

## Public Policy Position

### GLOBAL CLIMATE CHANGE

Numerous studies – supported by leading scientists around the world – have concluded that a gradual warming of our climate is underway and is largely the result of human activity. To address this serious concern, Merck is taking a number of steps to proactively adopt responsible policies and practices to reduce GHG emissions. Furthermore, as a health care company, we believe we have a role to play in understanding, identifying and responding to the potential health implications that may result from climate change.

#### Merck's Actions to Address Climate Change

- As part of its commitment to the U.S. EPA Climate Leaders Program, Merck has announced a goal of reducing the company's total global GHG emissions by 12% by the end of 2012, using 2004 as the baseline year.
- Merck has established a GHG emissions inventory and GHG emissions management priorities as part of its effort to effectively manage GHG emissions.
- Merck is on target to meet our objective to reduce energy demand by 25% by the end of 2008 from a 2004 baseline, measured in BTUs per unit area, and we are working on establishing appropriate energy reduction goals for the longer term and for continuous improvement. The majority of Merck's demand for energy occurs at manufacturing, warehousing, laboratory and major office facilities. These facilities are included in the energy demand reduction program.
- In coordination with the energy reduction goal, Merck is working to reduce its demand for water. Merck has achieved its goal to reduce water demand by 15% between 2004 and 2008 and continues to pursue opportunities to reduce our demand for water.
- As a research-based health care company rooted in innovation – Merck is committed to investigating and deploying demonstrated, commercially available cost-effective energy efficient technologies in the research, development and supply of our products in line with our business needs.
- In addition to reducing energy and greenhouse gases at our stationary sources, Merck will identify and execute cost effective approaches to reducing greenhouse gases from our global fleet operations (which in 2006 represented 14% of the Company's global greenhouse emissions).
- Recognizing that our use of other resources and materials, including building supplies, office equipment, etc. have indirect energy impacts, Merck will evaluate these choices in an effort to ensure a balanced approach is used to reduce our overall environmental impact.
- Merck has been recognized as a leader in the use of clean energy resources (such as solar power) and efforts to reduce energy consumption by the United States Environmental Protection Agency and the American Chemistry Council. We will continue to evaluate the use of energy produced from renewable sources, and will encourage partnerships to expand our opportunities to do so.

#### Reporting on our efforts

- Merck is committed to measuring its progress in reducing energy demand and emissions and reporting on our progress in achieving these goals to interested stakeholders (including our patients, employees, governments and others) in a public and transparent way.
- Merck posts its energy usage and GHG emissions publicly on <http://www.merck.com> (our external corporate webpage) showing recent years of performance.

- Merck has reported its GHG emissions to the Carbon Disclosure Project ([www.cdproject.net](http://www.cdproject.net)) for the past three years. The Carbon Disclosure Project is an independent not-for-profit organization that provides data to corporations and shareholders regarding the implications for shareholder value and commercial operations presented by climate change.

### **Merck's Position on GHG Emissions Regulation**

- Merck supports the adoption of a national and/or multinational framework to address GHG challenges. We believe this approach should be advanced through the implementation of fair and feasible regulations, avoiding unnecessary economic disruptions while stimulating the development and broad use of energy efficient technologies. Merck prefers a national or multinational approach in order to avoid the inefficiencies of responding to a disparate set of local, state, or regional requirements. In the interim, Merck will continue to undertake voluntary actions to reduce GHG emissions and participate in the Business Roundtable Climate Resolve and EPA Climate Leaders programs

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