

Strategic Sourcing & Procurement

# Responsible Sourcing Program Handbook

Edition 1.0

A suppliers' guide to Bristol Myers Squibb's sustainability requirements

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“ Thank you for engaging and partnering with Bristol Myers Squibb. Together we must actively account for our social and environmental impact in the supply chain. Your participation will help us ensure that we not only maintain our sustainability commitments but also work on the many challenges of a complex supply chain.

The **Responsible Sourcing Program** uses a tool to assess where you are on your sustainability journey. Our program sets goals and targets in a cadenced, incentivized approach. Over time, this will require you to meet minimum expectations as well as demonstrate leadership and innovation, but we believe the benefits far outweigh the work behind the commitment. We will stay involved with your progress as we both aspire to continuous sustainable improvement.

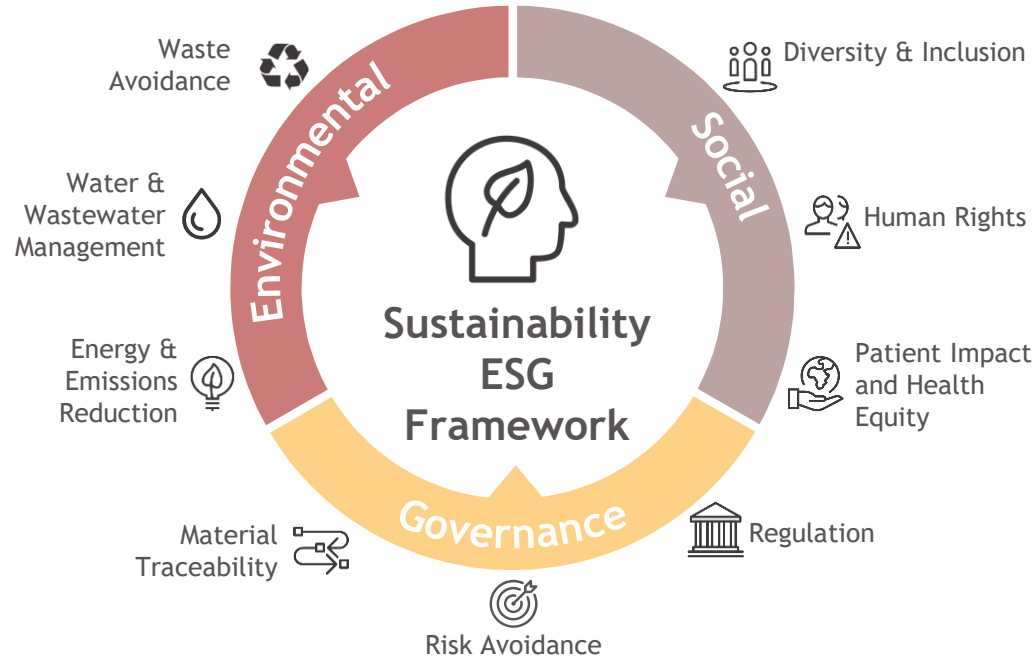
We look forward to working with you to achieve our mission to discover, develop and deliver innovative medicines that help patients prevail over serious diseases.”

**Paula Glickenhau**  
Senior Vice President & Chief Procurement Officer

# Sustainability within an ESG framework

*Implementing sustainability across SS&P is imperative to support business priorities*

An organization's impact on the environment and its ability to mitigate operational risks that increase its natural resource use and climate footprint



An organization's relationship with its employees, suppliers and communities in which it does business, including its approach towards diversity, human rights and consumer protection

The mechanisms an organization uses (e.g. audits, reporting processes) to ensure internal policy and goal compliance and adherence to external regulations

# ESG strategy statement

At Bristol Myers Squibb, our vision is to transform the lives of patients through science.

As a leading biopharma company, we understand our responsibility extends well beyond the discovery, development and delivery of innovative medicines that help patients prevail over serious diseases.

We believe that driving long-term business value is at the heart of living our purpose, being leaders and difference-makers for generations to come. Through our Environment, Social and Governance (ESG) strategy we seek to mobilize our capabilities and resources to positively impact the communities where we live, work, and serve.

**We are committed to quality, integrity, and ethics in everything we do.** We operate with effective governance and the highest ethical standards. We seek transparency and dialogue with our stakeholders to improve our understanding of their needs.

**We seek to actively improve the health of the communities where we live, work and serve.** Around the globe, we promote health equity and seek to improve health outcomes for populations disproportionately affected by serious disease.

**We value diversity, equity and inclusion.** We embrace the belief that diverse experiences and an inclusive culture yield transformative business results. The health, safety, equitable and respectful treatment of our workforce, people development, and work-life balance are among our highest priorities.

**We honor our longstanding pledge to environmental sustainability.** We understand our responsibility to create maximum positive impact while minimizing our environmental footprint. We leverage sustainability to drive innovation, build resiliency and manage non-financial risks.

# Environment-Health Connection intersects the BMS Commitments



## Environment

- Embracing environmental stewardship
- Developing medicines with reduced environmental impact



## Social

- Promoting product quality & safety
- Cultivating diversity, equity & inclusion
- Ensuring health equity, patient access & innovation



## Governance

- Maintaining highest ethics, integrity & compliance
- Upholding Board oversight & accountability

### Key Priorities

### Concrete Commitments

- |             |  |
|-------------|--|
| <b>2024</b> | Receive validation of SBTi science-based emissions reduction targets   |
| <b>2030</b> | 100% purchased electricity from renewable sources  |
| <b>2040</b> | <ul style="list-style-type: none"> <li>• 100% EV fleet</li> <li>• Equitable Water Use</li> <li>• Zero waste to landfill</li> </ul> |
| <b>2050</b> | Net Zero GHG, Scopes 1, 2 & 3  |

- |             |  |
|-------------|--|
| <b>2021</b> | ≥ 25% new clinical trial sites in diverse metro areas  |
| <b>2022</b> | <ul style="list-style-type: none"> <li>• Gender parity at executive level globally</li> <li>• 2X representation for Black/African American &amp; Hispanic/Latino executives</li> </ul> |
| <b>2025</b> | \$1B global spend with diverse-owned suppliers   |

- Experienced & diverse Board**
- Board oversight of strategy & key enterprise risks
  - 64% female & ethnically diverse directors
- Shareholder rights**
- Regular shareholder engagement
  - Proxy access
  - Special meeting right (15%)

# Environmental Sustainability Highlights



## Progress Made in 2022\*



8.2%

Reduction in S1, 2 & 3 GHG emissions v. 2021

Timeline for signed Virtual PPA

15 years



46%

Recycled/reused from total waste generated

EV/PHEV/Hybrid percentage of total<sup>2</sup>

28%



4.1%

Less water withdrawal v. 2021

Amount of waste diverted from landfill<sup>1</sup>

83.5%



## Bristol Myers Squibb is also committed to addressing social and governance issues

In addition to environmental targets, Bristol Myers Squibb has committed to addressing social and governance issues, with a particular focus on health equity.



**\$150M**

Investment to address health disparities; supplier diversity; clinical trial diversity and aspirational workforce representation goals.

**\$1.0B**

By 2025, \$1 billion in global spend with Black/African American and other diverse owned businesses



**\$150M**

Commitment to address health disparities

Train and develop

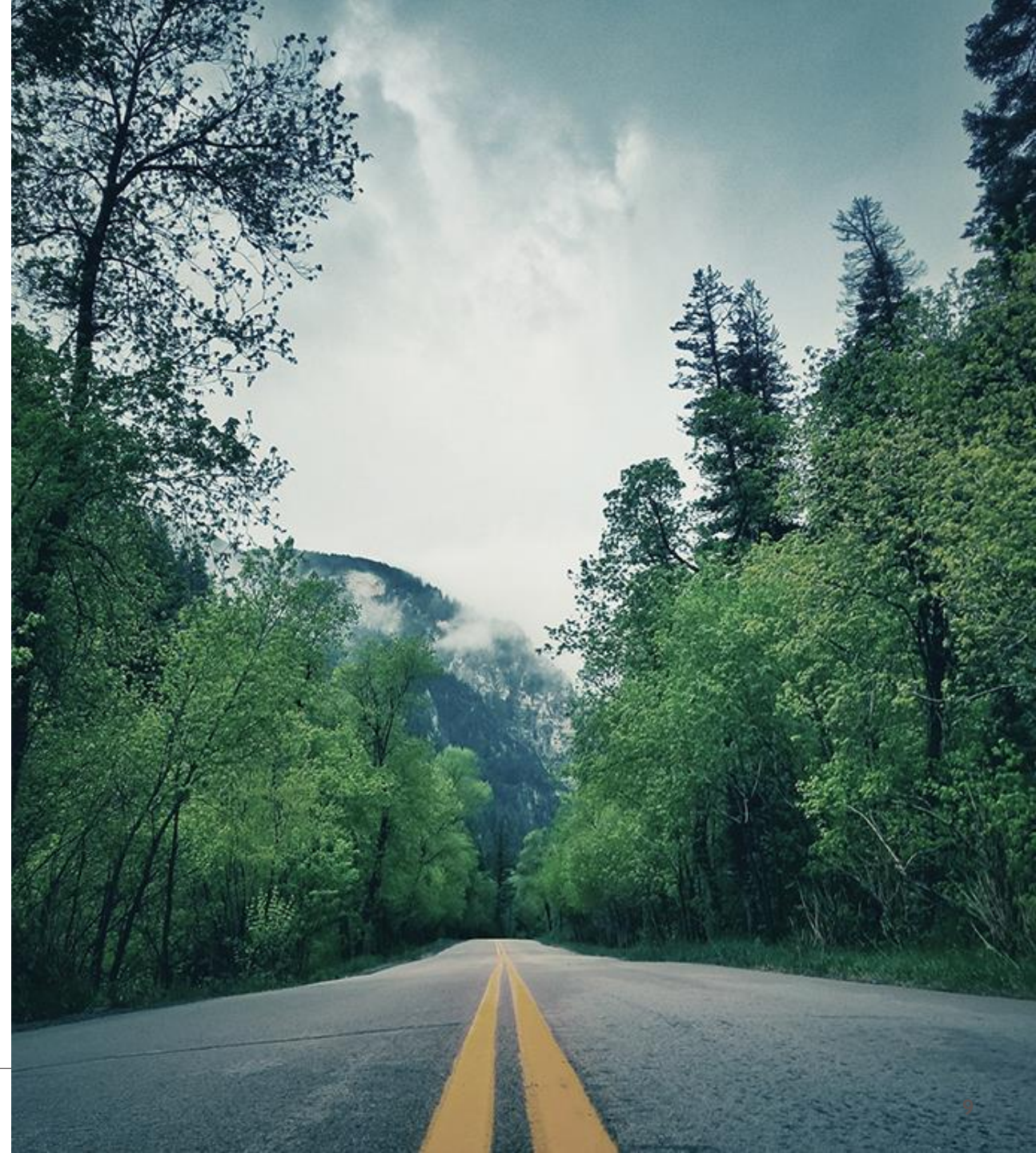
**250**

new clinical trial investigators



# SS&P adopts a sustainability procurement strategy

- A big opportunity to contribute to the corporate sustainability goals lies with the supply chain.
- SS&P is approaching this opportunity through its sustainability procurement strategy by embedding sustainability as a value driver in supplier partnership and innovation, and by driving visibility, accountability and performance in sustainability.
- The Responsible Sourcing Program is key to realizing this strategy.



# SS&P commits to the Responsible Sourcing Program

## Responsible Sourcing Program (RSP)

- The Responsible Sourcing Program enables SS&P to:
  - monitor the supply chain sustainability risks and performance
  - address sustainability as a core area of performance in the SS&P/ supplier partnership
  - implement a core set of requirements to move suppliers through a journey of continuous improvement
  - ensure supplier due diligence so that SS&P works with suppliers that have mutually held values and commitments in ESG
  - support SS&P’s Third Party Risk Management Program (TPRM)

### RSP GOALS

- ✓ Embed ESG principles into sourcing & procurement by **assessing supplier ESG performance** and setting requirements based on results
- ✓ Implement requirements with the preferred supplier base to level-set performance and **ensure strategic, values-based partnership**

# Partner with us as we endeavor on this sustainability journey



- **Elect** to partner on a journey of continuous improvement in a series of tiers
- **Embrace** responsibility for addressing identified sustainability gaps to remain a preferred supplier
- **Benefit** from
  - Improved compliance & regulatory management
  - Improved brand reputation
  - Improved risk avoidance
  - Improved stakeholder relations
  - Trainings and other support along the journey to meet sustainability goals
- **Maintain** or **achieve**
  - Preferred supplier status
  - Strategic benefits from partnering with Bristol Myers Squibb

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# Responsible Sourcing Program: scope and intention

## Scope

The Responsible Sourcing Program is applicable to Bristol Myers Squibb preferred suppliers, unless specifically noted otherwise.

If you are a preferred supplier and have questions about the program or are not a preferred supplier, but are interested in learning more, please be in contact with your SS&P contact.

All requirements in the RSP apply to participating suppliers. Your SS&P contact may have additional category specific requirements.

## Benefits

Suppliers' participation actively engages them to **improve legal & regulatory compliance, brand reputation and stakeholder relations**. SS&P is proud to work with suppliers who share its values and commitments and will look to support its suppliers on their sustainability journey where possible.

From a business perspective, SS&P is focused on building existing supplier relationships that have made ESG within their own operations a priority.

## Expected Outcomes

The outcomes are for suppliers and Bristol Myers Squibb to:

- be aware of their sustainability profile
- develop capabilities and ways of working
- build transparency and disclosure
- drive performance improvements

While this is a partnership-based model and SS&P intends to provide support through both internal and external resources, the impetus to improve and perform is ultimately up to the supplier.

# The Responsible Sourcing Program is part of the SS&P partnership model for preferred suppliers

## Responsible Sourcing Program uses EcoVadis to assess suppliers

EcoVadis is a ratings platform to assess corporate social responsibility and sustainable procurement. Solutions include risk monitoring and sustainability profiling.

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Its sustainability intelligence suite spans the spectrum of sustainability risk and performance management

- broad-scale supply chain risk screening and mapping
  - reliable scorecards with actionable ratings
  - tailored assessment to supplier industry, size and geography
- 

EcoVadis **validates supplier assessments** from a team of qualified ESG/Sustainability **experts** that review evidence submitted by suppliers across all focus areas.

Depending on the risks and opportunities that are identified, SS&P expects its suppliers to improve their sustainability profile and actively work on addressing the identified gaps.

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For more information on EcoVadis please visit [Bristol Myers Squibb \(ecovadis.com\)](https://www.ecovadis.com)



# RSP requires and incentivizes supplier sustainability performance

Three levels of performance:



## Aspirant

Significant gaps within ESG/Sustainability domains<sup>1</sup> identified; **supplier must engage in corrective sustainability actions to remain preferred**



## Achiever

Some gaps within ESG/Sustainability domains<sup>1</sup> identified, though programs are generally in place to address these areas of focus



## High Achiever

Supplier has a robust program; **supplier incentivized to maintain & build on level of performance**

# Business case for change

The Responsible Sourcing Program brings awareness and a continuous improvement model to the supply base while equipping SS&P with tools and insights to make informed, values-based decision making.

Here is why that is so critical:

## Investors

**84%**

ESG-focused institutional investment is expected to rise 84% to \$33.9 trillion by 2026.\*

## Companies

ESG is linked to value creation across top-line growth, cost reduction, regulatory and legal interventions, productivity enhancement, and investment and asset optimization.\*\*

## Performance

**70%**

of U.S. CEOs said their company's ESG programs improve their financial performance, up from 37% last year.\*\*\*\*

## Controversies

**\$500 billion**

Controversies involving ESG issues wiped off the value of large U.S. companies over the 5-year period from 2015 to 2019.\*\*\*\*\*

## Consumers

There is a link between the ESG-related aspects of products and consumer spending; with customers paying more for environmentally or socially conscious products.\*\*\*



# Business case for change

## Aspirant

- Bristol Myers Squibb Preferred Supplier status
- Risk Management
  - With increasingly stringent Environmental, Social and Governance regulation, complying with Bristol Myers Squibb’s sustainability requirements will help prepare for a future where sustainability is the law
    - Manage legal and compliance requirements
    - Manage resource scarcity risk
- Potential Financial Benefits
  - Implementing sustainability initiatives provides potential financial benefits through maintenance of competitive advantage and decreased costs through elimination of inefficiencies
    - Maintain competitive advantage
    - Leverage cost savings through efficiencies







## Achiever

- Public Relations
  - Demonstrating commitment to sustainability provides reputational benefits and is becoming a “must do” to attract and maintain investors and customers
    - Grow customer loyalty and brand positioning
    - Build a sustainable brand reputation
- Talent Strategy
  - Companies that operate ethically are viewed as more attractive to prospective candidates, especially those who value companies who positively contribute to society
    - Attract and retain top talent
    - Increase employee engagement and productivity
- Amplified risk management, financial benefits from aspirant level

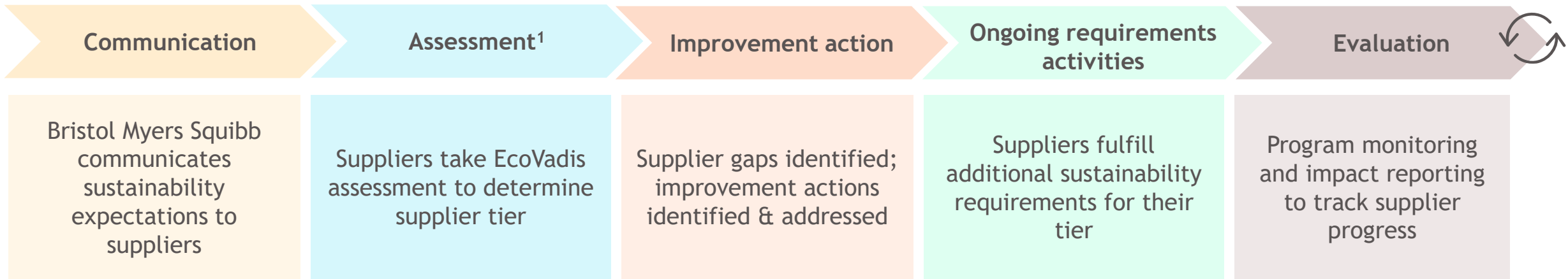
## High Achiever

- Strategic Partnership
  - Companies that actively seek to identify innovative opportunities to increase sustainability prove to be valuable long-run strategic business partners
    - Obtain brand reputation as industry leader and innovator
    - Opportunity to partner with Bristol Myers Squibb to drive sustainability innovation
    - Lead industry shift to adopting new technology
- Further amplified risk management, financial, public relations, and talent strategy benefits from aspirant and achiever levels

# Requirements

		Aspirant	Achiever	High Achiever
	Meet required EcoVadis score	<30	30-54	55+
	Undergo EcoVadis re-assessment	At 12 months	At 24 months	At 36 months
	Respond to corrective actions suggested in EcoVadis platform and/or Bristol Myers Squibb audits	✓	✓	
	Submit relevant evidence of improvement actions to EcoVadis and applicable Bristol Myers Squibb stakeholders for approval	✓	✓	✓ <sup>2</sup>
	Set annual sustainability goals that are externally verifiable, science-led and aligned with global commitments (Paris Accord, SBT's, UN SDG's)		✓	✓
	Complete annual public reporting through a 3rd party public disclosure platform		✓	✓
	Implement responsible sourcing requirements with suppliers			✓
	Partner on innovative sustainability opportunities, 'Impact Initiatives', with Bristol Myers Squibb <sup>1</sup>			✓

# Responsible Sourcing Program high level process



## Suppliers will go through a cadence of

- assessment<sup>1</sup>
- improvement action
- ongoing program requirement fulfillment as part of the supplier's roadmap

## Bristol Myers Squibb

- communicates sustainability expectations to suppliers
- leverages sustainability performance in sourcing and supplier management activities
- remains engaged and involved with suppliers throughout their suppliers' participation in RSP

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# Supplier requirements: risk avoidance and continuous improvement

## *EcoVadis and corrective actions*



### RSP Guidance Model

- When suppliers receive their recommendations from EcoVadis, SS&P recommends suppliers use a ‘risk-based approach’ to determine prioritization and allocation of resources. Start with the largest, most systemic risks and where the biggest impact can be had.
- As suppliers move through the corrective actions, the guide is to move from:
  - Severe risks → moderate risks
  - Systemic issues → isolated issues
  - Broader stakeholder impact → isolated stakeholder impact
  - Legal / regulatory compliance → best practices
- When suppliers are rated as an ‘Aspirant’ (<30), they have 2 years, which includes 2 additional evaluations, to move out of that category, into the Achiever level (30-54) to maintain their Preferred Supplier status.
- For Achiever and High Achiever suppliers, the expectation is to both continuously improve on actions that come out of the EcoVadis assessment and deliver on the additional requirements. A supplier can move from Achiever to High Achiever once they have been assessed as a 55+ in EcoVadis and have completed the remaining Achiever tier requirements.
- For all suppliers, the principal way to improve the EcoVadis numerical rating is by assigning corrective action plans to the areas of improvement identified in the annual EcoVadis assessment. Leveraging the EcoVadis platform, suppliers will be expected to address improvement areas to address risks and improve performance. This in turn should improve the suppliers’ EcoVadis rating in the following assessment.
- Aside from the numerical rating, there are additional resources and references in the following sections to support suppliers’ fulfillment of the additional Bristol Myers Squibb requirements.

# Supplier requirements: risk avoidance and continuous improvement

## *EcoVadis and corrective actions*



### Critical or major risk

Most improvements to address risk should follow the RSP Guidance Model. In critical or major risk situations, identified through the assessment or other means, issues will be routed to SS&P's Third Party Risk Management Program. Depending on the type of risk and relevant circumstances, Bristol Myers Squibb will be in direct contact to determine the necessary corrective actions to be put in place and the timeline associated with those actions. Violations of the Third Party Standards may result in termination of existing arrangements.

Critical or major risks within sustainability can be found within the domains mentioned below and described within Bristol Myers Squibb's Standard of Business Conduct and Ethics for Third Parties. Suppliers are required to not engage with, directly or indirectly, individuals or entities identified on any sanctioned or restricted parties list.

- Child labor
- Business ethics
- Animal welfare
- Forced & bonded labor
- Environment
- Human rights & labor
- Health & safety



# Supplier requirements: performance management

*Setting annual sustainability goals in environment, social and governance areas of focus*



## Sustainability areas of focus: Environment, Social, Governance

It is up to the supplier to determine which goals within ESG are most relevant to its stakeholders, most material to its operations and most meaningful to the supplier's intended impact. That said, there are myriad areas to explore as a supplier to become more responsible and sustainable.

### Environment examples

- Waste
  - Landfill diversion
  - Recycling and resource recovery
  - Waste to energy/incineration
  - Composting
  - Product circularity
  - Packaging innovation
- Water
  - Production water decrease/efficiency
  - Improved water discharge quality
  - Pharmaceuticals in the Environment management
  - Water recycling/reuse production/operations
- Energy
  - Renewable energy procurement
  - Carbon, methane & other GHG emission reductions
  - Electric vehicle adoption
  - Energy efficiency/retrofits

### Social examples

- Employee training & development
- Employee grievance routines
- Freedom of Association/CBA
- Overtime, working hours and conditions
- Anti-discrimination & harassment
- Diversity & Inclusion
- Income equity
- Child labor
- Forced & bonded labor
- Supplier code of conduct
- Human Rights & Labor practices

### Governance examples

- Purpose & visioning
- Governance Body Composition
- Anti-corruption, bribery & business ethics
- Risk & Opportunity Oversight
- High Risk commodity traceability
- Reporting & transparency

*KPI's can also be discussed with your SS&P contact for category specific ESG areas of focus and goals*

# Supplier requirements: performance management



## Sustainability areas of focus: Social, Environment, Governance

Sustainability goals should be externally verifiable, science-led and aligned with global commitments such as the UN's Sustainable Development Goals or Science Based Targets. There are several organizational references here in addition to simplified examples of how to approach goal setting.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Select suppliers will be requested directly by BMS to commit to and set Science Based or Science Aligned Targets.

## Example 1

- Target:
  - Increase renewable energy to 20% of energy mix for on-site and procured energy (Scope 1 & Scope 2 Emissions) by 2025.
- Plan:
  - Review the current energy mix of your scope 1 & 2 emissions;
  - Create a baseline of energy utilization before any initiative.
  - Implement initiatives, such as “retiring REC’s,” installing on-site solar, enter into a Power Purchase Agreement (PPA) or a Virtual Power Purchase Agreement (VPPA), to transform a percentage of the energy mix over time.
  - Calculate the percentage change in energy utilized from renewable sources from the baseline.

## Example 2

- Target:
  - Increase the amount of waste that is diverted from landfill for recycling, compost or reuse by 30% by 2027.
- Plan:
  - Review and create a baseline for the proportion of in-house waste that is recycled/reused, composted, incinerated and sent to landfill.
  - Identify and implement initiatives to redirect certain waste streams, such as through composting, packaging redesign or other types of recycle/reduce/reuse.
  - Track the amount of material that is being diverted or reduced as a result of these initiatives.
  - Calculate that volume as a percentage of the baseline to understand if the goal is on track to deliver.

## Example 3

- Target:
  - Increase the number of diverse employees in management positions by 15% by 2024.
- Plan:
  - Understand what the current promotion and talent development pipeline looks like to determine the number of diverse candidates that would predictably be in management without intervention.
  - Determine the root causes of the identified gap and plan actions accordingly.
  - Engage across key stakeholders, both internally and externally, to empower the agenda and its intended outcomes.
  - Recruit, mentor, develop talent and promote opportunities.
  - Collect demographic data following the intervention to see the year over year impact.



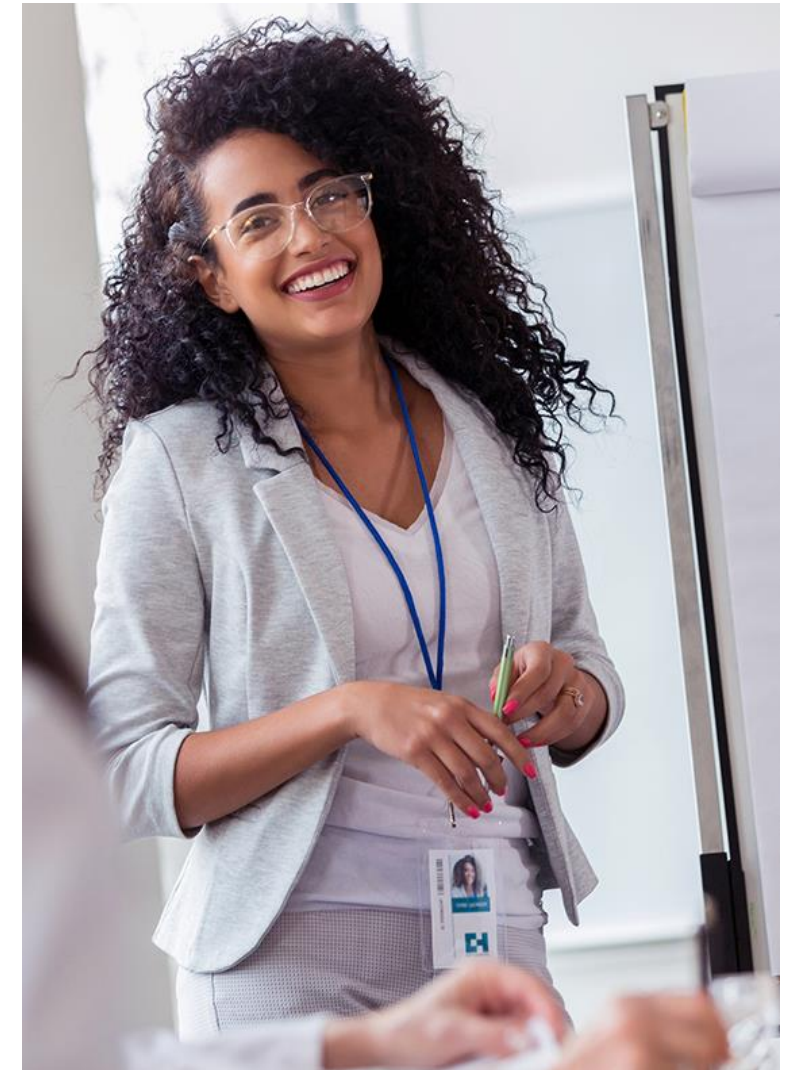
# Supplier requirements: public disclosure

Transparency is a critical part of the 'G' or governance in ESG. An important part of transparency in the ESG domain is reporting in the form of public disclosure. This is done through a variety of ways. Companies report their environmental footprint via 3<sup>rd</sup> party platforms, such as CDP, to demonstrate objectivity and impartiality as well as to create a competitive benchmark versus industry peers. While 3<sup>rd</sup> party public disclosure was once seen as leading practice, it is increasingly an industry standard with rising investor and stakeholder expectations.

Bristol Myers Squibb encourages suppliers to begin their ESG disclosure journey using the CDP and/or GRI disclosure platforms. CDP can capture environmental sustainability information through its Climate Change questionnaire and depending on applicability to the organization's operations, also contains Water Security & Forests questionnaires. GRI Standards draw on a broader set of questions across environmental, social and economic factors. Investigate the requirements for each disclosure platform and begin charting the organization's disclosure journey.



Select suppliers will be requested directly by BMS to report to the CDP Climate Change Questionnaire.

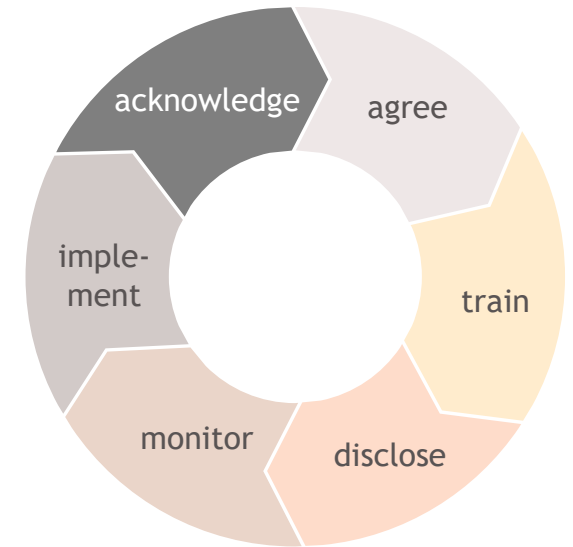


# Supplier requirements: supply chain management

As a supplier, the willingness to investigate, evaluate and proactively improve the organization's social and environmental footprint is one of the most effective ways for SS&P to amplify the impact of its own Responsible Sourcing Program. In many cases, the further back in the supply chain one goes, the harder it is to validate minimum requirements in sustainability are being met. By partnering with SS&P on the cascading of requirements further back in the supply chain, it is an opportunity to take accountability for a broader scope of impact as a company. Minimally, BMS requires its suppliers to hold their suppliers accountable to expectations as laid out here and in the Third-Party Standards.

Depending on the size, scale, resources and expertise of the organization, it can look like the following:

- Require suppliers to acknowledge and to adhere to a Code of Conduct that includes ESG/Sustainability requirements during on-boarding
- Require training for co-workers/suppliers on the Code of Conduct and any specific expectations that the organization may have in this domain
- Require suppliers to disclose their own risk profile, via an in-house evaluation or a 3<sup>rd</sup> party platform/audit, to understand risks and the appropriate measures to address them
- Monitor compliance progress in the supply chain
  - % of supplier base audited
  - % of non-conformities closed
  - % of spend with high-risk suppliers
- Implement specific purchasing requirements for high social & environmental risk commodities
  - rubber, palm oil, sugar, talc, soy, carnauba wax, fish oil, etc.



# Supplier requirements: innovation through Impact Initiatives



## Impact Initiatives

Bristol Myers Squibb knows there is mutual value held in supplier partnerships when innovation can flourish. While the scope of impact may look different depending on the type of supplier and relationship with Bristol Myers Squibb, there are many ways to positively impact this agenda

## High Achievers

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To enable the enterprise sustainability targets for the greatest impact on stakeholders, SS&P is partnering for **innovation with select suppliers:**

- ALREADY thinking innovatively about ESG/Sustainability issues
- With a GOOD EXISTING relationship with Bristol Myers Squibb
- MOTIVATED to work on initiatives and establish ways of working
- Who provide supplier DATA to Bristol Myers Squibb to understand impact

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# Responsible Sourcing Program: resources and references



## Training / capacity building events

For those Pharmaceutical suppliers that are in search of industry resources and guidance, the Pharmaceutical Supply Chain Initiative (PSCI) is an important resource to build capabilities in ethics, labor, health, safety and environment.

Supplier capability building events are held regularly tackling key issues, including:

- **Webinars**
  - On current topics impacting the biopharma industry
- **Supplier conferences**
  - To support technical capacity building
- **Knowledge sharing**
  - Share best practice documents through a **resource library** on the PSCI website
  - Download the **PSCI Maturity Model App/Maturity Model App Google** to learn how to develop capabilities across sustainability/ESG topics



PSCI's **VISION** is to establish and promote **responsible practices** that will continuously improve **ethics, labor, health, safety and environmentally sustainable outcomes** for our supply chains.

# Responsible Sourcing Program: resources and references\*

## Reporting

- [EcoVadis](#)
- [CDP](#), [GRI](#), [TCFD](#), [CDSB](#), [SASB](#)

## Industry engagement

- [Hit your Scope 3 carbon reduction targets - Manufacture 2030](#)
- [Introducing Energize - Increasing Access to Renewables for Pharma Supply Chains \(se.com\)](#)
- [Pharma. Supply Chain Initiative](#)
- [My Green Lab](#)

## Regulatory best practices

- [OSHA's Voluntary Protection Program \(VPP\)](#)
- [Better Buildings D.O.E. \(Waste Reduction\)](#)
- [EPA Energy Star Program \(Energy Efficiency\)](#)

## Goal Setting & community partnerships

- [Science Based Targets](#)
- [Home - SME Climate Hub \(businessclimatehub.org\)](#)
- [Sustainable Development Goals \(SDG's\)](#)
- [World Resources Institute \(WRI\)](#)
- [World Wildlife Fund \(WWF\)](#)
- [National Minority Supplier Development Council \(NMSDC\)](#)
- [Diversity Alliance for Science \(DA4S\)](#)
- [WeConnect International \(Women Owned Businesses\)](#)
- [Women's Business Enterprise National Council \(WBENC\)](#)

# Responsible Sourcing Program: resources and references\*

## Global inter-governmental organizations & NGOs

- [Science Based Targets](#)
- [UN Global Compact](#)
- [UN Sustainable Development Goals](#)
- [RE 100](#)

## Commodity certification/risk mitigation associations\*

- [Fair Rubber Association](#)
- [Global Platform for Sustainable Natural Rubber](#)
- [Roundtable on Sustainable Palm Oil](#)
- [Acquaculture Stewardship Council](#)
- [Forest Stewardship Council](#)
- [Roundtable on Responsible Soy](#)
- [Initiative for Responsible Carnauba](#)

## Areas of ESG/Sustainability Risk

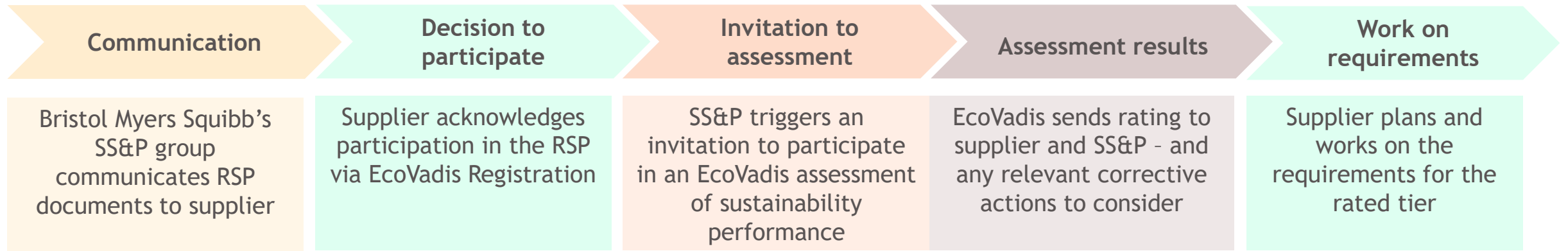
- [Forced & Bonded Labor and Human Trafficking](#)
- [CSR - Supply Chain Act \(csr-in-deutschland.de\)](#)
- [Uyghur Forced Labor Prevention Act | U.S. Customs and Border Protection \(cbp.gov\)](#)
- [EUCSDD](#)

## Bristol Myers Squibb resources

- [Principles of Integrity: Bristol Myers Squibb 3rd Party Standards](#)
- [Sustainability at Bristol Myers Squibb](#)
- [2022 BMS ESG Report](#)

# Responsible Sourcing Program: what suppliers should expect

## Responsible Sourcing Program: supplier entry into the program



### Supplier

- addresses corrective actions via EcoVadis platform for Bristol Myers Squibb visibility, progress & KPI tracking
- is reassessed and actions are reviewed the following year for tier movement (advancement, regression, consistent)



### Bristol Myers Squibb

- SS&P communicates with supplier about its program standing/progress and follow-up on requirements as needed
- SS&P communicates regarding remediation of any critical or major risk identified regarding the supplier
- SS&P may contact select suppliers to participate in opportunities such as innovation through Impact Initiatives



# Responsible Sourcing Program: FAQs

## Who does this program apply to? Is it mandatory? Can I be voluntarily involved?

The Responsible Sourcing Program is applicable to all preferred Bristol Myers Squibb suppliers, unless specifically noted otherwise. If you are a preferred supplier and have questions about the program or are not a preferred supplier, but are interested in learning more, please be in contact with your Bristol Myers Squibb procurement contact.

## How do I move from one tier to the next? Who reviews the criteria for advancement?

The RSP is divided into three tiers, Aspirants, Achievers and High Achievers. Each tier has requirements including a numerical rating, corrective actions and for the top 2 tiers goal setting, public disclosure and the like. In order to become an Achiever, the supplier first must achieve at least a 30 in the EcoVadis assessment. Then, the supplier must complete the remaining requirements in the Achiever tier to obtain the Achiever level. Likewise, suppliers must first obtain a 55 or greater in EcoVadis to be considered for High Achiever and then must complete the remaining (applicable) requirements to obtain High Achiever level.

## What if my organization does not want to take the EcoVadis assessment?

Should there be a concern regarding the assessment process, please reach out to your SS&P contact.

## How can I find out more information regarding the Responsible Sourcing Program?

The requirements and expectations of the RSP are laid out in the RSP Handbook. There is a list of external resources to support the supplier sustainability journey. SS&P may on occasion offer subject specific trainings or materials. Should there be any supplier specific questions regarding the RSP, please contact your SS&P contact.

## How will I know to perform an EcoVadis assessment?

Once your company's entry into the RSP has been confirmed through EcoVadis registration, you will provide contact information to your SS&P contact. EcoVadis will then administer instructions for creating a supplier profile to join the EcoVadis network. More information on EcoVadis can be found at: [EcoVadis](#)

## How will I know the sustainability targets chosen are sufficient?

As a guide they should be externally verifiable, science-led and aligned with global commitments. Exactly which areas to impact is the supplier's choice. These goals may be reviewed by Bristol Myers Squibb as needed.

## Where does my organization begin with sustainability supply chain management?

Begin by examining the company's values & vision as well as regulatory and legal requirements. These sources should guide minimum requirements in the form of a code of conduct or other contractual expectation for supply chain partners. A combination of internal and external communication, training, development and verification schemes should be considered to bolster the program. Implement the program with the company's riskiest and most strategic partners and broaden it as the program continues to mature.

# Appendix

# Sustainability: ASPIRANT RSP Requirements Implementation

	Requirement	Supplier Activities Needed (what is needed from supplier for req.)	Bristol Myers Squibb Activities Needed (what is needed from Bristol Myers Squibb for req.)
<b>Risk Mitigation</b>	<p>Meet the minimum EcoVadis score of 30 or greater within 2 years to obtain Achiever status and remain a Bristol Myers Squibb preferred supplier</p> <p><i>EcoVadis re-assessment to take place after 12 months</i></p>	Supplier acknowledgement of RSP and Bristol Myers Squibb policies associated with it	Bristol Myers Squibb to keep track of its suppliers' commitments through an acknowledgement receipt and the EcoVadis assessment
<b>Risk Mitigation</b>	Respond to corrective actions provided in EcoVadis platform and / or Bristol Myers Squibb audits	Supplier to submit a corrective action plan to address gaps and ensure roadmap to improvement	Bristol Myers Squibb to provide input and support as needed; Bristol Myers Squibb to track progress and escalate issues to ensure timelines are met
<b>Risk Mitigation</b>	Submit relevant evidence of improvement actions in EcoVadis and/or to key Bristol Myers Squibb stakeholders for approval	Supplier to submit relevant evidence in EcoVadis and/or to key Bristol Myers Squibb stakeholders for approval or to demonstrate compliance within timeline	Bristol Myers Squibb to approve actions where relevant and track supplier performance over time

# Sustainability: ACHIEVER RSP Requirements Implementation

	Requirement	Supplier Activities Needed (what is needed from supplier for req.)	Bristol Myers Squibb Activities Needed (what is needed from Bristol Myers Squibb for req.)
<b>Continuous Improvement</b>	Maintain or improve an Ecovadis score of 30-54  <i>EcoVadis re-assessment to take place after 24 months</i>	Supplier acknowledgement of RSP and Bristol Myers Squibb policies associated with it	Bristol Myers Squibb to keep track of its suppliers' commitments through an acknowledgement receipt and the EcoVadis assessment
<b>Risk Mitigation</b>	Commit to address existing gaps	Supplier to provide a corrective action plan to address gaps and ensure roadmap to improvement	Bristol Myers Squibb to provide input and support as needed; Bristol Myers Squibb to track progress and escalate issues to ensure timelines are met
<b>Performance Management</b>	Set annual sustainability goals that are externally verifiable, science-led and aligned with global commitments (Paris Accord, SBT's, UN SDG's)	Suppliers to publish goals externally as requirement defines and make it known to Bristol Myers Squibb  Select suppliers will be requested to commit to Science Based Targets	Bristol Myers Squibb to acknowledge publishing of external goals for program requirement fulfillment
<b>Public Disclosure</b>	Complete annual public reporting through 3 <sup>rd</sup> party public disclosure platform	Supplier to disclose to an annual public disclosure platform of its choosing and make it known to Bristol Myers Squibb	Bristol Myers Squibb to acknowledge public disclosure for program requirement fulfillment

# Sustainability: HIGH-ACHIEVER RSP Requirements Implementation

	Requirement	Supplier Activities Needed (what is needed from supplier for req.)	Bristol Myers Squibb Activities Needed (what is needed from Bristol Myers Squibb for req.)
<b>Continuous Improvement</b>	Sustain and improve on an Ecovadis score of 55+  <i>EcoVadis re-assessment to take place after 36 months</i>	Supplier acknowledgement of RSP and Bristol Myers Squibb policies associated with it	Bristol Myers Squibb to keep track of its suppliers' commitments through an acknowledgement receipt and the EcoVadis assessment
<b>Performance Management</b>	Set annual sustainability goals that are externally verifiable, science-led and aligned with global commitments (Paris Accord, SBT's, UN SDG's)	Suppliers to publish goals externally as requirement defines and make it known to Bristol Myers Squibb  Select suppliers will be requested to commit to Science Based Targets	Bristol Myers Squibb to acknowledge publishing of external goals for program requirement fulfillment
<b>Public Disclosure</b>	Complete annual public reporting through 3 <sup>rd</sup> party public disclosure platform	Supplier to disclose to an annual public disclosure platform of its choosing and make it known to Bristol Myers Squibb	Bristol Myers Squibb to acknowledge public disclosure for program requirement fulfillment
<b>Supply Chain Management</b>	Implement responsible sourcing requirements with suppliers	Supplier to establish and implement their own code of conduct/minimum ESG requirements for its supply chain partners	Bristol Myers Squibb to validate through EcoVadis & public disclosure as needed
<b>Innovation</b>	Partner on innovative sustainability opportunities, 'Impact Initiatives', with Bristol Myers Squibb <sup>1</sup>	Supplier to partner, as defined within Bristol Myers Squibb partnership, on sustainability innovation across ESG domains	Bristol Myers Squibb to identify potential opportunities for supplier collaboration