



# Driving Decarbonization across the Pharmaceutical Supply Chain

## Pfizer

**Is your case study linked to an ‘ugly truth’ or a ‘key success factor’?**

We recognize global climate change as one of the defining issues of our time, requiring collective action to mitigate the impact it may have on human health and continuity of access to critical medicines and vaccines. As our actions alone are not enough to tackle climate change our case study is linked to a 'key success factor' in catalyzing collective action.

**What does the case study help tackle?**

With approx. 80% of our Greenhouse Gas (GHG) inventory being Scope 3 (value chain) emissions this case study provides insights to the approach taken to build and sustain our Net Zero supplier engagement program.

**What was the outcome and how did you measure it?**

In 2021, Pfizer set an ambitious near-term engagement target, validated by the Science Based Targets initiative (SBTi), aiming for 64% of our suppliers by spend to set science-aligned goals by 2025. In 2022 we achieved 29%, and in 2023, we made significant progress, reaching 51% of suppliers by spend committed to SBTi targets. We are well on track to meet our 2025 target.

**Who was involved (departments/roles)?**

Pfizer’s internal Net Zero program is sponsored at the Executive Leadership Team level and led by a core team composed of cross functional business leaders. Nine technical workstreams have been established to cover the breadth of decarbonization efforts within our own operations and across our value chain. **Supplier impact**, which I lead, is one of them. It involves a cross-functional team of Procurement, EHS, Legal and Finance colleagues ensuring a comprehensive approach.



**Maria Terracina**  
Sustainable Sourcing Lead

In 2022 a key step forward was taken: we identified 1-2 Procurement representatives by material category as **Net Zero Champions** to facilitate connection & consistency of goals and actions across the entire Procurement organization.

**The NZ Champions active engagement and passion are crucial to our success story.**

**What were the key success factors?**

Pfizer has a long history of climate action, achieving >60% reduction in GHG emissions since 2000 and being one of the first pharmaceutical company to have our then GHG targets validated by SBTi in 2015. Our initial supplier engagement target focused on collecting information on our suppliers’ environmental targets and performance through a survey administered by a third party. Expectations on what information should be provided by suppliers was not fully defined leading to inconsistency in reporting practices.

In 2021 we introduced our first **Net Zero supplier engagement maturity model** that segments suppliers into one of 5 levels based on their maturity in environmental sustainability commitments. The power of the model was proven as we have integrated it into our supplier selection and RFX scoring processes as well as SRM. This facilitated tracking of supplier progress year over year

For less mature suppliers, we launched a **Commitment Letter** initiative. It’s a pledge through which suppliers commit to establish a GHG emissions baseline and set science-based GHG emission reduction targets for their company (Scope 1 & 2) emissions by 2025.

Our suppliers’ response has been remarkable, with almost **200 letters signed!**

As of Q4 2023 we have mobilized these Suppliers through **“Call to Action”** meetings, promoting the SBTi commitment, which boosted our latest results.

In 2024 we have enhanced our maturity model introducing the collection of GHG data from more mature suppliers. Direct reporting of their Scope 1&2 footprint related to our sourcing, supports our longer-term strategy.

Last but not least, since 2021 we hosted three **Net Zero Supplier Summits**, with increasing participation and interest to ensure and confirm the reciprocal engagement and collaboration towards the common decarbonization goal.

**What are your watch-outs for others attempting this?**

- Invest in upskilling and empowering your procurement team, empowering them to take ownership to drive the conversation.
- Identify and prioritize top suppliers for focused efforts and set clear expectations.
- Have climate action maturity duly embedded into the tender selection criteria and SRM discussions.
- Leverage industry networks by joining peer groups (e.g. PSCI) or collective Scope 2 initiatives (e.g., Energize).

**How would you recommend those with less resources attempt this?**

Influence your Company leads to embrace the climate challenge focusing on decarbonization and embed it into the company culture throughout the entire organization.

**Who were the main drivers (the people that were boots on the ground), and the main leadership sponsor?**

Environment, Health & Safety and Legal co-lead the overall Net Zero strategy, committing to an ambitious vision, and driving leadership support and execution; Chief Procurement Officer drives Net Zero commitment across the Procurement organization. The Indirect Sourcing Lead sparked the program before passing the baton to me. Our Executive Leadership sponsor is our Chief Global Supply Officer, who keeps our company leadership team updated.

