A comparison of reassessed and first-time rated companies



The number of overall assessments is increasing year over year, with reassessments now accounting for 60% of the total. First-assessment scoring, which represents the network baseline, has slowly risen over the past few years as the broader business landscape matures on sustainability. However, companies in the network that have gone through multiple assessment and improvement cycles outperformed this baseline by an average of 8.2 points in 2023.

*EcoVadis has helped us communicate about areas for improvement with our leadership and to move forward the institution’s policies and strategy.”*



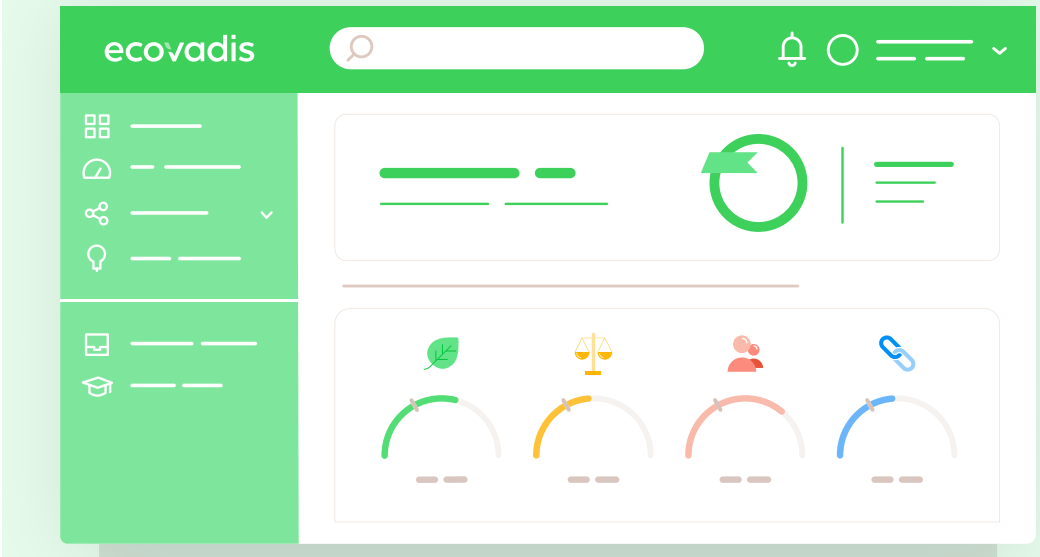
**Natalia Olynech**  
Chief Sustainability Officer  
**IMD**



### Improvement Through Action & Transparency: Scoring, Best Practices & Metrics

#### Scoring Data: Baselining and benchmarking performance

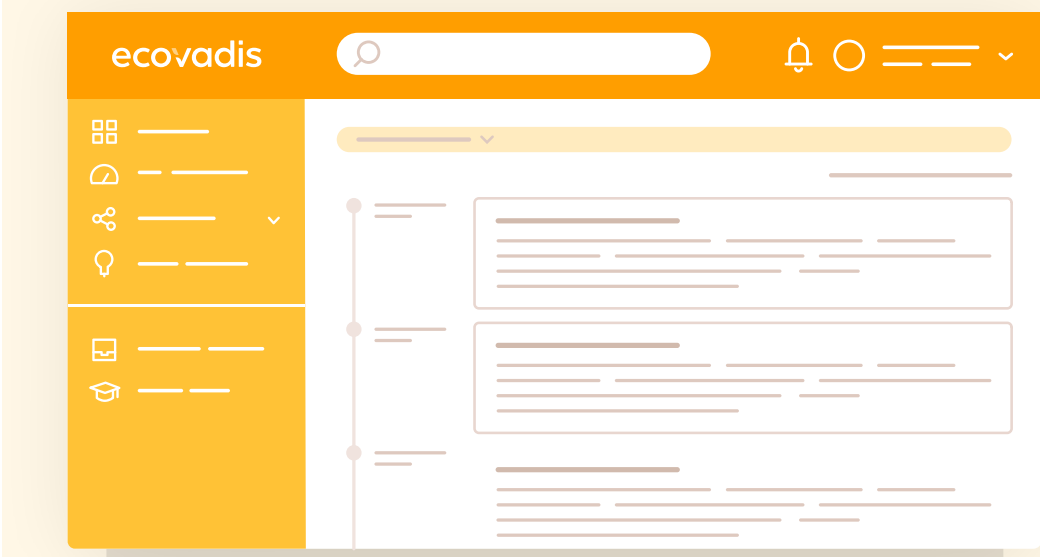
Suppliers in the network continue to improve their performance on our core assessment themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. Companies earn a score on a 0-100 scale based on the policies, actions and reporting mechanisms they have in place for each theme. These scores are then combined to yield an overall rating. In 2023, companies rated for a second time or more outperformed the network baseline (first assessment average) by 8.2 points. The data shows that scoring increases steadily with each new rating and improvement cycle.



**Scoring Data**  
Suppliers earn a 0-100 score on each core sustainability theme based on the policies, actions and reporting mechanisms they have in place.

#### Best Practices: Driving score improvement

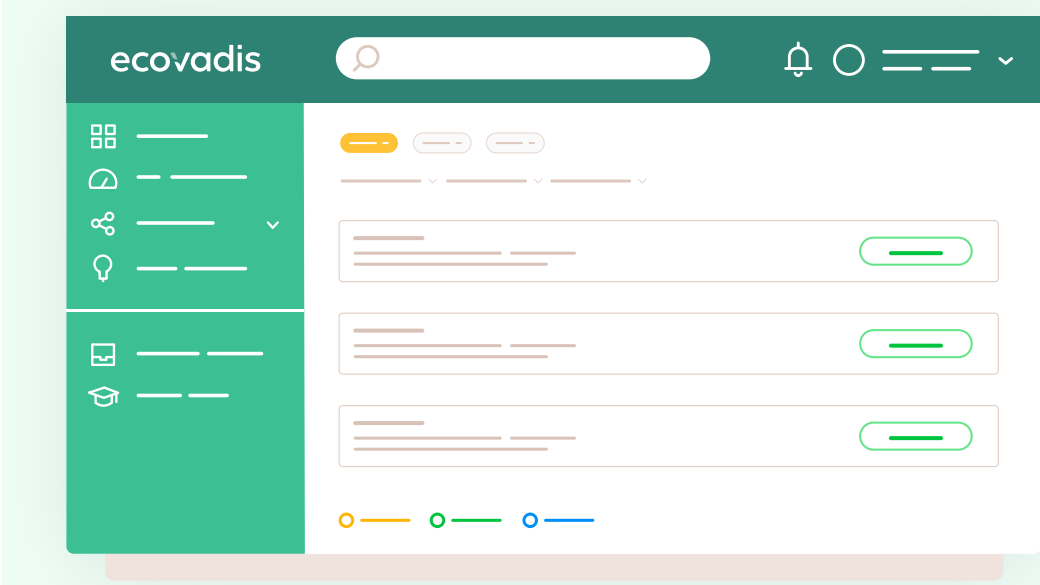
The sustainability best practices companies are adopting to address the “improvement areas” identified in their scorecards are driving this scoring increase. When implemented and documented in a company’s next assessment, they positively impact scoring. We track the adoption of a wide range of sustainability practices across our network. While exploring all of them is beyond the scope of this report, we found that the adoption of 14 core practices – from health and safety training to recycling and water reuse – continued to grow significantly over the past year. Here, we focus on a selection of key carbon reduction and DEI practices.



**Best Practices**  
Suppliers can use the strength and improvement areas in their scorecards to identify sustainability best practices to adopt.

#### Metrics: Measuring the output of best practices

Measuring and reporting the quantitative output of these best practices is essential to enhancing transparency and accelerating progress. We are helping companies do this by enabling them to report on up to 85 sustainability metrics directly on the EcoVadis platform. Alongside scorecard results, this data enables companies and their trading partners to develop baselines, track progress over time and benchmark performance against network peers. The Metrics Dashboard is helping companies exchange data in line with emerging standards and regulations, including the EU SFDR and ESG Data Convergence. CSRD disclosure expectations are also being integrated into the platform to help companies collect more targeted value chain sustainability data.



**Metrics**  
Suppliers can report on the outputs of their sustainability efforts through the platform’s Metrics Dashboard.



# Positive Outcomes for Planet & Society

## Spotlight on Carbon

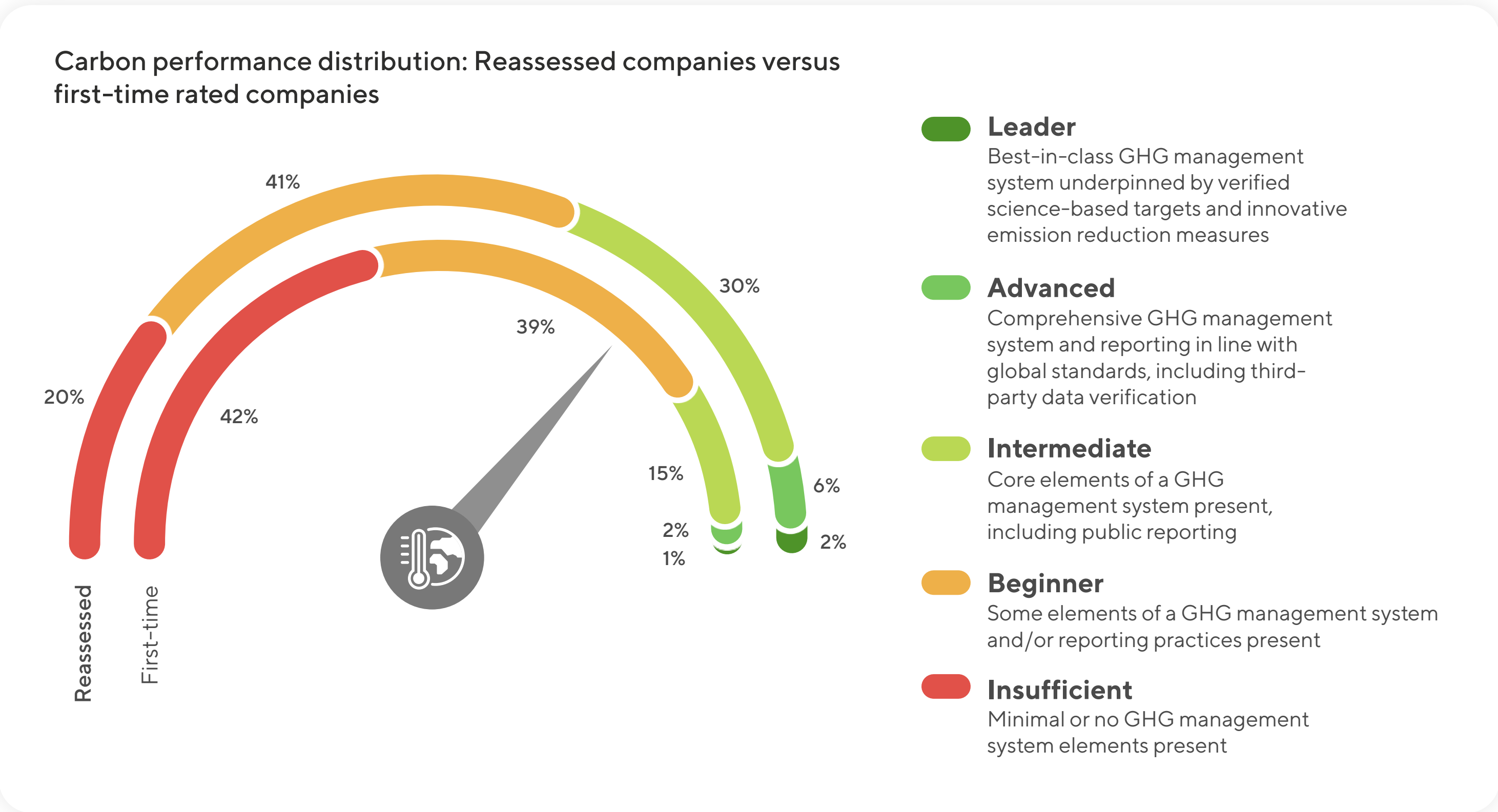
With **90% of the average company's emissions** stemming from its value chain, carbon is a crucial nexus for collaboration between the buyers and suppliers in our network. By engaging their trading partners, buyers can significantly scale their decarbonization efforts and, over time, gain carbon visibility into deeper tiers of their value chain. With the emergence of stringent climate disclosure regulations like the [EU's CSRD](#) and [California's Climate Disclosure Act](#), this level of visibility is increasingly becoming non-negotiable for many companies in the union and beyond. Buyers are seeking better primary emissions data from their suppliers to facilitate this Scope 3 disclosure and develop credible science-based targets. Some rated companies in our network will also fall within the scope of these regulations and must start measuring and reporting their value chain emissions.

**Carbon Performance: Reassessed companies are twice as likely to be at an Intermediate level or above**

Our Carbon Action Manager gives buyers an in-depth understanding of their suppliers' carbon management practices, enabling them to set better targets and accelerate Scope 3 reduction efforts. It also gives suppliers the insights, tools and support they need to drive their own decarbonization efforts.

Three years on from its launch and more than 58,000 carbon scorecards later, we are seeing companies that have been reassessed significantly outperform those rated for the first time (the network baseline). Reassessed companies are twice as likely to have moved out of the Insufficient range and at

least twice as likely to perform at an Intermediate, Advanced and Leader level. A third of companies assessed in 2023 moved up an entire performance level. Learn more in our latest [Carbon Action Report](#).





**Best Practices: Carbon reporting and renewable energy usage have soared**

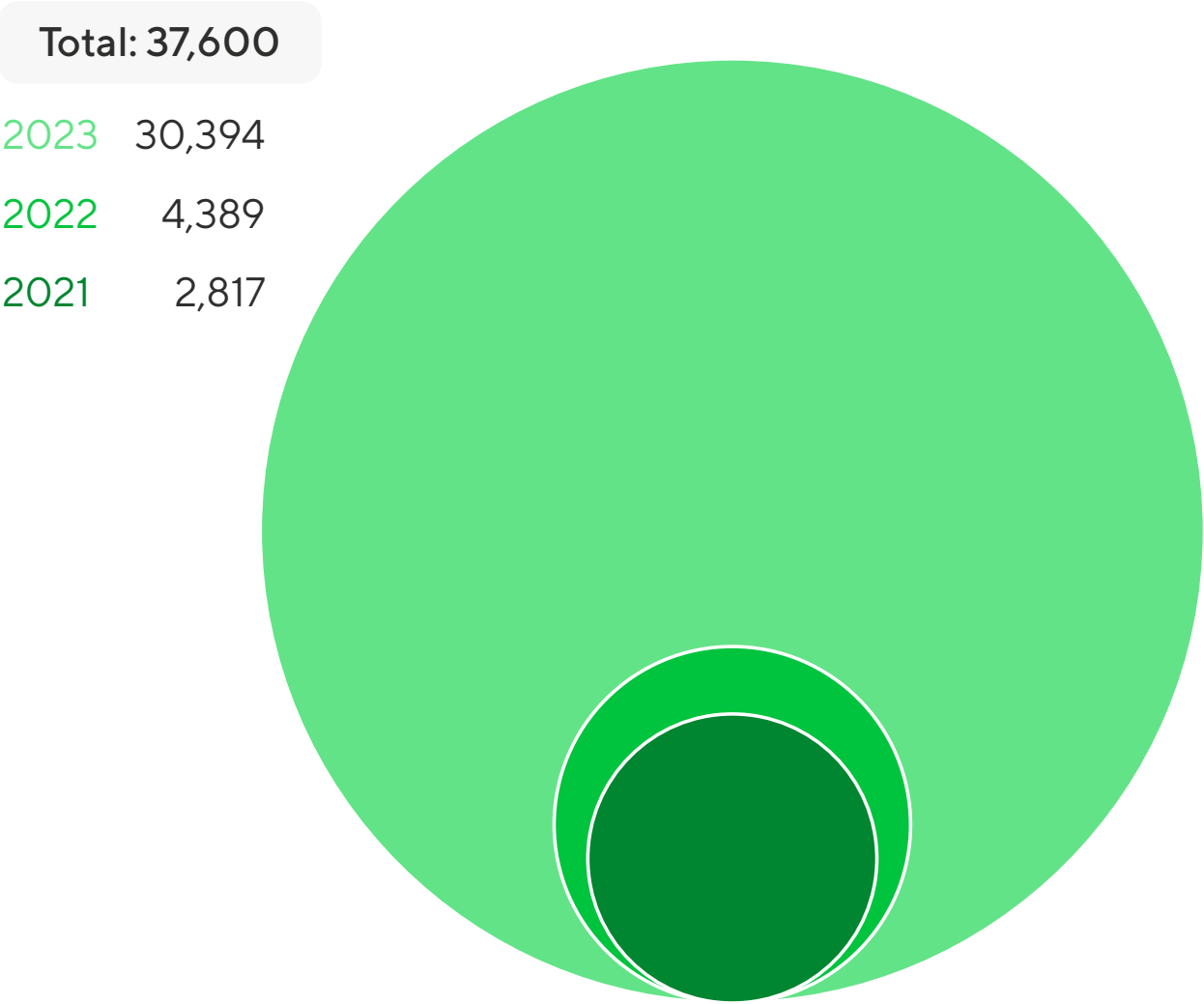
These scorecards reveal the best practices suppliers in our network are adopting to improve their carbon performance. In 2023, there was a seven-fold increase in the number of companies reporting on their GHG emissions. This spike in reporting is giving more buyers the data they need to comply with emerging

regulations and accelerate decarbonization efforts across their value chains. The number of suppliers using or producing renewable energy over the past year has roughly tripled, and the provision of employee training on climate and energy management has also increased significantly.

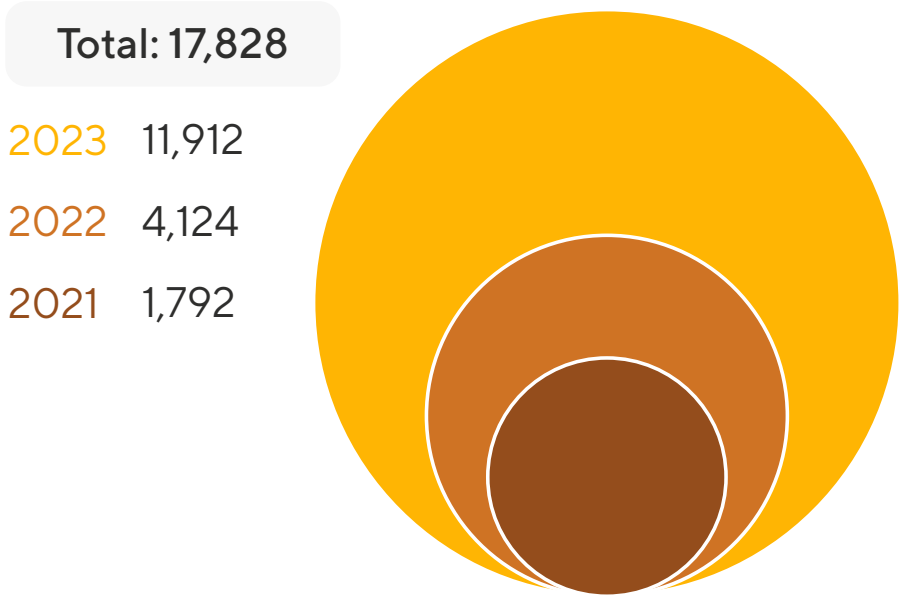
**What key best practices are companies adopting to take action on carbon?**

Number of reassessed companies adopting selected best practices over the past three years.

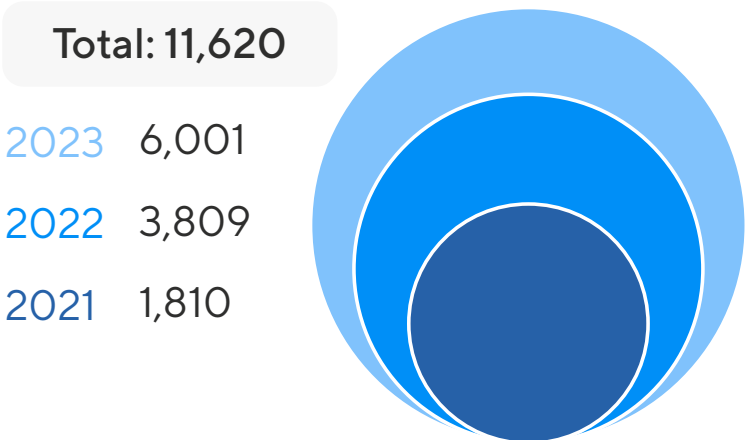
Reporting GHG emissions to any platform



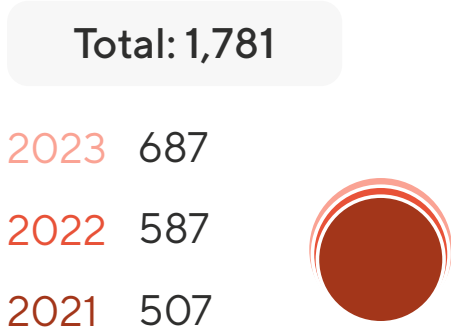
Producing or using renewable energy



Training employees on climate & energy



Verified reduction targets under the Science Based Targets initiative (SBTi)





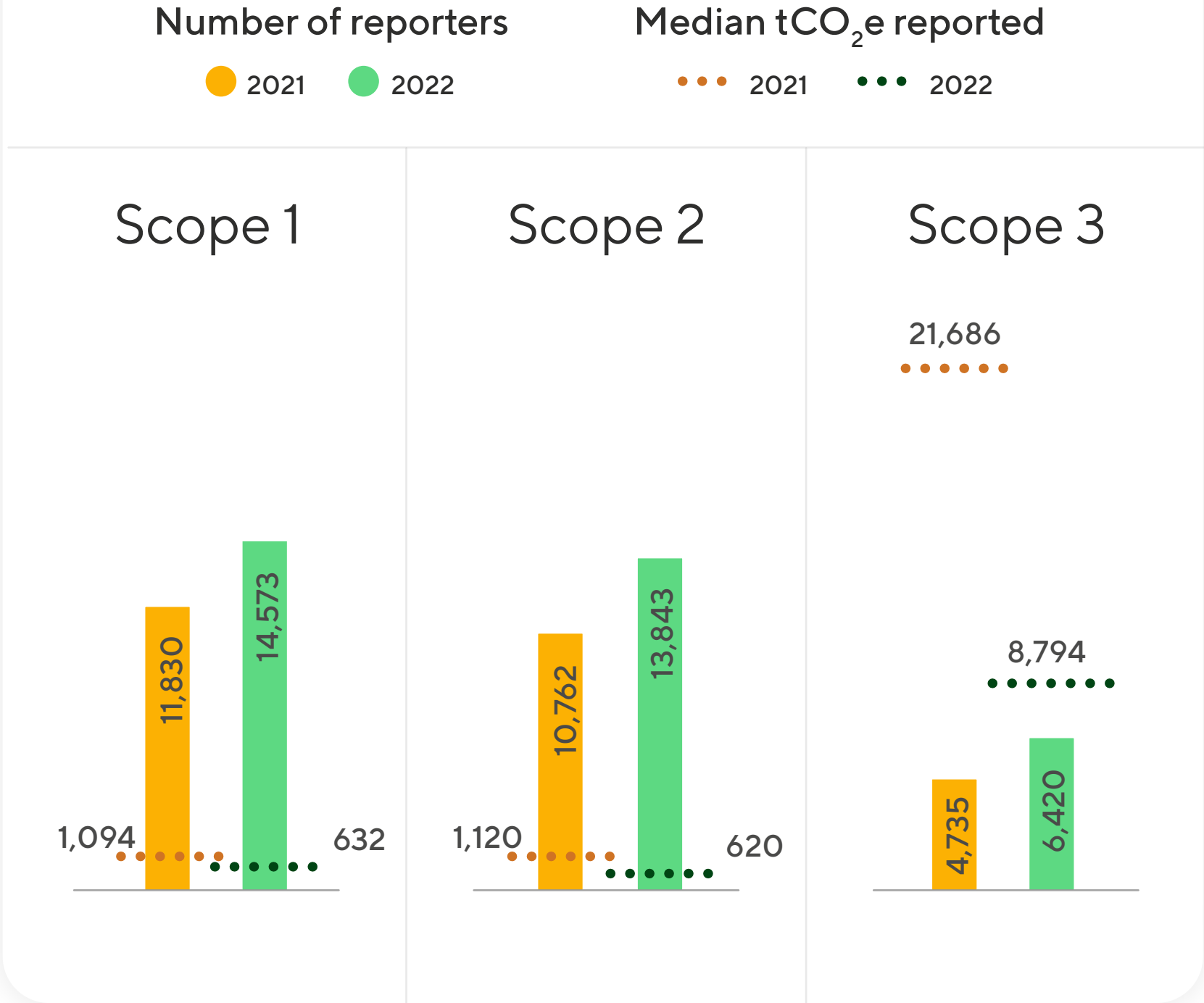
**Metrics: More companies are reporting emissions data to the platform**

The number of companies reporting at least one GHG emissions metric to the EcoVadis platform rose by 50% over the past year. Both buyers and suppliers are driving this leap in transparency. Facing growing pressure to deliver on value chain-wide carbon targets and respond to regulatory scrutiny, more buyers are leveraging platform features to request primary emissions data from their partners. The Carbon Action Manager is enabling suppliers to meet these requests by helping them build the foundation needed to collect, calculate and report their emissions across all scopes.

Nearly 15,000 companies reported their Scope 1 emissions to the platform in 2022 (a 23% increase from 2021). The reporting rate is similar for Scope 2 but drops significantly for Scope 3, which is by far the most difficult scope for companies to measure. However, more than 6,000 suppliers reported on these emissions in 2022 – a promising 36% jump over the previous year. The median metric tons of carbon emissions reported by companies decreased in 2022; however, it is still too early for us to draw conclusions from this data.

**How many companies are reporting their emissions to the EcoVadis platform – and in what quantity?**

Number of reporters and median metric tons reported by companies across all three scopes. 2023 data has been excluded as companies are still in the process of measuring and reporting it.





### Spotlight on Diversity, Equity and Inclusion

Building more diverse, equitable and inclusive value chains is critical to addressing workforce challenges, systemic human rights abuses and inequities in climate action. While more and more companies are waking up to this imperative, a wide gap between intention and action remains. Many companies have taken some initial steps around DEI in response to growing stakeholder pressure but have yet to operationalize it effectively.

However, those integrating DEI into the core of their sustainability efforts – both within their organization and further into their value chain through supplier diversity programs – are realizing clear benefits. Research suggests that companies with a robust DEI program are more resilient, up to **five times more innovative** and better at attracting and retaining top talent. Our **joint study with Bain & Co.** also found positive correlations between such efforts and enhanced growth and profitability. All of this points to the importance of DEI as a long-term driver of business sustainability and value creation.



*“Adopting an inclusive mindset is not only desired but required while working within or with our company. Just as we apply diversity standards in our procurement policy, we expect our suppliers to do the same.”*

Thomas Janvier  
VP of Procurement



Read the case study [→](#)

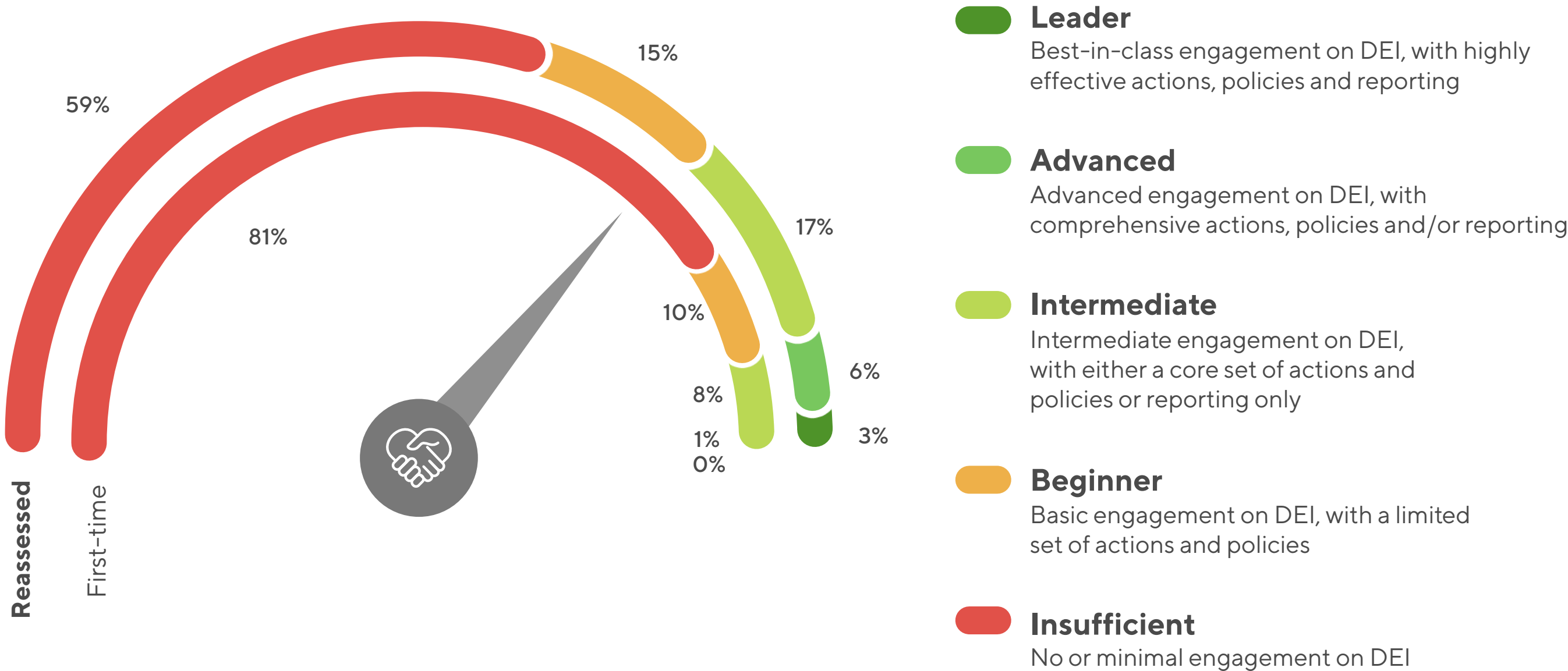


**DEI Maturity: Overall maturity remains low, but more companies are building the foundation for success**

Our data shows that the average company is entering our network with very low DEI maturity. In 2023, over 80% of companies rated for the first time were at an Insufficient maturity level, indicating no or minimal DEI efforts in their operations or beyond. Companies reassessed in the past year are making progress.

A significant number have moved out of this high-risk range by taking initial steps on DEI, such as developing a comprehensive policy. Almost 20% of these companies have implemented the core DEI policies, actions and reporting mechanisms needed to reach an Intermediate level – double the rate of those only rated once. Roughly 10% of reassessed companies are now at an Advanced level or above as they build a more robust internal DEI program and engage suppliers to encourage them to take similar action.

DEI maturity distribution: Reassessed companies versus first-time rated companies





**Best Practices: Adoption of DEI practices is accelerating**

Most suppliers in our network are still in the early stages of their DEI journey. Nearly 20,000 reassessed companies adopted a DEI policy over the past year, a pivotal first step that helps build the foundation for more ambitious efforts. More than 6,000 companies (a nearly 50% increase since 2022) are implementing tangible measures on DEI, ranging from actions to promote the inclusion of employees with disabilities to the creation of employee resource groups. The adoption of more mature steps, like taking action on wage equity and reporting on DEI efforts, is also steadily rising. Leaders are combining these practices and many more to build best-in-class DEI programs.

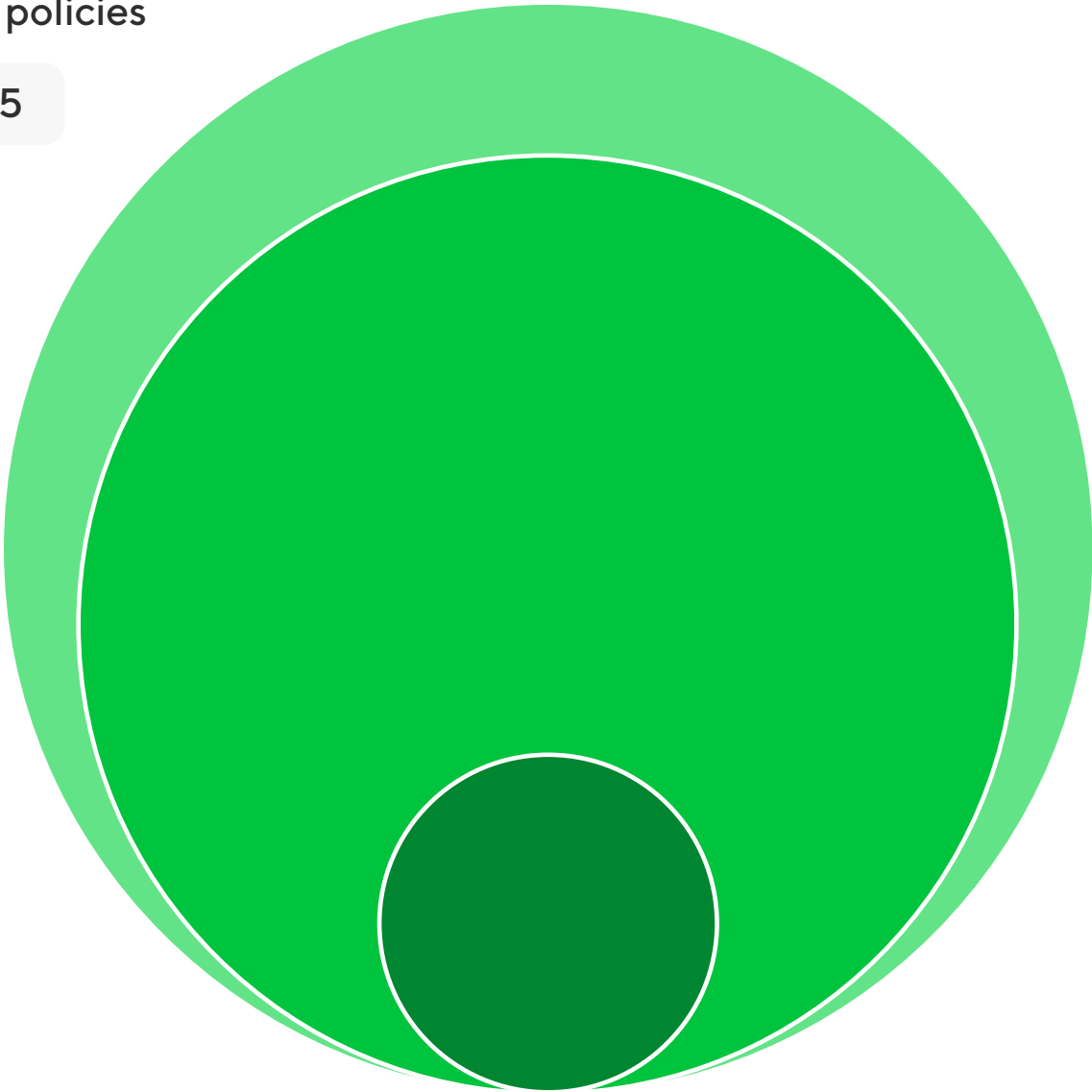
A few leading programs are proactively cascading DEI efforts into their value chains. Only 3% of companies in the network are implementing tangible measures to advance DEI in their suppliers' workforces. However, 7% of companies now have a global supplier diversity program. These programs help build more equitable and inclusive value chains by expanding opportunities for diverse suppliers – those from minority or traditionally underrepresented groups.

**What key best practices are companies adopting to take action on DEI?**

Number of reassessed companies adopting selected best practices over the past three years.

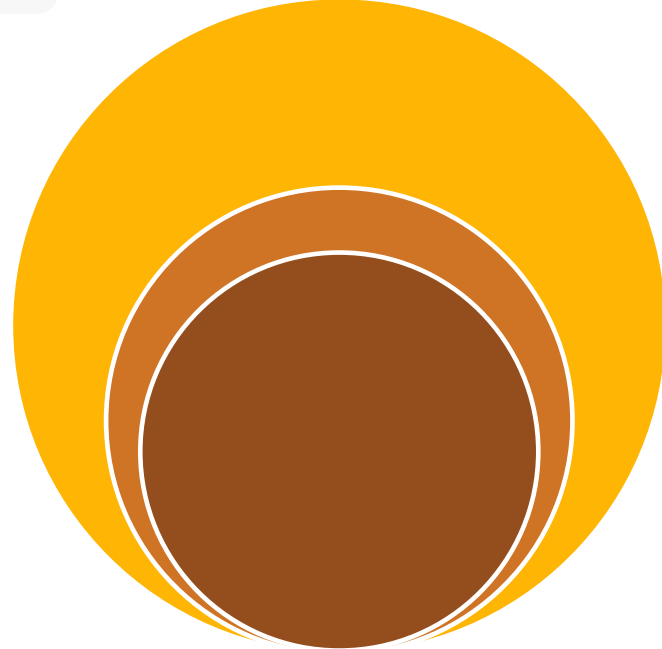
**Adopting DEI policies**

<b>Total:</b>	<b>35,245</b>
2023	19,281
2022	14,134
2021	1,830



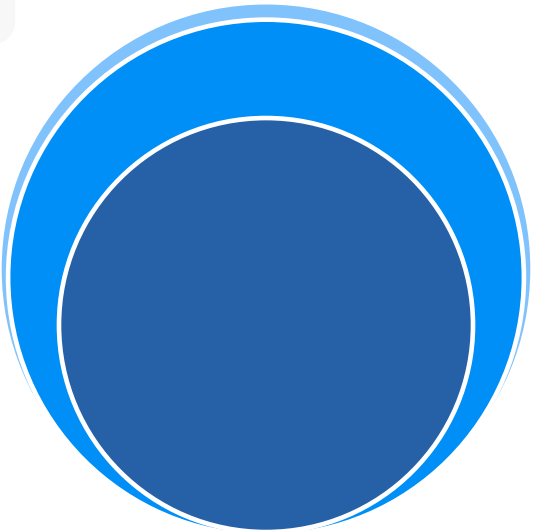
**Implementing DEI measures**

<b>Total:</b>	<b>11,964</b>
2023	6,397
2022	3,237
2021	2,330



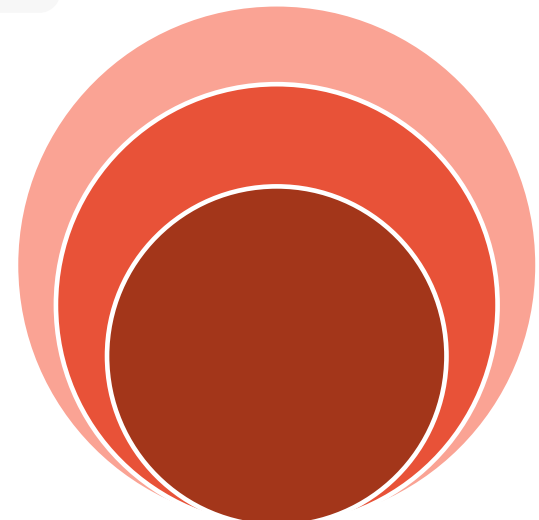
**Reporting on DEI efforts**

<b>Total:</b>	<b>10,656</b>
2023	4,199
2022	3,928
2021	2,529



**Taking action to promote wage equity**

<b>Total:</b>	<b>8,592</b>
2023	4,052
2022	2,896
2021	1,644





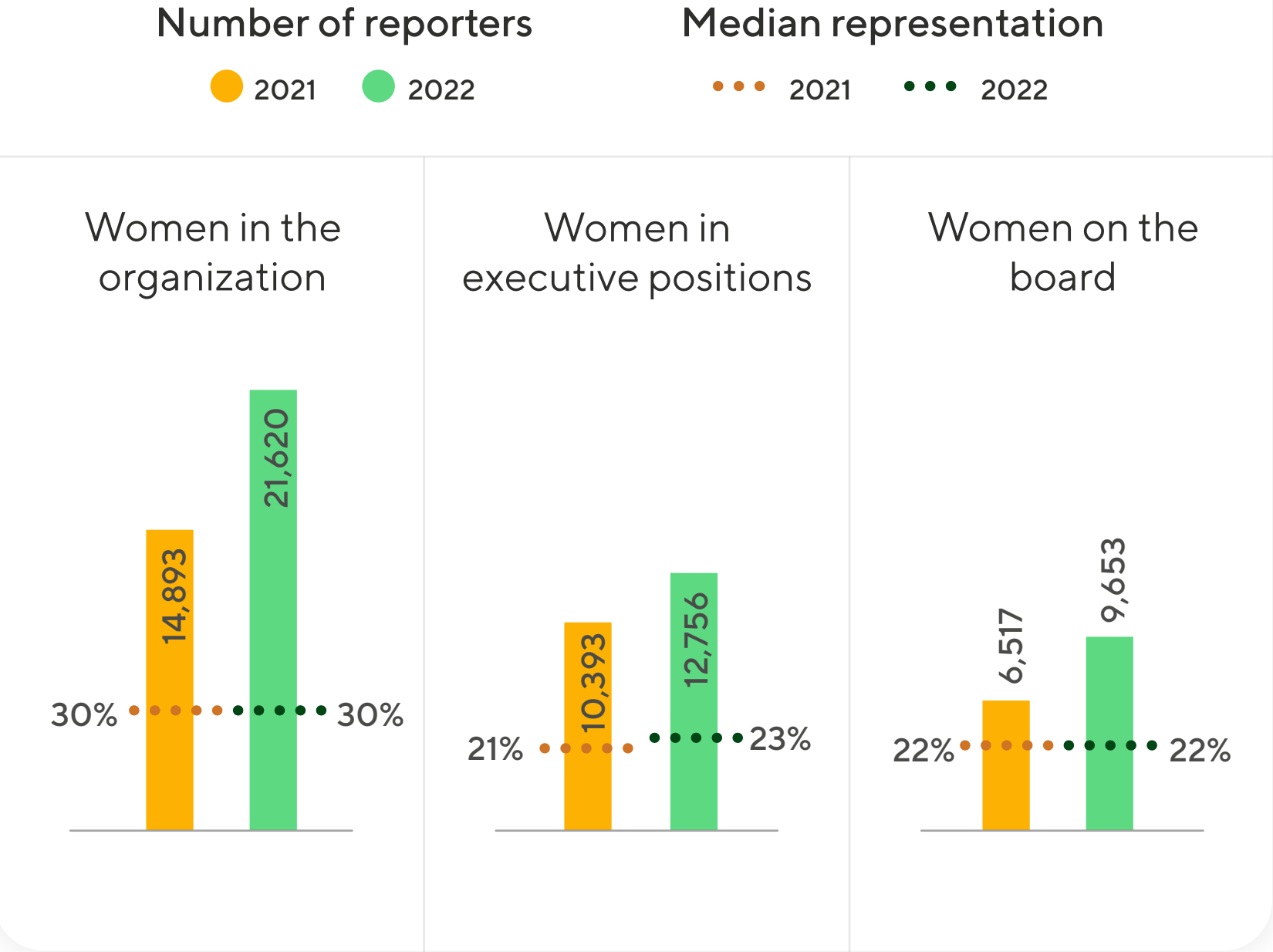
**Metrics: More companies across the network are reporting on gender equity**

Companies can report on a range of DEI metrics directly through their EcoVadis dashboard. This includes gender equity, an important measure of the success of any company’s DEI program. More than 20,000 companies reported the percentage of women in their organization in 2022 – a 45% increase over the previous year. A growing number of companies are also reporting on the percentage of women in executive positions and on their board.

Although 2023 data is incomplete, we expect similar growth in the number of reporters. What the 2023 median data already indicates, however, is that the typical company in our network is increasing the number of women in their workforce, leadership positions and boardroom. Moving forward, companies will have the opportunity to share more diversity and equity metrics directly to the platform.

**How many companies are reporting on the representation of women in their organization – and what progress are they making?**

Number of reporters and median representation reported by companies. 2023 data has been excluded as companies are still in the process of measuring and reporting it.





# The Impact Model in Motion

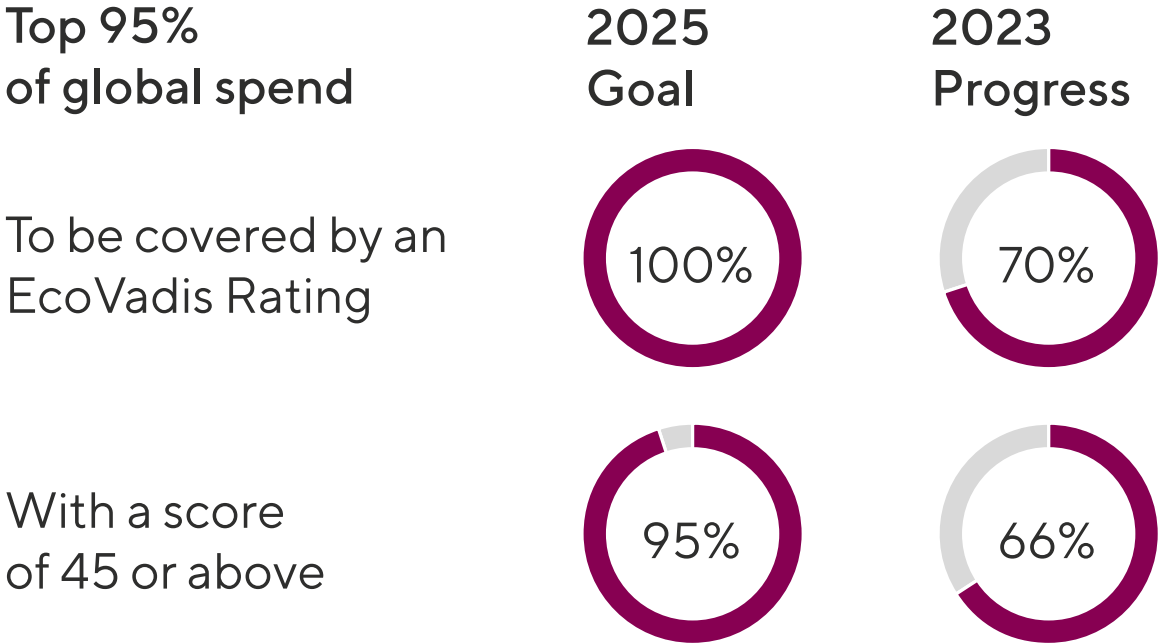




# Empowering Suppliers Through Collaboration: Sustainable Procurement at AstraZeneca

Driven by its aim to build an inclusive, resilient and transparent value chain, AstraZeneca has expanded its scope of work with EcoVadis since 2020 to scale its Sustainable Procurement Program. The company assesses supplier performance through EcoVadis Ratings, helps them improve using Corrective Action Plans and the EcoVadis Academy, and fosters DEI through its Sustainability Accelerator Program for small and diverse businesses. AstraZeneca uses the data and insights from this process to scale positive impact through its value chain and build more robust internal procurement systems that support its ambitious sustainability strategy and goals.

## AstraZeneca's Sustainable Procurement Goals and Progress



## 2023 Company Stats

Industry: Pharmaceuticals  
Headquarters: United Kingdom  
Revenue: €46 billion  
Addressable spend: €15 billion  
Employees: 83,500

## Key Solutions

### EcoVadis Ratings

1,600+ suppliers rated

### EcoVadis Academy

1,300+ courses completed by suppliers

### EcoVadis Carbon Action Manager

1,090+ suppliers with a carbon performance scorecard





**Steps to Driving Collaborative Improvement**



**Step 1: Assess risk and supplier performance**

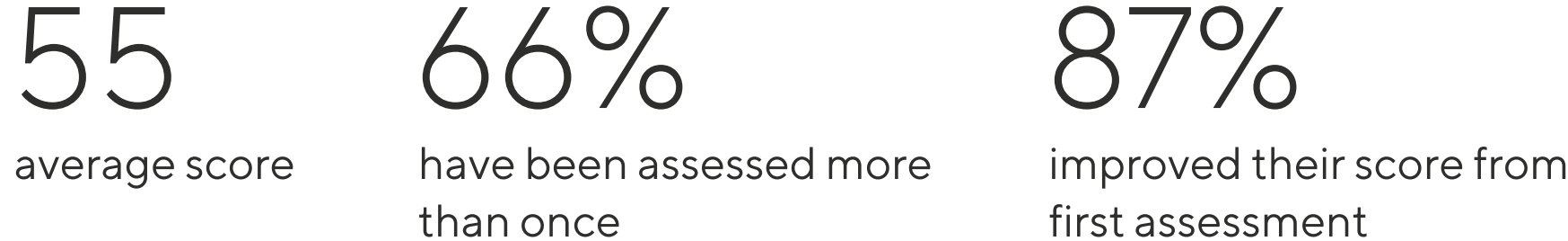
AstraZeneca uses EcoVadis Ratings to assess supplier performance, employing benchmarking to identify both high-risk and high-performing suppliers. The company continuously monitors supplier performance through KPIs on its EcoVadis dashboard.



**Step 2: Integrate learnings and data into procurement processes**

AstraZeneca ensures sustainability is a core component of its sourcing program by integrating EcoVadis data into its supplier agreements, contract clauses and existing procurement software. Strategic suppliers are also engaged regularly as part of business-as-usual performance reviews to collaboratively develop time-bound improvement targets.

**AstraZeneca’s Supplier Performance at a Glance in 2023**



**Supplier Sustainability Performance**





**Step 3: Collaborate closely with suppliers to support improvement**

Partnering with EcoVadis has enabled AstraZeneca to work more closely than ever with its suppliers. It collaborates with them to improve sustainability performance through Corrective Action Plans, which structure supplier improvement efforts, and supports their knowledge building through the EcoVadis Academy.

Since 2021, AstraZeneca's [Sustainability Accelerator Program](#) has been helping small and diverse suppliers build sustainability capabilities. In 2023, AstraZeneca also launched the Climate Action Series for these businesses. Over 400 small and diverse-owned companies have now taken advantage of these programs. With EcoVadis' help, and in partnership with advocacy groups such as Diversity Alliance for Science and WBEC Greater DMV, these accelerators offer training on key sustainability topics and best practices for small and diverse businesses to start or scale their sustainability journey.

**Step 4: Reward progress to accelerate internal and external efforts**

AstraZeneca is developing Supplier Awards in the sustainability category, including Awards for small and diverse suppliers. These companies will be able share their approach and progress at the annual Supplier Conference.

Internally, procurement managers not only undergo EcoVadis training but also have sustainability targets related to the suppliers they manage built into their annual performance evaluation. **2023 targets included:**

**70%** of total AstraZeneca third-party spend to be with suppliers rated by EcoVadis, with 65% of spend to be with those scoring over 45.

**25%** of spend in their purchasing category to be with suppliers who have verified SBTi targets. AstraZeneca has set a target to increase this to 95% of spend by 2025.



*We use EcoVadis Ratings to drive improvement in sustainability performance, gain insight into processes, celebrate successes and mitigate risk."*





### Amplifying Impact Through the Responsible Health Initiative

As a **Responsible Health Initiative** (RHI) member, AstraZeneca collaborates with other industry leaders to drive sustainability across the global health value chain. With the company sharing 75% of its rated suppliers, joint engagement through the Sector Initiative enables them to collectively amplify impact. In 2023, AstraZeneca was the highest contributing member of RHI, with actively involved suppliers in the RHI Carbon Learning Pathway via the EcoVadis Academy and Carbon Calculator to advance climate action.

This collective effort resulted in:

21%

of suppliers share at least one GHG emission metric with RHI members (vs. the network average of 9%)

440+

new suppliers reporting on GHG emission metrics in 2023

3,540+

GHG emission metrics reported through the platform in 2023

*The Responsible Health Initiative is an example of great collaboration that benefits both suppliers and requesting companies, simplifying reporting on sustainability progress."*



### Leading by Example



In addition to evaluating the sustainability practices of its value chain, AstraZeneca has undergone an annual EcoVadis assessment of its own over the past three years. The company has shown significant growth, climbing from an overall score of 54 in 2021 to 72 in 2023 and securing a Gold Medal that places it in the top 5% of our network.

### Looking Ahead

AstraZeneca will continue to partner with EcoVadis, using our ratings and solutions to target specific opportunities for supplier engagement and work toward delivering on its ambitious sustainable procurement goals.

*The growing network of suppliers with EcoVadis Ratings provides deeper insights that will continue to help AstraZeneca tailor its supplier engagement programs in coming years."*



## How Minakem Is Improving Its Sustainability Practices as an AstraZeneca Supplier

Building on 65 years of innovation, Minakem is a manufacturer of small molecule active pharmaceutical ingredients with four production sites across Europe and Canada. Minakem began working with EcoVadis in 2020 when a key customer, AstraZeneca, asked it to undergo a sustainability assessment. This process enabled the company to identify areas for improvement across all three of its assessed sites, kick-starting its sustainability journey and expanding opportunities for collaboration with AstraZeneca.

### Minakem High Potent: Belgium Site



2020:  
54/100



2022:  
63/100



2023:  
71/100

### Advancing Sustainable Procurement Practices

In 2022, Minakem’s EcoVadis scorecard identified sustainable procurement as a key area for improvement. This prompted the company to:

- **Establish a sustainable procurement working group** to create a framework for gaining executive sponsorship and engaging relevant business units.
- **Create a sustainable procurement charter** to articulate clear objectives, values and governance structures around sustainable procurement.
- **Implement a sustainable purchasing policy** with key purchasing criteria around ESG topics. By 2027, Minakem will require all preferred suppliers to have an EcoVadis Rating. In addition, all new contracts with principal suppliers include a requirement for suppliers to sign the Responsible Sourcing Charter and establish an ESG strategy by 2025.
- **Train its global purchasing team** on identifying, developing and implementing sustainable procurement best practices.

As a result of these efforts, Minakem’s Sustainable Procurement theme score increased from 50 to 70 in 2023.

*EcoVadis is the best way to measure where we are on sustainability, compare our performance with our sector and share that data with our stakeholders. It not only gives a clear score but highlights key areas for improvement.”*



**MINAKEM**

**Driving Climate Action**

AstraZeneca’s supplier strategy around carbon has helped accelerate Minakem’s focus on climate action. Working to reduce its carbon footprint, Minakem has calculated its Scope 1 and 2 emissions, set science-based targets and initiated an emissions reduction plan. The organization’s Scope 1 and 2 targets include a 42% emissions reduction by 2030 compared to 2021. As of 2023, Minakem has seen a 24% decrease across Scope 1 and a 14% decrease across Scope 2 from 2021. AstraZeneca is supporting Minakem on its decarbonization journey, providing resources and best practices for target setting and carbon reduction. Minakem’s plans to expand this process to Scope 3 emissions are also underway.

In 2023, Minakem committed to having its targets validated by the Science Based Targets initiative and now reports its carbon data to CDP, another sustainability KPI requested by AstraZeneca.



*Minakem is fully supportive of AstraZeneca’s sustainability goals and committed to contributing to progress. AstraZeneca is leading the industry on sustainability, and we want to remain a leading supplier. Partnering is a win-win.”*

**DEI Impact Insights**

Minakem places a strong emphasis on DEI, evident from its score of 97/100 on the Gender Equality Index in 2023. Through the EcoVadis platform, the company transparently shares its DEI metrics with AstraZeneca, showcasing achievements such as 43% representation of women in top-level management roles and 28% on the organization’s board during the same year.

**Fostering Best Practices Across Sites**

Multiple EcoVadis assessments have significantly improved internal reporting at Minakem, particularly around whistleblowing procedures and labor and human rights. This has enabled benchmarks to be implemented across all sites and accelerated best practice adoption across the business.

**Communicating Progress**

Minakem shares its annual EcoVadis Medal internally, recognizing the value of sustainability to its many employees who take pride in year-on-year score improvements. The results are communicated through press releases, social media channels, the company’s website, and presentations and brochures. As a result, Minakem has gained support and recognition from its customers, partners and employees. Additionally, its Medal and sustainability progress is highlighted in the “CSR package” shared with prospective customers. Minakem will undergo reassessment in 2024, striving to continue improving its sustainability practices and score.



*We are committed to driving positive impact and improvement year after year. We are motivated to achieve a Gold Medal for each production site and build on the excellent base we have already established.”*

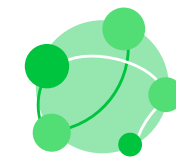




# Outlook: Next Steps Toward Impact

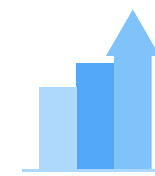


Companies in our network are making strides toward building more sustainable and equitable value chains. These efforts are already generating positive outcomes for society and the planet; however, there is still much more to be done. Here are three areas we will focus on over the next year to continue to scale our network, accelerate improvement and build the foundation for more impact:



**Scale our network and coverage:**

We are launching Vitals this year, an add-on to our IQ Plus solution that will enable buyers to effortlessly engage more suppliers through a light sustainability questionnaire. While not as comprehensive as our Ratings product, it will give buyers a baseline level of transparency across their value chain to gauge whether minimum sustainability and compliance requirements are being met – all at no additional cost to suppliers. This will help even more companies take the first step on their sustainability journey.



**Accelerate improvement and unlock latent potential:**

Despite the progress being made, 30% of companies in the network remain in the sustainability risk range (score of less than 45). We will continue to focus on driving even more effective buyer-supplier collaboration – by enhancing tools like the EcoVadis Academy – to help these companies take proactive steps on their sustainability journey. Carbon maturity also remains relatively low, with 61% of assessed companies still at the Insufficient or Beginner level. Our new standalone carbon solution, Carbon Action Manager, will enable more companies to access the insights and support they need to accelerate their decarbonization efforts.



**Facilitate greater metrics disclosure and impact reporting:**

More than 27,000 companies – or roughly 20% of the network – are now reporting at least one GHG metric to our platform. Building on this momentum, we will encourage greater GHG disclosure in the coming year and help double the number of companies setting carbon reduction targets (from 3,500 in 2023). Additionally, companies can now report on emerging labor and human rights criteria, like the provision of living wages. The ability to measure and report on this metric is becoming increasingly important to companies in our network, particularly among buyers that have made value chain commitments and smaller suppliers advocating for living wages at a grassroots level. Currently, 4,000 companies report on living wages within our platform – we aim to increase this to 10,000 over the coming year.





*If you've read this far, you now know the power is in your hands. Transforming global value chains is the best chance we have to set the world on a more sustainable and equitable trajectory. The tools are here and an ever-growing network of companies – employing 125+ million people – are on a journey to improve and innovate. They are collaborating with their trading partners to build resilience, drive efficiency, reduce waste and emissions, enhance working conditions and bolster ethical practices across the world. Are you ready to join them? The next step toward positive impact is yours to take.”*

Valérie Touchon  
Chief Impact Officer, EcoVadis





# About EcoVadis: From Risk Mitigation to Performance and Impact

EcoVadis provides sustainability ratings and intelligence used in more than 1,000 global finance and commerce value chains, offering detailed insights into environmental, social and ethical risks across more than 200 industry categories and 175 countries. The EcoVadis Intelligence Suite covers:

## Risk Mapping

EcoVadis IQ Plus maps your entire supplier landscape for inherent risk and identifies additional due diligence needs.

## Sustainability Ratings and Monitoring

EcoVadis Ratings engage companies in benchmarking and monitoring to mitigate risk and improve their sustainability performance. A robust methodology covering 21 criteria and a 360° Watch that scans external inputs (e.g., trade unions, NGOs, watchlists, news, etc.) yield reliable ratings on a 0-to-100 scale that are easy to integrate into your procurement or business decisions.

## Engagement and Improvement Tools

Detailed scorecards provide feedback and guidance for improvements. The Carbon Action Manager engages deeper on measuring, reporting and reducing GHG emissions. The Corrective Action Plan tool enables collaboration to prioritize improvements. The EcoVadis Academy provides self-guided e-learning courses to help you and your suppliers build knowledge.

## Service, Support and Community

Enterprise offerings include program management support – change management, journey mapping, global deployment, supplier/rated company onboarding, dashboarding and reporting etc. – and training options for requesting (buyers, portfolio managers, etc.) and rated companies.

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