

Pfizer Inc. (Pfizer)

ACKNOWLEDGE
 PRIORITISE
 SET STRATEGY & GOALS
 TRACK

GHG EMISSIONS



Background on Pfizer

Pfizer is an American global pharmaceutical cooperation. It was founded in 1849 and is headquartered in New York. It develops and produces medicines and vaccines that cover the immunology, oncology, cardiology, endocrinology and neurology disciplines. It is one of the largest pharmaceutical companies in the world employing 96,500 people and it reported revenues of US\$52 billion in 2016. It is publicly listed on the New York Stock Exchange.

How did Pfizer come to start thinking about context?

As a company, Pfizer has been targeting the reduction of GHG emissions since 1996 through the launch of an internal standard aimed at conserving energy¹. These efforts led Pfizer to become a charter member of the [Climate Leaders Program](#) in 2002, which was a voluntary industry-government partnership run by the U.S Environmental Protection Agency aimed at developing long-term climate change strategies and GHG emissions reduction goals¹. During 2007, Pfizer signed up to the [Caring for Climate: The Business Leaders Platform](#), which was aimed at advancing climate change solutions. Additionally, in 2007, Pfizer completed over 430 internal energy and GHG emissions reductions projects across its global operations².

In 2012, Pfizer began to think about how it could further challenge itself through the development of its third GHG emissions goal. The company decided to look at the [4th Assessment Report](#) issued by the [Intergovernmental Panel on Climate Change \(IPCC\)](#), which outlined the scenarios that were required to stay below a 2°C temperature increase by 2050.

¹ Pfizer (2007). Press Release: Pfizer Recognised as Leader in Addressing Climate Change. Accessed at: https://www.pfizer.com/news/press-release/press-release-detail/pfizer_recognized_as_leader_in_addressing_climate_change

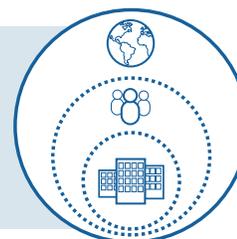
² Pfizer (2007). Corporate Responsibility Summary Report 2007. Accessed at: https://www.pfizer.com/files/corporate_citizenship/cr_report_summary_2007.pdf

It was after reading this report that Pfizer thought: “rather than simply setting a target we think we can meet, let’s set one that puts us on track for where we – and the world – need to be by 2050³.” In 2015, Pfizer learnt about the [Science-Based Targets](#) initiative and approached them to see if its existing goal would be considered as “science-based³.” Later in 2015, Pfizer’s GHG emissions reduction goal was recognised by the Science-Based Targets initiative as being consistent with their methodology for assessing GHG emissions goals against contextual criteria⁴.

What does context look like at Pfizer?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



GHG emissions: Pfizer’s believes that industry, government, and the public all have a responsibility to address climate change. This led Pfizer to take voluntary actions to reduce its GHG emissions⁵. Despite being a relatively small contributor to global GHG emissions, Pfizer believes that it is still important for it to align its goals with climate change science and continue to contribute meaningfully toward global efforts to reduce the impacts caused by its GHG emissions^{3, 6}. While Pfizer acknowledge the importance of this threshold, it has yet to commit to operating within it. Through its Climate Change Position Statement, Pfizer commits to actively work with its value chain to assist them in reducing its GHG emissions and to work with policymakers to further encourage reductions in GHG emissions⁷.

Other thresholds: Pfizer acknowledges the importance of other socio-ecological issues including water, waste, recycling, and packaging but does not yet discuss them with reference to thresholds.

³ Science-Based Targets (2016). Case Study: Pfizer. Accessed at: <http://sciencebasedtargets.org/case-studies/>

⁴ Just Means (2015). Pfizer Progress on 2020 Greenhouse Gas Emissions Goals. Accessed at: <http://www.justmeans.com/multimedia-with-summary/pfizers-progress-on-2020-greenhouse-gas-emissions-goals>

⁵ Pfizer (n.d.) Climate Change. Accessed at: http://www.pfizer.com/responsibility/protecting_environment/climate_change

⁶ Pfizer (2015). Annual Report 2015. Accessed at: https://www.pfizer.com/files/investors/financial_reports/annual_reports/2015/assets/pdfs/pfi2015ar-entire-site.pdf

⁷ Pfizer (n.d.) Climate Change Position Statement. Accessed at: http://www.pfizer.com/files/responsibility/protecting_environment/Pfizer_Climate_Change_Position_Statement.pdf

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS

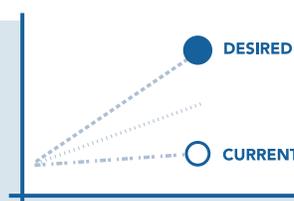


Pfizer appears to use what we call a ‘classic’ materiality approach whereby the company engages with external stakeholders to identify the issues it needs to focus on to meet its own commercial goals and the expectations of society⁶. Pfizer also considers elements from other Environmental, Social and Governance (ESG) indices such as [Access to Medicines Index](#) and the [UN Sustainable Development Goals](#)⁶.

GHG emissions: Pfizer is a science-based healthcare company and as such recognises the potential risks that global climate change poses for human health^{3, 5}. Outside of this statement Pfizer has yet to discuss how it is working to develop a deeper understanding of how GHG emissions are relevant to its business activities or how it relates to the activities of its value chain.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: Pfizer has committed to reduce its GHG emissions (Scope 1 and 2) by 20% by 2020 from a 2012 base-year³. This 2020 goal will support Pfizer in staying on track to achieve its long-term ambition to reduce its GHG emissions by between 60 and 80% by 2050 from a 2000 base-year. In developing its contextual goal, Pfizer worked with the [Environmental Defense Fund](#) to support it in synthesizing and applying the recommendations contained within the IPCC reports³. While Pfizer has set a contextual GHG emissions goal, it does not transparently discuss the details of the methodology that it used during its development. Pfizer has also committed to two further goals relating to its value chain: namely, that 100% of its value chain will manage their GHG emissions through sustainability programmes and that 90% of its value chain will institute GHG emissions reduction goals by the end of 2020³.

Other thresholds: Pfizer has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: In synthesising the assessments done by the IPCC, Pfizer determined that it would need to reduce its GHG emissions by between 60 and 80% from a 2000 baseline, by 2050³. Pfizer realised that this would be a challenge unless it got on the right trajectory and to do this it needed to achieve a 20% reduction in GHG emissions from a 2012 baseline by 2020, which is the current contextual GHG goal³. Pfizer describes the development of a trajectory target but has not yet outlined how it was developed or how it will be used or adjusted in the future to ensure that it stays on track to achieve its 2050 ambition. In relation to its value chain, Pfizer will be able to monitor the influence it is having on supporting its value chain's adherence to the limits of the threshold through the goal it set itself.

Other thresholds: Pfizer reports its performance against other socio-ecological issues including water, waste, recycling, and packaging but does not yet report its progress in relation to their associated thresholds.

What is the road ahead for context at Pfizer?

Pfizer acknowledges that communication has been, and will continue to be, an important part of embedding the corporate culture needed to achieve its contextual GHG emissions goal³. The establishment of its contextual goal has encouraged the formation of Site Sustainability teams that are generating ideas that can support the company in achieving its goal³. Externally, Pfizer has a voting seat on the [American Legislative Exchange Council's](#) (ALEC) private sector board⁸. In the past, ALEC has attempted to oppose attempts to legislate for the reduction of GHG, overruled municipal climate agreements, repealed renewable energy standards, and denied the scientific consensus that human activities are impacting climate change⁹. In the past, when approached for comment relating to its involvement with ALEX, Pfizer has commented that it "disagrees with ALEC's position on climate change" but its involvement continues to raise questions in some commentators' minds around the authenticity of its climate change position statements⁸.

⁸ PR Watch (2016). ALEC 2016 Agenda Boosts Charters, Coal and Other Corporate Funders. Accessed at: <http://www.prwatch.org/news/2016/07/13126/alec-2016-agenda-boosts-charters-coal-and-other-corporate-funders>

⁹ Sierra Club (2016). Members Distance Themselves from ALECs Climate Policies. <http://www.sierraclub.org/compass/2016/10/members-distance-themselves-alecs-climate-policies>