

CLIMATE POLICY ALIGNMENT ASSESSMENT

TRADE ASSOCIATIONS¹

Our Position on Climate Change

Our company recognizes the consensus among climate scientists that Earth's climate is changing, and that human activity is the major contributor. Our company supports 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. Our position on climate change supports the principles of the Paris Climate Agreement which created a global framework to combat climate change. The goal of the agreement is to limit global temperature rise to well below 2°C; preferably to 1.5°C, 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 well below 2°C; preferably to 1.5°C
- Regulatory frameworks should be designed to encourage energy conservation and stimulate private sector innovation and investment
- Sustainable finance will be a key tool to unlock technological and organizational advancements to both combat and adapt to the change in climate
- Public policies should promote the development, use and storage of energy from renewable sources
- Public policies must address the links between climate change, water scarcity, social justice, risk of biodiversity loss, deforestation, and public health risks
- Public policies should allow and plan for appropriate adaptation and mitigation measures, including water conservation and management programs in areas of high-water risk, and initiatives to strengthen health systems in targeted regions
- Transparency in public disclosure on organizational performance and governance is a minimum expectation

For more information on our position regarding Climate Change, please see our [Public Policy Statement on Climate Change](#). For information on our initiatives, policies, and accomplishments please see our [ESG Resources](#) page.

Climate Policy Alignment Assessment

Our company is a member of numerous industry and trade groups. We work with these groups because they represent the pharmaceutical industry and business community in debates led by governments and other stakeholders, and because they help the industry reach consensus on policy issues.

Our [2021/2022 ESG report \(GRI 102-13: pages 36-38\)](#) sets forth a list of U.S. industry and trade groups of which we are a member for which our trade association dues are greater than \$25,000.

In 2022, we conducted a climate policy alignment assessment of these trade associations by determining whether they had publicly disclosed formal positions on climate change and, if so, reviewing those positions in the context of our company's own position on climate change. The table below sets forth the results of this assessment.

¹The information included in this assessment is current as of June 2022.

Trade association	Summary of organization's climate position	Assessment
Animal Health Institute	No formal statement or policy in relation to climate change.	NA
Bio New Jersey	No formal statement or policy in relation to climate change.	NA
Biotechnology Industry Organization (BIO)	<p>BIO has published a formal climate position that emphasizes the importance of innovation and biotechnologies in tackling climate change.² BIO also released a formal statement in support of the U.S. rejoining the Paris Climate Agreement.³</p> <p>BIO recognizes that existing efforts to decarbonize the U.S. economy are <i>"falling short of its commitments under the 2015 Paris Climate Agreement"</i>, stating that <i>"an aggressive combination of sector-based and economywide policies is needed"</i>.⁴</p> <p>BIO also supports performance-based decarbonization standards such as California's Global Warming Solutions Act of 2006 and the New York Climate Leadership and Community Protection Act (CLCPA) of 2019, stating that the transition to net-zero or absolute zero emissions <i>"will likely require widespread deployment of carbon-negative technologies and non-fuel bioproducts in order to be successful"</i>.⁵</p>	Similar to our company, BIO supports the principles of the Paris Climate Agreement.
California Life Sciences Association	No formal statement or policy in relation to climate change.	NA
Chemistry Council of New Jersey	No formal statement or policy in relation to climate change.	NA

² See <https://www.bio.org/policy/agriculture-environment/addressing-climate-change> and <https://www.bio.org/policy/agriculture-environment>

³ See <https://www.bio.org/sites/default/files/2021-01/210122%20BIO%20-%20Biden%20-%20Climate.pdf>

⁴ See <https://www.bio.org/policy/agriculture-environment>

⁵ See <https://www.bio.org/policy/agriculture-environment>

Trade association	Summary of organization's climate position	Assessment
Council of the Americas	No formal statement or policy in relation to climate change.	NA
Healthcare Institute of New Jersey	No formal statement or policy in relation to climate change.	NA
Healthcare Leadership Council	No formal statement or policy in relation to climate change.	NA
Life Science Pennsylvania	No formal statement or policy in relation to climate change.	NA
Massachusetts Biotechnology Council	No formal statement or policy in relation to climate change.	NA
National Association of Biomedical Research	No formal statement or policy in relation to climate change.	NA
National Association of Manufacturers (NAM)	<p>The NAM has published a formal climate position that notes that a "global consensus has emerged" around restricting temperature rise, which will require "massive reductions in GHG emissions over the next 30 years... [with] net emissions to reach zero in the coming decades".⁶ It also asserts that climate policies should have two core components: "(1) an international, rules-based system that is consistently applied to bind all emitters and ensure a level playing field and (2) a unified domestic framework that applies to all emitters and harmonizes GHG regulation."⁷</p> <p>The NAM's climate position sets forth a "Manufacturers' Plan for Action". Although the NAM acknowledges the overall goals of the Paris Climate Agreement, as step one in its plan, it "recommends commencing negotiations in earnest to improve on the Paris Climate Agreement and achieve a binding global climate treaty" and suggests that "[t]he United States could use the 2023 Global Stocktake as an opportunity to</p>	<p>Whilst the NAM's climate position acknowledges the overall goals of the Paris Climate Agreement, the position also calls for its renegotiation. Our position on climate change expressly supports the principles of the Paris Climate Agreement.</p> <p>In 2022, we engaged with the NAM and highlighted</p>

⁶ See <https://www.nam.org/wp-content/uploads/2021/01/The-Promise-Ahead.pdf>

⁷ See <https://www.nam.org/wp-content/uploads/2021/01/The-Promise-Ahead.pdf>

Trade association	Summary of organization's climate position	Assessment
	<p>negotiate better terms".⁸ The NAM has asserted that "negotiating and ratifying a binding international climate action treaty that is both fair and enforceable . . . will ensure that the United States does not suffer a competitive disadvantage and can lead the way in developing job-creating technologies and products".⁹</p> <p>As step two in its plan, the NAM suggests "[w]ith an equitable international agreement as a backdrop, the United States should enact a single, unified federal policy to manage GHG emissions".¹⁰</p>	our position on climate change.
New Jersey Chamber of Commerce	No formal statement or policy in relation to climate change.	NA
New Jersey Civil Justice Institute	No formal statement or policy in relation to climate change.	NA
Pharmaceutical Research and Manufacturers of America (PhRMA)	No formal statement or policy in relation to climate change.	NA
Texas Healthcare & Bioscience Institute	No formal statement or policy in relation to climate change.	NA

⁸ See <https://www.nam.org/wp-content/uploads/2021/01/The-Promise-Ahead.pdf>

⁹ See <https://www.nam.org/nam-reinforces-climate-priorities-11743/?stream=policy-legal>

¹⁰ See <https://www.nam.org/wp-content/uploads/2021/01/The-Promise-Ahead.pdf>

Trade association	Summary of organization's climate position	Assessment
U.S. Chamber of Commerce (Chamber)	<p>The Chamber has published a climate position that includes "support[ing] market-based solutions to reduce emissions and support U.S. competitiveness, national security, and American workers". It also calls for citizens, governments, and businesses to work together to combat climate change and provides that "the Chamber evaluates and engages on climate change policy approaches that acknowledge the cost of inaction and the competitiveness of the U.S. economy."¹¹</p> <p>The Chamber also "supported the Biden administration's decision to re-join the Paris Climate Agreement"¹². In the past the Chamber has stated that "the U.S. Paris pledge of a 26% to 28% reduction in net GHG emissions from the 2005 level by 2025 is completely unrealistic" and that "proscribed time frame for GHG reductions must be realistic. ...current technology cannot achieve net zero".¹³</p>	<p>We recognize that the Chamber's position on climate change has evolved in recent years, such as supporting re-joining the Paris Climate Agreement. Given their position in the past, however, we engaged with them in 2022 to better understand their position and to highlight our position on climate change.</p>
U.S. Council for International Business (USCIB)	<p>The USCIB has published a formal position on Sustainable Development that includes a climate position. The USCIB's climate position supports "Cost-effective, science and risk-based cooperative environmental and energy policies" and "Pro-growth, market oriented policies that promote sustainable development".¹⁴</p> <p>The USCIB has supported the UN (United Nations) Framework Convention on Climate Change (UNFCCC) for over 25 years and welcomed the U.S. rejoining the Paris Climate Agreement. The USCIB states that "[e]nabling conditions inside and outside the framework of climate policy will be vital to progress towards the objectives of the UNFCCC and its Paris Agreement".¹⁵</p>	<p>Similar to our company, the USCIB supports the principles of the Paris Climate Agreement.</p>

¹¹ See <https://www.uschamber.com/climate-change/the-chambers-climate-position-inaction-is-not-an-option>

¹² See <https://www.uschamber.com/climate-change/the-chambers-climate-position-inaction-is-not-an-option>

¹³ See https://www.uschamber.com/assets/archived/images/documents/files/02-02-16_sde_house_science_committee_on_cop-21_paris_agreement_final.pdf

¹⁴ See <https://www.uscib.org/sustainable-development-ud-3890/>

¹⁵ See <https://www.uscib.org/uscib-welcomes-us-intention-to-rejoin-the-paris-agreement/>

