

What is ESG & Why It Matters

The world is facing unprecedented challenges: climate change, systemic racism, inequitable access to healthcare, shocks like COVID-19, and more.

There is a growing recognition that the profound and complex challenges facing the world can no longer be tackled by one entity, community, or government alone and that sustainable solutions will come only when everyone contributes, including the private sector. This recognition is embedded into the 2030 Sustainable Development Goals, which were established by the United Nations in 2015 to serve as a blueprint to achieve a better and more sustainable world for all.

Companies, given their scale, expertise, and resources, have a unique ability to help drive sustainable development, solve some of societies' biggest challenges and prepare for those to come while also considering and managing the consequences of their actions across their global supply chain.

The result is that stakeholders, including certain investors, are using more than just financial performance indicators to judge companies' long-term success, resiliency, and value. They are *evaluating non-financial* factors related to companies' human capital management, business ethics and practices, environmental impact, and commitments to advancing social progress and serving society.

Research shows that companies that have a clear and strong purpose, follow their mission, have good governance structures, engage employees, reduce their environmental impact, and take other steps toward acting responsibly, are better positioned to mitigate risks and seize opportunities.

As such, sustainability issues – which are often driven by environmental, social, and governance (ESG) programs – have become key components and indicators of companies' long-term value proposition and business resiliency.

At the heart of ESG is the simple idea that companies are more likely to succeed if they create value for all their stakeholders, not just shareholders, including employees, patients, communities in which they operate, suppliers, and civil society.

By adopting a long-term lens that considers all stakeholders, companies can become more resilient, build trust and credibility, and over time, are likely to outperform those competitors focused solely on short-term gains.

Pfizer's Approach to ESG

At Pfizer, our values and commitment to long-term sustainability is the way we fulfill our purpose responsibly and take accountability for the impact we are making on society.

A commitment to advancing priority ESG issues is embedded into key elements of our core business and decision-making. It guides our actions and enables us to enhance our performance by 1) prioritizing the health and well-being of society and the environment in which we operate, 2) driving investments in our people, and 3) upholding the highest ethical standards in the ways we do business.

Specifically, Pfizer's ESG strategy focuses in those areas where there is the greatest intersection between our business and society. They are:

- Supporting Product Innovation
- Ensuring Equitable Access
- Maintaining Product Quality and Safety
- Encouraging Colleague Diversity, Equity, and Inclusion (DEI)
- Mitigating Climate Change

For each of these focus areas, we have comprehensive strategies and programs in place designed to sustain, or where needed, improve, our performance over time and have identified key performance indicators (KPIs) to demonstrate our progress and performance.

By disclosing our performance on non-financial metrics, we will show how our ESG strategy advances a sustainable, responsible, and patient-centric business model and contributes to Pfizer's long-term value creation.

This ESG strategy intentionally connects our purpose – Breakthroughs that change patients' lives – with work that seeks to better address the needs of our patients, colleagues, partners, and other stakeholders.

E ENVIRONMENT



Pfizer recognizes the profound societal and public health impacts that result from environmental issues, including climate change. Our company purpose – Breakthroughs that change patients' lives – guides our environmental sustainability priorities, with a focus on climate change impact mitigation, conservation of resources, and the reduction of waste arising from our operations.

Examples
& KPIs

- **Pfizer is committed to reducing its carbon emission:** We continued our voluntary efforts to help mitigate climate change through three generations of greenhouse gas (GHG) reduction goals, which have resulted in >60% GHG emissions reductions from a 2000 baseline. We achieved a 33% reduction in direct GHG emissions (Scope 1 and 2) in 2020 versus 2012 baseline. Recognizing the urgency of the climate crisis, Pfizer has established a science-based target to become carbon neutral by 2030; this includes a goal of 46% absolute reduction in emissions from a 2019 baseline and procuring 100% renewable energy. Any remaining emissions will be offset through carbon credits. Recognizing that indirect emissions account for approximately 80% of our carbon footprint, we aim to use our influence to catalyze similar reductions across our value chain. This goal has been recognized as a science-based target by the Science Based Targets initiative (SBTi).
- **Pfizer is committed to reducing water withdrawal and waste:** We are proud to have achieved a 15% reduction in waste disposed and 19% reduction in water withdrawal in 2020 versus 2012 baseline. We are pursuing ways to apply scientific innovation and operational efficiency to reduce the environmental impact of our medicines throughout the product life cycle. We aim to develop sustainable medicines criteria to help demonstrate the social and environmental value of our products. Our intent is to demonstrate a reduction in our environmental footprint, addressing areas such as GHG emissions, water, waste management and circular economy, and substances of environmental concern.

S SOCIAL



As the COVID-19 pandemic magnifies disparities for underserved communities, Pfizer is working to address the complex issues we face as a global society and create a healthier, more equitable world for all. Through our partnerships and programs, we are seeking to expand affordable access to our breakthrough medicines and vaccines, particularly among underserved communities. As we look to protect all people from the burden of infectious and other diseases, we are also focused on creating opportunities to advance diversity, equity, and inclusion across our workforce, those with whom we do business, and society at large.

Examples
& KPIs

- Through our partnerships, programs, and innovative strategies, such as the International Trachoma Initiative and Gavi, the Vaccine Alliance, we employ access and affordability strategies to reach patients through equitable pricing as well as unique commercial and noncommercial strategies, including donations. We advance novel payment and financing mechanisms and ways to partner with governments and other relevant stakeholders to broaden access for patients and help improve patient outcomes.
- As a result of this work, we reached 58+ million patients through our access and affordability programs in 2020 and were ranked 4th out of 20 on the 7th Access to Medicine Index, up from 11th.
- We have set concrete goals to address systemic racism and gender equity challenges by reviewing and accelerating our plans to increase workplace diversity and opportunity parity by 2025, particularly focusing on increasing female and U.S. minority representation at leadership levels.

G GOVERNANCE



As we work to meet patient and societal needs, we are committed to acting ethically, thoughtfully, and responsibly and continually prioritizing quality, safety, and transparency in all that we do. Our compliance program supports proactive business-led quality and compliance governance built around elements of effective risk management. The Board of Directors is critical to our governance by representing shareholders' interests and seeking to enhance long-term shareholder value. The Board is composed of a majority of independent directors, reflecting diversity with respect to gender, age, race, ethnicity, background, professional experience, and perspectives.

Example
& KPIs

- Proportion of women on Board of Directors (4 out of 12) and proportion of ethnically diverse Board members (3 out of 12).
- Public disclosure of COVID-19 vaccine clinical trial protocol.
- Enhanced Board of Directors oversight of ESG and established a dedicated ESG function within the organization

Please refer to Pfizer's 2020 ESG Report for additional information regarding the metrics included herein ([Pfizer.com/ESG_Report](https://www.pfizer.com/ESG_Report))

Forward-Looking Information

This document includes forward-looking statements about, among other things, our performance on Environmental, Social and Governance topics that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Please refer to Pfizer's Annual Report on Form 10-K for the year ended December 31, 2020, and Pfizer's subsequent reports on Form 10-Q, including the sections thereof captioned "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results," as well as Pfizer's subsequent reports on Form 8-K for a description of the substantial risks and uncertainties related to the forward-looking statements included in this document. These reports are available on our website at www.pfizer.com and on the U.S. Securities and Exchange Commission's (SEC) website at www.sec.gov. The forward-looking statements in this document speak only as of the original date of this document, and we undertake no obligation to update or revise any of these statements, except as required by law or the rules and regulations of the SEC.