

PUBLIC POLICY STATEMENT

CLIMATE CHANGE

There is consensus among the world's climate scientists that the earth's climate is changing and that human activity is the major contributor. Our company supports science-based international and national actions to address the challenges presented by climate change, including economic incentives for researching, developing and deploying low-carbon and renewable-energy technologies.

As a global healthcare company, we recognize that we have an important role to play in identifying and responding to the public health risks associated with climate change. In addition to adding our voice to the call for action, our company is taking steps to proactively reduce energy use and greenhouse gas (GHG) emissions from our operations. We are examining the environmental impacts within our supply chain and have committed to engage with our strategic partners to drive reductions in their energy use and GHG emissions.

Our Position on Climate Change

We support the principles of the Paris Climate Agreement which created a global framework to combat climate change. The goal of the agreement is to keep global temperature rise to below 2 degrees Celsius compared to pre-industrial levels.

Our company's position on climate change is guided by the following principles:

- Climate-related goals and associated regulatory frameworks must be science-based and align with the effort to keep global temperature rise to below 2 degrees Celsius.
- Regulatory frameworks should be designed to encourage energy conservation and stimulate private sector innovation and investment.
- Public policies should promote the development and use of energy from renewable sources.
- Public policies must take into account the need for reliable and affordable world supplies of energy to support economic growth.
- Public policies must address the links between climate change, water scarcity and public health risks.
- Public policies should allow and plan for appropriate adaptation and mitigation measures, including water conservation and management programs, and initiatives to strengthen health systems in targeted regions.

Reducing our Impact

Our company has adopted and achieved several GHG-reduction goals over the last decade. In 2017, we set a science-based target to reduce our Scope 1 and market-based Scope 2 absolute GHG emissions by 40 percent from 2015 to 2025. This goal is under review by the Science Based Target Initiative (SBTi).

We believe that reducing GHG emissions can provide environmental and business benefits. Our efforts to reduce energy demand through energy conservation, improved operating efficiency and increased reliability have resulted in significant cost savings, which contributes to the company's long-term financial strength. Seeking diversity of our energy supply can reduce risk to our operations, provide budget certainty and allow the flexibility to shift to new efficient and low-carbon technologies.

Our Commitment to Renewable Energy

We recognize that renewable energy and other low carbon technologies can be cost-effective in many applications, and that these technologies will be needed to achieve significant reductions in GHG emissions worldwide.

Our company has set bold renewable energy targets. We are committed to sourcing 100 percent of our purchased electricity from renewable sources by 2040 with an interim goal of 50 percent by 2025.¹ Photovoltaic arrays, wind turbines and other renewable-energy installations avoid emissions, help reduce energy-demand peaks and postpone or avoid the need to add new power plants.

1. We have defined "purchased electricity" as electricity sourced from external suppliers as well as renewable electricity that was generated and utilized on-site where we retained the renewable attributes or where we have obtained renewable attributes through contract

Our Approach to our Supply Chain

We realize that to make a truly meaningful reduction in our overall environmental impact, we must engage with our suppliers to drive positive change. We have set a goal that includes a three-phase process:

- By 2020, we will engage with those suppliers and request that they identify GHG emission reduction opportunities; and
- By 2025, ≥90 percent of our strategic suppliers with the highest environmental impacts will set their own GHG emission reduction targets.

Reporting on our Performance

We are committed to measuring our progress in reducing energy use and GHG emissions and reporting our progress to stakeholders in a timely and transparent way. Our reporting practices include:

- Annual reporting of GHG emissions to regulatory agencies as required by local, state and national laws
- Annual disclosure of performance against GHG and energy targets in our [Corporate Responsibility Report](#)
- Annual disclosure of global GHG emissions to the CDP

Stakeholder Engagement and Leadership Activities

Our company takes a proactive approach to climate change by encouraging certain trade associations to help advance their public policies to address climate change. We participate in several organizations, including the European Federation of Pharmaceutical Industries and Associations (EFPIA) which has issued a [White Paper on Climate Change](#). We have joined “[We Mean Business](#)” by committing to set a science-based carbon target. We are also working with other members of the [Pharmaceutical Supply Chain Initiative](#) (PSCI) to collect GHG emissions data from our suppliers, with the goal of reducing GHG emissions in the pharmaceutical industry supply chain.

We believe the business community must be engaged on this issue in a constructive and meaningful way by promoting science-based solutions that will lead to more secure energy supplies and the creation of a low-carbon economy.