



FIVE CRUCIAL COMPONENTS OF A SUCCESSFUL SUSTAINABLE PROCUREMENT STRATEGY



Ann Cartwright and Tim Hansen of PCI Pharma Services explain the company's five key components of its sustainable procurement strategy to increase efficiency, meet regulatory demands and support business resilience and sustainability in the long term.

In recent years, sustainability has become more than just a buzzword. It is now a central element of strategic planning, particularly within the pharmaceutical industry. According to a report by EcoVadis in 2024, more than 70% of programmes state that their top procurement driver is delivering on corporate sustainability goals and commitments.¹ The demand for environmentally friendly products, coupled with increasing regulatory pressure, are additional factors that have led pharmaceutical organisations to reconsider how they source their materials, manage their suppliers and align with global sustainability goals.

A sustainable procurement (SP) strategy is not just a matter of compliance – it is a way to future-proof businesses, drive efficiencies and build long-term value for clients and patients.

FIVE KEY COMPONENTS OF A SUCCESSFUL SP STRATEGY

Clear Roadmap

Any successful SP strategy begins with a clear roadmap, which is the foundation

"A WELL-DEFINED ROADMAP HELPS TO ALIGN SUSTAINABILITY GOALS WITH BROADER CORPORATE OBJECTIVES."

for setting realistic, measurable goals that guide the organisation towards its sustainability objectives. PCI Pharma Services recognised early on that sustainability was not just a “nice-to-have” but an essential part of the company’s long-term vision. The first challenge was to outline what sustainability meant for the organisation, focusing on the nine key pillars of its overarching environmental, social and governance (ESG) strategy that would ultimately guide its efforts.

A well-defined roadmap helps to align sustainability goals with broader corporate objectives. It provides direction, ensuring that every action taken is purposeful and linked to the company’s overall mission. Importantly, this strategy should not be static – regular evaluations and updates are needed to keep up with evolving sustainability practices, emerging regulations and shifting market dynamics. By doing so, organisations can adapt to new challenges and remain on track to achieve their goals.

A strong starting point is to create a comprehensive sustainability framework, informed by both internal goals and the United Nations Sustainable Development Goals (SDGs). This allows companies to break down complex sustainability concepts into tangible, actionable steps. With a roadmap in place, companies can identify key areas for improvement, track progress and adjust their approach as needed.

Environment of Partnership and Collaboration

Sustainability is not a competitive advantage – it is a collective effort. Building an environment of partnership and collaboration is crucial to the success of any SP strategy. Within the pharmaceutical industry, where procurement has traditionally focused on cost, quality and service, sustainability is now being incorporated into the purchasing and supplier evaluation process. A vendor’s environmental impact, labour standards and commitment to sustainable practices should be given equal weight in procurement decisions.

PCI discovered that working together with both suppliers and clients was essential to advance its sustainability efforts. In some areas, such as sustainable packaging and



Figure 1: Supplier engagement grounded in trust, mutual respect and shared values is at the core of PCI’s SP programme.

renewable energy sourcing, collaboration with suppliers has been key to driving meaningful change. Rather than viewing sustainability as a competitive edge, PCI has approached it as an area where everyone can improve, learning from one another and sharing best practices.

Additionally, fostering a culture of open communication with suppliers allows organisations to understand their sustainability journey and capabilities better. PCI encourages suppliers to openly discuss their sustainability initiatives, without fear of penalties or judgement for being at different stages in their journey. By creating this collaborative environment, PCI can assess the genuine commitment of its suppliers and work alongside them to create long-term, sustainable solutions (Figure 1).

Policies and Procedures

Policies and procedures form the backbone of any SP strategy. They provide the framework for decision making and ensure that sustainability principles are consistently applied across the organisation. Effective policies should cover every aspect of procurement, from supplier selection to compliance with environmental and social best practices just to shorten sentence a bit.

“FOSTERING A CULTURE OF OPEN COMMUNICATION WITH SUPPLIERS ALLOWS ORGANISATIONS TO UNDERSTAND THEIR SUSTAINABILITY JOURNEY AND CAPABILITIES BETTER.”

PCI has developed clear policies that prioritise ethical labour standards, environmental responsibility and adherence to sustainable sourcing practices. These policies guide the company’s decision making and provide transparency both internally and externally. Furthermore, PCI has built a comprehensive procedure for evaluating and engaging suppliers on sustainability efforts, ensuring that it is working with organisations that align with the company’s values and sustainability goals.

As sustainability continues to become more central to procurement, organisations must update their policies regularly to reflect new regulations and emerging

industry standards. For instance, as global environmental regulations evolve, companies must ensure their procurement policies are aligned with legislative changes, such as carbon reduction targets and waste management protocols.

A key element of these policies is the ability to measure compliance. Companies should incorporate clear, verifiable standards into their procedures to ensure that both they and their suppliers remain accountable for their sustainability commitments.

Data and Metrics

A data-driven approach is essential to tracking and measuring the effectiveness of any SP strategy. Without accurate data, it is impossible to understand where improvements are needed or to assess progress over time. Metrics allow organisations to evaluate the environmental impact of their procurement activities and ensure alignment with sustainability goals.

To support these efforts, PCI invested heavily in capturing data related to its sustainability efforts, specifically across the nine key pillars of its strategy. By gathering and analysing data on energy consumption, waste generation, emissions and supplier sustainability practices, PCI can identify areas for improvement and benchmark its performance against industry standards.

These metrics are essential for reporting to stakeholders, including customers, suppliers, employees, investors and regulatory bodies. They provide transparency, showcasing the tangible impact of sustainability efforts and reinforcing the organisation's commitment to responsible sourcing. As sustainability reporting becomes increasingly important, especially with rising regulatory pressure, companies must invest in tools and systems that allow them to capture, analyse and report more complex sustainability data accurately and effectively.

By aligning its metrics with the UN SDGs, PCI ensures that its procurement decisions contribute meaningfully to global sustainability efforts. Moreover, continuous tracking of its data allows the company to adjust its strategy in real-time, making improvements where necessary to ensure it is meeting its goals (Figure 2).

"BY GATHERING AND ANALYSING DATA ON ENERGY CONSUMPTION, WASTE GENERATION, EMISSIONS AND SUPPLIER SUSTAINABILITY PRACTICES, PCI CAN IDENTIFY AREAS FOR IMPROVEMENT AND BENCHMARK ITS PERFORMANCE AGAINST INDUSTRY STANDARDS."



Figure 2: PCI's internal company mission is to develop world-class, industry-leading talent by investing in its people.

A Dedicated Team

Lastly, a successful SP strategy requires the right team to drive it forwards. Building an internal team of sustainability champions is crucial for embedding sustainable practices into the fabric of the organisation. PCI has grown its team of ESG professionals to over 100 individuals across its global network. This diverse, cross-functional team spans across the organisation and is responsible for executing its ESG strategy and ensuring that sustainability is considered in every aspect of procurement.

Leadership support is essential in this regard, as it provides the resources, funding and authority needed to implement sustainability initiatives effectively. Additionally, team members should be equipped with the knowledge and tools to make informed decisions, ensuring that sustainability is at the forefront of procurement processes.

Training and awareness programmes are also important for ensuring that everyone in the organisation understands the importance of SP. By empowering employees with the knowledge to make responsible sourcing decisions, companies can integrate sustainability goals into their

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daily operations and create a culture of environmental responsibility throughout the organisation.

CONCLUSION

SP is no longer optional – it is a necessity for companies looking to stay competitive in an increasingly eco-conscious world. By focusing on these five crucial components – clear roadmaps, partnerships and collaboration, robust policies and procedures, data-driven metrics and the right team – organisations can build an SP strategy that drives efficiency, meets regulatory demands and contributes to long-term business resilience. For the pharmaceutical industry, adopting such a strategy is essential not only for compliance but also for improving corporate responsibility and building long-term sustainability.

By working together with suppliers, clients and other stakeholders, the pharmaceutical industry can create a future where sustainability is woven into every aspect of business, from product development to procurement. As we move forwards, it is essential to remember that SP is about collaboration, not competition. It is an industry-wide effort, and we are all in this together.

REFERENCE

1. “Sustainable procurement barometer 2024”. Research Report, EcoVadis and Accenture, 2024.



Ann Cartwright

Ann Cartwright is the GSC Sourcing Systems Strategy Director for PCI, where she harmonises contracts and best practices across the global procurement space. She also heads up the Indirect Spend category globally and is heavily involved with cost-saving and continuous improvement projects. Ms Cartwright recently undertook the role of SP Lead with a team of buyers, working towards specific goals and targets aligned with the pillars of PCI’s ESG strategy pillars. These include setting key performance indicators with PCI’s supply partners on topics such as Scope 3 emissions, waste generation, diversity and sustainable innovations.

E: ann.cartwright@pci.com



Tim Hansen

Tim Hansen, Director of ESG for PCI Global, is a seasoned sustainability professional with nearly 15 years of experience in environmental, social and corporate governance programme development, strategy, engagement and reporting. He joined PCI in 2024 and is responsible for driving the ESG strategy to achieve the company’s sustainability goals. Drawing from a diverse background in healthcare, law and ESG, Mr Hansen brings a unique perspective to integrating ESG principles into business strategy, engaging key stakeholders to promote actionable change and foster accountability. Mr Hansen holds a Master of Public Administration degree with certifications in sustainable business practices, equity and climate change.

E: timothy.hansen@pci.com

PCI Pharma Services

3001 Red Lion Road, Philadelphia, PA 19114, United States
www.pci.com

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