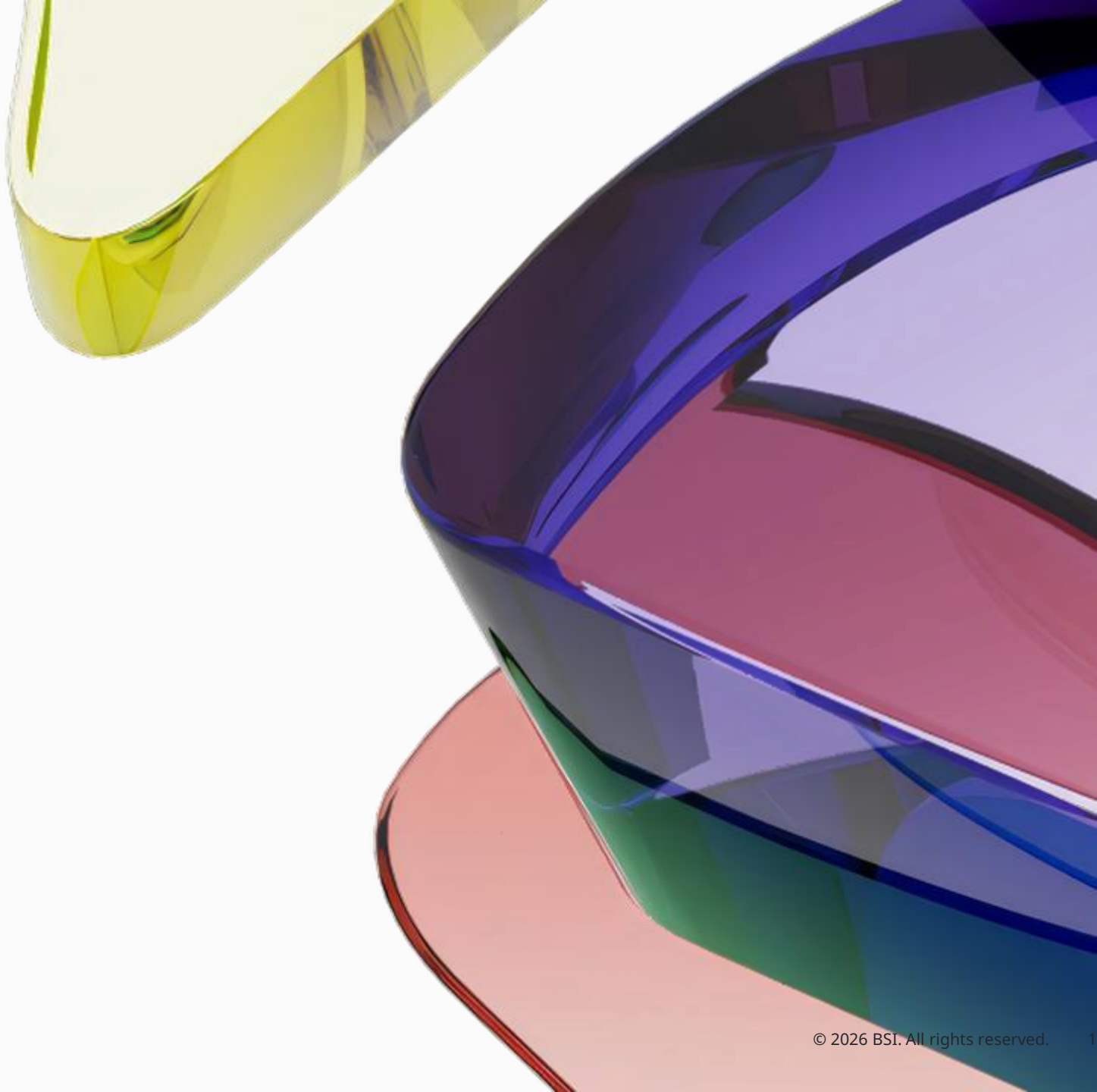
G7 Net Zero Temperature Check

Insights from the Pharmaceutical sector



G7 Net Zero Temperature Check

G7 countries, and the businesses in them, are at various stages of their net zero journeys. Amidst geopolitical instability, rising energy costs and political change, questions have been raised about the cost of net zero, the commitment of businesses to sustainability and how they can turn ambition into action.

Over the past decade, the awareness of sustainability risks to public health has grown[1], shifting the conversation within the pharmaceutical sector from a focus on reducing operational waste and energy use, to a holistic approach to emissions reduction across the entire supply chain. There is now clear consensus that reaching net zero requires a coordinated, industry-wide approach.

To better understand this, BSI surveyed 7,000 G7* business leaders to understand their attitudes to and progress on net zero. By exploring business attitudes, key drivers and barriers, and progress across the sector, this research can support the shared understanding and collaboration needed to accelerate change.

Net zero is perhaps more important today than ever, and, as the global pharmaceutical sector grapples with the transition, BSI will help them turn ambition into action, develop comprehensive plans to achieve their targets, and accelerate progress towards a resilient and sustainable world.

1 https://pmc.ncbi.nlm.nih.gov/articles/PMC10340760/#sec8-healthcare-11-01867

**Research was conducted by Censuswide in February 2026, covering 7,068 business leaders in G7 countries (UK, US, France, Germany, Italy, Canada, Japan). Data was weighted to the profile of the business population in each country, specifically in terms of their size / number of employees, to ensure that 'total' figures reported are based on a nationally representative profile of businesses.*

Commitment to and investment in net zero

Across the G7, in political and media circles, there has been ongoing discussion of businesses rowing back on their commitment to net zero. This may be true in some cases. However, this research finds that, overall, pharmaceutical businesses remain committed in their focus.

In fact, despite scepticism in some quarters, 82% of pharmaceutical business leaders say economic growth and net zero can happen together. A similar percentage (83%) say net zero will help grow the economy, create jobs, and strengthen energy security.

Looking back, this ongoing commitment is manifested not just in intent, but in action too. Two fifths (39%) said their business had significantly increased its overall level of action on net zero in the last year, while 87% said it had increased overall. Nor do they expect to change course. Looking ahead, 96% report being committed to achieving net zero by their national target, and 84% say it is important for their business to maintain momentum on net zero. For most, the indication is this will be sustained; 37% are confident they expect to increase investment in net zero in the next year, while 30% expect a reduction.

While many highlighted net zero as a pressure point, some also identified pursuit of net zero as a differentiator, an opportunity, or even a business imperative.

Four fifths (81%) said if their competitors scaled back their action, their business's continued net zero efforts would give them a competitive advantage. Meanwhile, a quarter (24%) of pharmaceutical business leaders said they were driven to act on net zero to achieve cost savings and operational efficiencies. While 22% cited market competitiveness. 83% said they think net zero will open new markets and innovation opportunities.

For some, the motivation for sustained commitment is organizational purpose (21%). But for others, the data suggests that they feel they have already put in considerable resource to decarbonize their operations over the last decade, thus do not wish to change course now. 90% of sector leaders say reducing net zero efforts would risk their business losing its prior investment and increase its future costs.

84% say the economic risks of not pursuing net zero outweigh the risks of transitioning

Practical actions

If commitment is continuing, leaders are nonetheless cognizant of their operating context, and their decision-making is being shaped by numerous external factors. That means that, in some cases, timelines are shifting or the level of practical action is changing.

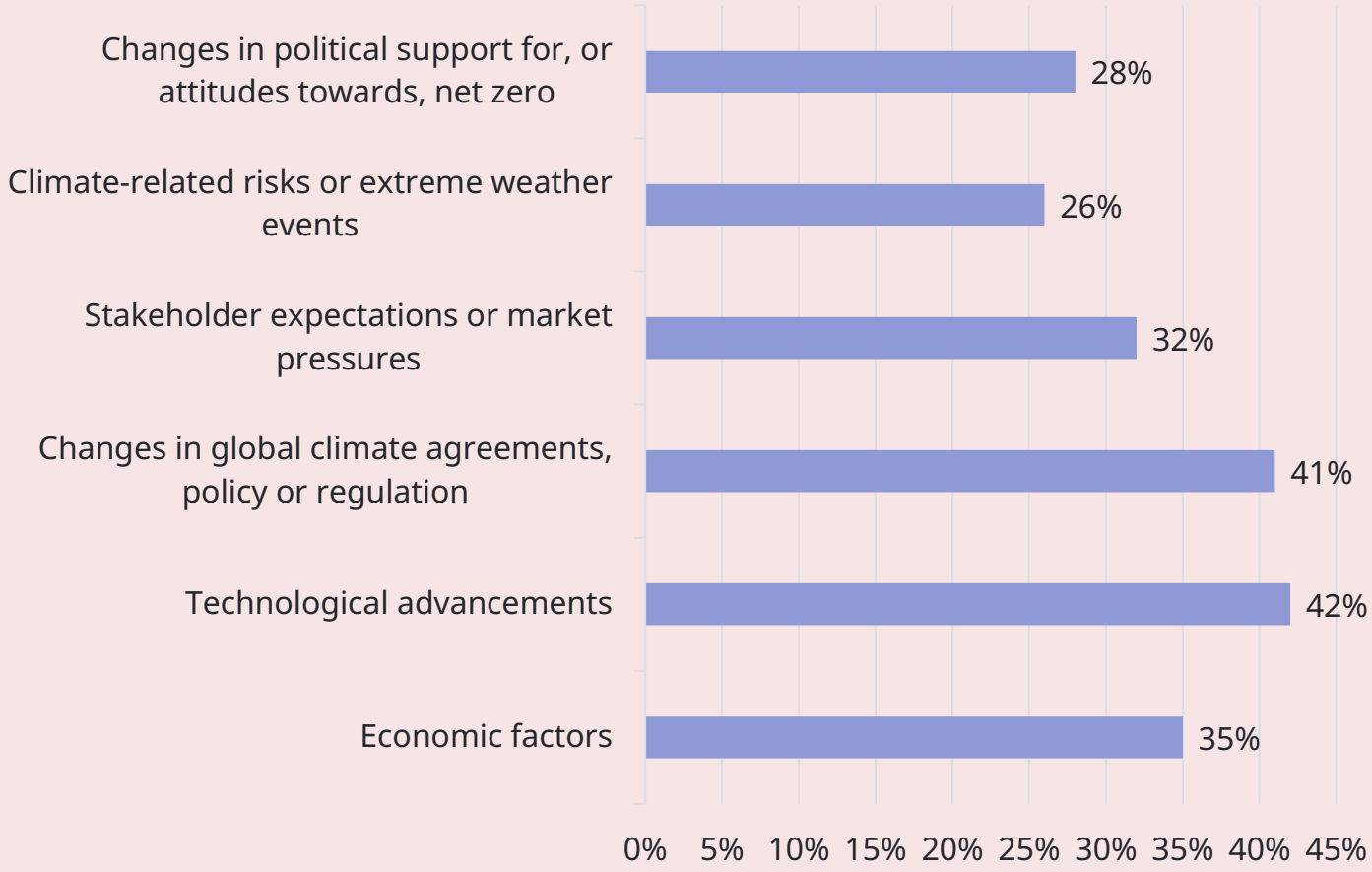
Two fifths of sector businesses, for example, indicated they had revised their net zero plans (43%) and reevaluated their targets (40%). Yet only 16% had paused targets and only 18% had dropped targets; broadly speaking most have not chosen to row back on commitments. This evolution of net zero plans shows no sign of stalling; looking ahead half (51%) intend to revise their net zero strategy in the next year.

51% intend to revise their net zero strategy or targets in the next 12 months

Where businesses have revised or revaluated plans, this appears to be down to external pressures rather than a boardroom rethink. For example, a third say they have been driven to adjust in response to economic factors (35%).

Over a two fifths (42%) say they have adjusted in response technological advancements. While a similar percentage (41%) say they have done so in response to changes in global climate agreements, policy and regulation, and a third in response to stakeholder expectations or market pressures (32%).

Crucially, the data suggests rollbacks are less about abandoning net zero than simply updating forecasts, just as they would around sales targets, for example, 83% say even if my business may not meet net zero targets, it is still important to prioritize decarbonization.



The political dimension

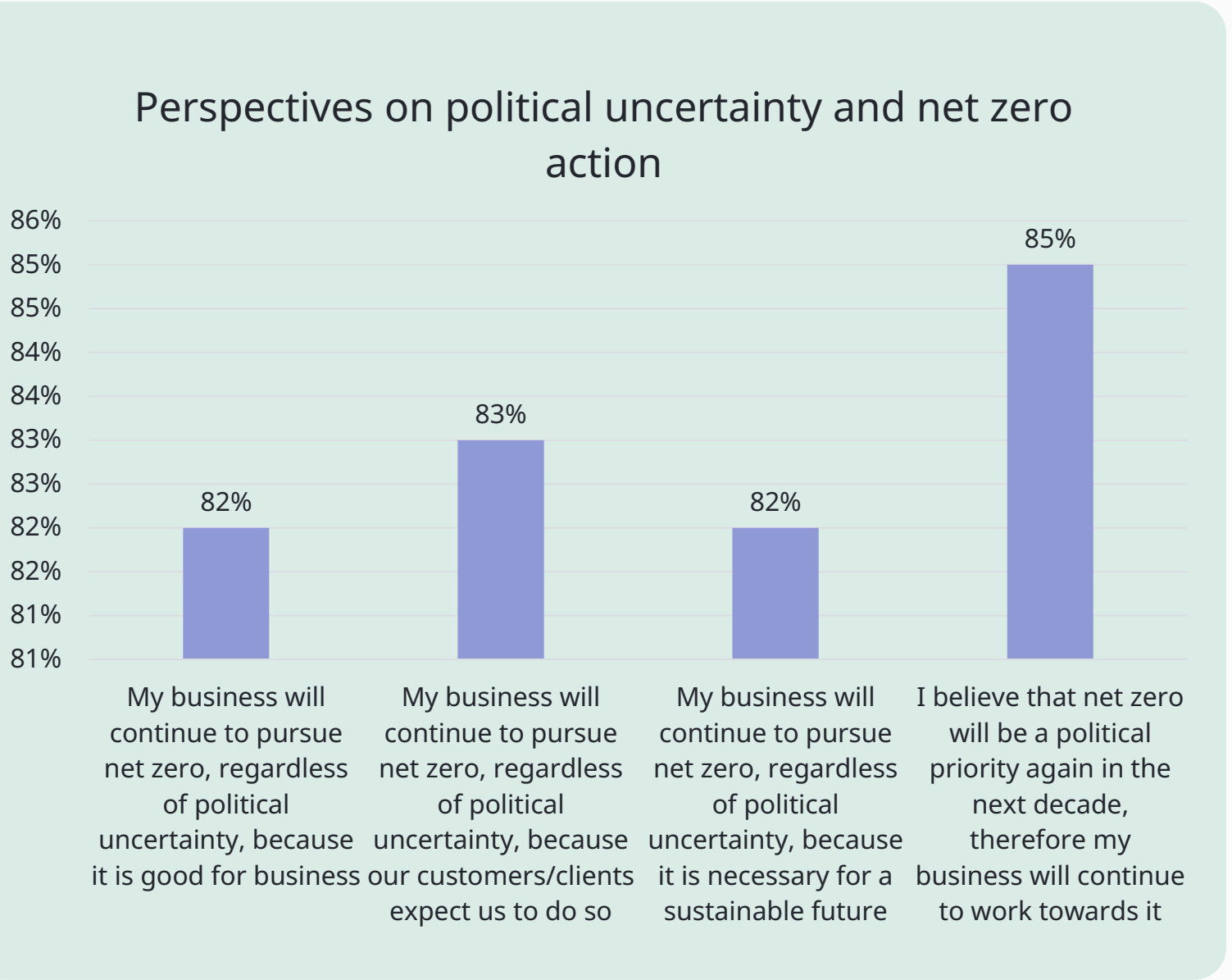
Political leaders have been divided on net zero, meaning the transition, its cost and its feasibility, has attracted significant political and media focus. Climate scepticism is no longer a fringe political stance in some G7 economies. But it does not appear to be as prevalent in the business community. Instead, the business leaders we spoke to crave stability and calm. They want policymakers to provide clarity and certainty so that they can embark on their transition plans with confidence. They want government to guide the way, with 84% of pharmaceutical business leaders advocating for their government to encourage and support businesses in achieving net zero, including through financial incentives.

Importantly, they are pursuing decarbonization regardless of the political context. Notably, while recognizing shifting perspectives in today's governments, 85% say they believe that net zero will be a political priority again in the next decade, therefore, their business is continuing to work towards it.

Motivations for doing so are multifaceted. 71% indicate they will continue to pursue net zero regardless of current political uncertainty because it is good for business. A similar proportion (83%) say they are driven by customer or client expectation and because they believe action is necessary for a sustainable future (82%).

Nonetheless, the political debate does have an impact. 83% say policy uncertainty around net zero makes it difficult for their business to invest confidently.

Equally, 84% of pharmaceutical business leaders say that while they will continue to reduce emissions, this uncertainty means they will place less emphasis on a net zero target. Likewise, 28% report having adjusted their plans in response to changes in political support for, or attitudes towards, net zero. What's clear is that without clarity and certainty from political circles, action on net zero could be less pronounced.



Reframing net zero: Moving to a resilience mindset

We are increasingly seeing businesses change how they describe net zero and wider sustainability activities. In the pharmaceutical sector specifically, four in five (82%) reported changing their net zero communication in response in climate scepticism in either media or political circles in the last 12 months. The direction of travel appears to be towards framing net zero in terms of climate risk and long-term business resilience.

For example, 88% of pharmaceutical businesses expressed concern about future costs and their business's resilience if it does not prepare for climate change, while 82% say the costs of transitioning to net zero are outweighed by the long-term benefits. 87% also agree climate change could disrupt their business's supply chain, while 78% say net zero efforts are important for future resilience.

Unlike greenwashing (promoting misleading, overstated sustainability claims) or greenhushing (intentionally underreporting initiatives to avoid scrutiny), reframing net zero and sustainability activities is not a negative practice.

Rather, they are ‘climate coding’ - taking a proactive decision to highlight the wider benefits of sustainability activities in the broader business context, for example linked to areas such as resilience, efficiency and innovation, or risk management, rather than focusing solely on environmental impact.

While the strategic framing of net zero does appear to be shifting, this does not mean actual adaptation action is being undertaken. Only a quarter (25%) say their business has done undertaken climate risk adaptation planning, although 39% it is in process, and just 27% have invested in renewable energy procurement, showing a still-developing understanding of the impact of climate change on operations and the need for risk and resilience thinking.

‘Climate-coding’ - a communications tool to support understanding, engagement and buy-in of net zero / sustainability initiatives

Barriers to action

A lack of visibility on the net zero action of supply chain partners was the common challenge cited by pharmaceutical business leaders (26%), followed by a lack of clarity on what net zero means and understanding how to take action (25%). Accordingly, when asked what solutions would support their net zero action, 34% in the sector selected training programmes.

The third greatest barrier, was prioritizing business growth (24%). However, pharmaceutical business leaders were overwhelmingly confident about net zero's potential commercial benefits; 81% believe it could give them competitive advantage, 83% think it will open new markets for them, and 84% believe the economic risks of not transitioning are greater than the risks of transitioning. It appears that despite competing business priorities and frustration with the cost of decarbonizing, pharmaceutical leaders recognize the imperative for pursuing net zero.

Other barriers included a lack of available financing (24%), a lack of internal skills and knowledge on how to approach net zero (23%), and a global political uncertainty around net zero targets and policies (23%).

21% of pharmaceutical business leaders also expect the cost energy to impact their net zero action in the next 12 months.

This research was carried out prior to the outbreak of the Iran conflict; it is likely that this would be even more pronounced today.

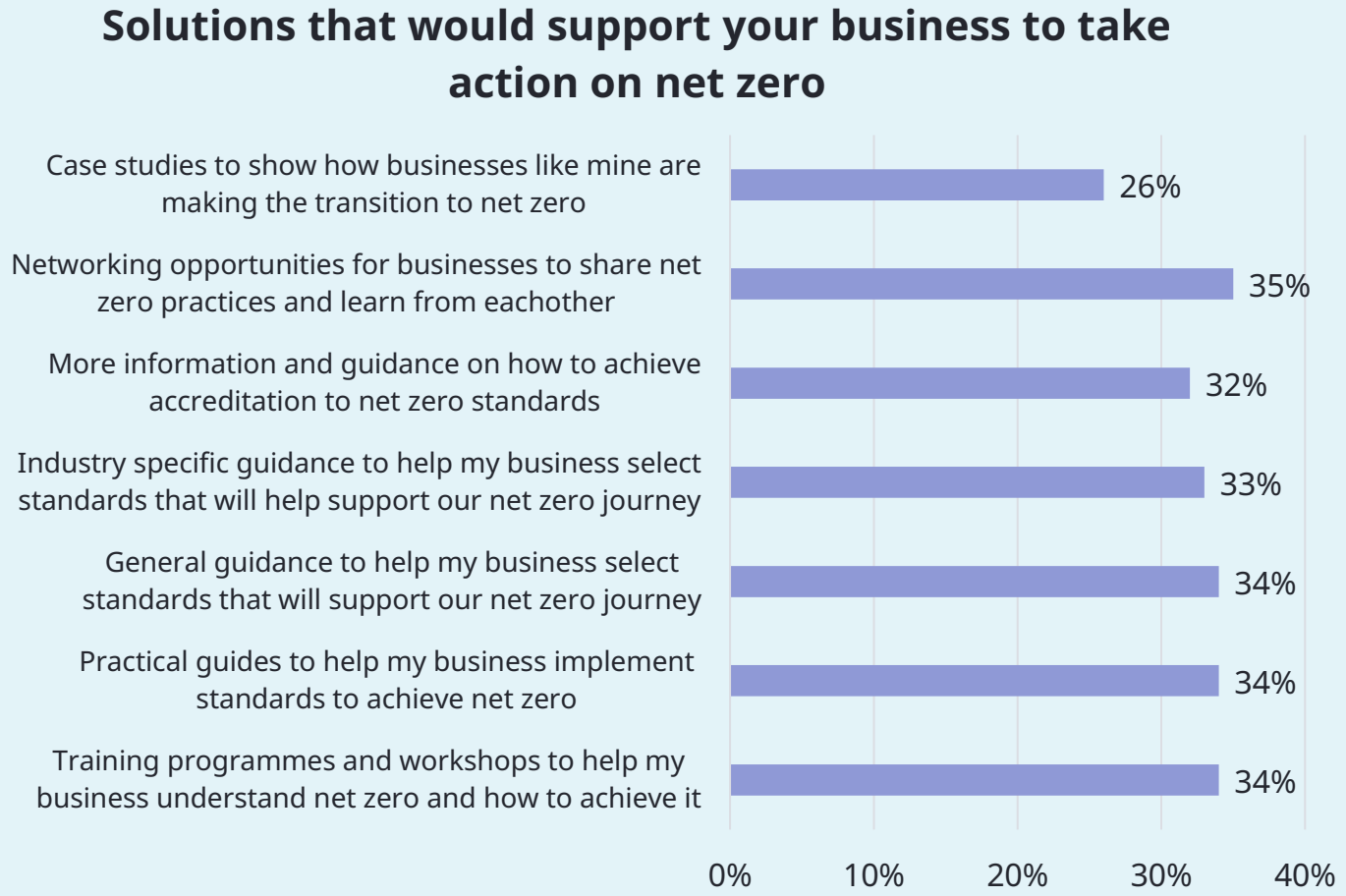
However, the rising cost of energy also calls into focus the importance of investing in renewable energy and undertaking adaptation measures for future business resilience.

21% expect the cost of energy to impact their ability to act on net zero in the next 12 months

Confidence and clarity

With pharmaceutical businesses committed to net zero but mindful of the barriers, this plays out in confidence about meeting net zero targets. Despite 86% being committed to their national target date, only 70% are confident they have a clear pathway to get there and only 55% that they will achieve it.

There is a clear appetite for tools and solutions to build understanding and boost confidence in the sector's ability to achieve net zero. 35% want more networking opportunities to learn from peers, while a third (34%) of pharmaceutical business leaders said training would help. The same percentage want practical guides to implement standards to achieve net zero more efficiently and effectively (34%).



Key takeaways

1. The pharmaceutical sector remains committed to net zero – recalibrating rather than abandoning plans

Across the G7, commitment is high and most say maintaining momentum is important. Only a small minority have paused or dropped plans. Despite political noise, net zero is seen as integral to long-term strategy and competitiveness, rather than something to be dropped when pressure mounts.

2. Political instability is creating hesitation but not derailing action

Political instability is the new normal. But while sector leaders are not immune to this and are keen for clarity, the impetus for action does not rest on current policy direction. Notably, they assume net zero will outlive today's politics and be a lasting priority.

3. Pharmaceutical businesses are ‘climate-coding’ net zero

Climate scepticism in media and politics has driven 82% of pharmaceutical businesses to adapt how they communicate sustainability efforts, shifting away from environmental messaging to a stronger focus on resilience, risk mitigation and long-term preparedness.

4. Costs, capability and competing priorities remain barriers

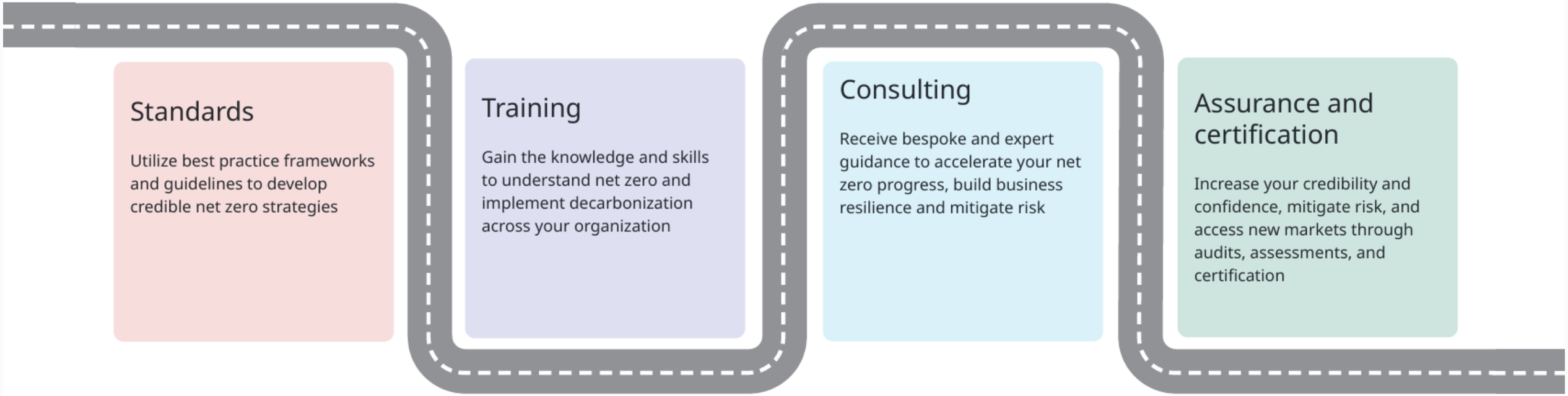
Soaring energy prices, lack of clarity and competing growth priorities are clear barriers to action. Just half believe national targets are achievable. Yet most feel a responsibility to play their part, albeit with strong demand for tangible guidance, standards and training.

5. The sector sees a clear economic upside to the transition

Sector leaders see decarbonization as a potential source of strategic advantage and opportunity, beyond it being a compliance exercise. While they are frustrated about the pressure being placed on their industry, most believe the risks of not transitioning outweigh the costs.

Your net zero journey with BSI

Our research suggests businesses need to cultivate new skills, adopt innovative tools, and foster cross-functional collaboration to enable the transition. BSI has a range of services to support your organization on this journey.



Standards

Utilize best practice frameworks and guidelines to develop credible net zero strategies

Training

Gain the knowledge and skills to understand net zero and implement decarbonization across your organization

Consulting

Receive bespoke and expert guidance to accelerate your net zero progress, build business resilience and mitigate risk

Assurance and certification

Increase your credibility and confidence, mitigate risk, and access new markets through audits, assessments, and certification

Standards

Providing clarity and coherence to support your net zero transition

Shifting to a net zero global economy requires a common language and agreed rules of engagement. BSI standards provide clarity, consistency and comparability, helping to support organizations in their net zero efforts.

- **Pharmaceutical products. Products category rules for life cycle assessments (PAS 2090)** - framework for assessing and reporting whole-life environmental impacts of pharmaceutical products, enabling consistent measurement, transparency, and reduced environmental footprint.
- **Carbon Management in Buildings and Infrastructure (PAS 2080)** - guiding organizations in holistic carbon management, reducing costs, fostering industry leadership, and adapting to a low-carbon future.
- **Energy Management Systems (ISO 50001) -** framework to improve energy efficiency, reduce reliance on fossil fuels, stay compliant with legislation and get future-ready.
- **Environmental Management Systems (ISO 14001)** - Framework to measure and continually improve your environmental performance in a way that meets the specific needs of your business.

Standards

Other key standards relating to net zero include:

- Foundational standards for wind energy generation (the IEC 61400 series)
- Greenhouse Gas Requirements (ISO 14064)
- Greenhouse gases – Carbon footprint of products (ISO 14067)
- A new series of standards to support transition to zero-emission HGVs
- Electric Vehicles Accessible Charging Specification (PAS 1899)
- Energy Smart Appliances – Systems Functionality and Architecture (PAS 1878)
- Energy Smart Appliances - Demand Side Response Operation (PAS 1879)

Explore all standards with BSI Knowledge - a comprehensive online platform that provides access to a vast library of standards, tools, and resources to help organizations manage and utilize standards effectively.

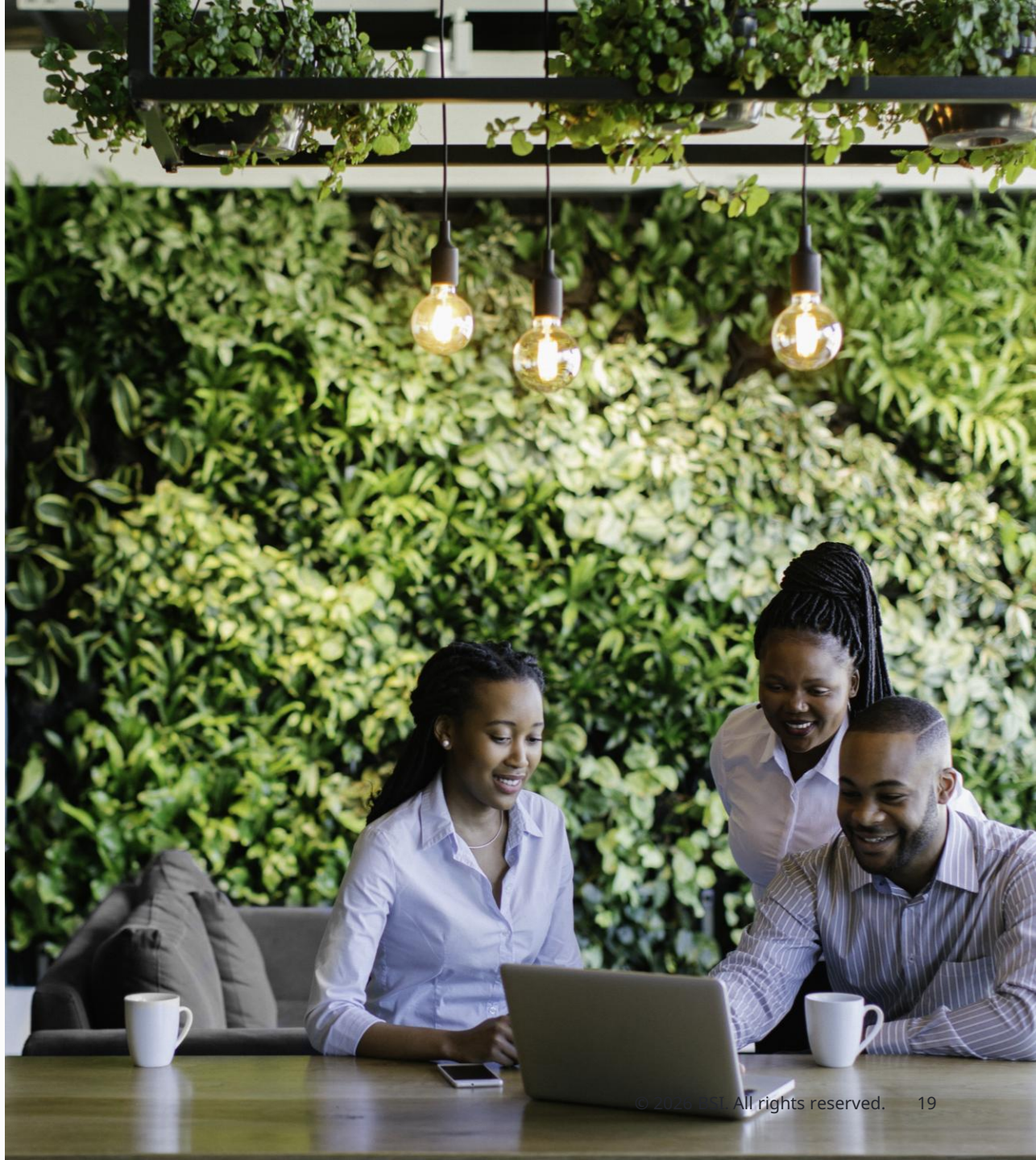
Standards

Other BSI work on net zero standards:

In 2021, BSI proposed the London Declaration - a landmark global commitment to embed climate considerations into all international standards and engage civil society and those most vulnerable to climate impacts in standards development, supporting organizations worldwide to reach net zero. Since its launch, BSI has driven the commitment globally to mobilize action across the standards system.

BSI is leading the development of the world's first international, independently verifiable net zero standard, the ISO net zero standard (ISO 14060) based on our preceding ISO Net Zero Guidelines, due in 2027.

BSI Flex 3030 provides a step-by-step guide for SMEs to plan their transition. BSI will soon publish Net Zero Transition Planning for Financial Institutions (ISO 32212). While existing frameworks from ISSB, GFANZ, and TPT primarily focus on disclosure, ISO 32212 aims to shift the emphasis toward process and governance, ensuring that financial institutions translate commitments into credible, sustained action.



Training

Upskilling for a net zero future

Training equips individuals and organizations with the knowledge and skills to innovate and adapt to net zero and sustainability more broadly.

BSI's training combines deep expertise with practical insight to deliver high-impact learning. Through BSI's tailored courses, organizations empower their people to embed sustainability principles into strategy and operations, accelerating progress and maximizing the long-term environmental, social and economic benefits. Relevant BSI training courses include:

- Antibiotic Manufacturing Standards and Certification Awareness
- Carbon management in buildings and infrastructure (PAS 2080)
- Environmental Management Systems Training (ISO 14001)
- Energy Management Systems Training (ISO 50001)
- Carbon Neutrality (ISO 14068)
- Greenhouse Gas Practitioner

Explore all sustainability training

Consulting

Supporting climate transition planning

BSI consultants can assist with environmental compliance, environmental risk and resilience, and sustainability. Our consulting services team can advise on the design and implementation of bespoke decarbonization strategies, leveraging BSI's standards and best practices.

Specific areas in which we can provide expertise include:

- ESG Reporting (CSRD, CDP, EcoVadis) – integrating robust circularity metrics into ESG disclosures
- Climate Reporting (TCFD/IFRS) – quantifying climate risks and opportunities through a circular lens
- GHG Accounting and Reporting – measuring and verifying emissions reductions achieved through circular material flows and resource optimization
- Carbon Reduction Management – to meet GHG and Net Zero targets
- Life Cycle Assessments and Product Carbon Footprinting – tracking environmental impact, analyzing supply chains, and supporting sustainability goals by assessing carbon footprints and improving sustainability across product life cycles
- Hazardous Material and Hazardous Waste Management Systems

Organizations can also take advantage of our Connect Climate GHG Reporting platform, which combines scalable and automated reporting with technical expertise in decarbonization and supplier engagement. We also provide expert guidance in areas including Climate Risk Adaptation, Sustainable Procurement, Supply Chain Risk Management, Supplier Training and Engagement (including embedding circular economy principles across supplier networks).

Explore all consulting services

Assurance

Demonstrating progress towards targets

Third-party assurance plays a critical role in building confidence and trust in the net zero transition, and providing credibility against greenwashing claims.

As the leading standard for carbon management in buildings and infrastructure, PAS 2080 applies to new projects, retrofit works, and the management of existing assets. This ensures that the carbon footprint is considered across the entire lifecycle - from design and construction to operation and decommissioning.

Our PAS 2080 certification program helps organizations show their dedication to sustainable infrastructure by reducing and managing carbon emissions. This standard is vital for all participants in the built environment value chain, including architects, designers, asset owners, constructors, and material suppliers.

The BSI Net Zero Pathway

The BSI Net Zero Pathway is a scheme BSI launched in 2024 to aid organizations in their transition to net zero. It provides a transparent and consistent approach through the use of international standards and guidelines published by ISO. It follows the key principles of the ISO Net Zero Guidelines (IWA42:2022) and is backed up with formal data verification and ongoing audits to help organizations overcome the barriers that are preventing them from reaching their net zero objectives.

The Pathway uses an organization's verified carbon footprint data, carbon reduction plans and consideration of planned business growth to evaluate whether targets are realistic, achievable and will deliver net zero by 2050 or sooner. The scheme is conducted over three stages.

Assurance

Other key schemes include:

- Pharmaceutical Supply Chain Audits (PSCI)
- Environmental Management Systems (ISO 14001) certification demonstrates your organization has implemented a structured framework to minimize waste, optimize resource use, and implement sustainable environmental practices.
- European Eco-Management and Audit Scheme (EMAS) verification supports organizations with demonstrating enhanced environmental performance, energy savings and resource optimization.
- GHG emissions/carbon life cycle verification
- Sustainability Reporting Assurance
- Life cycle assessment (ISO 14040/4) verification
- Waste vendor supplier audits
- Internal audits mitigate organizational risks through a comprehensive review of internal processes. By ensuring that these are harmonized with your corporate strategy and policies, such as your net zero strategy, your audit programme can support you as you seek to lower operational risk, secure stakeholder trust and enhance your reputation for operational excellence.
- Supplier audits can help identify opportunities to adopt net zero practices. A smarter, more sustainable supply chain starts with visibility. We can audit against recognized best practice programs or tailor assessments to specific sustainability goals based on where you are in your maturity journey.

Explore all assurance services

BSI Kitemark certification

Establishing trust and confidence in your products

The BSI Kitemark™ is recognized as a symbol of outstanding quality, safety and trust across a wide range of products and services. Kitemark certification confirms that a product or service's claim has been independently and repeatedly tested by experts, meaning that your customers and stakeholders can have trust and confidence in products and services that are BSI Kitemark certified. Key schemes related to net zero include:

Kitemark for carbon neutral products and services

Achieving carbon neutrality is a key component of the wider sustainability maturity journey of measure, reduce and eventual reuse. This scheme provides reassurance that a product or service has been independently assessed to be truly carbon neutral, using best practice from ISO 14067 and ISO 14068-1

BSI Kitemark™ Certification for Minimized Risk of AMR

Demonstrating the effectiveness, safety, and environmental responsibility of products in minimizing the risk of antimicrobial resistance. Covering responsible manufacturing, ingredient control, and performance testing to protect antibiotic efficacy.

Kitemark certified remanufacturer and Kitemark certified reconditioner

Any manufacturer returning used products to the market, from IT and office equipment through fire extinguishers to electrical appliances, must demonstrate certified quality and compliance to establish customer confidence. This scheme illustrates that you're meeting the highest quality standards consumers expect.

Explore the BSI Kitemark

BSI impartiality

Impartiality is the governing principle of how BSI provides its services. Impartiality means acting fairly and equitably in its dealings with people and in all business operations. It means decisions are made free from any engagements of influences which could affect the objectivity of decision making.

As an accredited certification body, BSI Assurance cannot offer certification to clients where they have also received consultancy from another part of the BSI Group for the same management system. Likewise, we do not offer consultancy to clients when they also seek certification to the same management system.

The British Standards Institution (BSI, a company incorporated by Royal Charter), performs the National Standards Body (NSB) activity in the UK. BSI, together with its Group Companies, also offers a broad portfolio of business solutions other than NSB activity that help businesses worldwide to improve results through Standards-based best practice (such as certification, self assessment tool, software, product testing, information products and training).

Services listed above are offered by BSI but may not be available in all markets. Please contact us to discuss solutions available to your organization.

Explore the full data:

The G7 Net Zero Temperature Check