

Head office : New York, U.S.
Industry: Pharmaceutical

Questions	Answers
<ul style="list-style-type: none"> ▣ Background and purpose of accounting 	<p>We participated in "road testing" in 2010 during development of the WRI's Scope 3 Standard of the GHG Protocol and began accounting for supply chain emissions. Prior to the road test we had already begun collecting data in the category of business travel. Most of the 2009 data used in road testing was based on estimates. We began surveying our suppliers to obtain more accurate GHG emissions data in 2010. We believe that for Pfizer, Scope 3 may have a much larger impact than Scope 1 and 2. We are working to develop a more accurate accounting of the extent of those emissions and in order to develop strategies to reduce them.</p>
<ul style="list-style-type: none"> ▣ Accounting methodology 	<p>In addition to gathering data from our suppliers, we also calculate emissions on a monetary basis using a database of emissions unit values. For our Scope 3 logistics operations, we use a GHG Protocol tool.</p>
<ul style="list-style-type: none"> ▣ Internal system for accounting 	<p>Accounting is performed by our ENERGY & CLIMATE CHANGE TEAM, and this team also handles calculations with data gathered from suppliers.</p>
<ul style="list-style-type: none"> ▣ Use of accounting results 	<p>We use our accounting results for supplier evaluation and education and to help inform our Energy & Climate Change program as we develop strategies to continue to reduce our GHG emissions. We also use the data when responding to the Carbon Disclosure Project with the caveat that we are still in the early stages of gathering this data it is often incomplete.</p>
<ul style="list-style-type: none"> ▣ Benefits of accounting 	<p>Pfizer has been conducting EHS performance reviews of its suppliers since 2008. In 2012 information on greenhouse gases was requested from ~100 key suppliers worldwide. We use these survey results to select suppliers and to provide suppliers with education and support. These kinds of measures also contribute to lowering procurement costs.</p>

Questions

Answers

❑ Efforts to reduce supply chain emissions

We are taking a variety of measures, including reducing business travel, reducing product packaging, educating suppliers, and seeking opportunities to lower greenhouse gas emissions. Additional data review is still needed before targets can be established for these specific measures.

❑ Issues in supply chain emissions accounting

When surveying suppliers, we found that larger corporations that have been tracking and/or reporting their own Scope 1 and 2 emissions, and understand the concept of Scope 3 were quick to respond to our request for GHG emissions data. On the other hand, companies that were less familiar with GHG tracking and accounting had difficulty responding to our requests. Based on this experience, we learned that the questions regarding GHG emissions should be tailored based on the supplier's level of familiarity with GHG accounting

❑ Advice for those beginning to account for supply chain emissions

We believe that it is important to begin with categories that are more easily assessed. The categories selected will differ from company to company. For example, it may be easier to start with more readily available Scope 3 data, such as emissions related to business travel. When looking at the categories overall, it is important to consider the availability of information in each category and the accuracy of that information before beginning measures..

