MERCK

PURPOSE FOR PROGRESS

Impact Report

2024/2025

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About this report

This is the 2024/2025 Impact Report of Merck & Co., Inc., Rahway, NJ, USA, which is known as MSD outside the United States (U.S.) and Canada.

All data is current as of December 31, 2024, unless otherwise noted. This report includes our voluntary disclosures against the sustainability-related reporting frameworks we've prioritized and covers our enterprise-wide operations from January 1, 2024, to December 31, 2024, with some information on activities that took place in 2025.

Information on documents filed with the Securities and Exchange Commission (SEC), such as our Form 10-K and proxy statement, can be found on our **corporate website**, which is intended only for residents of the U.S. and Canada.

Overview

In this section:

Our Company

We use the power of leading-edge science to save and improve lives around the world.

As a leading biopharmaceutical company, we are at the forefront of scientific research, working tirelessly to provide innovative health solutions to advance the prevention and treatment of diseases in both humans and animals.

Operating responsibly is integral to our strategy and underscores our pledge to foster a safe, sustainable and healthy future for communities worldwide.

Global Reporting Initiative (GRI)/Sustainability Accounting Standards Board (SASB) disclosures in this section:

GRI 2-1 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-22 GRI 3-1 GRI 3-2 GRI 3-3

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks. For more information on our Company, please see our Form 10-K, filed February 25, 2025, on **our corporate website**.*

How we operate

Merck & Co., Inc. (Merck, or the Company) is a global health care company that delivers innovative health solutions through its prescription medicines, including biologic therapies, vaccines and animal health products. The Company's operations are principally managed on a product basis and include two operating segments, Pharmaceutical and Animal Health.

The Pharmaceutical segment includes human health pharmaceutical and vaccine products. Human health pharmaceutical products consist of therapeutic and preventive agents, generally sold by prescription, for the treatment of human disorders. The Company sells these human health pharmaceutical products primarily to drug wholesalers and retailers, hospitals, government agencies and managed health care providers, such as health maintenance organizations, pharmacy benefit managers and other institutions. Human health vaccine products consist of preventive pediatric, adolescent and adult vaccines. The Company sells these human health vaccines primarily to physicians, wholesalers, distributors and government entities.

The Animal Health segment discovers, develops, manufactures and markets a wide range of veterinary pharmaceutical and vaccine products as well as health management solutions and services for the prevention, treatment and control of disease in all major livestock and companion animal species. The Company also offers an extensive suite of digitally connected identification, traceability and monitoring products. The Company sells its products to veterinarians, distributors, animal producers, farmers and pet owners.

+ *For more information on our business, please see our Form 10-K, filed February 25, 2025, on **our corporate website**.*

More than
>450 million
People reached with our medicines and vaccines in 2024 (p. 20)

Annual revenue in 2024:
$64.2 billion

Total R&D expenses in 2024:
$17.9 billion

Worldwide employees:
~75,000
as of Dec. 31, 2024

Highlights

Access to Health

>450 million
People reached with our medicines and vaccines in 2024 (p. 20)

>247 million
People enabled to access our innovative medicines and vaccines through access solutions in 2024 (p. 31)

>66 million
People, underserved by health care, reached through our social investments (2021-2024) (p. 39)

92%
Of countries reached globally with our products in 2024 (p. 27)

84%
Of the top 20 global burdens of disease addressed by our pipeline and products (p. 23)

Employees

>25,000
Employees are members of at least one of our 10 Employee Business Resource Groups—that is over 30% of our workforce globally. All employees are welcome to join any of our Employee Business Resource Groups

>95%
Employees have been celebrated for their contributions to our mission through our global recognition program

>75
Countries have access to our global Employee Assistance Program (EAP), providing comprehensive mental health support for our employees and their families

Environmental Sustainability

Net-zero
We are committed to achieve net-zero target greenhouse gas emissions across our global operations (Scopes 1, 2 and 3) by 2045, which is aligned with the guidelines of the Science Based Targets initiative (SBTi) (p. 71)

7
Times since 2017 we've been honored as a winner of the Green Chemistry Challenge Awards, sponsored by the Environmental Protection Agency and/or the American Chemical Society (p. 89)

400+
Partnership engagements with suppliers in support of our efforts to reduce GHG emissions. Representing ~60% of our Scope 3 emissions in 2023

4
Virtual Power Purchase Agreements under contract to help us reach our renewable energy goal, including one new solar facility in Texas that began operation in 2024

Ethics & Values

24/7
Availability of our MSDethics.com reporting tool, which allows employees and third parties to raise concerns confidentially and anonymously (where permitted by law) (p. 98)

>99%
Of employees completed our Leading With Ethics & Integrity training series in 2024 (p. 99)

$4 billion
Spent with small Tier 1 and 2 suppliers globally in 2024, fostering a healthy supply chain (p. 112)

10 points
Out of 100 allocated to select sustainability metrics specific to Access to Health and Employees in our 2024 Company Scorecard, which is used to determine the payout of our annual incentive plan for most employees, including our executives (p. 10)

Purpose for Progress: Advancing Access to Health, Operating Responsibly, and Supporting a Sustainable Society

A Message from Rob Davis

Dear Stakeholders,

At Merck, our purpose is to save and improve the lives of people and animals everywhere. For every one of our company colleagues, this is more than a job, it's a commitment, a calling and our ultimate North Star. We are constantly reaffirming this commitment to our purpose and our 130 plus year scientific legacy, as we discover, develop and deliver breakthrough medicines and vaccines to patients, animals and communities in need.

Our core purpose fuels our ability to address patients' and animals' existing needs, anticipate their future needs, push the boundaries of innovative medicine, and ensure that our efforts drive significant and sustainable value. It also fortifies our ability to expand access to our medicines and vaccines and enable a healthier society—regardless of location or life circumstance. And it reinforces our responsibility to operate sustainably and ethically—prioritizing discovery, operational and execution excellence.

Thanks to the dedication of our talented global teams, our momentum continued last year. Throughout 2024, our 75,000 colleagues worldwide played a pivotal role in delivering novel solutions that addressed some of the world's most serious and complex global health challenges. **We are proud that our medicines and vaccines reached more than 450 million people around the world.**

With the goal of making a significant and positive impact on people, animals and communities, we've continued to execute our strategic priorities, launch important and transformative products and advance key programs across our robust pipeline. As we move through 2025, our Purpose for Progress Report shows we are well-positioned to drive value to all our stakeholders now and into the future.

Advancing Access to Health

In 2024, **we achieved a significant milestone by reaching 92% of countries with our medicines and vaccines supply.** We know that access is not just about delivering medicines—it's about ensuring that health systems, affordability and innovation work together to drive sustainable change. Our ability to continue to expand access in the face of the evolving external landscape is a testament to the resilience of our people, our partnerships and our pipeline. **In 2024, we enabled more than 247 million people globally to access our innovative medicines and vaccines through access solutions.**

We collaborated with governments, global health organizations and communities to remove barriers to care, enable access to our medicines and vaccines and drive long-term impact. Through our social investments and partnerships, we have **supported more than 66 million people** who face barriers to healthcare.

Importantly, **we received the Global Citizen Award from International Medical Corps in recognition of our decades-long support of global health access and emergency response** last year. By strengthening health systems and creating new pathways for our innovative medicines and vaccines, we improve health outcomes while also strengthening our market presence and the support we can provide to communities everywhere.

Operating Responsibly

Our employees are key to the success of our Company. They are integral to how we serve our patients, and deliver positive, impactful and long-lasting outcomes for all our stakeholders. We make a concerted effort to cultivate a workforce that exhibits ethical leadership and operates responsibly.

As part of our continued emphasis on ethical leadership, more than **99% of our employees around the world** completed our ethics and integrity training in 2024, reinforcing our strong and enduring culture of trust and responsibility.

I'm pleased to share that Merck has been named to the **U.S. News & World Report's 2025–2026 Best Companies to Work For list**. Additionally, Merck was **ranked #1 on Newsweek's America's Most Responsible Company list.**

Supporting a Sustainable Society

We continue to prioritize our focus on environmental sustainability because we know how important and intrinsically linked it is to the future success of our people, our performance and our planet.

We pledged to achieve net-zero greenhouse gas emissions across Scopes 1, 2 and 3 by 2045, aligning with the Science Based Targets initiative (SBTi). Our dedication to reducing our environmental footprint has earned us recognition, including being **honored with the Green Chemistry Challenge Award for our efforts to develop more sustainable medicines seven times since 2017**.

In addition to our operations, we continue to strengthen our responsible sourcing and support economic inclusion, having spent **$4 billion** with small Tier 1 and 2 suppliers in 2024 and engaging more than 400 Tier 1 through 3 suppliers overall. By integrating sustainability into our business strategy, we enhance operational efficiency, reduce risk across our supply chain and create long-term value for our stakeholders. And to ensure accountability at every level, our Company Scorecard directly ties 10 out of 100 points to select sustainability metrics specific to access to health care, employee engagement, and inclusion, reinforcing our belief that sustainability drives long-term success.

Purpose for Progress

Our long-standing commitment and focus on advancing access to health, operating responsibly and implementing strategies that protect the health of people, animals and the planet is unwavering. As we continue to navigate the rapid pace of change happening all around us, I am proud of the progress we've made thus far, and I remain optimistic about our future. I believe with our purpose as our guide, we can keep identifying and implementing viable, sustainable and impactful solutions that address some of the world's most serious and complex global health challenges, while also creating value for our patients and our stakeholders.

I look forward to our continued commitment and contributions that will help make our communities, country and the world a healthier place.

Thank you for your trust and partnership.

Very best regards,

Rob Davis
Chairman and Chief Executive Officer

Select awards and recognition

Sustainability

Newsweek & Statista
Ranked #1 on America's Most Responsible Companies list, and #1 in the Health Care and Life Sciences sector, holding first place for the second year in a row (2024, 2025)

TIME
Ranked #28 on World's Most Sustainable Companies list (2024)

JUST Capital/CNBC
Ranked #41 on America's Most JUST Companies list, and #2 in the Pharmaceuticals and Biotech sector (2025)

Corporate Leadership & Management

Wall Street Journal
Ranked #33 on 250 Best-Managed Publicly Traded U.S. Companies list (2024)

Fortune
Ranked #68 on 100 Best Companies to Work For® list (2024)

Forbes
Ranked #97 on Best Large Employers list, out of 700+ companies (2025)

Our Strategic Framework

Our Purpose

We use the power of leading-edge science to save and improve lives around the world

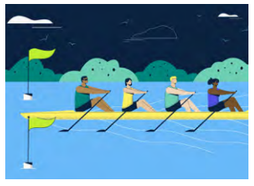
Our Aspiration

We aspire to be the premier research-intensive biopharmaceutical company

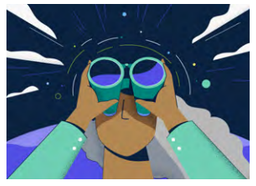
Our Priorities

- Invest in, augment, and accelerate our pipeline to deliver life-changing products
- Demonstrate value to our stakeholders and extend access to solutions that address unmet medical needs
- Drive innovation and productivity enabled by digital and data
- Invest in the growth, success, and well-being of our people

Our Ways of Working



Win as one team



Focus on what matters

Act with urgency

Experiment, learn and adapt

Embrace diversity and inclusion

Speak up and be open-minded

Our Values

- Patients First
- Ethics and Integrity
- Respect for People
- Innovation and Scientific Excellence

We operate responsibly every day on behalf of society, shareholders and all our stakeholders to enable a safe, sustainable and healthy future for people and communities everywhere.

Our approach to sustainability

We are focused on integrating sustainability throughout our operations to deliver value for our business and shareholders and to create opportunities to better serve patients, customers, employees and society.

The key focus areas of our sustainability strategy are:

- **Access to Health**—In collaboration with global health stakeholders, our social investments aim to advance access to quality health systems, and we seek to ensure that our products are accessible and affordable worldwide.
- **Employees**—We recognize that our ability to excel depends on the integrity, knowledge, imagination, skill, diversity of thought, perspectives and experiences, and well-being of our employees.
- **Environmental Sustainability**—We strive to operate our business sustainably, considering the impact on both the health of our planet and its inhabitants, while also providing opportunities for product innovation and reduction in costs and risks. We have a long history of environmental stewardship and compliance, and we continuously evolve our strategy and efforts in the face of a changing climate.
- **Ethics & Values**—Our ethics and values are at the center of everything we do. Through our unwavering commitment to transparency, we are committed to earning the trust and confidence of our stakeholders.

Our sustainability efforts aim to position us as a partner of choice within the global health ecosystem to drive environmental and social change, build stakeholder trust, improve our long-term business performance, increase investment flow and to cultivate an inclusive culture where best-in-class talent choose to work. This approach also manages risks across our supply chain and business operations, increases patient and investor confidence, brings in new opportunities with customers and peers and builds stronger communities.

To achieve success, it is essential to engage proactively and meaningfully with stakeholders. This engagement is crucial for building lasting relationships and nurturing collaborative partnerships. It ensures that our strategies are informed, relevant and aligned with both societal needs and our business objectives.

We foster accountability for sustainability through various initiatives, one of which is our Company Scorecard. This Scorecard determines the annual cash incentives awarded to most employees of the Company, including the Company's executive officers. In 2024, sustainability metrics comprised 10% of the Scorecard, thereby connecting the compensation of most employees, including executives, to our performance in certain areas of access to health care, employee engagement and inclusion. We successfully met our annual sustainability metrics in 2024.

+ *For more information about our Company Scorecard, please see page 53 of our **2025 proxy statement**.*

Sustainability governance

Board of Directors

We are committed to governance policies and practices that serve the interests of our business and shareholders. Our Board of Directors oversees sustainability matters for the Company through its committees and as a whole. Our Executive Team and senior management are responsible for reviewing, refining and implementing our long-term sustainability strategy. Through groups such as the Strategic Policy & Sustainability Council, our senior leaders direct the day-to-day supervision of this strategy.

Our Executive Team updates the Board on our long-term sustainability strategy and performance through both discussions as a full Board and through Committee discussions on specific topics. For example, the Board's Governance Committee, which monitors and assists the Board in its oversight of sustainability matters, ensures relevant issues are subject to review by Board Committees with relevant areas of competency.

Management

The groups below are responsible for directing the day-to-day supervision of our sustainability strategy and driving performance:

Strategic Policy & Sustainability Council (SPSC)

This Council, guided by our Executive Team, plays a pivotal role in advancing our strategy through proactive public policy and sustainability efforts. Comprised of cross-functional senior leaders, this Council makes recommendations on critical issues and monitors performance across regions and functions, ensuring we effectively navigate the evolving landscape.

Sustainability Strategy Management Team (SSMT)

With guidance from SPSC, the SSMT advises, shapes and drives our long-term sustainability strategy, including providing recommendations regarding business risks and opportunities. The role of this group of functional experts is to create long-term value, differentiate us as a leader in sustainability and respond to stakeholder demands about key issues across our four focus areas: Access to Health, Employees, Environmental Sustainability and Ethics & Values. The SSMT ensures our strategy and priorities align with and support our corporate Strategic Framework to meet our public commitments and stakeholder expectations.

Social Impact & Sustainability (SIS)

This function is responsible for visibility of sustainability initiatives, including reporting performance and progress through our annual Impact Report. This group works across the Company to set public targets that reflect our commitment to responsible business practices, foster collaboration to integrate sustainability principles into our policies and practices, and communicate these commitments to our stakeholders.

Corporate governance	2020	2021	2022	2023	**2024**
Independent directors on the Board	12	12	12	11	**12**
Board members who are independent	92%	86%	92%	92%	**92%**
Separate chairman of the Board and CEO	No	Yes	No	No	**No**
Lead independent director	Yes	Yes	Yes	Yes	**Yes**

Note: All figures above are derived from our proxy statement filed the following year and are rounded.

+ *For information on our Board's nomination process and the Board's roles and responsibilities for the management of and reporting on sustainability topics at the Company, please see our **2025 proxy statement** (pages 20-22). For information on how to communicate with the Board, please see page 25 of our proxy statement.*

Governance of environmental sustainability

Our Environmental, Health and Safety (EHS) Council is a cross-functional body with leadership representation from each area of our business and is responsible for overseeing our environmental sustainability strategy, policy and risk mitigation controls. It monitors performance against our targets and increases transparency on environmental issues within the Company, the Executive Team and the Board.

The Global Safety and Environment (GSE) vice president communicates progress on environmental sustainability goals, objectives and other material issues to the Board, Executive Team and EHS Council. The GSE vice president is also a part of the SPSC. Additionally, the head of the Environmental Sustainability Center of Excellence (CoE) is a member of the SSMT.

Our cross-functional Environmental Sustainability Implementation Steering Committee was designated by the EHS Council to oversee progress on initiatives that support achievement of our public targets and to provide guidance on resourcing our environmental sustainability strategy.

+ *For information on environmental health and safety management and governance, please visit the **Sustainability Resources page** on our corporate website.*

Impact materiality assessment

We conducted an impact materiality assessment in 2023 to focus, act and report on the most critical potential business risks and opportunities that influence our ability to create value. We assessed the external landscape, our business priorities and the issues critical for our stakeholders and the planet to prioritize the topics that will be managed through our sustainability strategy and related initiatives. We also conducted impact materiality assessments in 2015, 2018 and 2021.

The following topics emerged from our 2023 impact materiality assessment:

Access to Health

- Access to health care and medicine (pages **18-42**)
- Equity and affordability (pages **31-42**)
- Product safety and quality (pages **101-106**, **Clinical Trials**)
- Public health risks (pages **18-42**)

Employees

- Employee diversity and inclusion (pages **57-61**)
- Employee health and safety (pages **62-68**)
- Talent management (pages **44-51**)

Environmental Sustainability

- Climate change risks and management (pages **70-76**)

Ethics & Values

- Ethical corporate behavior (pages **97-100**, **Code of Conduct & Compliance**)
- Privacy and data security (pages **116-118**, **MSD Privacy**)

Our approach to sustainability impact materiality assessment

To conduct the assessment, we began with a list of material issues for our industry, including:

- Access to health care and medicine
- Affordability
- Air emissions
- Business model resilience
- Climate change risks and management
- Community relations
- Competitive behavior
- Customer practices
- Customer privacy and data security
- Ecological impacts
- Employee health and safety
- Employee inclusion
- Energy management
- Ethical corporate behavior
- Ethics in R&D
- GHG emissions
- Governance structures and mechanisms
- Human rights
- Innovation and technology
- Labor practices
- Management of local impacts
- Management of the legal and regulatory environment
- Natural capital
- Physical and sociopolitical risks
- Product and service safety and quality
- Product design and lifecycle management
- Public health risks
- Responsible consumption and production
- Selling practices and product labeling
- Sourcing efficiency and management
- Talent management
- Transition to renewables and alternative energies
- Transparency
- Waste and hazardous materials management
- Water and wastewater management

We then partnered with a third party to scan competitor, supplier and customer sustainability reports and financial communications, as well as news sources and mandatory and voluntary regulations from around the world. We coupled this assessment with surveys to our leaders as well as to investors we engage with regularly on sustainability-related topics.

Our approach to stakeholder engagement

We engage with a wide variety of stakeholders to gain insights that can inform our efforts and foster our progress toward solutions that benefit society and support our business. We note many of these engagements in this report.

The groups of stakeholders we regularly engage with include:

Patients and caregivers

For patient communities—which include individual patients, their caregivers and family members, patient advocacy leaders and patient organizations—it is critical that we respect and honor their life experiences to better understand their health care journeys, expected outcomes and decision-making considerations.

+ *For more information on our work with patient groups, please see our **Patients page**, which includes our **Commitment to Patients** on our corporate website.*

Shareholders

Throughout the year, we regularly engage with our shareholders and seek to better understand their perspectives.

We have a proactive shareholder engagement program, in which members of Investor Relations, the Office of the Secretary, Human Resources and the Social Impact & Sustainability team, as well as other subject-matter experts, engage with our shareholders to remain well-informed regarding their perspectives on current issues and to address any questions or concerns. These teams serve as liaisons between shareholders, members of senior management and our Board.

In addition, we conduct an extensive shareholder outreach program twice a year focused on governance, executive compensation and sustainability matters. We believe it is most productive to discuss these matters well in advance of the Annual Meeting of Shareholders. This enables management and the Board to gather investor perspectives and make educated and deliberate decisions that are balanced and appropriate for our varied shareholders and in the best interests of our Company.

+ *For more information on our engagements with shareholders, including topics discussed, please see our **2025 Proxy Statement** (pages 24-25).*

Health care professionals

We are committed to providing appropriate and balanced information to physicians and other health care professionals about our medicines, vaccines and ongoing research.

+ *For more information on our work with health care professionals, please see pages **18-42**, and for our disclosures on payments to health care professionals, please visit the **Transparency Disclosures page** on our corporate website.*

Employees

We strive to foster a positive and inclusive working environment for our employees by providing resources to improve their health and that of their families, as well as opportunities to further their professional development and get more involved in the communities where they live.

As part of our efforts to maintain a satisfying and productive work environment, we routinely survey employees to learn about their perspectives on the business and on how we are responding to the needs of our global workforce. The Employee Pulse Survey, our all-employee engagement survey, is our flagship employee feedback mechanism and is conducted multiple times a year.

+ *To learn more about our work with employees, please see pages **43-68**.*

Payers

We work with payers worldwide to inform their understanding of the relationship between the prices of our products and the true value they deliver to patients and health care systems.

Governments, multilateral organizations and regulators

We work with policymakers, legislators, multilateral organizations and governments worldwide to ensure that policy and regulatory environments globally, nationally and locally foster patient access to medicines and vaccines, and that these environments are conducive to ethical business practices, science and innovation.

+ *For more information on these engagements, please see pages **119-121**.*

Suppliers and business partners

We encourage responsible approaches on the part of suppliers regarding labor, employment, human rights, health and safety, ethics, diversity and protection of the environment. In addition, we strive to engage small suppliers.

+ *To learn more about our work with suppliers, please see pages **107-113**.*

Trade and industry associations

We engage with stakeholders through our membership in numerous organizations. We are a member of many 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.

+ *To learn more about our work with industry and trade organizations, please see page **121**.*

Veterinary professionals and animal caretakers

We value our partnerships with veterinary professionals and animal caretakers as a way to contribute to the health of the animals in their care with innovative products and solutions for farm and companion animal species. We regularly communicate and collaborate with our customers and industry leaders in our shared pursuit of improving the health of animals.

+ *To learn more about our work with veterinarians and animal caretakers, please visit the **Animal Health website**.*

Local communities

We work toward developing culturally appropriate mechanisms to engage and build relationships with local community stakeholders and non-governmental organizations (NGOs). We conduct this engagement predominantly through our philanthropic efforts, which can be found on the **Philanthropy page** on our corporate website.

Sustainability goals and performance

Our goals reflect our public commitments to provide value to society and our business. In the past year, we have challenged ourselves to make significant progress toward our ambitious commitments across each of our focus areas: Access to Health, Employees, Environmental Sustainability, and Ethics & Values.

Access to health

As a research-intensive biopharmaceutical company, expanding access to health is central to our purpose to save and improve lives. We discover, develop and deliver innovative medicines and vaccines. In collaboration with key stakeholders, we ensure our science advances health care, and our products are accessible and affordable globally. We also apply our expertise and financial resources to address systemic barriers to health access, where we believe we can make the strongest contributions to health systems, communities and patients.

Goals	2021	2022	2023	2024	TOTAL
Reach more than 50 million people in low- and middle-income countries and in underserved populations in high-income countries with our social investments by 2025[1]	15.0	18.6	21.2	**11.4**	**66.2**
Reach at least 75% of countries around the world annually with our products[2]	79%	76%	79%	**92%**	
Enable 350 million more people to access our innovative medicines and vaccines globally through access solutions by 2025[3]	66.7	189.2	240.0	**247.7**	

Employees

Our success is built on a culture of inclusion, recognizing the invaluable contributions of each individual. We are dedicated to cultivating a workforce that is diverse in backgrounds, experiences and perspectives, and that is skilled and engaged—qualities critical to our competitiveness.

Goals	2022	2023	2024
Maintain or exceed our current employee engagement index score by 2025[4]	On track	On track	**On track**
Maintain or exceed our current inclusion index score by 2025[4]	On track	On track	**On track**

[1] (a) Social investments include our Company's philanthropic partnerships, programs and impact investments. Underserved populations are defined as those that face gaps in care and health outcomes due to disadvantages related to insurance status, social determinants of health, race, ethnicity, gender identity/sexual orientation, age and/or language preference. The goal is cumulative across the reporting period of 2021-2025 and is independent of a baseline period. Actuals for each year to date are based on reports received between the 1st of March and the last day of February of the corresponding performance year.
(b) Third-party reporting is used to calculate the number of people reached through social investments. In some cases, third-party reports may include cumulative people reached for the reporting period, and/or data that is attributable to other partners as well as our Company's philanthropic investment.

[2] (a) "Countries" are as defined by the World Bank Country and Lending Groups. Includes only human health products.
(b) Reflects improved data capture through updated processes that now include previously unreported markets.

[3] The number displayed is for the year 2024 and provides information on the number of additional people who we estimate now have the option to access medicines and vaccines as a result of our sustainable access strategies, solutions and partnerships. These solutions include our commitment to Gavi and UNICEF (rather than doses shipped), collaborations to optimize resources in health systems, expanded financial coverage through insurance, and new community-based channel partnerships. "Innovative medicines and vaccines" refers to our Company's on-patent products. Enable "more people" is defined as populations supported by initiatives implemented and launched in market and will be in comparison to the baseline (2020) as of 2025. Evidence for metrics is sourced from publicly available data and proxy sources by market. While proxies differ by market, all methodologies are evaluated and represent our best estimate of people enabled to access innovative medicines and vaccines. People who were enabled to access innovative medicines and vaccines did not necessarily receive such innovative medicines and vaccines.

[4] In 2022, we revised employee survey measurements to align with evolving best practices. In this report, 2022 data are used as the baseline for future comparison.

Environmental sustainability

We recognize the vital connection between the health of our planet and the well-being of people and animals. We have adopted a set of climate goals to help us succeed in an increasingly resource-constrained world.

Goals	2022	2023	2024
Reduce our operational GHG emissions (i.e., Scopes 1 & 2) 46% by 2030, from a 2019 baseline[1]	9% below baseline	14% below baseline	**16% below baseline**
Reduce our value chain (Scope 3) GHG emissions by 30% by 2030, from a 2019 baseline[2]	7% below baseline	9% below baseline	**6% below baseline**
Source 100% of our purchased electricity from renewable sources by 2025[3]	45%	57%	**61%**
Achieve net-zero greenhouse gas (GHG) emissions (Scopes 1, 2 & 3) by 2045	**In 2024, we committed to a net-zero target for our greenhouse gas (GHG) emissions across our global operations (Scopes 1, 2, and 3) by 2045, aligned with the guidelines of the Science Based Targets initiative (SBTi).**		

[1] Scope 1 GHG emissions are direct emissions from owned or controlled sources such as on-site fuel combustion and fleet vehicles. Scope 2 GHG emissions are indirect emissions from the generation of purchased energy consumed by the reporting company.

[2] (a) Scope 3 GHG emissions include all other indirect emissions in a company's value chain.
(b) In 2024, we initiated a work process with our suppliers to collect and report their activity data related to our Scope 3 emissions in place of our input/output spend modeled data, when available. Our 2019-2024 Scope 3 performance data and goals were updated to include this data.

[3] 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.

Ethics & values

We are committed to upholding integrity and the highest ethical standards in everything we do. We foster a workplace environment where employees can voice their opinions safely and freely. By grounding our operations in our core ethics and values, we cultivate accountability that enhances our decision-making, adaptability and reliability.

Goals	2022	2023	2024
Foster a "Speak Up" culture by maintaining or exceeding our current percentage of global employees responding favorably to the "Willingness to report" question in an internal survey as an annual average, by 2025[4]	On track	On track	**On track**
Maintain 100% compliance to privacy and data protection regulatory requirements for active incident monitoring, risk/harm analysis and on-time notification of data breaches[5]	100% compliance maintained	100% compliance maintained	**100% compliance maintained**

[4] Favorable response indicates the percentage of respondents who respond "yes" to the question stating, "I am willing to report employee misconduct and potential ethics or compliance issues.

[5] Regulatory requirements differ by region.

Our priority United Nations Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) represent the international community's comprehensive action plan for “people, planet and prosperity.” The 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, serves as a shared framework for fostering peace and prosperity for both the planet and its inhabitants, with 17 SDGs at its core.

We recognize our significant role and responsibility in alleviating the burden of disease and enhancing access to medicines and vaccines globally. This commitment is why SDG 3 (Good Health and Well-being) is central to our business operations, aligning seamlessly with our mission to save and improve lives.

While every SDG is essential to fostering sustainable development, we have prioritized eight goals where we believe we can have the biggest impact. These are reflected at right.

+ *To learn more about how our progress aligns with the SDGs, please see page **136**.*

Access to Health

Central to our purpose to save and improve lives is our commitment to expanding access to health through strengthened health systems and paths to reach more people with our products. That commitment is embedded in our business strategies and across functions and geographies.

Topics covered in this section:

Goals	2024	TOTAL
Reach more than 50 million people in low- and middle-income countries and in underserved populations in high-income countries with our social investments by 2025[1]	11.4	66.2
Reach at least 75% of countries around the world annually with our products[2]	92%	
Enable 350 million more people to access our innovative medicines and vaccines globally through access solutions by 2025[3]	247.7	

[1] (a) Social investments include our Company's philanthropic partnerships, programs and impact investments. Underserved populations are defined as those that face gaps in care and health outcomes due to disadvantages related to insurance status, social determinants of health, race, ethnicity, gender identity/sexual orientation, age and/or language preference. The goal is cumulative across the reporting period of 2021-2025 and is independent of a baseline period. Actuals for each year to date are based on reports received between the 1st of March and the last day of February of the corresponding performance year.
(b) Third-party reporting is used to calculate the number of people reached through social investments. In some cases, third-party reports may include cumulative people reached for the reporting period, and/or data that is attributable to other partners as well as our Company's philanthropic investment.

[2] (a) "Countries" are as defined by the World Bank Country and Lending Groups. Includes only human health products.
(b) Reflects improved data capture through updated processes that now include previously unreported markets.

[3] The number displayed is for the year 2024 and provides information on the number of additional people who we estimate now have the option to access medicines and vaccines as a result of our sustainable access strategies, solutions and partnerships. These solutions include our commitment to Gavi and UNICEF (rather than doses shipped), collaborations to optimize resources in health systems, expanded financial coverage through insurance, and new community-based channel partnerships. "Innovative medicines and vaccines" refers to our Company's on-patent products. Enable "more people" is defined as populations supported by initiatives implemented and launched in market and will be in comparison to the baseline (2020) as of 2025. Evidence for metrics is sourced from publicly available data and proxy sources by market. While proxies differ by market, all methodologies are evaluated and represent our best estimate of people enabled to access innovative medicines and vaccines. People who were enabled to access innovative medicines and vaccines did not necessarily receive such innovative medicines and vaccines.

Our approach to access to health

We developed our **Statement of Guiding Principles on Access to Health** to steer our global approach. We work to:

- Invent medicines and vaccines that address global health needs where we can have the greatest impact (for more information, please see page **22**)
- Make available a reliable, safe global supply of quality medicines and vaccines, and invest in solutions to deliver timely access to our products in a responsible and sustainable manner (for more information, please see page **26**)
- Develop and implement sustainable access solutions that address barriers to affordability and enable more people to access our products (for more information, please see page **31**)
- Strengthen health systems and reduce barriers to quality care (for more information, please see page **38**)

These principles align to our Access to Health goals (see table above). Progress against these goals demonstrates our measurable and meaningful advancements in expanding access.

We collaborate to work with various stakeholders, including private enterprises, government agencies, multilateral and non-governmental organizations, to ensure our science advances health care. These collaborations are a vital part of our efforts to enable health care access that is affordable, efficient and sustainable around the world.

Reaching people with our medicines and vaccines

We reached 92% of countries with our products in 2024. To understand the reach and impact of our products, we track and report the number of people reached with our medicines and vaccines.

>450 M

People reached with our medicines and vaccines in 2024[1]

- Commercial channels
- Voluntary licensing
- Clinical trials
- Product donations

[1] This people reached metric estimates the number of people who have received a Merck & Co., Inc. product through commercial channels, clinical trials, voluntary licensing or product donations. Product donations include people reached through the MECTIZAN Donation Program, U.S. Patient Assistance Programs, and the Merck Medical Outreach Program. Sources of data are Merck & Co., Inc. and third-party data sets that are tracked within an enterprise-wide internal database. The people reached metric for all sources is calculated as doses sold divided by the average dose schedule for a given market in a given year. People taking multiple products may be counted as multiple people toward the total estimate. In some instances, this estimate may include people enabled to access our products through access solutions, which are calculated as part of our goal to enable access to our innovative medicines and vaccines (page **31**). The people reached metric does not include people reached through social investments, which are calculated as part of our goal to further advance access to health for populations in LMICs and groups with limited access to care in high-income countries (page **38**).

Enabling sustainable access and strengthening health systems

We also develop, test and implement market-based solutions that address barriers to access, enabling more people to access our medicines and vaccines. In addition, our social investments help to reduce barriers for populations underserved by health care globally.

>247 M

People enabled to access our innovative medicines and vaccines through access solutions in 2024[2]

- Commitment to UNICEF/GAVI
- External financing solutions
- Customer collaborations
- New access channels

>66 M

People, underserved by health care, reached through our social investments (2021-2024)[3,4]

- Merck for Mothers
- Impact investments
- Charitable contributions
- Health equity initiatives

[2] Metrics contributing to this goal are displayed on an annual basis and provide information on the number of people who now have the option to access medicines and vaccines as a result of our sustainable access strategies, solutions and partnerships, including our commitment to Gavi and UNICEF (rather than doses shipped), collaborations to optimize resources in health systems, expanded financial coverage through insurance, and new community-based channel partnerships. “Innovative medicines and vaccines” refers to our Company’s on-patent products. Enable “more people” is defined as populations in initiatives launched in markets as of 2025, in comparison to a 2020 baseline. Evidence for metrics is sourced from the best publicly available data and proxy sources by market. While proxies differ by market, all methodologies are evaluated and represent the best estimate of people enabled to access innovative medicines and vaccines. People who were enabled to access innovative medicines and vaccines did not necessarily receive such innovative medicines and vaccines.

[3] Social investments include our Company’s philanthropic partnerships, programs and impact investments. “Underserved populations” are defined as those that face health disparities due to disadvantages related to insurance status, social determinants of health, race, ethnicity, gender identity/sexual orientation, age and/or language preference. The goal is cumulative across the reporting period of 2021-2025, and is independent of a baseline period. Actuals for each year to date are based on reports received between 1 March and 28/29 February of the corresponding performance year.

[4] Third-party reporting is used to calculate the number of people reached through social investments. In some cases, third-party reports may include cumulative people reached for the reporting period, and/or data that are attributable to other partners as well as our Company’s philanthropic investment.

Addressing barriers to care across the Company

In 2024, we accelerated our efforts to expand access to health globally, establishing dedicated efforts within our business.

In the U.S., our teams are working to close critical gaps in care and to improve patients' access to timely information and services. This focus extends across our business functions, including: medical affairs, corporate affairs, marketing, business strategy, market research and market access. These teams have developed appropriate strategies for relevant therapeutic areas aimed at closing gaps in care among populations who face high disease burdens and high barriers to care.

For low- and middle-income countries (LMICs), we have created a dedicated team to drive broad access to our innovative medicines and vaccines in an economically sustainable way. LMICs are home to 85% of the world's population, but also to 90% of cervical cancer deaths and 80% of deaths from non-communicable diseases like diabetes, heart disease and cancer. We recognize traditional health care delivery methods are often insufficient to meet this need. There is opportunity to expand health care access in LMICs through rapid economic development, digital enablement and increased public and private health spending.

+ *Read more about these efforts on page **38**.*

We build accountability for access improvements into our governance. Our Executive Team and senior management review, refine and implement our long-term sustainability strategy, which includes our approach to global access. Our Strategic Policy & Sustainability Council (SPSC) provides oversight to ensure alignment with our strategic objectives.

+ *For more on the SPSC, please see page **11**.*

Our commitment to access is also part of our 2024 Company Scorecard and approved by the Board of Directors' Compensation and Management Development Committee. Our 2024 Company Scorecard incorporates certain sustainability metrics, including access to health metrics, which directly impact annual incentive pay for executives and most employees.

Policies:

Access to health statement of guiding principles

Antimicrobial resistance global action plan

Access to our vaccines

Access to investigational medicines

Charitable product donations

European Union health technology assessment regulation

Health technology assessment

Intellectual property

Real-world evidence

External charters, principles and initiatives that guide our work in our Access to Health focus area:

- AMR Industry Alliance: Common Antibiotic Manufacturing Framework
- AMR Industry Alliance: Industry Roadmap for Progress on Combating AMR
- Health for Animals: Antibiotics Commitment
- Declaration of Helsinki
- International Council for Harmonisation: Good Clinical Practice (ICH-GCP)
- International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code of Practice
- The Kigali Declaration on Neglected Tropical Diseases
- U.S. National Academy of Sciences: Guidelines for Human Embryonic Stem Cell Research

Discovery and invention

We invent medicines and vaccines to address vital global health needs where we can have the greatest impact.

As part of our R&D efforts, we collaborate with academic institutions, non-profit organizations, government entities, and other biopharmaceutical and biotechnology companies to help us further the latest science and bring leading-edge medicines and vaccines to patients.

Clinical trials are a critical part of how we advance those scientific innovations. We are committed to generating data that appropriately represent the population of patients our medicines and vaccines are designed to help and protect.

We evaluate our pipeline candidates' potential to address unmet medical needs and significant public health challenges. With our enterprise go-to-market model, when a candidate demonstrates such potential, our product development teams identify strategies to provide access to as many people across the globe as possible in an economically sustainable manner.

Finally, once approved, we strive to ensure our products are available in every country where we conducted clinical trials.

$17.9 billion
In total R&D expenses

84%
Of the top 20 global burdens of disease (GBD) addressed by our pipeline and products

75
Significant external R&D licenses and collaborations

>100,000
People reached through clinical trials in 65 countries

GRI/SASB disclosures in this section:

GRI 203 SASB 240a.1

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

+ *For more information on our R&D efforts, please visit the **Research & Products page** on our corporate website.*

Reflecting global health care needs in R&D

As defined by the global burden of disease (GBD) tools developed by the Institute for Health Metrics and Evaluation (IHME), our products address diseases that rank high on the list of worldwide causes of illness, disabilities and death. In addition, our vaccine and infectious disease research targets major burdens of disease, including in LMICs, where health care infrastructure may be resource-constrained.

We strive to discover treatments for diseases that affect people across a breadth of countries. Including our pipeline, the products we market and our external collaborations, we are seeking to address 84% of the top 20 GBD (road injuries are excluded from our calculation) as defined by the IHME.

One example is our research on cardiovascular disease, which the World Health Organization (WHO) identifies as the world's leading cause of death. More than 60 years ago, we introduced our first cardiovascular therapy, and our efforts to understand and treat cardiovascular-related disorders have continued, including with our investigational, once-daily oral proprotein convertase subtilisin/kexin type 9 (PCSK9) inhibitor, currently being evaluated in adults with hypercholesterolemia. Despite the invention of several well-established lipid-lowering therapies, millions of people globally do not achieve their desired low-density lipoprotein (LDL) cholesterol treatment goals, leaving them at risk for cardiac events. We are conducting Phase 3 studies evaluating our PCSK9 inhibitor, including for its potential to reduce cholesterol and improve cardiovascular outcomes.

R&D collaborations

In 2024, we entered into 75 significant external licenses, collaborations and acquisitions with a broad range of organizations, from early-stage science to clinical-stage programs. These collaborations are deemed "significant" because they involve an asset or technology with the potential to enhance our R&D capabilities or portfolio.

R&D investments and collaborations for diseases impacting LMICs

We have a strong legacy of infectious disease research, including for diseases that greatly impact people in LMICs like tuberculosis (TB), human immunodeficiency virus (HIV) and river blindness.

In 2022, we entered into a licensing agreement with the Gates Medical Research Institute (Gates MRI) for our discovery of two preclinical candidates for treating TB, which the WHO believes is the leading cause of death globally from an infectious agent. Our scientists discovered the compounds with support

Research and development	2020	2021	2022	2023	2024
Research and development expenses (in billions)[1]	$13.4	$12.2	$13.5	$30.5	**$17.9**
Top 20 global burdens of diseases addressed by our products and pipeline[2]	88%	71%	83%	83%	**84%**
Established significant external licenses and collaborations[3]	123	92	97	76	**75**

[1] (a) R&D expenses in 2020, 2021, 2023 and 2024 include charges of $2.7 billion, $1.7 billion, $17.1 billion and $3.6 billion, respectively, for certain business development transactions including acquisitions, collaborations and licensing agreements. R&D expenses in 2022 include $1.7 billion of intangible asset impairment charges.
(b) The historical results of the businesses that contributed to Organon & Co. in the 2021 spin-off have been reflected as discontinued operations in the Company's consolidated financial statements through the date of the spin-off and therefore are excluded from the 2020 and 2021 figures presented.

[2] All calculations for our Company's GBD impact are based on the latest IHME report available. Note that we do not include road injuries in our GBD accounting since they are not subject to pharmaceutical intervention.

[3] These partnerships are deemed "significant" because they involve an asset or technology with the potential to make an important enhancement to our R&D capabilities.

A breakthrough oral cholera vaccine through our Hilleman Laboratories collaboration

Our LMIC-focused R&D joint venture with the Wellcome Trust, Hilleman Laboratories, celebrated the launch of HILLCHOL in 2024. HILLCHOL, a new oral cholera vaccine, is the result of a partnership between Hilleman Laboratories and Bharat Biotech. Hilleman Laboratories developed the vaccine through Phase 2 clinical research before transferring it to Bharat Biotech. Bharat intends to pursue pre-qualification from WHO for HILLCHOL, enabling wider distribution globally. The WHO estimates there are 1.3 million to 4 million cases of cholera each year, with increased prevalence in part due to changing climate patterns.

from the Gates Foundation as part of the TB Drug Accelerator (TBDA), a collaboration among biopharmaceutical companies, research organizations and universities to accelerate new TB therapies. The licensing agreement with Gates MRI is an example of collaboration that can expedite drug candidates into novel combination TB regimens. Of note, one of those candidates, MK-7762, is currently in Phase 1 clinical trials.

When it comes to HIV, while the world has made tremendous progress, according to the 2024 Global AIDS Update from UNAIDS, an estimated 39.9 million people were living with HIV and 1.3 million people acquired HIV in 2023.

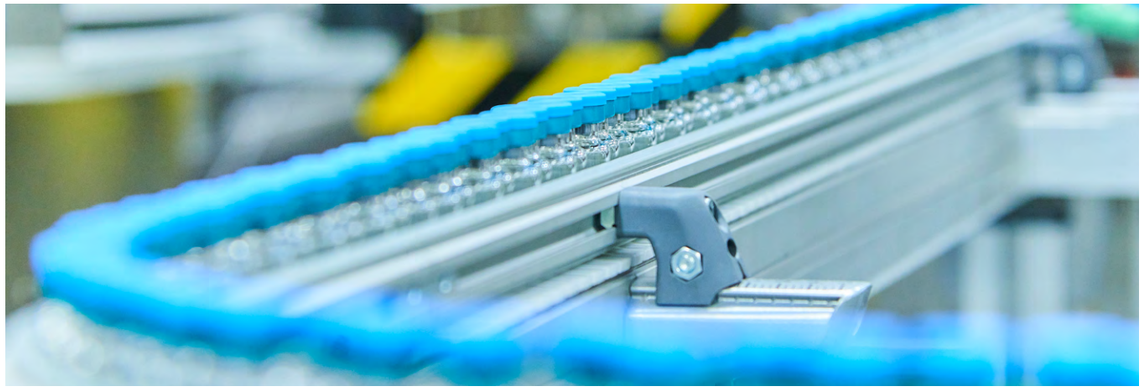
For more than 35 years, we have engaged in R&D efforts that have led to significant discoveries and transformed outcomes for people living with HIV. We continue to invest in the discovery and development of innovative HIV treatment and prevention options that support global efforts to reduce the incidence and burden of the virus. Our broad HIV pipeline includes a Phase 3 development program with a novel antiviral, islatravir, in a new once-daily, two-drug regimen with doravirine. As part of an agreement with Gilead Sciences, we also have an additional Phase 3 program evaluating an investigational, once-weekly oral combination treatment consisting of our antiviral islatravir and Gilead's lenacapavir. If approved, it would be the first long-acting oral combination option for the treatment of adults with virologically suppressed HIV infection. Finally, we are studying MK-8527, a potential once-monthly oral option to prevent new HIV infections.

New formulations

Innovation goes beyond new treatments and can often be key to expanding access. For example, the development of new formulations can broaden distribution of medicines and vaccines, including in resource-constrained health systems. Or, they can help treat earlier-stage diseases where health and economic impacts may be improved.

With a focus on reducing pill burden by investigating the potential to provide long-acting options to enhance the patient experience, we strive to deliver options that increase the ease of administering treatments, too. For example, in HIV, we are researching long-acting medications designed to reduce the frequency of administration, which may benefit patients and resource-constrained health systems. We're also investigating a potential subcutaneous administration of pembrolizumab with berahyaluronidase-alfa, which has the potential to improve the patient experience as well as increase access for patients and health care providers compared to intravenous administration.

In addition, we are collaborating on a potential new treatment option for malaria, an infection that disproportionately affects the WHO African Region with about 94% of all malaria cases globally and 95% of deaths. Sadly, the WHO notes that in 2023, children under 5 made up 76% of malaria deaths in the region. Importantly, there is also an alarming rise in resistance to existing malaria treatments. Our new antimalarial drug candidate, MK-7602, discovered through our longstanding collaboration with the Walter and Eliza Hall Institute and with funding from the Wellcome Trust, completed Phase 1a studies and is being assessed in a human challenge study in Australia.



Our early commitment to global supply and access in RSV

RSV is a contagious, widespread seasonal infection. Globally, RSV is the leading cause of hospitalization for healthy infants under a year old, and a major cause of death in LMICs. RSV can lead to serious respiratory conditions like bronchiolitis and pneumonia. In June 2025, the FDA approved our long-acting monoclonal antibody ENFLONSIA for the prevention of RSV lower respiratory disease in newborns and infants who are born during or entering their first RSV season.

Since our discovery of clesrovimab, our goal has been to facilitate global access to this intervention, especially since an estimated 95% of RSV infections and more than 97% of RSV-related deaths globally occur in resource-limited countries. We are diligently developing our regulatory and access strategies, as well as our supply chain, to be fit-for-purpose for LMICs by using diversified internal investments and external partnerships. We are working with urgency to submit licensure applications to address unmet needs for RSV prevention globally.

Systematic evaluation to inform product access strategies

In 2024, we incorporated our enterprise go-to-market model across a significant number of our pipeline programs as part of assessing their potential to address public health burdens and unmet medical needs, particularly in LMICs.

The insights from our assessment inform our product development and access strategies, with a focus on expanding the availability of our medicines and vaccines in an economically sustainable manner. Key to our model is the early identification of specific access requirements for different market segments. By using tailored strategies to address access barriers, we aim to maximize our products' reach while strengthening health systems.

Following a product's approval, we continuously reassess its potential to address disease, enabling us to adapt to changes in the external environment and to fulfill our mission to help as many people as possible.

Improving representation in clinical trials

In 2024:

- 339 late-stage studies, across
- 23,590 sites in >65 countries, and
- >100,000 people reached in clinical trials

Clinical trials are critical to advancing scientific innovations and to evaluating if drugs and vaccines are safe and effective. We are determined to expand access to our trials—including through increased representation among trial participants.

Increasing the representation of participants in clinical trials requires a comprehensive approach, which is why we are addressing a variety of associated factors.

For late-stage trials, we require plans to recruit patients who reflect the broad populations of people who will use our products. We include placement of U.S. study sites in communities with higher populations of individuals who have historically not participated in clinical trials. Further, we established a community advisory panel to gain firsthand insights and to incorporate the voice of community members and patients in our approaches to enrollment. Similarly, we've established a new role—research navigator—at a community site network and at four academic medical centers in the U.S. to aid in clinical trial awareness and building trust in the community.

Collaboration is a vital part of improving representation in our clinical trials, which is why we actively contribute to sponsorships that connect, support and train clinicians. For example, we are proud to help sponsor Equitable Breakthroughs in Medicine Development (EQBMED), an initiative that links sponsor companies and local, community-based clinical trial sites. In 2024, we also supported the Association of Clinical Research Professionals' training for about 75 clinical research professionals at trial sites in the U.S., Puerto Rico and Latin America.

We're also working to ease logistical barriers that make it difficult for some patients to visit clinical trial sites. For example, we're collaborating with Greenphire, a provider of global financial lifecycle management solutions for clinical trials. The organization's ClinCard debit card provides direct stipends and travel reimbursement or logistical support for clinical trial participants. Another collaborator is Unite Us, which connects trial participants to community resources that can help overcome barriers to clinical trial participation.

In addition, we have developed tools to reach study participants within their communities, such as our partnership with Acclinate, a leading organization focused on increasing awareness of clinical trials. We also implement novel tools and approaches to build relationships and reach potential study participants, such as through AI vendors that can support clinical trial sites with review of medical records to help match potential patients to trials.

Finally, consistent with the International Conference on Harmonisation: Good Clinical Practice (ICH-GCP) requirements, as part of the informed consent process, we make clinical trial participants aware of the compensation or treatment available to them and whom to contact in the event of a treatment-related injury. In addition, we maintain procedures that address the costs of treatment in the event of trial-related injuries, in accordance with applicable regulatory requirements.

Availability

We are committed to a comprehensive supply chain management strategy that ensures our products are available to patients around the world. Our supply chain addresses accessibility, agility, resilience, capability and sustainability on a global scale.

In 2024, we achieved a significant milestone by reaching 92% of countries with our medicines and vaccines supply, an increase from 79% in 2023 and greatly surpassing our goal of 75%. This achievement is largely attributed to improved data capture through updated processes, which now include previously unreported markets, allowing us to better identify and address gaps in supply. This marks the fifth consecutive year we've exceeded our Availability goal, reflecting our unwavering commitment to ensuring our life-saving products reach people when and where they need them.

Goal	2024
Reach at least 75% of countries around the world annually with our products[1]	**92%**

[1] (a) "Countries" are as defined by the World Bank Country and Lending Groups. Includes only human health products.
(b) Reflects improved data capture through updated processes that now include previously unreported markets.

GRI/SASB disclosures in this section:

GRI 203 SASB 240a.1 SASB 240a.2

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

As part of our ongoing commitment to ensure our products are available to those who need them, when they need them, we have set a line-item fill rate target of 95%. In 2024, we continued to exceed expectations, achieving an outstanding 99% line-item fill rate, meaning 99% of orders shipped on time and in full. This metric is a key indicator of our ability to fulfill customer orders completely and on time.

Availability	2020	2021	2022	2023	**2024**
Countries around the world reached with our products[1]	78%	79%	76%	79%	**92%**
Orders shipped on time and in full	98%	98%	98%	98%	**99%**

[1] (a) Increase reflects improved data capture through updated processes that now include previously unreported markets.
(b) Countries as defined by the World Bank Country and Lending Groups. Includes only human health products.

Registering medicines and vaccines where there is need

Product registration and prequalification

We seek to ensure global access to our medicines and vaccines by maintaining up-to-date product registrations around the globe. In 2024, we registered 213 products and devices, with most of these in low- and middle-income countries (LMICs) in the Asia Pacific, Central and Eastern Europe, Middle East and Africa, and Americas regions.

In addition to having our medicines and vaccines approved by regulatory authorities, we also pursue World Health Organization (WHO) prequalification for certain medicines and vaccines so they can be more easily procured by and distributed to LMICs. The table to the right summarizes the registration and WHO prequalification status of a select list of our medicines and vaccines.

The WHO prequalification program helps ensure that products meet quality standards, and helps United Nations agencies procure safe and effective products for LMICs. WHO's prequalification program covers routine vaccines and medicines for a wide range of clinical areas critical to patients in low-resource settings, such as HIV/AIDS, malaria, TB, hepatitis, diarrheal diseases and select neglected tropical diseases.

Products prequalified by WHO	**International nonproprietary name (INN)**	**Date of prequalification**	**Number of countries prequalified in 2024**
Vaccines			
M-M-R®II	Measles, Mumps, Rubella Virus Vaccine Live	January 2009	71
ROTATEQ®	Rotavirus Vaccine, Live, Oral, Pentavalent	October 2008	105
GARDASIL®	Human papillomavirus vaccine [types 6, 11, 16, 18] (recombinant, adsorbed)	May 2009	124
GARDASIL® 9	Human papillomavirus 9-valent vaccine (recombinant, adsorbed)[1]	February 2018	97
VARIVAX®	Varicella Virus Vaccine Live (first varicella vaccine to receive WHO prequalification)	February 2018	87
ERVEBO®	Ebola Zaire Vaccine, Live	November 2019	46
HIV/AIDS treatments			
STOCRIN®	Efavirenz (600 mg tablet, Oral Solution 30 mg) Efavirenz (50 mg tablet, 200 mg tablet)[2]	May 2006, May 2008	43

[1] Not currently available through UNICEF procurement; awaiting vaccine vial monitors (VVM).

[2] MSD withdrew the WHO prequalification in September 2024.

Product registration	2020	2021	2022	2023	**2024**
Annual product registrations[1]	79	141	156	159	**213**
Products that have WHO prequalification status[2]	13	7	7	7	**6**
Patent applications filed in low-income countries[3]	0	0	0	0	**0**

[1] Data include new products and new indications.

[2] (a) Three products previously reported are no longer part of the Company's product portfolio due to the Organon & Co. spin-off in 2021.
(b) Three GARDASIL® products that had been previously reported separately are reported as one product starting in 2021.

[3] Countries classified as low-income countries in the 2023 World Bank Country and Lending Group classifications.

Manufacturing and supplying vaccines

We have specific strategies in place to enhance the availability of vaccines.

In the last few years, various countries have introduced new or expanded routine vaccination programs, creating unprecedented increases in global vaccine demand. To meet this, we continue to expand our capacity and supply capabilities. We plan to invest approximately $20 billion from 2024-2028 in supply-related capital projects, including expanding manufacturing capacity, with a portion dedicated to vaccines. We also continue to invest in manufacturing and end-to-end supply improvements to help ensure a sustainable, reliable supply of quality vaccines.

Enhancing data and decision-making for inventory planning

We recognize the importance of integrated access planning, data and decision-making throughout the supply chain. A coordinated approach ensures the availability of products through streamlined processes, which in turn fosters efficiency and responsiveness to global health challenges.

To improve efficiency and responsiveness, we have developed new methodologies that model demand and capacity. These approaches help us navigate supply chain complexities with strategic foresight and acumen, setting the stage for further supply chain advancements to meet patient demand.

Supply chain strategy: Expanding availability

Our supply chain strategy includes levers to help expand the availability of our medicines and vaccines globally, including increasing local manufacturing capacity, implementing innovative product optimization models and improving supply chain resilience through digital capabilities.

Increasing capacity with local manufacturing

Our approach focuses on bringing manufacturing and distribution closer to demand centers. This strategy enhances supply chain efficiency, improves on-time delivery and contributes to reducing carbon emissions.

We have several collaborations with producers to transfer our technical expertise for local manufacturing. These collaborations also empower local economies by creating jobs and ensuring the availability of critical medicines and vaccines. For example, in alignment with the HPV National Immunization Program in Indonesia, in 2022, we entered a pivotal partnership with state-owned manufacturer Bio Farma to transfer technology for our 4-valent HPV vaccine. By establishing local manufacturing capabilities, we enhanced distribution of the vaccine in Indonesia. The partnership's increased capacity is projected to yield an additional 10 million doses of HPV vaccines in Indonesia in 2025, which is critical given the high prevalence of certain HPV-related cervical cancer in the country.

Thanks to our partnership with Instituto Butantan—a nonprofit producer of immunobiologic products for Brazil—we are fostering local innovation and technical knowledge that will enable the organization to produce HPV vaccines and hepatitis A vaccines for Brazilians. Part of a long-term agreement to supply the vaccines to the Brazilian government while working toward a transfer, the progress toward local manufacturing has allowed the country to increase availability.

To date, vaccines we produced as part of the Butantan partnership have reached more than 5,600 Brazilian municipalities with more than 80 million doses of HPV vaccines and 36 million doses of hepatitis A vaccines.

Using innovative models to lower costs

We continuously strive for product optimization or find new ways to reduce manufacturing costs while maintaining quality and improving availability. One example is our development of a GARDASIL® 9 multi-dose vial. This innovation reduces production costs while optimizing manufacturing capacity, allowing us to meet the growing demand for vaccines in LMICs.

Through supply chain redesign, we are addressing accessibility challenges for infectious diseases prevalent in LMICs. For example, in partnership with Hilleman Labs, we are developing a more thermostable and cost-effective formulation of our ERVEBO® (Ebola Zaire Vaccine, Live) vaccine for Zaire ebolavirus. These advancements enable distribution in challenging storage conditions and reflect our commitment to delivering health solutions to populations who can benefit.

From challenges to solutions with digital tools

Our focus on resilience ensures our manufacturing is ready to respond to those in need during crises. By proactively identifying risks and implementing mitigation strategies, we maintain continuous supply despite challenges such as geopolitical events, natural disasters or pandemics. From rerouting shipments to deploying agile cold-chain technologies, our supply chain's strength lies in its ability to adapt quickly and ensure uninterrupted delivery of critical medicines and vaccines. These efforts are supported by our robust digital capabilities, which provide real-time insights into product flow and improve responsiveness.

Digital innovation is critical for both security and resilience in our supply chain. Through inventive digital capabilities, such as blockchain and serialization, we continue to improve our Patient Access Programs in the Asia Pacific region. This initiative aims to enhance access to our oncology portfolio by ensuring product security and compliance with health authorities' requirements.

We also continue to enhance traceability, security and efficiency for our products. Our digital tools seamlessly track our medicines and vaccines, preventing disruptions while ensuring product integrity and compliance with health authorities. These innovations are a testament to our use of technology to improve the reach and reliability of our supply chain.

Together, these strategies demonstrate how we are reimagining the supply chain to drive access to our products.

Affordability and sustainable access

Inspired by our former CEO, George W. Merck, who once said, "We can never rest until a way has been found to bring our finest achievements to everyone," we are working toward a world where everyone, everywhere, can receive the medicines or vaccines they need, when they need them. In addition to strengthening the availability of our products through supply chain innovations and other initiatives, we strive to create sustainable access to our innovative products by addressing affordability and other barriers to care.

Grounded in a deliberate, systematic approach, Merck develops, tests and implements market-based solutions that allow us to serve the greatest number of patients today, while meeting the needs of patients in the future. Where appropriate, we pursue these solutions in collaboration with private enterprises, government agencies, multilateral and non-governmental organizations. When market-based affordability solutions are inadequate or unavailable, we pursue programs to provide direct access to our medicines and vaccines, including product donations and patient assistance programs.

GRI/SASB disclosures in this section:

GRI 203	SASB 240a.1

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Having exceeded our initial goal in 2023, we have now set a new goal to enable 350 million more people globally to access our innovative medicines and vaccines by 2025—and we are well on our way. To reach this goal, we are building health care capacity, strengthening channels for care delivery and fostering sustainable financing.

+ *For more information on how these solutions are improving affordability, please see "How we enable affordability and sustainable access to our innovative medicines and vaccines" on page **32**.*

Enabling access to our medicines and vaccines (millions)	2020	2021	2022	2023	**2024**
Enable 350 million more people to access our innovative medicines and vaccines globally through access solutions by 2025.[1]	NR	66.7	189.2	240.0	**247.7**
People reached globally through product donation and patient assistance programs and partnerships (estimate includes Mectizan).[2]	268.3	197.3	359.2	385.2	**292.2**

NR: Not Reported.

[1] Metrics contributing to this goal are displayed on an annual basis and provide information on the number of people who we estimate now have the option to access medicines and vaccines as a result of our sustainable access solutions. These solutions include our supply commitment to Gavi and UNICEF (rather than doses shipped), collaborations aimed at increasing the capacity of hospital systems for cancer diagnosis and care innovative insurance solutions, and expanding channels through which people can access vaccines through local organizations. "Innovative medicines and vaccines" refers to our Company's on-patent products. Enable "more people" is defined as populations supported by initiatives implemented and launched in market and will be in comparison to the baseline (2020) as of 2025. Evidence for metrics is sourced from publicly available data and proxy sources by market. While proxies differ by market, all methodologies are evaluated and represent our best estimate of people enabled to access innovative medicines and vaccines. People who were enabled to access innovative medicines and vaccines did not necessarily receive such innovative medicines and vaccines.

[2] Includes people reached through the MECTIZAN Donation Program, the MMOP, and the U.S. Patient Assistance Program. Total people reached with the MECTIZAN Donation Program increased in 2023 as partner countries continued to resume additional MECTIZAN distribution following disruptions due to the pandemic. Total people reached with the U.S. Patient Assistance Program fluctuate annually due to variations in the products offered and shifts within the healthcare landscape. For more information on the details related to the people reached through donations, please see page **36**.

How we enable sustainable access to our innovative medicines and vaccines

We strive to find sustainable, impactful solutions to expand access to our innovative medicines and vaccines. We remain committed to our goal to enable 350 million more people to access our innovative medicines and vaccines through access solutions by 2025. In 2024, we made steady progress, enabling access for more than 247 million people (see page **31**).

Our Sustainable Access Solutions (SAS) team is dedicated to accelerating access by evolving our capabilities, creating globally available frameworks and capturing learnings across countries. This team also advocates for greater stakeholder collaboration that enables us to develop, test and scale innovative solutions for today and into the future. Through innovative partnerships with a broad range of cross-industry partners, we also ideate new ways to enable patient access—working with health authorities, employers, insurers, non-governmental, community-based and advocacy organizations on creative, tailored solutions to recurring health care barriers.

Driving health care innovation through customer collaborations

Many health care systems face significant challenges, including long wait times and capacity constraints that hinder timely diagnosis and treatment. In response to these issues, we collaborate with health care and service providers across Europe, Latin America and Asia to identify barriers and develop innovative solutions that enhance the efficiency and sustainability of health care systems.

Using our expertise in oncology and our comprehensive understanding of the wider health care ecosystem, we engage in non-promotional collaborations with providers to analyze and address constraints in cancer patient pathways. Our goal is to enable greater access to care and optimize resource use, making a difference for people and patients worldwide.

A prime example of our work in sustainable access solutions is currently underway in France. We entered into 16 collaborations aimed at optimizing cancer treatment pathways, with a particular emphasis on enhancing capacity for infusion treatments, for example, through an increase in scheduling capacity. This is not only increasing activity and streamlining patient flow within the infusion unit, but also enhancing the overall experience for patients.

In Canada, we engaged in 13 collaborations supporting institutions in pathway optimization, focusing on reducing time to diagnosis and time to treatment for lung cancer across five provinces in the country. We also expanded collaborations in five countries in mid-Europe to identify bottlenecks and reduce time to diagnosis in lung cancer pathways.

Financing health care

One of the most persistent barriers to treatment in low- and middle-income countries (LMICs) is the high out-of-pocket cost for critical illnesses, limiting patient access to life-saving therapies. In addition to our extensive philanthropic actions and partnerships, we also work with reinsurers and insurance providers to design innovative, affordable health insurance solutions that expand coverage and affordability for cutting-edge cancer treatments.

By expanding the reach of insurance solutions, we aim to remove financial barriers for patients. This collaborative approach underscores our commitment to shaping a more inclusive health care ecosystem—one that leverages cross-sector collaborations to create sustainable, long-term access and affordability solutions at every level of our business.

An example of our action in this area is our current work in China, where we are collaborating with public health authorities to offer immunotherapy financing through supplemental medical insurance, driving greater health care inclusion.

Empowering employers to advance access

We recognize employers play a crucial role in fostering a healthy workplace, not only in maintaining healthy physical environments, but also the promotion of health, empowerment, education and self-care among employees for their well-being.

One example of this work is our commitment to driving workplace action for cancer care and prevention. As a founding partner of the Working with Cancer Pledge since 2023, Merck is dedicated to supporting professionals as they navigate a cancer diagnosis and to breaking the stigma associated with cancer in the workplace. In 2025, on World Cancer Day, we announced our **commitment** to further enhance support for employees by facilitating access to WHO-recommended cancer screenings.

Throughout 2024, we led by example and ensured our impact extended beyond our Company. We collaborated with companies across Europe, the Middle East and Latin America to support employees by promoting awareness and providing cancer prevention solutions, particularly when it comes to cervical cancer. By encouraging companies to go beyond cancer care to focus on cancer prevention, we are not only championing better conditions for professionals dealing with cancer, but also actively working to prevent it.

New community-level access channels

We continuously seek to forge strategic partnerships with health care professionals who have the potential to enhance awareness, accessibility and affordability of our products. These partnerships support populations who traditionally have been unable to access innovative medicines and vaccines.

For example, we collaborate with a health care provider who operates across nine African countries to reimagine the prevention, screening and treatment of cervical cancer.

We are a sponsor of **Investing in Innovation (i3)**, a pan-African initiative to support the commercialization and impact of 60 promising early- and growth-stage African health innovator companies. A global network of industry players, donors and international organizations sponsors the initiative to support high-potential startups who aspire to transform the accessibility, affordability, quality and visibility of health products at scale across Africa. i3 seeks to advance market access for startups traditionally excluded from funding and support.

Our commitment to Gavi, the Vaccine Alliance (Gavi) and UNICEF to supply low- and middle-income countries

We are deeply committed to expanding access to vaccines and working with UNICEF to procure affordable vaccines for Gavi-supported countries. Gavi is a global public-private partnership that has made significant strides in immunizing children and reducing child mortality in LMICs. Gavi also provides funding support for health systems and global stockpiles of crucial vaccines for Ebola, cholera, meningitis and yellow fever.

UNICEF, a member of Gavi's Board, is the world's largest buyer of vaccines for low-income countries and plays a pivotal role in immunization programs in Gavi-supported countries. UNICEF's Supply Division procures most Gavi-funded vaccines, ensuring their distribution.

For example, to increase access to GARDASIL, which helps prevent certain HPV-related cancers and diseases, we offer the vaccine to countries supported by Gavi at an access price. Through a long-term agreement with UNICEF, we have committed to provide over 115 million doses of our HPV vaccine for use in Gavi-supported countries from 2021-2025.

In addition, for 2021-2025, we committed to extend our current Gavi access price for GARDASIL to Gavi-transitioned countries with a per-capita gross national income not exceeding $3,200. This greatly assists in expanding and sustaining access in middle-income countries that have transitioned out of Gavi support. We believe our pricing approach for Gavi-supported and transitioned countries—in conjunction with our commitment to partner with stakeholders to strengthen resilience of immunization programs—contributes to broader access to our vaccines worldwide.

ERVEBO® is the world's first U.S. Food and Drug Administration (FDA)-approved, WHO-prequalified vaccine for the prevention of Zaire Ebolavirus disease. Through our agreement with UNICEF, we have built an estimated 500,000-dose ERVEBO stockpile, and we continue delivering licensed doses to maintain it. As of March 2025, the vaccine is approved in 11 African countries.

Our pricing approach

We believe it is possible to have a pricing system that allows patients to access the latest products while sustaining leading-edge scientific research for future medical innovations. We have a long history of making our medicines and vaccines affordable through responsible pricing practices and industry-leading patient access programs. We are working to bring our products to more people globally in ways that are as affordable as possible. While each situation varies based on unique circumstances and market dynamics, generally we consider:

- Value to patients
- Value to health care systems
- Unmet need
- Access
- R&D sustainability
- Competition

Voluntary licensing

We have experience working with generic manufacturers on global health concerns. Over the last several years, we put this experience to work addressing COVID-19 globally. From the early days of COVID-19, and continuing through 2024, we have helped solve the significant unmet medical need globally through a multi-faceted strategy to enhance access to our investigational COVID-19 oral treatment following regulatory authorization:

- We entered into advance purchase agreements with the governments of more than 40 countries to provide our investigational COVID-19 oral treatment through a tiered-pricing approach based on World Bank criteria to reflect countries' relative ability to finance their health response to COVID-19.
- We signed voluntary license agreements during the clinical development process with multiple Indian generic manufacturers and the Medicines Patent Pool, to accelerate affordable access to generic versions of our medicine in more than 100 LMICs. These licenses and local manufacturing partnerships cover approximately 90% of the population in LMICs.
- We allocated up to 3 million courses of our medicine to UNICEF for LMICs as a "bridge strategy" until the voluntary licensees were ready. This access solution represented approximately 30% of our initial global supply at launch. This strategy has minimized the gap between high-income countries and LMICs. We have extended the UNICEF agreement until the end of 2025.

We welcomed the Gates Foundation's 2021 commitment of **$120 million** to accelerate access to generic versions of our medicine. This commitment complemented our voluntary license agreements and highlights the importance of actions from multiple stakeholders. Through our licensing agreements with generics manufacturers and the Medicines Patent Pool, as of the end of 2024, more than 6 million courses of more affordable generic therapy have been shipped to 29 LMICs covered under the agreements.

Public policies that improve access and affordability

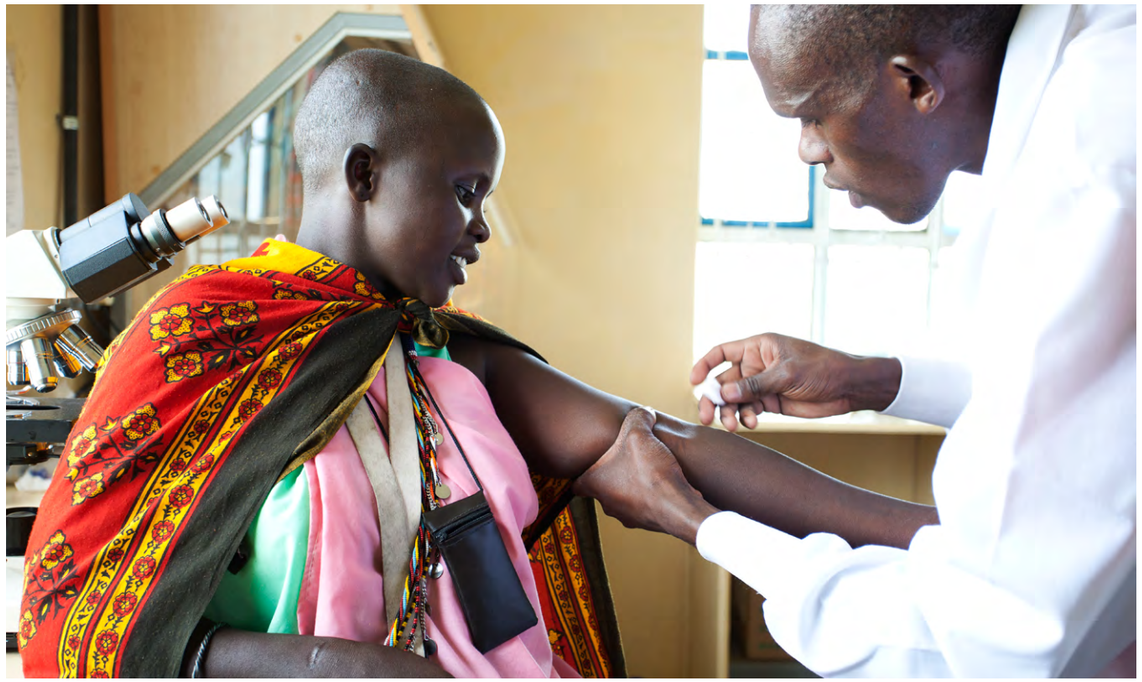
Public policies, including laws and regulations, directly and indirectly affect access and affordability. We are committed to promoting sound policies that drive the sustainability of health care systems. We collaborate with governments, industry associations, trade and economic forums, think tanks, academia, advocacy organizations and multilateral organizations. Together, we analyze the impact of current and proposed policies, formulate new proposals, disseminate best practices and promote evidence-based policy solutions at the global, regional and local levels.

We use global and regional platforms, such as the G7, the G20 and the Asia-Pacific Economic Cooperation (APEC), to advocate for sustainable financing for health care and underscore that investment in health is critical for social and economic development. Additionally, we work at national and local levels to translate commitments, best practices and new ideas into robust policies that improve funding for health and, ultimately, access and affordability.

Examples of our work at the global level include advocacy for the G20 to prioritize investment in non-communicable diseases and to promote sustainable and diversified sources of funding and financing. We put forward policy recommendations for G20 working groups and task forces through multiple channels. These include the **Think20 event**, the **Health20 Summit** and collaborations with advocacy organizations such as the **NCD Alliance** and the **G20 and G7 Health and Development Partnership**. Examples of our recommendations can be found in this T20 **policy brief** and the **Roadmap to Sustainable Finance in Health**. We also collaborated with the G20 and G7 Health and Development Partnership to advocate for cancer prevention and immunization commitments across G7 and G20 member governments at the Health20 Summit, and worked together on a roundtable event at the United Nations General Assembly to accelerate progress on the WHO's call to action on cervical cancer elimination.

At the regional level, we promoted proven and innovative mechanisms for sustainable immunization financing in APEC economies as outlined under the **Action Plan on Vaccination Across the Life-Course**. We supported the APEC Health Working Group's **Recommendations for Collaboration on Cancer Control**, which includes examining the nature and adequacy of public funding for national cancer control plans, with a view to maximize government funds and identify innovative and alternative funding models. This initiative has helped further discussions with policymakers within the APEC economies.

We also work with organizations to strengthen the infrastructure needed to improve access to and funding for cancer prevention and care. For example, we are members of the Access to Oncology Medicines (**ATOM**) Coalition, a global initiative with over 40 partners across the private and civil society sectors, to reduce cancer-related suffering and deaths by addressing barriers to affordability, as well as appropriate use of oncology medicines in LMICs. In partnership with the Union of International Cancer Control and ThinkWell,



we supported a master course on **Financing for Universal Health Coverage in the Context of Cancer Control** aimed at upskilling civil society organizations, including representatives of cancer societies and patient groups, and those engaged in cancer policy work and research.

We also support research on strengthening the economic case for investing in immunization. For example, we collaborated with the Global Coalition on Aging (**GCOA**) to develop a report on The Role of Healthy Aging and Adult Immunization in Achieving Fiscal Sustainability and Economic Growth across the APEC region.

To achieve sustainable access, health care resources must be used in a more efficient way. This transformation can only be achieved by learning and progressing together with cross-industry partners. We are contributing to the **Global Innovation Hub Expert Review Committee** as an advisor to the group. Through our efforts to assist and learn from health care systems that have embraced value-based care, we aim to inspire and encourage other systems to adopt and implement strategies and models that prioritize health care value.

Donating medicines and vaccines when and where needed

When market-based solutions are inadequate or unavailable to address affordability, we pursue programs to provide our medicines and vaccines, including product donations and patient assistance programs. In 2024, we reached over 292 million people with product donations through the MECTIZAN Donation Program, the U.S. Patient Assistance Program, and the Merck Medical Outreach Program (MMOP) for disaster relief and humanitarian aid.

The U.S. Patient Assistance Program

The U.S. Patient Assistance Program provides certain medicines and adult vaccines free of charge to eligible individuals who do not have prescription drug or health insurance coverage. This is consistent with our long-held values and tradition of putting patients first.

Product donations	2020	2021	2022	2023	**2024**
Product donations through our U.S. Patient Assistance Program (U.S. dollars in millions)[1]	$1,603	$1,455	$1,685	$1,570	**$1,736**
Product donations for ex-U.S. programs and U.S. disaster relief (U.S. dollars in millions)[2]	$1,280	$284	$97	$258	**$215**

[1] The totals reflect the product donation volumes of our U.S. Patient Assistance Program from 2020 to 2024. These totals fluctuate annually due to variations in program dispensing volumes and the products offered through the program.

[2] (a) In 2021, we stopped reporting on the market value of donated MECTIZAN, leading in large part to a decrease in our overall reporting of the value of product donations for ex-U.S. programs.
(b) Includes MMOP (including U.S. disaster relief), and MSD regional donations.
(c) In 2022, the products donated through MMOP to our NGO partners were valued at $66.2 million in support of the Ukraine crisis specifically and another $26.9 million were donated to other countries outside of the U.S. via our MMOP partnering NGOs.

People reached through donation programs	2020	2021	2022	2023	**2024**
People reached globally through product donation and patient assistance programs and partnerships (estimate includes MECTIZAN)[1]	268.3	197.3	359.2	385.2	**292.2**
People reached through the MECTIZAN Donation Program[1]	267.8	197.0	358.9	385.0	**292.0**
Patients utilizing our U.S. Patient Assistance Program (in millions)[2]	0.190	0.130	0.113	0.129	**0.093**
People reached through the MMOP (in millions)[3]	0.283	0.139	0.119	0.042	**0.036**

[1] "People reached" is defined as people who received a medicine or vaccine through the MECTIZAN Donation Program, U.S. Patient Assistance Program or the MMOP. Estimated figures assume all product reached patients, and are based on converting volume of medicines and vaccines donated. This estimate calculates the number of people who accessed the treatment and is therefore a sub-set of treatments approved. All MDP product donation requests from countries for implementation in 2024 were fully supplied. 2024 showed a decrease year over year as countries where the MDAs were planned in early Q1 2024 were supplied end of the year 2023 and were reported in 2023 donation data.

[2] Total people reached with the U.S. Patient Assistance Program fluctuate annually due to variations in the products offered through the program and shifts within the healthcare landscape.

[3] (a) Estimated figures, which assume all product reached patients, are based on converting volume of medicines and vaccines donated. Conversion factors for this estimate were developed using a combination of IQVIA SMART Data and U.S. product information found on our product website.
(b) Decline in patients reached in 2021 and 2022 relative to 2020 and prior years is primarily due to the decreased availability of certain products offered for donation because they moved to Organon in the 2021 spin-off, and global needs changed. In 2023, the decline in patients reached compared to 2022 can be attributed to the higher average dose per patient annually of the products donated for chronic diseases.

The MECTIZAN Donation Program

The MECTIZAN Donation Program is the longest-running drug donation program for neglected tropical diseases. We have committed to providing as much MECTIZAN as needed for as long as it's needed to treat river blindness globally through the MECTIZAN Donation Program.

Our donation commitment has expanded over the years to include the treatment of lymphatic filariasis. Since the program's inception, we have donated over 5 billion MECTIZAN treatments and have made significant impacts on health systems in some of the hardest-to-reach communities around the world. The MECTIZAN Donation Program is one of the most successful public-private health partnerships of its kind.

+ *For more information, please see the **MECTIZAN story** on our corporate website, and the MECTIZAN Donation Program **website**.*

Disaster relief and humanitarian assistance

It can become especially difficult for global communities to address affordability during natural disasters and humanitarian crises. We look to local authorities and humanitarian relief agencies to first assess the need and then to respond in a timely, coordinated manner. To meet immediate needs, we provide aid through financial and product donations.

Additionally, we recognize the rising impact of climate change on health. We collaborate to mitigate that impact through our environmental stewardship and compliance and by advancing novel medicine and vaccine candidates to address diseases with an increasing prevalence due to changing climate patterns. Our collaborations extend to humanitarian disaster response efforts and strengthening resilience in health systems.

2024 was a significant year for natural disasters driven by climate change and human conflict. In response to these events, we donated essential products and joined global and regional actors to provide immediate emergency response, rebuild damaged health systems and strengthen long-term disaster preparedness and response capacity.

Our MMOP is the primary way we donate our medicines and vaccines for global disaster relief and humanitarian assistance in LMICs. In 2024, we reached an estimated 36,000 people through the MMOP. The MMOP expands access to our products, particularly in LMICs, by donating medicines and vaccines to a limited number of qualified, U.S.-based NGO partners. The scope and reach of the MMOP varies from year to year and is influenced by changing medical needs in LMICs, the quantity of our medicines available for donation and the unpredictable nature of emergencies or disasters.

Afya Program

Merck Animal Health provides ongoing support and vaccine donations toward combating rabies through the Afya Program. To help support rabies-elimination efforts, Afya provides vaccines donations to our nonprofit partners, including Rabies Free Africa in Tanzania and Mission Rabies in Asia, Africa and beyond. In 2024, we celebrated the milestone of donating 6 million rabies vaccine doses through the program since its inception.

+ *Read more about the Afya Program **here**.*

We received the **2024 Global Citizen Award** from International Medical Corps in recognition of our decades-long support of global health access and emergency response.

In 2024, we reached over

292 million

people with our MECTIZAN donations.

Strengthening health systems and addressing barriers to health care

Our focus on strengthening health systems and addressing barriers to health care aligns with our deepest-held values. We strive to reduce barriers for communities facing long-standing challenges in getting quality care globally. We believe that by working closely with governments, donors, patient groups, health care professionals, nonprofit organizations, academic institutions, multilateral organizations and private enterprises, we can build stronger health systems that provide better care.

>66 million
People, underserved by health care, reached through our social investments (2021-2024) (p. **39**)

$43 million
In social investments to strengthen health systems in 2024

GRI/SASB disclosures in this section:

GRI 203 SASB 240a.1

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Goal	2024	Total
Reach more than 50 million people in low- and middle-income countries and in underserved populations in high-income countries with our social investments by 2025 (in millions)[1]	11.40	**66.20**

[1] (a) Social investments include our Company's philanthropic partnerships, programs and impact investments. "Underserved populations" are defined as those that face gaps in care and health outcomes due to disadvantages related to insurance status, social determinants of health, race, ethnicity, gender identity/sexual orientation, age and/or language preference. The goal is cumulative across the reporting period of 2021-2025 and is independent of a baseline period. Actuals for 2024 and for each year in the total to date are based on reports received between the 1st of March and the last day of February of the corresponding performance year.
(b) Third-party reporting is used to calculate the number of people reached through social investments. In some cases, third-party reports may include cumulative people reached for the reporting period, and/or data that are attributable to other partners as well as our Company's philanthropic investment.

Our approach to strengthening health systems and addressing barriers to health

In 2024, we provided $43 million in social investments to address health equity through philanthropy, strategic collaborations and impact investing. Our investments improve access to health around the world by addressing the barriers that many individuals face in seeking and receiving high-quality health care.

As noted in the table to the right, our 2024 social investments reached 11.4 million people in LMICS and underserved populations in high-income countries. That brings our four-year total (2021-2024) of people reached to 66.2 million, exceeding our goal to reach more than 50 million people by 2025. We also track the number of health care workers trained through the initiatives we support. In 2024, our partners trained an estimated 38,000 workers—extending our impact for years to come.

Our social investments are guided and reviewed by expert advisory bodies, including an internal Impact Investing Committee; an internal Economic Inclusion, Workforce Development and Health Equity Council; and external advisory committees for the MECTIZAN Donation Program and Merck for Mothers.

Addressing barriers to health	2020	2021	2022	2023	**2024**	**Total**
Reach more than 50 million people in low- and middle-income countries and in underserved populations in high-income countries with our social investments by 2025 (in millions)[1]	N/A	15.0	18.6	21.2	**11.4**	**66.2**
Annual investment in partnerships, programs and impact investments that support health care capacity building and address underlying barriers to access to health (in millions)[2]	$49	$36	$38	$44	**$43**	—
Number of health care workers trained through major partnerships, programs and impact investments (estimated in millions)[3]	0.080	0.097	0.315	0.349	**0.038**	—

[1] (a) Social investments include our Company's philanthropic partnerships, programs and impact investments. "Underserved populations" are defined as those that face gaps in care and health outcomes due to disadvantages related to insurance status, social determinants of health, race, ethnicity, gender identity/sexual orientation, age and/or language preference. The goal is cumulative across the reporting period of 2021-2025 and is independent of a baseline period. Actuals for 2024 and for each year in the total to date are based on reports received between the 1st of March and the last day of February of the corresponding performance year.
(b) Third-party reporting is used to calculate the number of people reached through social investments. In some cases, third-party reports may include cumulative people reached for the reporting period, and/or data that are attributable to other partners as well as our Company's philanthropic investment.

[2] Represents investments made by our Office of Social Business Innovation. Starting in 2023, this number also includes cash giving for disaster relief.

[3] (a) Increase in 2022 driven by Merck for Mothers training programs scaled through digital delivery and with integration into national training campaigns.
(b) The 2024 annual total for data on providers trained through social investments is lower than past years due to the nature of projects reporting for the 2024 period.

Global impact and community investments

Our approach to philanthropic investments is guided by these key principles:

- Meeting critical global health needs
- Promoting access to care by helping to reduce health disparities in communities with limited access to care
- Collaborating with an array of partners across sectors to build healthier, stronger communities
- Using our range of resources (financial, product and expertise) to improve access to health

Established in 1957, **our Foundation** is funded entirely by our Company and is our chief source of financial support for qualified, eligible non-profit organizations whose programs align with our philanthropic priorities. Since its inception, our Foundation has supported innovative programs and partnerships to improve the health and well-being of people around the world. For example, it has invested in multi-year programs to improve access to high-quality care for people living with cancer. The Foundation's U.S.-based initiative—the **Alliance for Equity in Cancer Care** is working to address persistent cancer disparities by helping improve the delivery of high-quality and culturally responsive care in underserved communities across the country. With a $20 million commitment over five years (2022-2026), the Foundation is supporting the design and implementation of innovative, comprehensive programs that help improve patient outcomes by meeting individuals' medical and social needs.

The Foundation also supports programs that improve the delivery of cancer care in low- and middle-income countries (LMICs). Through an $11 million commitment over six years (2023-2028) to University of New Mexico (UNM) Health, the Foundation is supporting **Project ECHO**®, a global movement to democratize knowledge and expand access to best-practice care. With our support, Project ECHO's teams are training and mentoring more than 33,000 local health workers and bringing high-quality care to an estimated 11 million people living with cancer in communities across India, Indonesia, Malaysia and Vietnam.

We supported social investments globally that delivered health communications campaigns, strengthened digital platforms and supported vaccination programs in communities with gaps in care and health outcomes. Considering the unique care barriers impacting rural communities, we are also partnering with community-based coalitions to address social determinants of health in more than 60 counties across Indiana and Georgia. These grassroots coalitions are comprised of public health stakeholders, community engagement groups and business leaders providing education and awareness in rural communities and addressing barriers to vaccination services.

Our success depends largely on our relationships and interactions with local communities, including patients, community leaders, non-profit organizations, local businesses, schools, elected officials and local media. The communities where we operate are home not only to our customers, but also to our workforce and many of our suppliers. It is critical we understand their concerns and needs, and that we address local challenges to build stronger communities and support the sustainability of our business.

We contribute to the economy of local communities directly and indirectly through employment, training, support of local suppliers, local R&D and by paying taxes. We also strive to have a positive impact on communities by helping to protect the environment, maintaining safe operations and respecting human rights. Our community engagement programs strengthen communities where our employees live and work by addressing critical health and social needs.

Solutions for Healthy Communities (SHC) catalyzes local innovations that facilitate access to quality health care for communities with limited access to care. These initiatives not only improve access to care, but also strengthen health systems and foster resilience and empowerment at the local level. SHC provides multi-year grants to NGOs addressing barriers to heath care in the communities where we operate.

+ *For more information on these programs, please visit the **Philanthropy page** on our corporate website.*

Our commitment to maternal health

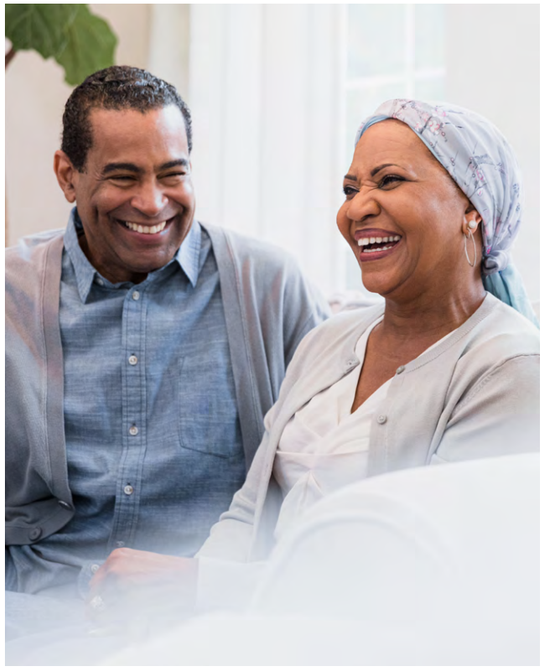
Maternal health outcomes highlight the strength of a health system. In many countries, unacceptable and inequitable access to care around pregnancy and childbirth lead to devastating impacts for families. Merck for Mothers is our $650 million global initiative to create a world where no woman has to die while giving life. For a decade and counting, we have brought Merck's scientific and business expertise to help carve a path to a better world where maternal health outcomes are improved by increasing access to safe, high-quality, and respectful care around pregnancy and childbirth.

Since inception through 2024, our Merck for Mothers initiative has **reached nearly 35 million women** with programs to improve maternal health outcomes, surpassing a commitment to reach at least 25 million women by 2025.

Our efforts bring fresh thinking and infuse new approaches to end the longstanding challenge of maternal mortality. With our grantees and collaborators, we are improving health systems for women by advancing quality standards, catalyzing solutions that respond to community needs, and harnessing private-sector innovations for maternal health.

For example, in 2024, we launched a new public-private partnership with the Pan-American Health Organization to address postpartum hemorrhage, or severe bleeding after childbirth, in Latin America. We also expanded our partnership with the CDC Foundation in support of *Hear Her*, a national health communications campaign in the U.S. improving the recognition of maternal warning signs among patients, families and health care providers.

+ *For more information, please visit the **Merck for Mothers** website.*



Addressing cancer disparities

In addition to the philanthropic investments mentioned earlier in this section, we are building a range of collaborations to strengthen cancer prevention, care and support systems to close gaps in care and health outcomes. In the U.S., we have supported the American Cancer Society's Get Screened campaign, aimed at reducing disparities in cancer screening that were exacerbated by COVID-19.

Through our partnerships and commitments, we support a variety of efforts to help improve education, navigation and access to services in communities disproportionately affected by cancer.

Globally, we collaborate with the **City Cancer Challenge Foundation** (C/Can) to improve access to quality cancer care in 15 cities around the world by strengthening patient navigation, care coordination and data capacity through the integration of digital platforms in health systems. Together with C/Can, we joined the **Global Breast Cancer Initiative (GBCI)**, which aims to save 2.5 million lives over a 20-year period. As members of the Access to Oncology Medicines **(ATOM) coalition**, we work together with over 40 partners across private and civil society sectors to address barriers to availability, affordability and appropriate use of oncology medicines in low- and lower-middle income countries. Through our collaboration with Go Further, we are supporting an independent, investigator-initiated study of the use of our 9-valent HPV vaccine in a cohort of women living with HIV in Eswatini. Go Further aims to reduce new cervical cancer cases among women living with HIV in 12 African countries with some of the highest rates of HIV prevalence and cervical cancer incidence in the world. The study will help determine the appropriate dosing of vaccine for women living with HIV.

Advancing health online

In June 2021, Merck and Meta launched the **Advancing Health Online initiative (AHO)**, a fiscally sponsored project of Global Impact aimed at advancing public understanding of how social media can be used to better understand and to increase the health and resiliency of communities. AHO has brought together representatives from technology, health, global development and academia to support social media integration as a core component of social behavior changes for improved health outcomes. One of AHO's first steps was to establish the independent Vaccine Confidence Fund to sponsor research on how social media and online platforms can support confidence in and access to COVID-19 vaccines and routine immunizations. The Fund has provided over 40 grants globally to researchers and organizations, exploring how to use behavioral science, social media and digital platforms to build confidence in and access to vaccines.

In 2024, Global Impact—on behalf of AHO and Gavi, the Vaccine Alliance—joined forces to launch VaxSocial, an initiative that supports country-driven projects and uses social media to increase vaccine confidence and awareness, given the increasing role of social media platforms as a conduit for health information. VaxSocial will generate evidence and share insights with the global health community.

Investing for impact

Impact investing is one of our core approaches to strengthen health systems by advancing sustainable global health solutions. Through our Impact Venture Fund, we deploy financial resources in ways that can generate not only improved access to health care, but also financial returns and strategic opportunities—all while growing a sustainable global health ecosystem and attracting additional capital and partners.

For example, we invested in Mamotest, a company based in Latin America providing AI-enabled telediagnosis for breast cancer. And in 2023, we invested in AfricInvest's Transform Health Fund, focused on innovative models to improve access, affordability, resilience and the quality of health care in Africa.

Our Impact Venture Fund is led by our Office of Social Impact and Sustainability with guidance from our internal Impact Investing Committee. Established in 2019, the Impact Investing Committee is a cross-functional team of senior leaders who review and approve new investments in line with established policies and guidelines. The Committee also monitors the financial and social returns of our impact portfolio. In addition, we are members of several external networks where we contribute to and benefit from the growing body of expertise in impact investing.

+ *Learn more about our **Impact Venture Fund** on our corporate site.*

Reaching more patients globally

We are driven to create global impact and reach more patients, including by changing the way we do business. In 2024, we established dedicated teams to expand access and strengthen health systems. In addition, our commitment to remove barriers to care is integrated into our operations globally.

In the U.S., our overarching goal is to target areas where we can create meaningful, measurable and lasting impacts that address barriers to health. We have developed data-informed strategies and programs to address the most challenging barriers to care, especially in communities that face systemic barriers to access. Some of our efforts use digital tools and resources to support timely cancer screening and early detection. We have also developed a tool that eases daily living challenges, offering support for essential needs like housing, food security, transportation and more—also known as social determinants to health. Often, these challenges impact whether individuals can receive timely care.

For patients outside the U.S., these dedicated teams aim to significantly increase the number of people in LMICs that benefit from our innovations in an economically sustainable way. Their focus is on three areas: innovative financing models to bridge the global funding gap and drive sustainable change; digital and data solutions through new alliances that drive scalable, tech-enabled solutions; and innovative delivery models that create new routes to patients.

Within our research laboratories, a biostatistics team also supports the Health Equity Research initiative. This initiative evaluates social determinants of health within our scientific protocols, providing resources for researchers to inform business decisions and scientific platforms.

Employees

At the heart of our organization lies an inspiring purpose: to use the power of leading-edge science to save and improve lives around the world. Our commitment to investing in the growth, success and well-being of our people is central to this mission.

We recognize that a strong commitment to our employees is essential to our success because our skilled and passionate workforce enables our mission. We cultivate a workplace culture focused on innovation, engagement, inclusion, and execution. Building the capabilities of our talent aligns with our mission to attract and retain the best individuals—those who invent and deliver breakthrough medicines and vaccines.

We demonstrate our investment in our workforce through robust career development opportunities and comprehensive resources aimed at supporting the safety and well-being of our employees and their families.

We prioritize recognizing our team members' contributions while cultivating a profound sense of belonging for each person. These initiatives reinforce our aspiration to be a leading employer in our industry while advancing our shared objective of fostering a healthier future for all.

By prioritizing our people, we not only drive organizational success, but also create a meaningful and lasting impact on the communities we serve. Together, we are forging a path that saves and improves lives while enriching those of our employees.

>3 million

Hours of training completed by our workforce, reflecting our dedication to investing in their growth and success.

>75

Countries have access to our global Employee Assistance Program (EAP), providing comprehensive mental health support for our employees and their families.

>25,000

Employees are members of at least one of our 10 Employee Business Resource Groups—that is over 30% of our workforce globally. All employees are welcome to join any of our Employee Business Resource Groups.

>95%

Employees have been celebrated for their contributions to our mission through our global recognition program.

Topics covered in this section:

Global talent management

Employees are the driving force behind our achievements, and we strive to create an environment where every individual can continuously learn, grow and feel deeply connected to our organization.

Embracing a philosophy of development for all, we enable a culture that accelerates talent growth through innovative programs and practices. By prioritizing performance management, leadership development, talent assessments and succession planning, we lay the groundwork for a thriving workforce. Our dedicated Global Talent Management team designs and implements strategies that align with our business objectives, ensuring we effectively attract and retain the best talent while fostering an inclusive environment.

Supported by a cutting-edge human capital management system, our practices empower both people leaders and employees to track progress on priorities, development plans, performance ratings, skills and career aspirations. This holistic approach enhances individual capabilities and strengthens our organizational resilience, creating a robust succession pipeline that prepares us for the future.

GRI/SASB disclosures in this section:

GRI 2-7	GRI 2-8	GRI 401	GRI 401-1	GRI 404	GRI 404-1	GRI 404-2
GRI 404-3	SASB 330a.1	SASB 330a.2				

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our global approach to talent management

We recognize the importance of hiring, retaining and developing exceptional employees. After all, our people are our greatest asset. Teams comprised of employees with varying thoughts, perspectives and experiences are essential for fostering innovation and creativity and for driving success. With this in mind, we prioritize the development of a workforce that can best serve the world in which we operate and create opportunities for all employees to grow, learn and thrive.

Talent management also helps our employees navigate their careers while we recognize and respect each individual's unique journey. To accomplish this, we establish the foundation for skills development through assessment, leadership, teaming or coaching.

We seek to hire and develop the best people from a broad talent pool. Our outreach includes various channels, including marketing and social media, and alliances with organizations that promote belonging, engagement and empowerment.

We provide our employees with resources, programs and support to help them achieve their goals and shape their futures. Through forward-thinking approaches, we develop experiences and skills at every level and in every function and division globally. We also strive to increase access to opportunities for career growth. The primary focus of our learning and development is to enable an inclusive and accessible environment for our employees to learn and thrive. We accomplish this by collaborating with business partners across the Company to understand critical business challenges and prioritize solutions. We then design, develop and execute innovative learning experiences to strengthen our workforce, support career growth and development, and drive business impact.

As of Dec. 31, 2024, we had approximately 75,000 employees worldwide, including approximately 31,000 employees in the U.S., including Puerto Rico. Approximately 73,000 employees are full-time. Additionally, there are roughly 15,000 third-party contractors globally, including temporary workers, independent contractors and freelancers, but excluding outsourced service providers.

Transparency and development for all

Our organization is deeply committed to fostering employee growth and development, believing each individual has the potential and desire to succeed. We understand that every employee brings unique skills and aspirations to the table, and our goal extends beyond retention; we aim to create passionate advocates for their careers. By leaving a lasting positive impact on our workforce, we empower individuals to learn, grow and succeed.

We encourage open communication between people leaders and employees to facilitate meaningful development conversations that align individual career goals with organizational objectives. This proactive approach not only enhances personal and professional growth but also fosters a culture of transparency and fairness in our talent practices, ensuring employees can build their careers with purpose.

Recognizing that career growth is often a non-linear journey filled with a broad array of experiences, we equip our employees and people leaders with the resources and support they need to engage in rich and meaningful development discussions. By fostering a mindset of curiosity and continuous learning, we inspire our workforce to navigate their careers confidently, uncovering new opportunities for growth and success at every turn.

Leadership as a differentiating capability

We remain steadfast in our commitment to effective leadership for all, actively advancing our organizational culture and enhancing both individual and collective performance. Our ongoing efforts to integrate our 15 Enterprise Leadership Skills into daily operations continue to address evolving business challenges while unlocking immense potential within our workforce. This strategic initiative empowers every individual in our organization to explore their own leadership growth as needed in their roles, ensuring the impact of our initiatives resonates profoundly in the communities and lives we serve.

As we sustain our focus on building leadership as a distinguishing capability, we work diligently toward two primary goals: enhancing our leaders' leadership acumen and embedding leadership principles into all facets of our talent practices. By integrating leadership development into the entire employee journey—from recruitment to performance management—we foster a thriving culture where leadership is actively celebrated and rewarded every day.

In 2024, we launched our Leadership Readiness Labs, innovative spaces dedicated to nurturing and empowering our leaders through continuous development. This initiative complements the ongoing introduction of our Team Leader and Multi-Team Leader Learning Journeys, along with additional self-directed learning resources designed to inspire personal growth and strengthen leadership across all levels. By emphasizing each leader's vital role in employee growth and development, we actively enable our leaders to maintain a focus on leadership excellence while also driving an inclusive environment for all employees. Our journey is still underway, and we commit to making continuous strides in these vital areas.

Performance management

Our purpose drives us to positively impact patients, customers and communities worldwide. We prioritize meaningful work that connects individual passions with our broader organizational aspirations, fostering a profound sense of fulfillment among employees. We value each team member's unique contributions, reinforcing the understanding that their skills play a critical role in our collective mission.

As a result, we believe strongly in the power of constructive feedback as a cornerstone of our performance management approach. By promoting a culture of ongoing dialogue and support, our people leaders can mentor and coach their teams effectively. We encourage regular, constructive feedback through structured mechanisms that help employees grow. Strengthening the overall employee experience also ensures everyone feels valued and supported. Through the use of Anytime Feedback, we have significantly increased employee feedback across the Company, providing even more opportunity to both give and receive meaningful feedback throughout the year. Additionally, in 2024, 93% of employees had a mid-year progress discussion with their people leaders.

Our evolving performance evaluation and rewards process illustrates our dedication to balancing results with our Ways of Working, or how our employees achieve those results. We emphasize the importance of accountability and leadership behaviors, nurturing a culture that aligns with our core values and Strategic Framework. Our people leaders participate annually in structured 360° and 180° feedback surveys to understand their progress against our Enterprise Leadership Skills and Ways of Working.

Finally, we remain committed to empowering our employees to continuously improve and contribute to our shared mission, inspiring stakeholder confidence and the awareness that they remain our primary focus while we deliver exceptional outcomes for them.

Year end performance reviews	2020	2021	2022	2023	**2024**
All employees[1]	95%	95%	96%	96%	**96%**

[1] "All employees" are defined as all active full- and part-time workers only.

Our approach to recruitment and retention

We focus on recruiting and retaining the best talent globally—those committed to our purpose.

Our success relies on attracting and retaining skilled scientific, IT and business support talent as well as experts in clinical R&D, government regulation and commercialization. Dedicated Sourcing and Executive Recruiting teams for research and development (R&D) and global branding highlight R&D opportunities.

Our hiring strategy also focuses on securing digital, analytical and automation skills, as well as sales and marketing skill sets, especially in oncology and vaccines in our Global Human Health division.

We have discovery research centers located strategically in regions with active biomedical research communities in California and Massachusetts, and principal sites outside the U.S., including in the United Kingdom and China. These centers enable us to recruit talented local scientists and to collaborate with local academic institutions and companies. These discovery sites complement and connect with the strong R&D capabilities and expertise at our New Jersey and Pennsylvania sites.

We have also made substantial strides to ensure equal opportunity for a broad spectrum of qualified candidates through our recruiting efforts. By partnering with various external organizations, we have successfully attracted candidates from a variety of backgrounds to compete for positions within our Company.

Of course, our success depends on our ability to cast a wide net to identify, source and attract the best talent. To ensure that, we have made investments and established partnerships with various inclusive hiring programs in the U.S., including our Skills-First hiring initiative.

*+ To learn about our Skills-First talent strategy and other initiatives, see page **60**.*

Employees by region (2024)	Number of employees*	% of Total
U.S.[1]	**30,588**	**41%**
Europe (Western)	**20,551**	**28%**
China	**6,214**	**8%**
Asia Pacific	**6,648**	**9%**
Latin America	**4,368**	**6%**
Japan	**3,303**	**4%**
Eastern Europe, Middle East and Africa (EEMEA)	**2,251**	**3%**
Canada	**784**	**1%**

*Full-time equivalents reported.
[1] U.S. Headcount including Puerto Rico.

We value the retention of our employees and closely monitor turnover rates. In 2024, we saw a reduction in hiring due to a decrease in employee turnover from 7.8% in 2023 to 6.9% in 2024. There was a decline in hire rates from 2023, caused primarily by lower hire rates in China and EEMEA.

Turnover (global)	2020	2021	2022	2023	**2024**
Overall turnover rate[1]	8.5%	11.1%	11.4%	7.8%	**6.9%**
Voluntary turnover rate	6.0%	8.8%	8.5%	5.6%	**4.6%**

[1] Includes all types of turnover of regular employees. “Regular employees” are defined as employees who do not have a predetermined end date to employment.

Turnover by division (2024)	**Overall turnover rate***	**Voluntary turnover rate**
Animal Health	**9.0%**	**5.5%**
Global Support Functions	**6.4%**	**4.5%**
Global Human Health	**9.4%**	**5.8%**
Manufacturing Division	**6.9%**	**4.5%**
Research Laboratories	**4.4%**	**3.4%**

Note: Global Support Functions include Human Resources, Corporate Compliance, Finance, Legal, Strategy, Business Development and IT.

*“Overall turnover rate” includes all types of turnover of regular employees. “Regular employees” are defined as employees who do not have a predetermined end date to employment.

Employee hires by region	2020	2021	2022	2023	2024
Asia Pacific					
Number of hires	597	588	870	936	**863**
Hire rate[1]	8.9%	10.0%	14.6%	15.1%	**13.3%**
EEMEA[2]					
Number of hires	360	373	295	295	**194**
Hire rate[1]	10.7%	13.8%	11.6%	13.2%	**8.5%**
Latin America					
Number of hires	459	496	441	619	**508**
Hire rate[1]	8.4%	10.5%	9.3%	12.7%	**10.4%**
Europe					
Number of hires	1,754	1,709	2,024	2,015	**1,957**
Hire rate[1]	8.4%	9.5%	10.5%	9.7%	**9.2%**

Employee hires by region	2020	2021	2022	2023	2024
Japan					
Number of hires	143	120	137	178	**211**
Hire rate[1]	4.4%	3.8%	4.3%	5.5%	**6.3%**
U.S.					
Number of hires	3,193	3,443	3,625	3,056	**3,004**
Hire rate[1]	11.9%	13.1%	13.3%	10.5%	**10.0%**
China					
Number of hires	2,149	1,907	1,391	1,064	**459**
Hire rate[1]	29.5%	31.5%	21.5%	16.0%	**7.1%**
Canada					
Number of hires	50	73	109	79	**92**
Hire rate[1]	7.5%	12.8%	18.4%	11.8%	**12.6%**

NR: Not reported.

Note: U.S. Headcount including Puerto Rico.

[1] Percentage of new hires in the total onboard head count; regular employees only. “Regular employees” are defined as employees who do not have a predetermined end date to employment.

[2] EEMEA (Eastern Europe, Middle East and Africa).

Transition assistance

Transition assistance programs may be provided to support separated employees as part of a workforce restructuring. Such benefits are subject to local plans, laws and country guidelines, but may include the following:

- Severance benefits, which may include severance pay based on an employee’s level and years of service
- Outplacement job transition assistance
- Health and wellness benefits for a defined time period

Our approach to learning and development

The Global Learning Development (GLD) organization is committed to fostering an inclusive and enriching learning environment that prioritizes an array of perspectives. Our approach to employee development strategically aligns with our Company aspirations and purpose, ensuring all team members have access to the learning experiences needed to thrive.

Our process begins with a comprehensive analysis of the learning requirements across our global workforce. Through detailed discovery of learner personas, we identify specific needs and environmental factors that influence learning. This thorough understanding allows us to craft tailored solutions that resonate with our employees.

Our learning strategy is designed around five critical moments in an employee's career journey. They include:

1. **In-role Growth:** Enhancing skills for current positions to drive performance and job satisfaction
2. **Professional Development:** Curated learning opportunities that support employee development across all organizational levels
3. **Leader Development:** Cultivating future leaders through targeted programs that foster leadership skills
4. **Company and Culture:** Promoting organizational values and fostering a sense of belonging among all employees
5. **Mandatory Training:** Ensuring compliance and awareness of essential policies and practices

Continuous evaluation and accessibility

Recognizing that the skills and capabilities of our employees must align with our organizational objectives, we engage in ongoing assessments of our learning culture and strategies. This iterative process enables us to retool our development initiatives as needed to better support our workforce. Moreover, we create learning experiences that adhere to established accessibility guidelines. By prioritizing accessibility in our learning design, we ensure all employees can participate fully in their development.

Training and education*	2020	2021	2022	2023	**2024**
Total course completions for all learners (in millions)	7.2	6.3	5.1	5.5	**6.3**
Hours of training for all learners (in millions)[1]	3.6	3.2	2.5	2.7	**3.2**
Average course completions per learner	69	51	42	49	**57**

*"All learners" is defined as all active regular and part-time employees, as well as applicable contingent workers.

[1] Based on average of 30 minutes per course.

Talent, learning and development focus

We prioritize the learning and development of our talent to support our future leader pipeline. Our talent and learning development portfolios include functional learning, mandatory training and leadership development.

Functional learning

Functional learning is a key focus and equips employees with the skills needed for their roles. Collaborating with employees from a variety of functional areas ensures robust learning opportunities, enabling employees to excel and develop capabilities for future roles.

Mandatory training

We require mandatory safety, compliance and quality training to uphold our high standards and ensure the well-being of employees, customers and the wider community.

Leadership development offerings

The HR Talent Center of Excellence (CoE) offered the following leadership development experiences during 2024. These experiences align with our Enterprise Leaderships Skills and Strategic Framework.

Multi-team Leader Learning Journey

A six-month immersive learning experience for employees who inspire and oversee multiple teams, the Multi-team Leader Journey ensures team leaders effectively support and empower their employees. Participants come together in live forums and virtual sessions to address our greatest business and people challenges through peer coaching, collaborative problem-solving and experimenting. The journey is open for self-registration to colleagues across the globe within the multi-team leader persona and is delivered regionally. Aimed at supporting the upskilling needed to navigate complexity at the executive level, participants are invited to test and learn leadership skills in an environment where they focus on connecting and learning across the enterprise. The main components of the sessions include creating a visionary "strategy on a page," deepening self-awareness, leading with presence, resilience and adaptability, setting the conditions for psychological safety, unlocking faster and better decisions, and collaborating across networks.

Team Leader Learning Journey

The Team Leader Journey provides a three-month experiential learning opportunity for employees who direct and oversee a team of individual employees and their daily tasks and operations, particularly when they provide guidance, assign tasks and ensure team members are productive and engaged. Participants come together in a live forum and virtual sessions to enable their growth as new team leaders. Through the interactive learning experience, participants gain self-awareness and practical tools to support effective team leadership. The journey is open for self-registration to colleagues across the globe within the team leader persona and is delivered regionally. During the facilitated experience, participants test and learn leadership skills in an environment where they focus on trends shaping our Company's future, how to inspire their team, ways to create psychological safety, methods to drive accountability, skills for listening, coaching, and giving feedback, and techniques to build strong partnerships.

General Management Acceleration Program – Leadership, Enterprise, Experience, Purpose (GMAP-LEEP)

In 2024, we introduced GMAP-LEEP, a global application-based program offering an immersive development journey aimed at advancing the knowledge and skills of mid-career talent. The program prepares participants to lead from an enterprise perspective by infusing the principles of leadership, enterprise, experience and purpose across the 2.5-year program, which includes two rotations and a 30-month learning journey. Participants gain a comprehensive understanding of the organization and its interdependencies, enhancing their business and leadership capabilities and enabling them to make a meaningful impact within their home division upon completion. The first cohort launched in October with 11 participants from across the globe.

Coaching programs

Our coaching portfolio offers numerous experiences to support employees at all levels in a range of needs, including role transition, skill-building, leadership effectiveness and beyond. Senior leaders can transition into new roles by defining business and professional priorities—in line with our purpose, Ways of Working and values—and supported by industry, business and leadership experts. Our mid-level and senior leaders have access to a global cadre of coaches with subject matter expertise spanning industries. Rooted in sustained behavior change, coaching engagements enhance leadership skills and accelerate employees to high-level roles.

In support of the evolution of our Talent Growth Framework and talent strategy, in 2024, we moved from nomination-based programming (by people leaders) to self-enrollment (by employees). This allows all employees to play a more significant role in their development and ensures equal development opportunities across our Company. It also reinforces our commitment to fairness and inclusion.

Compensation and benefits

Recognizing that our employees are our most valuable asset, we are dedicated to their professional growth and personal well-being. One of the ways we demonstrate this commitment is through our comprehensive suite of Compensation and Benefits programs and initiatives, thoughtfully designed to address the varied needs of our workforce.

+ *Learn more about our **Compensation and Benefits** on our corporate website.*

GRI/SASB disclosures in this section:

GRI 2-30	GRI 201-3	GRI 203	GRI 401-2

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to compensation

We believe in designing compensation programs that recognize and reward employees for their accomplishments and the value they bring to the Company. We take pride in offering compensation packages that align with industry standards—ensuring they are fair and transparent—while also reflecting our dedication to investing in our people and fostering their growth.

We offer competitive pay and reward programs

Our commitment to closely monitoring compensation trends keeps us current with market practices. We analyze external compensation data worldwide every year, which allows us to make rapid and informed pay decisions and ensure our compensation offerings are competitive and appropriate to the markets where we compete for talent. Our employees can feel confident they are working for a company that values their skills and contributions.

In addition to a competitive base pay, we also offer:

- **Short-term incentives:** We believe in rewarding hard work. Our performance-based incentive programs celebrate both our employees' individual achievements and our success.
- **Long-term incentives:** With our stock-based incentives, employees have the unique opportunity to share in the ownership of our Company and its long-term success
- **Recognition awards:** INSPIRE is our global recognition program designed to sustain a culture of recognition and appreciation. We empower our employees to recognize each other for the work they do and how they do it through messages of appreciation, as well as points-based awards and cash rewards. Recognition is a core element of our culture. In 2024, we celebrated over 95% of our employees through the INSPIRE program.

We are committed to fair pay

We are deeply committed to ensuring fair pay for all employees. This commitment aligns with our core values of integrity, fairness and respect for every individual. Fair pay is a foundational principle within our organization.

Our comprehensive approach to maintaining fair pay includes the following initiatives:

- We implement clear and transparent compensation policies to ensure all employees are compensated fairly
- We determine compensation based on job-related factors such as the nature of the job, work location and employees' relative skills and work experience
- As of 2024, we no longer request or consider previous salary when determining pay in new hire and internal offers across the globe. This change ensures our compensation decisions are fair and solely focused on job-related factors, the qualifications of the candidate and the market value of the role.
- We provide training for our people leaders and HR colleagues on our compensation policies, ensuring we base compensation decisions on relevant job-related criteria rather than personal characteristics
- We equip our leaders with essential resources and actively engage with employees worldwide, encouraging ongoing conversations between managers and employees about pay-related questions and concerns
- We maintain a council that is responsible for overseeing our fair pay initiatives, guiding our strategies and holding us accountable

In addition to these initiatives, we collaborate with external experts and legal partners to conduct an annual study in the U.S. and internationally to ensure our employees are paid fairly. In 2024, our global study encompassed approximately 70,000 employees.

Our focus on fair pay furthers our goal of being the employer of choice for individuals of all backgrounds, and it supports our efforts to attract and retain the best talent. These are clear business imperatives for our Company and we are committed to upholding them.

Our approach to benefits and well-being

We provide significant value for employees through our benefits programs.

As an innovation-based company, the expertise and engagement of our employees is critical to our business. We cannot be successful unless we prioritize employee well-being. We provide benefits and well-being programs that draw from best practices to ensure quality, competitive value and protection from significant financial hardship. We also provide access to tools and resources to support employees (and their families) through all stages of their careers and lives. Our Chief Human Resources Officer, in collaboration with the Senior Vice President of Global Compensation & Benefits, serves as the executive sponsor, providing overall governance for employee well-being. Our Associate Vice President of Global Benefits & Well-being develops strategies, designs programs and manages the day-to-day operations and implementation.

Our culture of well-being encompasses four pillars—physical, mental, financial and social. It fosters a safe and supportive work environment and enables our employees and their families to live their healthiest, fullest lives. Our comprehensive and integrated approach connects closely with our strategic priority of investing in the growth, success and well-being of our people. We achieve this by creating a culture of psychological and physical safety, valuing and respecting employee feedback, and focusing on what matters most.

Benefit programs vary by country to reflect local market practice, regulations and employee needs. This section highlights only a few of our core offerings.

+ *For more detail, please see our **Well-being Report** on our corporate website.*

Physical well-being

Physical well-being includes providing preventive care coverage with affordable access to high-quality health care benefits, as well as programs and resources that build healthy habits for our employees and their families. In the event of illness, we provide holistic benefits and programs to help enable the best treatment outcomes, long-term recovery and survivor support.

We continuously review and update our health care benefits to meet the needs of our employees and their families. We design them to be competitive in each country to help attract and retain top talent. In creating and deploying our benefits, we carefully consider several factors, including employee demographics, job demands, local and cultural needs and the need for flexibility.

Global standards of health care

While specific health care benefits, wellness initiatives and programs differ by country, in 2024, we developed overarching guiding principles and standards of care to encourage more comprehensive and clinically relevant program design worldwide.

Additionally, we have a global tobacco-free workplace policy and, in 2025, we have committed to providing preventive cancer care, including Human Papillomavirus (HPV) vaccinations and recommended cancer screenings for all our employees and their families to the extent possible.

Mental well-being

An entire ecosystem of factors affects an employee's mental health, including physical, financial and social health, as well as the well-being of their loved ones. Our holistic approach to mental well-being involves providing an array of programs and resources suited to:

- All stages of an employee's career—from recruitment and onboarding, to ongoing development and career progression, to retirement and separation
- Different milestones in their personal lives—including welcoming a child into the family, caring for loved ones and the death of a family member
- The various communities in which the employee shares common beliefs, backgrounds and cultures (e.g., in support of our many Employee Business Resource Groups)

We also bring awareness to managers through a global mental well-being e-module and to all employees through a network of "mind-well" champions and regular communications.

Below are a few of our featured global benefits representing some of the different approaches we take to mental well-being. For a detailed list of mental well-being communications, benefits and resources, see our **Well-being Report**.

Global Employee Assistance Program (EAP)

Because mental well-being is essential to feeling your best, we monitor our regular global Company Pulse Surveys for issues that may affect our employees*, and do all we can to ensure our employees and their families have the support they need to be well. In 2025, we improved our global EAP, which covers more than 75 countries. The program now offers comprehensive mental health support for employees*, each of their household members and their dependents outside the household, including:

- 12 free, high-quality, evidence-based mental health therapy or coaching sessions
- Guidance on local work-life services
- 24/7 crisis care management
- 24/7 library of evidence-based self-care resources
- Virtual group discussions and informational sessions facilitated by clinicians on thought-provoking topics related to mental health, current events, social conflict, parenting and belonging

We have strategic communication campaigns to raise awareness of the comprehensive offerings of the EAP while reducing stigma around mental health, including a customizable toolkit of editable communications for local market use based on cultural needs, audience preferences and local dialect.

Global flexible work arrangement policy

We believe flexible work arrangements offer a different way of working that can benefit the Company and enhance employees' mental well-being, foster teamwork, increase productivity and support work-life balance. We have had a global flexible work arrangement policy since 2008.

We provide a wide range of resources to help employees with home office setups, including tips for ergonomics, well-being office stretches and more.

Time off and leaves

We understand the importance of taking time away from work when needed, and we are committed to providing competitive paid time off and leaves of absence options to help colleagues when they or their family members are ill or need time to manage work and life responsibilities. While time off and leave benefits vary based on country-specific competitive practices and local regulations, our global workforce has access to at least 12 weeks of paid parental time off.

* Employees include contingent workers, project temps and other classifications depending on local requirements in each of the 75+ countries where our Company has a presence.

Financial well-being

Financial well-being defines a sense of security and, for some, a feeling of control over day-to-day and long-term finances. Money matters can affect a person's mental and physical well-being, so we're committed to providing the benefits, tools and resources for this important element of overall well-being.

Retirement savings

Worldwide, we offer core and ancillary financial security and retirement benefits that routinely rank among the most valuable and progressive of other large multinational corporations. We have more than 112 pension plans (including defined benefit, cash balance and defined contribution plans) across 39 countries, which includes pension and 401(k) plans in the U.S. These plans often supplement government-sponsored social security benefits to improve employees' financial security through added retirement income.

Disaster relief and crisis support

With the safety of our employees and their families paramount, we continually monitor natural disasters and other critical events around the world to ensure we provide support when and where needed. For example, in 2024, we provided relief to those affected by the war in the Middle East, Storm Boris in Eastern Europe and several storms in the U.S., all of which included temporary housing, financial assistance and mental health support.

Social well-being

Our social well-being programs and initiatives create a sense of belonging and connection to people and communities within and outside of work. Positive interactions with colleagues, managers and leaders encourage employee engagement, improved physical and mental well-being, as well as more opportunities to facilitate innovative thinking and improved motivation, all of which are necessary to our success.

Campaign months

Throughout the year, we have global campaigns focused on a specific month's theme. For example, both May (Mental Health Awareness Month) and October (October 10 is World Mental Health Day) are mental health-themed months when we provide live webcasts and invite motivational speakers to engage with our employees. For November each year, we promote "Movember," which is Men's Health and Suicide Prevention Month.

Local champions

Well-being champions and Mind Well champions have a vested interest in achieving personal health and well-being, as well as encouraging their colleagues to be well. Our champions are integral to the success of our culture of well-being. Champions provide local support to increase awareness, visibility and participation in well-being programs and initiatives. Local groups often coordinate cancer runs, philanthropic charity events and mental well-being campaigns, often in conjunction with local Employee Business Resource Group (EBRG) chapters.

Compensation, benefits and other employment terms and conditions may vary based on country, employee group and status, collective bargaining agreements and local legal requirements. In 2024, various union collective bargaining groups and work councils represented approximately 21% of our global employee population.

Global diversity and inclusion

To better fulfill our commitment to optimal public health outcomes, we pride ourselves on a longstanding commitment to fostering a diverse and inclusive work environment—one that nurtures creativity, empowers innovation and promotes efficiency and enhanced collaboration. These practices include accounting for the social determinants of health, like transportation to health care services and educational background, to design better commercialization strategies while using employee insights to improve performance.

We remain committed to promoting an environment of respect, engagement and empowerment and we are intentional in providing equal opportunities to all employees.

Goals	2024
Maintain or exceed our current employee engagement index score by 2025	On track
Maintain or exceed our current inclusion index score by 2025	On track

GRI/SASB disclosures in this section:

GRI 405	GRI 405-1

*+ Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to diversity and inclusion

Holistic and comprehensive, our Global Diversity & Inclusion (GD&I) strategy includes our employees, customers, patients and stakeholders around the world. This strategy, a core component of our enterprise-wide plan, drives long-term, sustainable business performance, as well as innovation, collaboration and agility among our employees. We have five GD&I ambassador teams that drive the implementation of our strategy through all levels of the organization.

Our GD&I strategy focuses on the following four areas:

- Our People: We value a workforce with varied backgrounds, perspectives and experiences
- Our Culture: We ensure accountability to drive an inclusive culture
- Our Business: We leverage inclusion to ensure business value
- Our World: We transform the environment, culture and business landscape

Governance and commitments

Our CEO reinforces our commitment to inclusion as a strategic business imperative by:

- Approving intentional efforts to ensure equality of opportunity for all
- Conferring with our chief HR officer and chief diversity and inclusion officer on innovation opportunities and business solutions

The Policies of our Board of Directors reflect the value of different perspectives, experiences and backgrounds in driving inclusion, enhancing deliberations and contributing to the Board's effectiveness in representing the long-term interests of our Company and shareholders.

GD&I ambassador teams

Our GD&I Center of Excellence (GD&I CoE) provides comprehensive guidance and support to five GD&I ambassador teams. These ambassador teams meet regularly to share challenges and best practices, to provide the Chief Diversity & Inclusion Officer with updates on priorities, and to align with our GD&I strategy. These ambassador teams represent the work of the many councils, Employee Business Resource Group (EBRG) chapters, communities of practice and other groups throughout the Company who foster a culture of inclusion and belonging for all employees and advance health access for all the patients and communities we serve.

The Global Disability Inclusion Strategy Council

Comprised of representatives from across the business, this council works to create and support a disability-inclusive culture by offering guidance on topics including universal design, reasonable accommodation, digital accessibility and communication. It recognizes that full inclusion of people with disabilities increases creativity, innovation and productivity for employees, customers, external partners and suppliers.

The Global Diversity and Inclusion Extended Human Resources Leadership Team

This team of HR colleagues from across the enterprise supports the global organization by facilitating the successful adoption and integration of fairness and inclusion into our practices, programs, policies and systems. A key outcome is to enable a fair and inclusive culture—one that attracts, engages, develops, motivates and retains talent globally.

Employee Business Resource Group Executive Leadership Council

The EBRG Executive Leadership Council is comprised of the global leaders of each of our 10 EBRGs. This council works closely with the GD&I CoE and other cross-functional teams to ensure the EBRGs have the resources, guidance and expertise needed for their success across three areas of focus: business insights and integration, talent acquisition and development, and community outreach and social responsibility.

Global Diversity & Inclusion Business Consortium

GD&I Business Consortium members are business leaders from throughout the enterprise. The consortium improves our business performance by integrating diversity and inclusion (D&I) principles and strategies into our business processes and objectives. This creates a competitive business advantage that drives greater shareholder value and enhances our ability to deliver on our purpose. Selected from key business functions, consortium members develop holistic and inclusive approaches to eliminate barriers that patients and customers encounter in their pursuit of optimal health outcomes.

Diversity and Inclusion Divisional/ Regional Council Steering Committee

Chairpersons of the senior-level divisional and regional D&I Councils make up this committee, and the divisional and regional D&I councils develop strategies and initiatives across our four GD&I strategy pillars of people, culture, business and world. The steering committee meets several times a year to share best practices, collaborate on initiatives and receive updates from the Chief Diversity and Inclusion Officer.

Cultivating an inclusive workplace

An inclusive culture is fueled by behaviors and outcomes that demonstrate a commitment to respect, values and trust for all people, regardless of their perspectives, background or experiences. In 2024, we prioritized psychological safety and allyship to advance a more inclusive workplace culture. Psychological safety enables employees to engage openly, facilitating innovation and collaboration. Allyship cultivates support and solidarity among groups and individuals. A strong foundation for inclusion ultimately leads to a more engaged workforce and a deeper sense of belonging, which are crucial for fostering high-performing teams and creating positive business outcomes.

Our employee Pulse Survey is an opportunity for employees to provide candid feedback on topics such as engagement, work practices, inclusion and our mission. Informed by these regular surveys, we integrate employee input into our decision-making processes across the organization. In 2024, 80% of respondents felt a sense of belonging. We remain committed to maintaining or exceeding our current employee engagement and inclusion indexes through 2025. The indexes are calculated based on responses to questions related to employees' sense of belonging, engagement and perception of inclusive leadership within the organization.

We value the contributions our 10 EBRGs make to our inclusive culture and our business priorities. Our EBRG membership is open to all employees. In 2024, we developed processes and structures to support the growth of our EBRGs, and we ended 2024 with 300 EBRG chapters and more than 25,000 EBRG members around the world.

+ *For more information, please visit the **Employee Business Resource Groups** page on our corporate website.*

Allyship

At our Company, we define an ally as someone who acts in support of others to uphold a culture of inclusion. Allies offer support even when they do not belong to the group directly affected by the non-inclusive behavior. Everyone, regardless of job title or level of responsibility, can be an ally. In support of a culture of inclusion for all, we have an Allyship Learning Journey that includes self-directed resources and a virtual simulation that can help employees practice their skills and gain understanding of colleagues who may have different lived experiences and backgrounds.

The Time Harmony Initiative, developed by our Allyship Working Group and the Asia Pacific Association EBRG, is an excellent example of allyship at our Company. This initiative looks to create a meaningful and impactful conversation within the organization to: raise awareness, implement cultural changes and introduce real-life practices to address the challenges of working across time zones and finding work-life balance with nighttime calls and global collaborations. Several of our EBRGs also have allyship activities or initiatives to bring employees together to share cultural understanding and practical skills, and to enhance their communication and collaboration skills.

Opportunities for people with disabilities

We are committed to a culture of inclusion and belonging for all people with disabilities and to ensure that all our employees have equal access to opportunities in both the digital and physical environments. Our global digital accessibility policy and program seeks to advance inclusive design standards across our digital landscape for the internal workforce, as well as patients and consumers. Our universal design standards for our facilities seek to provide ease of physical access for all employees and guests. Going beyond the Americans with Disabilities Act, advancing digital and physical access helps support a culture of inclusion and belonging.

+ *For more information on our disability inclusion efforts, please visit our **corporate website**.*

Expanding our talent pipeline

Through our outreach efforts, we strive to attract and recruit qualified talent from a variety of backgrounds and experiences and with varied perspectives. We focus on removing barriers that may limit access to the candidate pool and working with partners to expand our reach to untapped talent pools. In 2024, we furthered collaborations between Global Talent Acquisition, the GD&I COE, business units and EBRGs to ensure our outreach efforts aligned with business needs and our objective to attract, recruit, hire and retain the best talent available.

Skills-First talent strategy

Our Skills-First talent strategy is a transformative approach that redefines our methods for attracting, developing and promoting talent. For relevant positions, this strategy emphasizes skills rather than a four-year degree, fostering equal access to meaningful career opportunities for all.

In 2024, in alignment with our Skills-First talent strategy, we posted over 1,100 positions that did not require a four-year degree. Among those hired for these roles, 40% had less than a four-year degree. In 2024, the number of Skills-First employees totaled approximately 2,500 employees, an 8% increase over 2023.

Key partners in our Skills-First efforts include:

- OneTen, a coalition of leading companies driving a Skills-First movement to unlock career opportunities for talent without four-year degrees
- Year Up United, a nonprofit that offers economically disadvantaged youth six months of training followed by a six-month corporate internship
- OpenClassrooms, an organization that administers Department of Labor-Certified apprenticeship programs (Skills-First apprentices)

In 2024, we were honored to welcome 94 Year Up interns and 10 Skills-First apprentices to our team. We place these individuals in positions across various fields, including digital marketing, data analytics, information technology and project management. One-third of the Year Up and Skills-First apprentices transitioned into full-time or contractor positions upon completion of their programs.

Development of talent in the industry

We partner with MANRRS in the U.S. to support the development of talent from the agricultural sciences and related fields. MANRRS provides exposure to a variety of career paths available in the animal health industry, in addition to the veterinary field, which includes the growing areas of connected technology and other smart data products and services.

Future Talent Rotational Program

This 15-month rotational experience in our Animal Health division is open to undergraduate students attending universities in the U.S. It includes rotations in three different functional areas to expose students to various career opportunities. The program serves as a talent pool for entry-level roles in manufacturing, research and development and commercial operations across the business.

Veterinary Scholarship Program

Our scholarship program offers grants to all outstanding students of the different veterinary science disciplines to further their education as they pursue careers in animal medicine and care. In 2024, we supported students representing livestock species and companion animals, and we gave scholarships to veterinary technicians for the first time. Last year, over $1.5 million in scholarships were awarded to 220 students representing all regions of the world.

Strategic partnerships

The GD&I CoE partners with external organizations to ensure we are on the leading edge of D&I practices. We leverage these partnerships for professional development opportunities for all employees, talent engagement and recruitment, health access activities, educating students about career opportunities in our industry, and showcasing our leadership in creating an inclusive workplace. Our EBRGs engage with partner programs and resources to further their strategic priorities, including professional and leadership development and community engagement.

+ *For more information about our external partnerships and outreach, please visit our **corporate website**.*

Workforce representation

The following table reflects our workforce representation as of the end of 2024.

Workforce gender	Male	Female
Board	54%	46%
Executive	67%	33%
Senior management	61%	39%
All managers	53%	46%
All employees	48%	52%
New hires	47%	53%
Promotions	45%	55%

Employee representation by EEO category (U.S.) (2024)	**Hispanic**	**White**	**Black/African American**	**Native Hawaiian or other Pacific Islander**	**Asian**	**American Indian or Alaska Native**	**2 or more races**
Board[1]	**0%**	**77%**	**15%**	**0%**	**0%**	**0%**	**8%**
Executive[2]	**0%**	**58%**	**17%**	**0%**	**17%**	**0%**	**0%**
Senior management[3]	**5%**	**72%**	**7%**	**0%**	**11%**	**0%**	**2%**
All managers[4]	**6%**	**68%**	**6%**	**0%**	**16%**	**0%**	**1%**
All employees	**7%**	**60%**	**9%**	**0%**	**18%**	**0%**	**2%**
New hires	**10%**	**50%**	**12%**	**0%**	**24%**	**0%**	**2%**
Promotions	**7%**	**61%**	**9%**	**0%**	**18%**	**0%**	**2%**

[1] As of January 1, 2025.

[2] "Executive" is defined as the Company's executive team listed on our corporate website.

[3] "Senior management" is defined as an individual holding either a Vice President or Senior Vice President title.

[4] "Managers" is defined as all managers with direct reports other than Executives.

Health and safety

As a global health care company, we prioritize health and safety in our workplace. Through our comprehensive Global Safety and Environment (GSE) program, we aim to reduce risks to eliminate work-related injuries, illnesses and unplanned events from our operations. Our commitment includes full compliance with relevant safety laws and regulations, and our own internal safety standards. We continuously strive to achieve safety performance that sets us apart as a leader in the pharmaceutical industry.

All personnel, including employees, service providers, and Company-managed contractors, must adhere to the requirements of our safety management system. We ensure compliance through site audits and peer reviews for construction projects.

Each year, we establish internal safety targets and monitor both leading and lagging safety metrics. To maintain consistency and benchmark our injury rates with other multinational corporations, we use the U.S. Occupational Safety and Health Administration (OSHA) record-keeping criteria to track work-related injuries and illnesses. It is mandatory to report and thoroughly investigate all incidents involving our employees to identify the root cause. We then require corrective and preventative actions to prevent recurrence.

GRI/SASB disclosures in this section:

GRI 403	GRI 403-1	GRI 403-2	GRI 403-3	GRI 403-5	GRI 403-6	GRI 403-9
GRI 403-10						

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to health and safety

We continually strive to maintain a safe and healthy working environment for all employees, contractors and visitors. We foster a culture of safety excellence that is built on integrity, accountability, collaboration and active employee participation, and we seek to continuously improve our systems, processes and standards in support of that culture.

In 2024, we improved safety compliance by upgrading digital systems, enhancing data analytics and strengthening site teams' safety capabilities. These initiatives empowered non-safety experts to better manage site safety compliance, and enabled leaders to make better safety decisions more quickly.

We have a strong focus on promoting mindfulness at work and fostering a culture that proactively identifies and eliminates hazards. To do that, we have implemented a safety culture program that cultivates a shared responsibility between leaders and employees, to proactively address hazards and minimize the likelihood of future incidents and injuries.

Our GSE management system includes comprehensive programs to reduce or eliminate safety risks. These include safe facility design, engineering controls, protection systems and emergency response capabilities. Our GSE system is supported by a strong culture built on visible leadership, active employee engagement, and proactive hazard identification and elimination. Employee Safety Committees at our sites demonstrate active engagement in safety practices, with workers and management collaborating to proactively address safety issues.

We continuously improve our safety programs by proactively identifying work-related hazards through hazard identification programs, risk assessment programs and by implementing controls to eliminate or reduce risks. We frequently review these risk assessments for accuracy. Additionally, we investigate all safety incidents, identify root causes and implement controls to address underlying causes and prevent future incidents.

We have evaluated the ISO 18001 Standard for Occupational Health and Safety Management Systems but have opted not to pursue certification. We are confident our existing GSE management systems are effective and meet our desired safety performance targets.

Process safety

Our process safety program is designed to identify, control and manage risks associated with the manufacturing of our products. This program applies to all operations subject to process safety regulations and to our pilot plants, manufacturing facilities and utility areas where process hazards may be present. Additionally, we implement a systematic chemical reaction hazard review program across our research laboratories.

In the early stages of process and product development, we proactively conduct assessments of chemical reactions and perform thermal hazard testing of our intermediate materials and products. These efforts aim to identify and mitigate potential reactivity, fire and explosion hazards, as well as environmental risks. This testing continues throughout the lifecycle of each process and product, ensuring we thoroughly understand and effectively manage associated risks.

Our process safety professionals conduct comprehensive Process Hazard Analyses (PHAs) to thoroughly evaluate our operations. These structured reviews are integral to the entire process lifecycle and occur during management of change. They focus on identifying opportunities to implement inherently safer designs, which enhances the effectiveness of our facility design, equipment, operating controls and maintenance procedures by identifying, evaluating and mitigating process-related hazards.

Non-routine hazardous work

We have developed global safety standards and permit-to-work systems to minimize the potential for serious incidents when working at heights, entering confined spaces or working on or near machinery, piping and electrical systems. Our goal is to create a rigorous and safe approach to risk reduction for non-routine, high-hazard work activities.

Capital projects construction safety

We have a strong construction safety program with a focus on zero harm to people, property and the environment. Our Global Engineering Solutions (GES) group oversees hundreds of contractors and thousands of skilled craft workers on our construction projects worldwide. We integrate safety into every stage of our construction projects, beginning with concept and design, through to detailed design, construction, commissioning and qualification.

Our construction safety program mandates pre-job planning, hazard assessments and daily safety checks. We also conduct peer reviews by bringing together in-house engineers, contractors, safety construction experts and other partners to conduct thorough safety evaluations and share best practices.

There continues to be a negative trend in the availability of contractors and craft resources for construction. That means we must manage resource availability issues and varied levels of experience and safety competencies. GES uses a “hyper-care” program to ensure supervision and safety oversight of new contractors, high-risk work scope contractors and less-experienced contractors.

GES also uses a rigorous, third-party prequalification program, Highwire, to evaluate and score contractors and subcontractors. This tool evaluates contractors’ safety programs, safety performance, safety incident rates, experience modifier rate and training verification of craft. GES also reviews any regulatory citations prior to allowing bids on projects.

Safety for non-Company personnel

We require contractors working at our sites to follow a prequalification and EHS evaluation process as specified in our Global Contractor Management Standard. They are assigned an internal “contractor liaison” to monitor safety compliance, perform safety inspections and evaluations, and ensure they follow their safety compliance plans. Contractors must report and investigate all safety incidents and near-miss events. They also work with site-based contacts to identify and implement corrective and preventive actions, which are tracked to completion.

Integrated Facilities Management (IFM) partners are globally sourced companies responsible for supporting our facility-related tasks. We require IFM partners to follow our safety standards and site-specific safety procedures in order to monitor compliance activities associated with their scope of services, as well as to meet safety-related performance objectives. A central governance team manages our IFM partners. The governance process includes dedicated resources to measure, monitor and evaluate partners’ safety performance, as well as adherence to our requirements. IFM partners proactively follow a continuous improvement process that establishes specific targets for our governance to monitor.

Motor vehicle safety

Our motor vehicle safety program promotes a strong safety culture for our employees who operate vehicles to conduct our business. The program aims to reduce the number and severity of motor vehicle accidents and injuries, along with a reduction in driving violations. Our global motor vehicle safety standards and programs, including predictive analytics assessments, help us develop employee-specific defensive driving action plans. They also promote safe driving skills and behaviors among our sales and marketing employees, the primary operators of our business-use vehicles.

Emergency preparedness and response

We prioritize incident prevention through equipment and facility design, operational and maintenance procedures, and employee training. We also maintain emergency preparedness and response capabilities to effectively respond to unplanned incidents. Our emergency response programs safeguard our employees, visitors, the environment, nearby communities and physical assets. Additionally, we conduct pre-planning activities for credible emergencies, including process upsets, fires, spills, releases, severe weather events and security-related incidents.

Site-specific emergency response procedures include incident reporting and management, personnel evacuation, and medical and incident response and control. We routinely conduct emergency response drills and train employees in job- and site-specific emergency response duties.

Many of our manufacturing plants have on-site, trained emergency response teams and mobile fire and rescue apparatus that can respond to fires, medical emergencies, technical rescues and spills/releases. These teams often collaborate with community-based emergency responders and can provide off-site assistance when requested.

Loss prevention

We proactively assess and manage the risks associated with fires and natural catastrophes (e.g., hurricanes, floods, windstorms and earthquakes) through our Loss Prevention Program. This program eliminates or reduces the impact of potential loss events through:

- Facility and process designs
- Inspection, prevention and maintenance procedures
- Fire suppression, detection and specialized protection systems
- Emergency response and business continuity programs

We regularly engage renowned external loss prevention engineering service providers to inspect our facility designs and modifications. This process ensures we maintain a high standard of loss prevention, corresponding to the level of operational risk, monetary value and supply chain importance.

Industrial hygiene and biological safety

Our Industrial Hygiene (IH) and Biological Safety programs prioritize the health and safety of our employees, customers and communities by identifying, assessing and managing various hazards and risks in both research and manufacturing environments. In line with industry-leading best practices, both programs use a hierarchy of controls that includes prevention, substitution, engineering controls, administrative controls and personal protective equipment (PPE).

We build safety into our designs for new processes and facilities by eliminating risks, substituting less hazardous materials or processes, and installing effective engineering and operational controls. Ongoing monitoring and verification of these controls is essential to ensure their effectiveness.

In 2024, we supported our dynamic and rapid business growth by updating the Corporate Industrial Hygiene standard and the Corporate Biosafety Manual. These projects support improved IH and Biological Safety compliance. In addition, we developed curated technical content in both IH and Biosafety capability centers, tailored to specific roles and responsibilities within our Company. This digital shift to focused content is intended to facilitate robust decision-making and sustain work efficiency at our sites.

Ergonomics

We are dedicated to protecting our employees through a proactive ergonomic program that prioritizes their well-being across all work locations, including manufacturing, research and offices. The program systematically identifies and mitigates ergonomic risks using the hierarchy of controls.

We promote employee involvement in ergonomic workplace assessments and risk identification, fostering a culture of safety and accountability. We identify and implement better ergonomic workstation design to reduce the likelihood of soft tissue injuries. Our Ergonomic Engineering Design Standard integrates ergonomic principles into all capital projects, featuring an Engineering Design Checklist that includes a review of manual material-handling tasks. When engineering controls are not feasible, we adopt administrative measures like job rotation and ergonomic training.

Our Office Ergonomics program, which extends to remote and hybrid workers, promotes healthy work practices and has proven effective in preventing ergonomic-related injuries. In addition, our office workstation assessments and ergonomic furniture policy equip employees to optimize their workstations.

Training on occupational health and safety

Health and safety training is critical to build employees' competencies and to improve compliance, reduce risks and drive continuous improvement. GSE professionals complete an assessment of site activities and identify required topics to build employee health and safety training plans. These plans comply with internal and regulatory requirements for each country and are reviewed periodically to ensure they are current.

Health and safety training materials are available in both instructor-led and e-learning formats.

Our global standards define health and safety training expectations for employees:

- Manager training covers specific responsibilities with regard to health and safety compliance
- Professional training expands technical expertise
- Employee training covers the specific information they require for their jobs, focusing on hazards they encounter on the job and any corresponding control measures

Occupational Health Services

Occupational health principles apply to all employees and directly supervised contingent workers. We promote compliance with applicable occupational health laws and internal policies, often exceeding local regulatory requirements. We maintain strict confidentiality of workers' personal health-related information, following Company privacy protocols and regulatory requirements. We also prioritize continuous improvement by objectively assessing occupational health initiatives and addressing changing hazards, internal measurements, external benchmarking and best practices.

To achieve our occupational health objectives, we focus on seven key areas:

- **Global employee health governance:** The Chief Human Resources Officer serves as the senior official advising the Executive Team on occupational health strategies and policies. Together, our chief HR officer, Senior Vice President of Compensation and Benefits, and Vice President of Global Safety and Environment collaborate on occupational health and safety matters. They are the executive sponsors of the program.
- **Prevention and risk minimization:** Risk reduction and illness prevention are essential for maintaining employee health. Occupational Health Services works closely with safety colleagues to identify workplace hazards and evaluate potential health risks, taking proactive steps through medical surveillance programs to minimize and eliminate hazards.
- **Quality assurance:** We ensure compliance with occupational health policies and procedures through a quality assurance program applicable to both staff and vendors.
- **Global standards and communication:** We continuously improve our occupational health programs by adapting policies and procedures to address changing workplace hazards while aligning health performance with corporate objectives. We foster openness and respectful dialogue with our employees, anticipating and responding to concerns about our operations.
- **Education and training:** We provide health and safety education and training programs to ensure employees understand health hazards and necessary precautions. We continuously invest in the professional development of our certified occupational health team.
- **Role of management:** Managers are responsible for facilitating and ensuring their employees' access to occupational health services and for guaranteeing adherence to occupational health policies and any applicable local requirements. Managers may also provide input into occupational health policy and strategies. Similarly, we expect division and business unit leaders to enable their teams to give input on such strategies, policies and programs. Above all, leaders ensure adequate resources to support occupational health programs.
- **Collaboration with GSE colleagues:** Occupational Health Services partners daily with GSE colleagues to assess workplace health hazards, develop and review occupational health programs, prevent adverse health issues, and track safety performance through collaboration with site health professionals.

Promotion of worker health

Global Occupational Health Services provides workers with access to health services and addresses health risks to promote and maintain employee well-being. We offer a variety of occupational and health care services, including:

- Medical clearances for job placement and evaluation of employees' ability to perform job tasks
- Voluntary reproductive health hazard assessment for all workers, upon request
- Assessments to identify potential health hazards and medical surveillance programs ensuring compliance with regulatory requirements
- Consultations aimed at preventing injuries and illnesses, particularly those related to travel and specific workplace risks
- Vaccination campaigns, including flu and other preventive vaccines
- Management of work-related injuries or illnesses at our on-site clinics and referral to specialized medical services when necessary
- Where on-site Health Services clinics are present, certified health care professionals provide on-site emergency care for employees with both occupational and non-occupational injuries and illnesses. Additionally, dedicated teams of trained first responders are present at all locations.

We maintain close working relationships with site management and health professionals to enhance awareness of workplace health hazards.

Employee health is a top priority for us, and we strive to continuously improve our health programs by communicating global policies, conducting regulatory audits and providing oversight for our occupational health initiatives.

We provide a global Employee Assistance Program that grants employees free access to mental health resources, including counseling and coaching. Our Global Benefits team actively promotes awareness of well-being and mental health. We also offer health, mental well-being and wellness resources like group sports activities, access to gym facilities, smoking cessation campaigns, health screenings, as well as trainings and educational conferences on various health topics organized by the Benefits and Occupational Health Services teams and our Employee Business Resource Groups.

+ *For more information on our Employee Assistance Program, see page **55** in the Employees section of this report.*

+ *For more information on our health promotion and mental well-being programs, see our **Well-being Report** on our corporate website.*

Global safety performance (employees)

In 2024, our Lost Time Incident Rate (LTIR) was 0.11 and our Recordable Incident Rate (RIR) was 0.28. There were 0 employee fatalities in 2024.

In 2024, our top three types of recordable injuries were:

- 32% related to slips, trips and falls
- 22% related to being struck by or caught in
- 21% related to ergonomics

We prioritize the proactive identification of hazards through reporting and analysis. Our approach includes eliminating high-risk tasks, improving engineering controls, and performing coaching and training to empower individuals to recognize and mitigate safety risks.

Global safety performance (employees)	2020	2021	2022	2023	**2024**
Workplace safety					
Recordable Incident Rate (RIR)[1]	0.16	0.20	0.26	0.28	**0.28**
RIR percentage change	(47)%	25%	31%	8%	**—%**
Lost Time Incident Rate (LTIR)[1]	0.05	0.08	0.06	0.11	**0.11**
Fatalities[2]	0	0	1	1	**0**

[1] (a) LTIR/RIR: Calculated per the Occupational Safety and Health Administration (OSHA) methodology.
(b) Injury rates are subject to change over time as new cases are added and case classifications change in accordance with our own requirements and applicable regulatory requirements.

[2] In 2022 and 2023, the fatality was transportation-related.

	Lost Time		Total Recordable	
Injuries by business area 2024	**Cases**	**% of total**	**Cases**	**% of total**
Manufacturing (Merck Manufacturing Division)	**34**	**37%**	**114**	**47%**
Animal Health including Biopharma and Technology	**21**	**23%**	**42**	**17%**
Human Health	**16**	**17%**	**35**	**14%**
Research (Merck Research Labs)	**14**	**15%**	**34**	**14%**
Global support functions (Legal, HR, IT, GSE, etc.)[3]	**7**	**8%**	**17**	**7%**
Total	**92**	**100%**	**242**	**99%**

[3] Facility Management has been incorporated into Global Support Functions for 2024 reporting.

	Lost Time		Total Recordable	
Injuries by causal factor 2024	**Cases**	**% of total**	**Cases**	**% of total**
Slips/trips/falls	**39**	**42%**	**78**	**32%**
Struck by/caught in	**14**	**15%**	**54**	**22%**
Ergonomic	**18**	**20%**	**52**	**21%**
Motor vehicle	**13**	**14%**	**24**	**10%**
Biological exposure	**0**	**—%**	**4**	**2%**
Non-ergonomic	**2**	**2%**	**7**	**3%**
Physical/environmental exposure	**2**	**2%**	**3**	**1%**
Other	**3**	**3%**	**11**	**5%**
Chemical exposure	**1**	**1%**	**9**	**4%**
Total	**92**	**99%**	**242**	**100%**

In 2024, we saw a decrease in our collisions per million miles figure. Our motor vehicle safety program uses a risk-based approach for assigning online defensive driving training, where the lowest-risk drivers complete training annually and high-risk drivers complete training quarterly. Training focuses on the common causes of motor vehicle accidents and risky behaviors.

Global safety performance (employees)	2020	2021	2022	2023	**2024**
Motor vehicle safety					
Collisions per million miles (CPMM)[1]	5.07	6.11	4.58	7.20	**5.98**

[1] CPMM: Reflects both personal and business use of Company-owned or -leased vehicles.

Global safety performance (non-employees–capital projects construction contractors)

In 2024, our Global Engineering Solutions–Capital Project spent 4,836,061 work hours in construction.

In 2024, we completed 62 peer safety reviews on projects.

The construction RIR result was 0.50. The actual construction Days Away, Reassigned or Transferred (DART) rate was 0.17. Lastly, construction projects had 70,079 Tap Ins (safety observations) reported in 2024.

Global safety performance (non-employees)	2020	2021	2022	2023	**2024**
Capital projects construction safety					
RIR[2]	0.60	0.28	0.50	0.56	**0.50**
DART[2]	0.24	0.11	0.21	0.23	**0.17**
Fatalities[2]	0	0	0	0	**0**

[1] (a) Primarily reflects capital projects over $100,000 managed by our global engineering group.
(b) RIR: Calculated per the Occupational Safety and Health Administration (OSHA) methodology.
(c) DART: Calculated per OSHA 300 methodology.
(d) Injury rates are subject to change over time as new cases are added and case classifications change in accordance with our own requirements and applicable regulatory requirements.

Global safety performance (non-employees–facility management contractors)

In 2024, our IFM employees had 4,243,778 work hours and our permanent contractors working on site had 3,286,619 work hours. The IFM RIR was 0.66 and the LTIR was 0.37.

Global safety performance (non-employees)	2020	2021	2022	2023	**2024**
Facility management contractor safety					
RIR[3]	0.35	0.60	0.59	1.01	**0.66**
LTIR[3]	0.26	0.27	0.28	0.73	**0.37**
Fatalities[4]	0	0	0	0	**1**

[3] (a) LTIR/RIR: Calculated per the Occupational Safety and Health Administration (OSHA) methodology.
(b) Injury rates are subject to change over time as new cases are added and case classifications change in accordance with our own requirements and applicable regulatory requirements.

[4] In 2024, the contractor fatality was related to a fall.

Environmental Sustainability

Our purpose to save and improve lives is inextricably linked to fostering a healthy planet. It's why we embed our commitment to enabling a safe, sustainable and healthy future within our Corporate Strategic Framework.

It's also why we continuously build on our long history of environmental stewardship and compliance, evolving our efforts in the face of a changing world. By mitigating our environmental impacts and dependencies, we can also reduce cost and risk, and potentially preserve future opportunities for product innovation.

Our Environmental Sustainability strategy has three focus areas: 1) Driving operational efficiency; 2) Designing new products to minimize environmental impact; and 3) Reducing any impacts in our upstream and downstream value chain.

Topics covered:

- Climate, energy and air emissions
- Water
- Nature and biodiversity
- Waste
- Materials

+ *For environmental sustainability data and goal performance, please see the **Performance summary** at the end of the environmental sustainability section of this report.*

Renewable Energy Sourcing

4

Virtual Power Purchase Agreements under contract to help us reach our renewable energy goal, including one new solar facility in Texas that commenced operation in 2024

Partnering with Suppliers

400+

Partnership engagements with suppliers in support of our efforts to reduce GHG emissions. Representing ~60% of our Scope 3 emissions in 2023

7

Times since 2017 we have been honored as a winner of the Green Chemistry Challenge Awards, sponsored by the Environmental Protection Agency (EPA) and/or the American Chemical Society

Climate, energy and air emissions

A healthy planet is essential to human and animal health and to the sustainability of our business. We have a long history of environmental stewardship and compliance, and we realize our strategy and efforts need to continuously evolve in the face of a changing climate.

As mentioned in our Access to Health section, we recognize the negative impact climate change can have on health, and through our environmental stewardship and compliance, we are working to mitigate its effects.

GRI/SASB disclosures in this section:

GRI 201-2	GRI 302	GRI 302-1	GRI 302-4	GRI 305	GRI 305-1	GRI 305-2
GRI 305-3	GRI 305-4	GRI 305-5	GRI 305-6	GRI 305-7		

*+ Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Goals

Reduce our operational GHG emissions (i.e., Scopes 1 & 2) 46% by 2030, from a 2019 baseline[1]

Reduce our value chain (Scope 3) GHG emissions by 30% by 2030, from a 2019 baseline[2]

Source 100% of our purchased electricity from renewable sources by 2025[3]

Achieve net-zero greenhouse gas (GHG) emissions (Scopes 1, 2 & 3) by 2045

[1] Scope 1 GHG emissions are direct emissions from owned or controlled sources such as on-site fuel combustion and fleet vehicles. Scope 2 GHG emissions are indirect emissions from the generation of purchased energy consumed by the reporting company.

[2] (a) Scope 3 GHG emissions include all other indirect emissions in a company's value chain.
(b) In 2024, we initiated a work process with our suppliers to collect and report their activity data related to our Scope 3 emissions in place of our input/output spend modeled data, when available. Our 2019-2024 Scope 3 performance data and goals were updated to include this data.

[3] 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.

Policies

Climate change

Business Partner Code of Conduct

External charters, principles and initiatives that we endorse or guide our work on this topic:

- Paris Climate Agreement
- Science Based Target initiative (SBTi)
- We Mean Business Coalition
- Task Force on Climate-Related Financial Disclosures (TCFD) framework

Our approach to climate, energy and air emissions

Scientific data support that climate change is occurring, and we are taking action to reduce the economic, human and animal health risks associated with a changing climate.

We have adopted a set of climate goals to help us succeed in an increasingly resource-constrained world. We developed these goals to align with the latest climate science and to address the rising expectations of our customers, investors, external stakeholders and employees regarding the environmental impact of our operations and supply chain.

We have committed to reaching net-zero greenhouse gas emissions (GHG) by 2045 across Scopes 1, 2 & 3, aligned with the SBTi criteria.

In addition, we have continued to find ways to decrease our energy demand and increase the amount of renewable energy we purchase. In our **Business Partner Code of Conduct**, we request that suppliers conserve energy and engage in activities aimed at reducing GHG emissions. Our Procurement team engages strategic suppliers to reduce the environmental impacts within our supply chain.

We describe our approach to governance regarding climate-related issues in the Sustainability Governance section, page **11**.

In 2024, we conducted a climate policy alignment assessment of trade associations by determining whether they had publicly disclosed formal positions on climate change and, if so, reviewing those positions in the context of ours.

+ *This assessment is on the **Sustainability Resources page** of our corporate website. For a more detailed discussion of our views on climate, see the Sustainability Resources page for our Public Climate Policy.*

Climate risk assessment

The adverse impacts of climate change, or legal, regulatory or market measures to address climate change, may negatively affect our business. Climate change exposes us to physical risks (such as extreme weather conditions or rising sea levels), risks in transitioning to a low-carbon economy (such as additional legal or regulatory requirements, changes in technology, market risk and reputational risk), and social and human effects (such as population dislocations and harm to health and well-being). These risks can be either acute (short-term) or chronic (long-term).

The adverse physical impacts of climate change include increased frequency and severity of natural disasters and extreme weather events such as hurricanes, tornadoes, wildfires (exacerbated by drought), flooding and extreme heat. Extreme weather and sea-level rise pose physical risks to our facilities as well as those of our suppliers. Such risks include losses incurred as a result of physical damage to facilities, loss or spoilage of inventory, and business interruption caused by natural disasters and extreme weather events. Other potential physical impacts include reduced access to high-quality water in certain regions and the loss of biodiversity, which could impact future product development. These risks could disrupt our operations and supply chain, which may result in increased costs.

New legal or regulatory requirements may be enacted to prevent, mitigate or adapt to the implications of a changing climate and its effects on the environment. These regulations may differ across jurisdictions and could subject our Company to various new requirements. These include new or expanded carbon pricing or taxes, increased compliance costs, restrictions on GHG emissions, investment in new technologies, increased carbon disclosure and transparency, upgrade of facilities to meet new building codes and the redesign of utility systems. All of these changes could increase our operating costs, including the cost of electricity and energy. Our supply chain would likely be subject to these same transitional risks and would likely pass any increased costs to our Company, all of which may affect our ability to procure raw materials or other supplies at the quantities and levels required for our business.

While we understand the potential risks, there is limited data around the potential financial implications of these risks. In 2022/2023, we performed a Task Force on Climate-related Financial Disclosures (TCFD) gap analysis. This included a high-level TCFD-aligned qualitative, physical and transitional climate risk and opportunity scenario assessment to examine which parts of our business are at the highest risk due to climate change and the associated costs.

We integrate these potential risks into our business planning, including investments in reducing energy use, water use and GHG emissions.

We have prioritized these reductions by establishing internal policies and practices focused on reducing energy use at our sites and minimizing GHG generation throughout our Company. By taking these steps, we are not only minimizing GHG emissions and mitigating the expected business impacts of future climate change regulations, but we also expect to reduce operating costs.

+ *Additional information on the results of our analysis using the TCFD framework are available on the **Sustainability Resources page** on our corporate website.*

Projects and funding

To advance our journey toward achieving net-zero GHG emissions, in 2024, we embedded sustainability principles and funding into all capital projects, regardless of their size and scope.

In 2024, we also made a strategic decision to prioritize the creation of our net-zero roadmaps focused on energy consumption and decarbonization projects for our top emitting sites across our Company. As part of this initiative, we have incorporated over 90 new capital projects into our long-range capital plan. To ensure the successful implementation of our net-zero roadmap, our Enterprise Capital Committee—a cross-functional leadership team responsible for ensuring our portfolio of capital projects aligns with our Company strategy and long-range operating plan—has incorporated emissions impact into its decision-making process by approving the Environmental Sustainability Capital Principles that are now reflected in our building design standards. This means the Committee now considers the GHG emissions impact of all proposed capital projects or investments, which will enable us to achieve our goals.

In addition, we updated the systems used for capital governance and reporting to provide greater transparency around emissions and sustainability-related spending for each of our capital investments. This enhancement not only enables us to track and report on our sustainability performance more effectively, but also reinforces our commitment to integrating environmental considerations into our financial decision-making processes. It also demonstrates our dedication to aligning financial decisions with environmental sustainability goals within our standard capital allocation business processes. This approach will allow us to prioritize our investments that not only drive business value but also contribute to reducing our overall carbon footprint in Scopes 1 & 2.

Carbon offsets

In following the guidance of the SBTi, we do not use carbon offsets against our near-term (2030) SBTi approved Scope 1 & 2 and Scope 3 reduction targets.

When we reach our net-zero target, we will neutralize any residual emissions with carbon removals to reach net-zero emissions, in compliance with the SBTi's Net-Zero Standard.

Carbon offsets are used when required by local, regional or national programs and in certification initiatives such as LEED Zero.

+ *For more information on our carbon offsets, their procurement and application, see the **Sustainability Resources page** on our corporate website.*

Energy use

We recognize the important role we play in identifying, adapting and responding to the public health risks associated with climate change. Energy-demand reduction and renewable energy usage are essential to our climate mitigation strategy, as they positively impact our efforts to reduce our direct GHG emissions.

Our longstanding support of stronger health systems in underserved areas is even more important given the evidence that certain disease patterns are associated with changing climate conditions.

Programs and initiatives

We have internal policies and practices focused on reducing energy use at our sites, including optimizing systems and equipment, consolidating excess facility space and designing with the environment in mind. In addition, we have launched initiatives to better understand and reduce our supply-chain-related impacts. By taking these steps, we are minimizing GHG emissions, mitigating the business impacts associated with climate change and expecting to reduce operating costs.

Our manufacturing facilities, warehouses, laboratories, offices and vehicle fleet represent the majority of our energy consumption and are the primary targets of our energy demand reduction programs. While each site is responsible for managing its own energy use, our Global Energy & Sustainability Center of Excellence (CoE) supports them by providing analytical tools and best practice-sharing opportunities for energy-saving projects. The Environmental Compliance, Sustainability and Stewardship CoE reviews environmental data to monitor sites' progress. Finally, teams across the Company support sites' work toward our goals.

We redesigned our longstanding GENIUS (Global Energy Network for Improvement in Usage & Supply) Program to prepare for the significant increase in activity anticipated across our network to meet our net-zero goal. GENIUS is our energy management program and supports our environmental sustainability strategy and goals specific to energy and climate. The redesign of the GENIUS Program uses two of the most recognized energy management best practices, ENERGY STAR and ISO 50001. The implementation of the GENIUS Program's Plan, Do, Check, Act (PDCA) Framework ensures our sites align their work to a structured energy-management program and to our environmental sustainability strategy and goals.

Through the redesign of the GENIUS Program, the Global Energy & Sustainability CoE developed a series of supporting tools for sites, including a program playbook, gap analysis, resource-requirements calculator, responsibility matrix and site-specific standard operating procedure (SOP) templates for site energy management program formalization. Our current focus is on operationalizing the GENIUS Program across our sites and putting metrics in place to track status.

When appropriate, we leverage ISO principle 50001:2018. This international standard establishes rules for how organizations should manage and improve their energy performance via energy management systems (ENMS). The intent is to continually improve energy performance. Requirements associated with ISO 50001 that apply to both our European-certified sites and our U.S. sites that participate in the Department of Energy (DoE) 50001 Ready Program will help us meet the proposed metrics.

Since 2016, 16 of our European sites have aligned their site energy management programs to ISO 50001:2018 through certification. Certification means the organization is managing energy in alignment with the global standard. In addition, an external accredited certification body carries out annual surveillance audits, as well as recertification audits every three years, to ensure the ENMS are delivering energy performance and system improvement. In the U.S., seven of our sites have come together as a cohort under the DoE 50001 Ready Program and are actively executing on the requirements.

Employee engagement

Our employees have demonstrated collaboration in driving emission reductions and promoting energy efficiency.

One example is the ongoing "See Green, Be Green" initiative launched by our Ireland sites on World Earth Day 2021. This comprehensive and award-winning effort instills a sustainability mindset in their operations, focusing on culture, biodiversity and carbon and waste reduction. It is a grassroots effort that has successfully engaged employees and fostered a sustainability culture throughout our Ireland sites. The "See Green, Be Green" initiative has evolved each year to meet the needs of our Irish sites and the surrounding communities. The program has created opportunities for best practice-sharing through multi-site planning workshops. It has also focused on increasing its membership, which has generated new ideas. In addition, "See Green, Be Green" has increased its reach with frequent communication of the program's results and related events.

+ *Click **here** to learn more about the "See Green, Be Green" initiative.*

Facilities

We created tools such as the Low Carbon Transition Playbook (LCTP) to support our sites' energy reduction and transition plans. The LCTP is a living document resulting from a cross-functional effort that pulled together Company experts in a "design-thinking" workshop to develop strategies to reduce GHG emissions. The LCTP includes a gap assessment for sites to evaluate the maturity of their energy programs. It also helps create short- and long-term plans to reduce sites' carbon intensity, build toward a low-carbon future and plan for net-zero. In 2024, we updated the latest version of the LCTP to include new technological solutions for energy reduction as well as an improved reporting interface to promote best practice-sharing across sites.

All of our new buildings and major renovations are built following cost-effective and energy-efficient practices, and must reduce their GHG emissions by a minimum of 50% compared to a similar building. They are designed to meet the LEED rating system or a comparable standard (e.g., Building Research Establishment Environmental Assessment Method [BREEAM], Excellence in Energy Efficiency Design [EXEED], Haute Qualité Environnementale [HQE], etc.). At minimum, our offices and laboratories must achieve LEED Gold certification, and manufacturing, warehouse and utility buildings must achieve LEED Silver certification.

We have more than 5.6 million square feet of "green" real estate floor space, either completed or under construction, with multiple buildings receiving LEED certification—including five Gold ratings in 2024.

+ *To learn more about our facilities and global LEED projects, see the **Sustainability Resources** page on our corporate website.*

Renewable energy

We have committed to sourcing 100% of our purchased electricity from renewable energy by 2025. Photovoltaic (PV) arrays, wind turbines and other renewable energy installations avoid emissions, helping to reduce energy demand peaks and to postpone or preclude adding new "fossil-fuel" power plants. We continually look for opportunities for new on-site renewable energy generation, vendor-supplied renewable energy through the electrical grid and virtual power purchase agreement (VPPA) and power purchase agreement (PPA) projects.

In 2024, we conducted a gap assessment of our global electricity use verses our current renewable electricity sourcing. This assessment will allow us to implement a strategy to reach and maintain our 2025 goal.

Since 2019, our continued efforts at renewable energy procurement have resulted in 209 MW of VPPA commitments. This includes our second U.S. VPPA, the 58 MW Old 300 Solar project in Texas, which began operation in June 2024, and an additional VPPA contract, the 51 MW Postigo Solar project in Spain, which commenced operations in Q2 2025. The regional breakdown of these commitments is:

- North America: 118 MW
- Europe: 91 MW

Energy Star

In March 2024, the U.S. EPA again recognized our Company with our 17th consecutive Sustained Excellence Award. This is also the 19th consecutive year we have been recognized by ENERGY STAR for excellence in energy management.

In 2024, we continued to successfully use ENERGY STAR benchmarking tools such as the ENERGY STAR Portfolio Manager to obtain the ENERGY STAR Certified Building label for three buildings.

And for the 17th consecutive year, our Puerto Rico facility was awarded the ENERGY STAR Pharma Energy Performance Indicator (EPI) for superior energy efficiency and environmental performance among U.S. pharmaceutical manufacturing plants.

Vehicle fleet

We have a roadmap to electrify our fleet, focusing our efforts on mature markets with the regulatory environment and infrastructure to support our drivers during the transition. Our current emphasis includes introducing both battery electric and hybrid vehicles in the Asia Pacific and Latin America regions where there is less infrastructure in place. As of January 2025, battery electric vehicles (BEVs) comprised 5.4% of our running fleet, primarily representing Middle and Northern European markets, such as the UK, Belgium, Netherlands, Austria and the Nordics. The largest drivers of our BEV rollout have been favorable tax and regulatory environments, as they incentivize drivers to choose this type of vehicle. We expect to rollout pilots in the U.S. market in 2026.

Our value chain GHG emissions

In addition to initiatives to reduce our Scope 1 and Scope 2 GHG emissions, we have significantly increased our efforts to reduce our value chain impacts and associated Scope 3 GHG emissions, which constitute the largest portion of our GHG footprint. We have analyzed and reported our Scope 3 impacts using primary activity data and accepted emission factors, in addition to an economic input-output model based on our third-party spend. Examples of our efforts are described below.

- **Supplier engagement initiatives:** In 2023/2024, we successfully engaged with over 400 key suppliers that account for approximately 60% of our total Scope 3 emissions (based on our 2023 reported emissions), reinforcing our expectations, driving partnership and raising awareness of our climate objectives to accelerate GHG reduction initiatives. By engaging suppliers in a phased approach, we identify key ways to reduce GHG emissions and uncover additional tangible business benefits.
- **Collaboration and education:** Both internal and external collaboration are cornerstones of our strategy. In 2024, we launched the Sustainability Partner Exchange, an education and partnership series to facilitate dialogue and knowledge-sharing between our Company and our suppliers. This innovative initiative fosters the exchange of best practices in environmental sustainability, open discussions on common challenges and cross-industry collaboration to drive decarbonization. The event brought together more than 400 supplier companies from all procurement categories to focus on partnership, collective learnings and progress on climate objectives. Through these efforts, we equip our suppliers with the knowledge and tools needed to positively contribute to our climate goals and reduce their own climate impacts.

- **Culture and ways of working:** We strive to integrate environmental sustainability into our end-to-end procurement processes and ways of working. Over the past year, we continued to update our sourcing and contracting processes to include environmental sustainability in our decision-making process, strengthening our value chain with suppliers who have similar values and objectives. We also launched training to drive awareness and knowledge across our Company. Additionally, we formed internal partnerships across key business functions to address emissions hotspots.
- **Data optimization for greater impact:** In 2024, we continued to improve upon the accuracy of our Scope 3 GHG data through close collaboration with our suppliers and strengthened measures to enhance our Scope 3 data calculation, collection and reporting processes. In the upcoming year, we plan to build upon this progress by implementing a digital platform to facilitate supplier data integration and standardized reporting.

Reporting and disclosure of our GHG emissions

We report our GHG emissions as required by regulations in certain countries and annually through our CDP disclosure, which CDP has aligned to the TCFD reporting requirements.

+ *Our CDP Questionnaire is available on our **Sustainability Resources** page.*

Other emissions

We are committed to controlling air emissions from our facilities to reduce local, regional and global environmental impacts. Air emissions are generated by our manufacturing and research operations, as well as by burning fuel in on-site equipment and fleet vehicles. Our Air Management Standard requires our facilities to quantify and control air emissions to comply with applicable regulations and standards. Where regulations do not mandate emission quantification, our facilities are required to use guidelines and tools associated with our Air Management Standard to estimate emissions. We developed these guidelines and tools using EPA emission calculation methodologies.

Any increase in production can negatively impact our emissions trends. While there are efforts to minimize solvent use in production, solvents are needed for cleaning and disinfecting. The Montreal Protocol mandates phase-out of refrigerants that are ozone-depleting substances per schedules approved for individual countries. Our facilities strive to maintain compliance with applicable regulatory requirements, established in accordance with each country's commitments.

Our Environmental Compliance CoE assists our facilities in obtaining appropriate environmental permits and in quantifying and controlling air emissions to comply with applicable regulations and emission standards.

Production and research emissions

Many of our pharmaceutical manufacturing processes, cleaning/disinfecting operations and research laboratories require the use of solvents. Evaporation of solvents into the air is our primary source of volatile organic compound (VOC) emissions. In an effort to reduce VOCs, we've incorporated reductions in solvent usage as an element of our Green & Sustainable Science program.

The key elements of the program include designing efficient processes that use less hazardous and/or reduced quantities of organic solvents. We also use water-based methods for cleaning our process equipment where it has been shown to be as effective as solvent-based methods. To reduce emissions from processes using organic solvents, we use pollution-control technologies, such as conservation vents, carbon filters, thermal oxidizers, condensers and scrubbers.

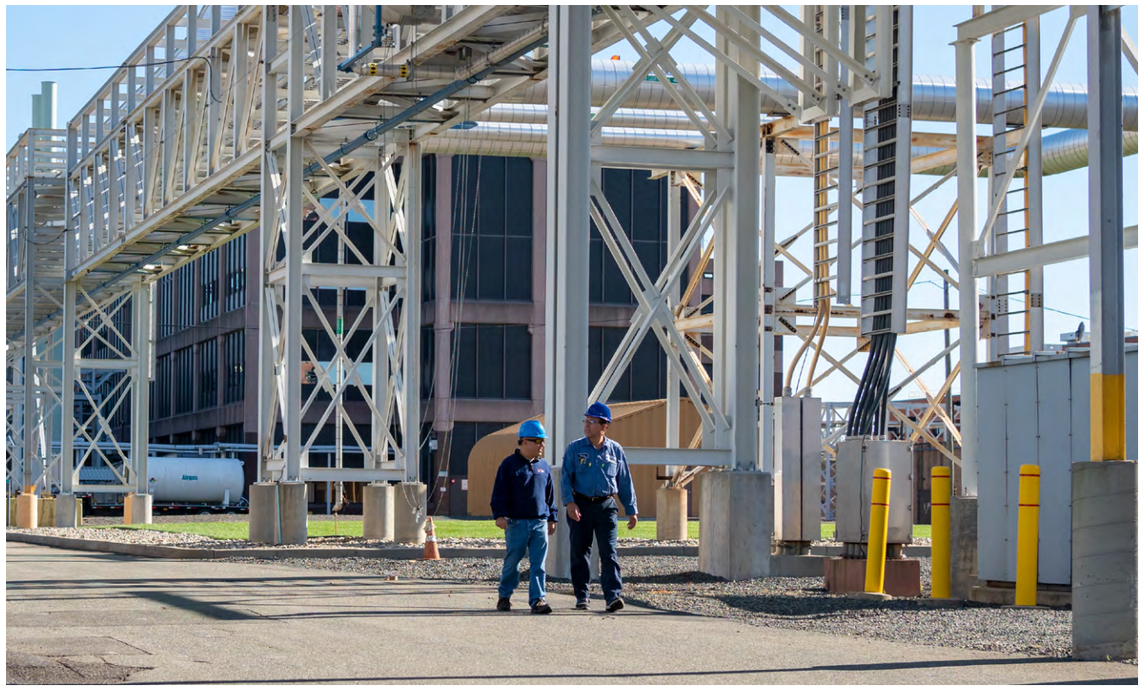
+ *For more information on this program, see pages **88-89**.*

Fossil fuel combustion emissions

Air emissions are also generated by burning fuel in our boilers and power-generation turbines (for heat and energy) and by other combustion processes, such as thermal oxidizers (for treating air emissions) and incinerators (for destroying waste). Our fleet vehicles and aircraft also burn fuel and generate air emissions. These combustion processes result in emissions of carbon dioxide (CO_2), nitrogen oxides (NOx), sulfur oxides (SOx) and VOCs.

We strive to make our facilities more energy efficient through our energy management programs and to improve the fuel efficiency of our fleet vehicles. Our Company's actions to reduce our GHG emissions to meet our public climate commitments will also reduce NOx, SOx and VOC emissions.

+ *For environmental sustainability data and goal performance, please see the **Performance summary** at the end of the environmental sustainability section of this report.*



Water

Access to clean water is vital for human health. Water is a key input to our manufacturing operations, and we assess water risk throughout our network as a standard business practice. As we strive to meet the needs of patients, we understand that we may encounter water risk where we operate. Our global water strategy, which supports United Nations Sustainable Development Goal (SDG) 6: Clean Water and Sanitation, aims to achieve sustainable water management within our operations and supply chain.

To meet these objectives, we are focusing on the following commitments:

- Ensuring our wastewater discharges comply with local and national standards, as well as internal requirements
- Understanding and controlling our operational water footprint
- Managing water risk at our facilities and in our supply chain
- Reporting publicly on our water usage and goals

GRI/SASB disclosures in this section:

GRI 303	GRI 303-1	GRI 303-2	GRI 303-3	GRI 303-4

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Goal

Maintain global water use at or below 2015 levels

Policies

Pharmaceuticals in the environment

Responsible disposal of medicines

Water stewardship

Global Antimicrobial Resistance Action Plan

Business Partner Code of Conduct

External charters, principles and initiatives that we endorse or guide our work on this topic:

- UN CEO Water Mandate

Our approach to water use

Our Water Management Standard requires our facilities to comply with applicable water-related regulatory requirements and to minimize water-discharge-related impacts. In addition, our standard requires our facilities to identify water-reduction opportunities and to assess water risk in the watersheds where we operate.

Each site is responsible for managing its water approach. The Environmental Compliance Center of Excellence (CoE) and Environmental Sustainability CoE review environmental data to monitor sites' progress. Above-site teams from across the Company support sites' work toward our goals.

Over the past few years, we have reported performance against our 2025 water goal and are on track to achieve it. Our sites employ various technologies and techniques to reduce our water footprint and improve operational performance.

Our water-use reduction initiatives include:

- Consideration of water use in process design
- Cooling system optimization
- Prompt repairs and maintenance of steam distribution systems and traps
- Recovery and reuse of steam condensate and "reject water" (for non-potable and non-process applications such as cooling tower feed water)
- Process water purification system optimization
- Avoiding the use of water in mechanical seals, such as those in pumps

In our **Business Partner Code of Conduct**, we request that suppliers conserve natural resources and engage in activities aimed at reducing water usage. We also ask that they have systems in place to quantify the amount of water used.

+ *For more information on supplier engagement on water-related topics, see page **77**.*

To help direct and track projects in support of our targets, we have developed a Water Conservation Playbook for our global sites. This consistent approach guides projects across our global sites and fosters continuous improvement.

Stewardship

We have endorsed the UN CEO Water Mandate, a public commitment to implement a comprehensive approach to water management. We have aligned our program with its principles. Those who endorse the CEO Water Mandate have a responsibility to prioritize water resource management and to work with governments, UN agencies, non-governmental organizations (NGOs), local communities and others to address global water challenges. We continue to identify partnerships that will help us advance our water stewardship priorities. These projects also support the SDG 15 goals, which "protect, restore and promote sustainable use of terrestrial ecosystems."

In 2024, along with One Tree Planted and Groundworks Elizabeth, we supported the planting of a microforest consisting of approximately 200 native trees in a park less than a quarter mile from the Company's Rahway, N.J., global headquarters.

A MicroForest is an innovative way of planting trees to increase carbon sequestration, mitigate stormwater and enhance biodiversity and air quality. MicroForests are an oasis for biodiversity, heal the environment and help connect the local community to nature. This project used the Miyawaki method, densely planting native species of trees that work together to create a diverse, multi-layered forest community. This creates a resilient and thriving ecosystem.

Approximately 25 Company employees participated in the planting event as a part of our greater ongoing effort to maintain and improve the environment near Company facilities and drive employee engagement with sustainability. The partnering organizations will maintain the forest for a period of three years and work with the City and other partners on a long-term maintenance plan.

As we develop our strategic approach to nature and biodiversity, we will continue to evaluate our water risks, opportunities, impacts and dependencies.

+ *For more information on this approach and additional habitat-restoration partnerships, please see the Biodiversity section (page **80**).*

Water as a shared resource

We assess water risk throughout our site network as a standard business practice.

Our process is:

- We use the World Resource Institute's (WRI) Aqueduct Water Risk Atlas tool as a first step. The tool maps water risk, and each year we use the "Baseline Water Stress" indicator to categorize our sites. The indicator is the ratio of total annual water withdrawals to total annual renewable supply, and accounts for upstream consumptive use. Higher stress values indicate more competition among water users.

- Basins identified as high or "extremely" high risk for water stress where sites are located are further assessed using a catchment-specific approach
- High-risk sites meet one of the following criteria:
  - Located in basins confirmed to be experiencing high or extremely high water stress through the catchment-specific approach
  - Known to experience water risk, regardless of the WRI Aqueduct Water Risk Atlas tool assessment
- Water conservation plans are put in place at high-risk sites that use more than 100,000 m^3 of water per year. We work with a third-party expert to evaluate opportunities for water use reductions at these sites, resulting in site-specific water conservation plans.
- We'll continue to monitor sites that do not meet the water use threshold for operational risk and put in place conservation plans as needed.

This assessment ensures we can adapt our strategy to changing stressors in each catchment. It also enables us to better prioritize facilities and catchments for water stewardship activities and lays the foundation for potential future water targets in priority locations.

The selected group of sites is dependent on global network changes and updates to the WRI Aqueduct Water Risk Atlas tool. In 2024, the WRI Aqueduct Water Risk Atlas tool identified 12 of our manufacturing and/or research facilities as being in areas with "extremely high" Baseline Water Stress, and six as being in areas with "high" Baseline Water Stress. As a result of the above methodology and network changes, we continue to have one site with a water conservation plan in place.

The sites that use the most water in our network are in the U.S. Of these, seven are in areas of "high" or "extremely high" Baseline Water Stress according to the WRI Aqueduct Water Risk Atlas tool. However, after further evaluation as described in the bullets above, these sites are considered medium risk.

Water discharge-related impacts

We conduct environmental risk assessments on our products (small molecules, biologics and vaccines) from the development phase through product launch, to understand and manage product impacts both from manufacturing and patient use. We assess products in a manner consistent with the most stringent applicable global regulations, including the regulatory review processes of the U.S. Food and Drug Administration and the European Medicines Agency. Product environmental safety profiles are reassessed during periodic renewals of product filings, and risk mitigation actions are implemented when needed.

We use the information from our risk assessments to establish or update our internal, compound-specific Environmental Quality Criteria (EQC), which are used to confirm that wastewater discharged from our facilities does not contain levels of residual products that present a risk to human health or the environment. We require our manufacturing facilities to use EQC, along with industry-accepted risk assessment methods, to establish procedures for managing and controlling active pharmaceutical ingredients (APIs) in their wastewater.

Each facility uses the internal EQC standards to:

- Assess the potential risk from its operations using science-based and industry-accepted risk assessment methods
- Minimize environmental impacts from wastewater discharges in the local watershed
- Establish procedures for managing, treating or controlling APIs in wastewater prior to discharge, where needed

Our facilities are provided with API treatment or reduction technology such as advanced oxidation where needed, so that our wastewater discharges meet both regulatory requirements and these internal standards. Where on-site treatment is not provided, wastewater is discharged to external wastewater treatment facilities with the technology and capacity to treat our wastewater.

Our Environmental Review Committee oversees our internal EQC standards. We also provide wastewater discharge criteria to suppliers that manufacture pharmaceutical compounds for us and have initiated detailed assessments of our suppliers to better understand and address potential impacts.

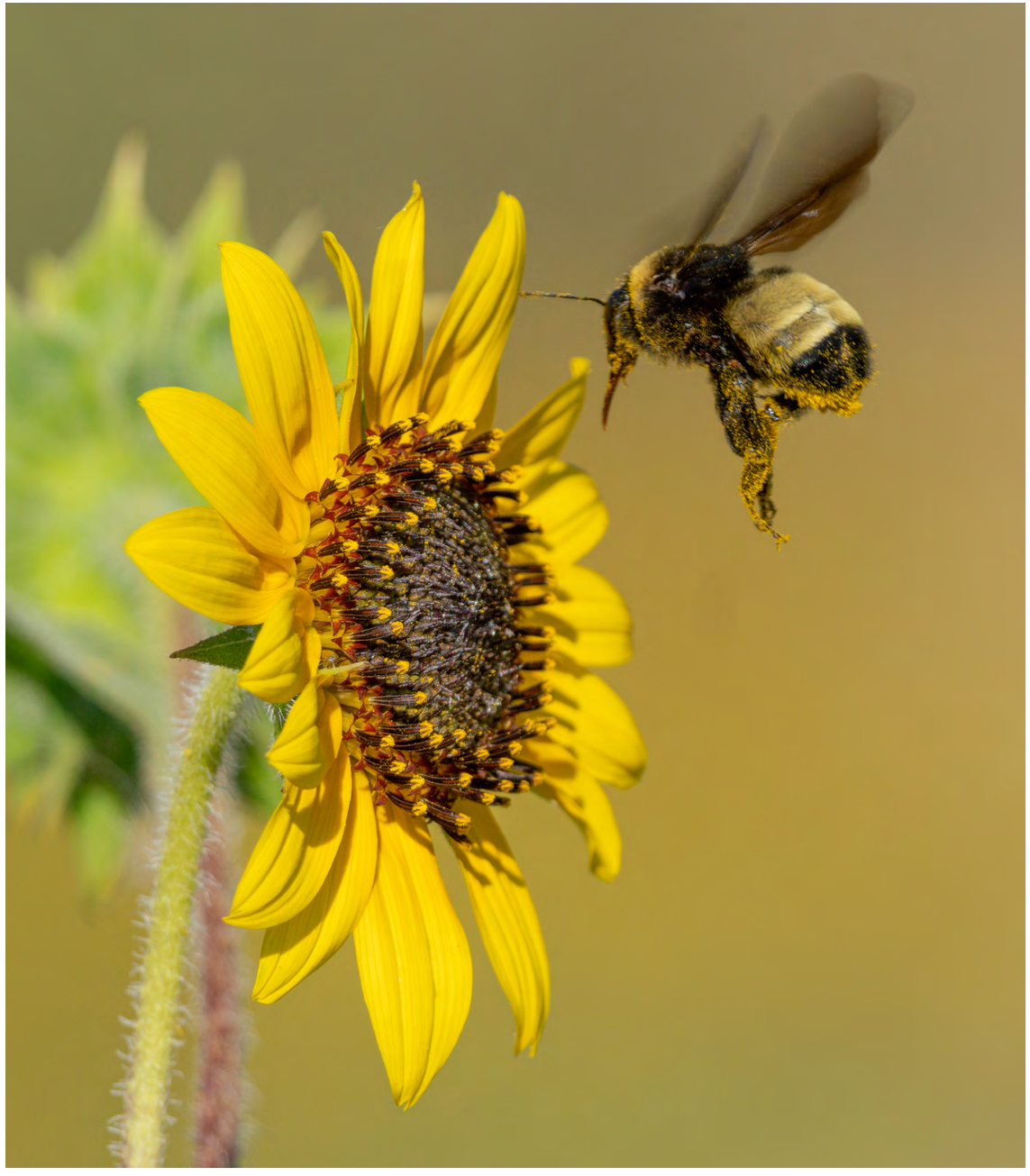
As a member of the Antimicrobial Resistance (AMR) Alliance and signatory to the Industry Roadmap for Progress on Combating AMR, we are delivering on our commitments to reduce the environmental impacts from antibiotic residue in wastewater through implementation of the AMR Alliance Antibiotic Manufacturing Standard. We have reviewed the operations of our human health antibiotic manufacturing facilities and third-party human health antibiotic suppliers to assess their wastewater treatment controls. We also have developed a mechanism for transparently demonstrating that our supply chain meets the standards in this framework, which was presented in the **AMR Industry Alliance Progress Report**.

We participate in efforts to address water discharge-related impacts with various organizations, including the European Federation of Pharmaceutical Industries and Associations (EFPIA). The EFPIA, Medicines for Europe and the Association of the European Self-Care Industry (AESGP) have worked together to develop the Eco-Pharmaco-Stewardship (EPS) initiative. The EPS initiative considers the environmental impacts of a medicine throughout its lifecycle, and addresses the roles and responsibilities of all parties in managing those impacts. This includes public services, the pharmaceutical industry, environmental experts, doctors, pharmacists and patients.

+ *For more information on our supply chain, please see pages **107-113**. For more information on our water withdrawal, consumption and discharge treatment, refer to our CDP Disclosure on the **Sustainability Resources** page.*

+ *For environmental sustainability data and goal performance, please see the **Performance summary** at the end of the environmental sustainability section of this report.*

Nature and biodiversity



We recognize that protecting and restoring nature and biodiversity are important for a healthy planet and for our Company's growth. Nature provides essential ecosystem services and goods, such as purification of air and water and genetic material for medicines, which are vital to human and animal health, as well as our business operations. Biological diversity underpins nature's resilience in the face of environmental changes, such as those due to climate change. To build a healthy future, nature loss and climate change must be addressed in tandem.

We support the conservation objectives of the Convention on Biological Diversity (CBD), which were adopted for a global approach to conservation and sustainable use of genetic resources.

GRI/SASB disclosures in this section:

GRI 304	GRI 304-2	GRI 304-3

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to nature and biodiversity

We have a long history of practicing environmental stewardship, and protecting nature has always been at the core of our approach. Our nature-related impacts and dependencies derive from multiple areas and have been integrated into our environmental program. We recognize our responsibility to manage pharmaceuticals in the environment in order to prevent pollution from entering ecosystems and to prevent harm to individual species. Our broader environmental program, which includes actions in climate, water and waste, reduces our impacts and dependencies on nature. Furthermore, our product stewardship program is continuously working to minimize the raw materials required to make our products and associated waste, which reduces strain on species and ecosystems.

In 2024, we used the Task-Force on Nature-related Financial Disclosure's (TNFD) Locate, Evaluate, Assess, Prepare (LEAP) approach to assess the impacts, dependencies, risks and opportunities regarding nature in our direct operations and throughout our value chain. Within this project, we used the World Wildlife Foundation (WWF) Biodiversity Risk Filter to identify sites in the vicinity of ecologically sensitive areas. This assessment noted areas of our business for further investigation, which will be used to guide our strategic approach to nature and biodiversity.

Additionally, we participate in external groups, such as the Pharmaceutical Supply Chain Initiative (PSCI), the Biopharma Sustainability Roundtable and the Pharmaceutical Environment Group (PEG) to learn and collaborate on industry environmental challenges and opportunities, including nature and biodiversity. We also engage with external stakeholders such as investors on emerging biodiversity and nature issues.

Animal Health and biodiversity

Our Animal Health business supports biodiversity and conservation across both aquatic and terrestrial environments in multiple ways, including:

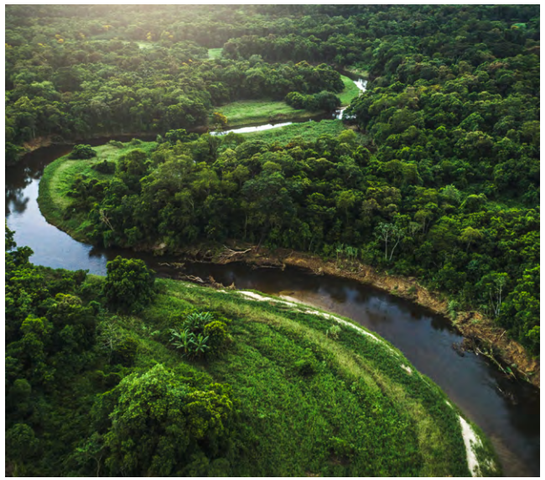
- Monitoring numerous aquatic species by using passive integrated transponder tags
- Enabling statistically valid estimations of wild fish populations, survival rates and migration patterns
- Offering a broad portfolio of innovative medicines, vaccines and technologies to promote growth in the aquaculture and conservation industry
- Tracking invasive species to help researchers assess how these animals distribute throughout the environment and interact with native flora and fauna
- Providing solutions to assist in the conservation of aquatic species, such as salmon, steelhead/rainbow trout, sturgeon and freshwater fish populations
- Collecting and providing key information in the research of sea turtles, salamanders, abalone, penguins, frogs, snakes, bats and many other species
- Improving soil and fauna health through grazing management. The Vence® virtual fencing tool allows landowners to create virtual pastures to facilitate grazing management, track cattle movements and locate an individual animal at any given time, 24/7.

Habitats restoration

Since 2016, as part of our Company-wide UN CEO Water Mandate Commitment, we have invested annually in habitat restoration and reforestation projects that help improve water quality and restore biodiversity. Working with organizations such as The Nature Conservancy and One Tree Planted, we have identified projects to invest in near our sites. By investing in these collective action projects, we have also increased community engagement by providing volunteer opportunities for employees within their own communities.

Our sites around the world are engaged in projects to preserve nature and biodiversity. For example, through our "See Green, Be Green" initiative, our Irish facilities have conducted biodiversity assessments, identifying opportunities for optimal land usage. Local plans have now been fully implemented to protect and enhance natural areas.

+ *Click **here** to learn more about the "See Green, Be Green" initiative.*



Our site in Haarlem, Netherlands, also planted a large, biodiverse field filled with native plants that includes a beehive housing approximately 15,000 bees. The bees' honey is not harvested to give them a food source over the winter.

Additionally, as stated in our 2023/2024 Impact Report, since 2016, our Animal Health business has prioritized habitat restoration through a continued partnership with WeForest. In total, more than 120 hectares of land have been restored by planting approximately 211,000 trees in countries like Brazil, India, Malawi, Tanzania and Zambia. These projects have helped to reconnect fragmented forestland through the restoration of wildlife corridors; promoted protection of sensitive ecosystems and wildlife; improved riparian water ways; created local jobs; and transitioned private land to sustainable agroforestry systems.

Waste

We continuously evaluate our sites' waste disposal methods to gain a better understanding of our network, as well as to identify risks and opportunities in our value chain. The proper management of waste from our facilities is important to the communities in which we operate and is a focus of our environmental permits and other regulatory requirements.

Goals

No more than 20% of our global operational waste will be sent to landfills and incinerators (without energy recovery) by 2025

At least 50% of our sites will send zero waste to landfills by 2025

Policies

Pharmaceuticals in the environment

Responsible disposal of medicines

Business Partner Code of Conduct

Respect for environmental health and safety

Sharps Management Plan—CalRecycle

GRI/SASB disclosures in this section:

GRI 306	GRI 306-1	GRI 306-2	GRI 306-3	GRI 306-4	GRI 306-5

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to waste

Our Waste Prevention and Management Standard requires our facilities to comply with applicable generation, management and disposal regulations and standards. Each site is responsible for managing its approach to waste. The Environmental Compliance CoE and Environmental Sustainability CoE review environmental data to monitor sites' progress. Above-site teams from across the Company provide assistance as needed to support sites toward meeting our goals.

To minimize our environmental footprint and align with the UN SDGs, we look for opportunities to avoid the use of hazardous materials, to reuse or recycle materials and to prevent the generation of waste. When prevention, reuse and recycling are not practical or feasible, we apply controls and treatment technologies to prevent human health impacts and minimize environmental impacts.

Over the past few years, we have reported performance against our 2025 operational waste goals and are on track to achieve them.

To help direct and track projects in support of our targets, we have developed a Waste Diversion Playbook for our global sites. This approach guides projects consistently across our global network of sites and enables continuous improvement toward meeting our goals.

Operational waste

The amount of waste we generate reflects the efficiency of our manufacturing processes.

Operational waste is primarily generated from the following activities:

- Manufacturing
- Packaging
- On-site wastewater treatment
- Research

Waste minimization begins with the evaluation of our product designs and manufacturing processes. Through our Green & Sustainable Science program (see Materials section on page 88), we design processes that use safer chemicals, consume less energy, use less water and other resources, and generate less waste. Our process development biologists, chemists and engineers have the expertise to create more sustainable ways to make our products.

We strive to reduce the amount of operational waste we generate and to maximize the use of environmentally beneficial disposal methods such as recycling, composting and waste-to-energy. To ensure we manage our waste in an environmentally responsible manner, we use only Company-approved waste disposal facilities. Approved facilities demonstrate they have the systems, technologies and practices to manage our waste streams responsibly and in compliance with applicable requirements. We routinely audit these facilities to verify their systems and practices.

Waste types are defined differently in various parts of the world. For this report, we have divided our operational waste into two categories:

- Hazardous waste—Highly regulated or high-risk waste streams that need to be neutralized, treated or destroyed to address a particular hazard, such as toxicity, flammability, corrosivity, radioactivity, pharmaceutically active or infectious
- Non-hazardous waste—Includes all other operational waste

Non-operational waste, such as construction and demolition debris, is excluded from reporting as it is not directly associated with the production of our products and services.

Impacts to recycling markets are still being felt following the enactment of legislation in a number of countries in Asia several years ago, restricting the acceptance of solid waste from other countries. Historically, a large percentage of recyclable waste collected in the U.S. had been shipped to Asia for recycling. Accordingly, this change had, and continues to have, the

potential to affect the percentage of our non-hazardous waste sent for recycling. Commodity and trade markets continue to fluctuate, but have had minimal impact on our recycling rates historically.

In many cases, we partner with our third-party Integrated Facility Management (IFM) team to manage site waste and work toward realizing waste goals. Since 2021, we have placed a strategic focus on diversion improvements at sites that generate the most waste going to landfill and incineration without energy recovery. This approach has diverted waste from landfill through material recovery, waste reduction or recycling, and through transition to other disposal methods, such as treatment. The success of this strategic focus on site engagement has enabled greater information-sharing and identified additional opportunities across the enterprise. In 2024, four of the Company's largest sites sending non-hazardous waste to landfills implemented diversion strategies to reduce the volume of waste going to landfill. As we develop our strategic approach to nature and biodiversity, we will continue to evaluate our operational and consumer waste-related risks, opportunities, impacts and dependencies.

Value chain waste

Potential waste-related impacts are also associated with upstream activities, such as external manufacturing of active ingredients, the purchase of raw materials and goods, and the management of returned goods. Similarly, there are downstream impacts from the packaging and waste generated from use of our products.

While we may not have full operational control over the waste generated in our value chain, we pursue various initiatives to reduce the impact through our product and material choices. Some of these waste reduction initiatives across our value chain include:

- Eliminating substances of concern from packaging
- Solvent recovery and beneficial reuse
- Packaging design efficiency
- Reusable shippers (in product distribution)

+ *For more information on value chain waste reduction initiatives, refer to the Materials section on pages **85-89**.*

According to our **Business Partner Code of Conduct**, our partners operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Partners are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle.

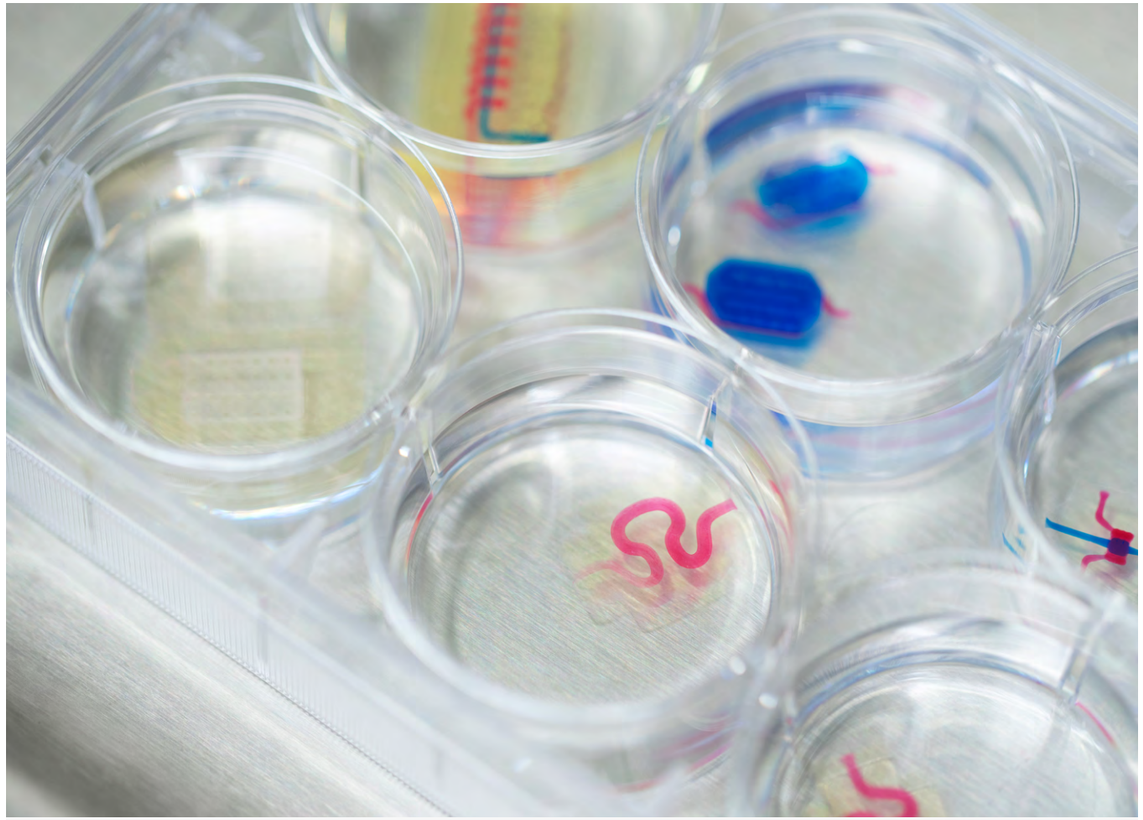
+ *For more information on our environmental management with suppliers, please see page **112**.*

+ *For environmental sustainability data and goal performance, please see the **Performance summary** at the end of the environmental sustainability section of this report.*

Materials

Meeting our environmental sustainability goals is intrinsically linked to the application of innovative, cost-efficient manufacturing processes with low environmental impact. We see transformative science/engineering and innovation as critical enablers to developing sustainable, low-cost manufacturing processes that provide environmental and economic benefits over the lifecycle of our products.

Our aim is to develop the most efficient and sustainable processes at product launch, with the goal of minimizing material use and waste from our commercial manufacturing. We use an innovative "green-by-design" development strategy to progress from an initial early clinical supply route to a fully optimized and sustainable commercial manufacturing process.



GRI/SASB disclosures in this section:

GRI 301

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Policies

Responsible Disposal of Medicines

External charters, principles and initiatives that we endorse or guide our work on this topic:

- Eco-Pharmaco-Stewardship (EPS) initiative
- Conference Board: Product Stewardship & Regulatory Affairs Council
- ACS Green Chemistry Institute Pharmaceutical Roundtable (ACS GCIPR)

Our approach to materials

By using more efficient and innovative processing methods and technologies in our manufacturing, we are trying to reduce the amount of energy, water and raw materials we use to make our products, which should minimize the amount of waste we generate.

We maintain a highly trained and capable scientific staff knowledgeable in methodologies to reduce environmental impacts, and we actively pursue manufacturing process improvements that can minimize environmental impacts. We have set environmental sustainability goals with measurable and achievable targets and timelines to demonstrate this commitment. To ensure our knowledge stays current and aligned with our peers, we also collaborate with external resources and industry groups such as the American Chemical Society (ACS), the EFPIA and Animal Health Europe to develop process improvements.

Products

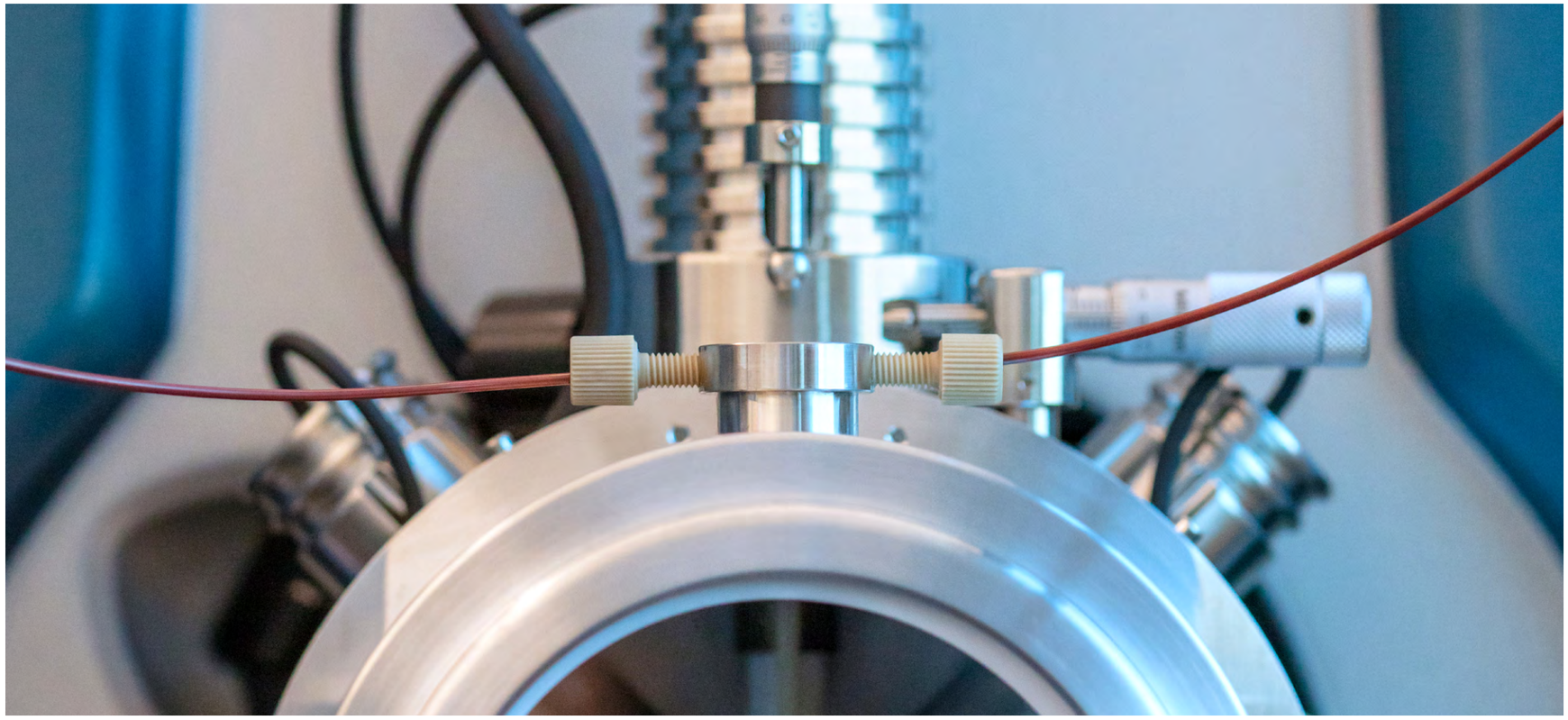
We conduct extensive testing of our products to identify and understand any potential safety, health or environmental hazards. We manage and communicate information about hazardous materials to keep our employees, contractors, transporters and other partners safe. We also share information with patients and health care professionals through our product inserts and packaging so they can understand the potential hazards when handling our products.

We actively engage in conversations on product stewardship to understand and act on issues specific to our industry worldwide. We share best practices within the industry via our membership in the Conference Board Product Stewardship Council, EFPIA, the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and the ACS Green Chemistry Institute Pharmaceutical Roundtable (ACS GCIPR). Our objective is to maintain compliance and assure supply of lifesaving products as we look to further minimize our environmental footprint.

We also support the development of science-based, cost-effective and environmentally sound programs that promote the proper disposal of unused medicines and their packaging, in accordance with regional requirements.

Governance

Our efforts in this area are driven by our Green and Sustainable Science Team and overseen by research and development (R&D) leadership and our Environmental Health and Safety (EHS) Council.



Programs and initiatives

Our chemists and engineers are trained in green design principles and provided with tools and resources to help them develop manufacturing processes that use safer chemicals and reduced quantities of raw materials. We use innovations like nanotechnology to make our products more effective, while ensuring patient safety always remains of utmost importance.

Complying with chemical substance and product requirements is a top priority for us. We track numerous existing and emerging chemical control regulations that require us to register specific types of chemicals with the proper authorities. To meet these requirements, our scientists complete environmental and human health risk assessments of the substances we work with before submitting the required regulatory notifications. Additionally, we provide details on product use and risk-based control measures in accordance with applicable regulations.

Packaging

Our product stewardship program extends to our customers and patients through the design of effective, low-impact product packaging.

These packaging materials serve a range of important purposes; the foremost is to protect the purity, efficacy and physical integrity of the products that reach patients.

Packaging also helps ensure our products are used safely, conveniently and with adherence. Prescribing and educational information is conveyed at the point of purchase, and packaging can include child-resistant access, tamper-evident features and anti-counterfeiting features.

In addition to these critical packaging functions, we recognize the environmental impact of our packaging. After it has served its critical functions, packaging becomes a patient or caregiver's waste and must be accounted for.

We are actively re-imagining our approach to reducing the environmental impact of our packaging. We have developed an iterative, long-term roadmap that is integrated into our business processes. This roadmap drives projects aimed at reducing the environmental impact of our packaging.

A foundational part of our path forward includes evolving how we measure and maintain packaging data to enable transparent, data-driven decision-making. This includes:

- Reducing packaging material mass
- Minimizing or eliminating materials of concern
- Researching new materials
- Introducing more recycled content into our packaging
- Increasing the recyclability of our packaging systems

Animal Health packaging

A project initiated by our Animal Health business is an example of our commitment to environmental sustainability. The project, conducted in Germany and Austria, replaced single-use cardboard boxes with durable, reusable boxes for shipping pharmaceutical products to customers in those countries.

When compared to single-use corrugated boxes, the reusable boxes reduced the waste associated with single-use packaging materials and contributed to a more sustainable supply chain. Looking ahead, we are exploring the potential to expand this project to other countries and regions. By sharing our successful experience and promoting the adoption of reusable packaging solutions, we aim to further enhance sustainability practices within the animal health and human health industries.

We use a simplified lifecycle analysis tool as a standard business practice so we can analyze impact in the timeframe needed for packaging development. We review all new human health packaging designs during the development process to understand and minimize their environmental impacts as much as possible, while still providing appropriate protection for our products.

We continue to monitor global trends, respond to customer inquiries around packaging and packaging materials, and incorporate circular economic concepts into the critical functions of packaging for pharmaceuticals.

Packaging governance

Our Global Pharmaceutical Commercialization and Global Pharmaceutical Operations areas manage environmental packaging with oversight from our Environmental Health and Safety Council.

Solvent use

Solvents can play a key role in the research and manufacturing of our products, as well as in equipment cleaning. Because of their significance to our business and the lifecycle impact they represent, we design our processes to minimize or avoid the use of organic solvents where practical. Where we do use organic solvents, we maximize efficiency and control them in our emissions, effluents and waste.

We have an active Green and Sustainable Science program (see right) to design our new processes using fewer, less toxic organic solvents and other hazardous materials, and to reuse and recycle more of the solvents we do use.

For cleaning our manufacturing equipment, we use water-based methods where they are as effective as organic solvents. At each of our manufacturing sites, we have engineers responsible for identifying and driving process improvement projects. When it is not practical to reuse regenerated organic solvents in our own production processes, we work with suppliers who recover the spent organic solvents for resale to other industries or safely burn them as a source for energy, where feasible. Any used organic solvents that leave our site as hazardous waste are managed at off-site facilities that are on our list of approved waste management sites.

Chemical management

A comprehensive and effective chemical management program is critical to the safety and protection of our employees, the communities in which we operate and the environment.

We have put in place procedures, systems and processes to manage the approval, procurement, inventory, receipt, transfer, storage, use and disposal of chemicals at all of our sites. Through proper labeling of chemicals and the safety data sheets, we provide our employees and others with information about the identities and potential hazards of the chemicals in our operations.

Green and sustainable science

Green and sustainable science is the development and application of green chemistry principles, quantitative sustainability metrics and goals to the process of scientific inquiry. We employ this green and sustainable science framework because we recognize that our ability to meet our environmental sustainability goals is intrinsically linked to the creation of innovative and cost-efficient manufacturing processes with low environmental impact. Green and sustainable commercial chemical route development also helps mitigate potential issues in the supply chain of tomorrow by reducing our raw material requirements today. Our objective is to be the industry leader for the development of innovative, efficient, green and sustainable commercial syntheses of our small molecule APIs from sustainable commodity raw materials. We are also exploring ways to reduce the environmental impact of biologics and vaccine manufacturing.

Green-by-design strategy

Our integrated strategy involves several stages; it aims to provide innovative solutions rather than incremental improvements to historical practices. We see transformative science/engineering and innovation as critical enablers to developing sustainable, low-cost manufacturing processes that provide both environmental and economic benefits over the lifecycle of our products. We aim to develop the most efficient and sustainable processes

at product launch, with the goal of minimizing material use and waste from our commercial manufacturing. We use an innovative "green-by-design" development strategy to progress from an initial early clinical supply route to a fully optimized and sustainable commercial manufacturing process.

Programs and initiatives

As part of our Green & Sustainable Science program, we calculate the process mass intensity (PMI) of our small molecule human health products. PMI represents the number of kilograms of raw materials (including water) used to produce one kilogram of an API and indicates the efficiency by which we convert raw materials into final products. We use this metric internally to compare different manufacturing methods, to identify process improvement opportunities and to track our progress. We have developed a PMI tool that provides ambitious, molecule-aware PMI targets for our API manufacturing processes. We routinely evaluate PMI at every stage to drive the development of our new small molecule processes to achieve our aspirational goals for green and sustainable processes. For our large-molecule processes, we are pioneering new modality-appropriate metrics that outperform PMI in their ability to recommend ways of reducing the environmental impact of biologic and vaccine manufacturing. We are also using streamlined lifecycle analysis tools to further evaluate the environmental impacts of our processes.

American Chemical Society's (ACS) Green Chemistry Institute

We are a founding member of the ACS Green Chemistry Institute® (GCI) Pharmaceutical Roundtable, a partnership between the ACS GCI and member pharmaceutical companies. The Roundtable drives education and research on new ways to apply green and sustainable science to pharmaceutical discovery and manufacturing. This is accomplished through the development of industry-wide sustainability metrics, tools and technologies.

Awards and recognition in green chemistry

Since the establishment of the Green Chemistry Challenge Awards sponsored by the Environmental Protection Agency (EPA) and the ACS in 1996, we are proud to have been recognized with 10 Green Chemistry Challenge Awards for innovative process improvements, seven since 2017. We have also been honored by ACS as the winner of the Peter J. Dunn Award for Green Chemistry & Engineering Impact in the Pharmaceutical Industry for three of the past five years.

+ *Learn more about the Green Chemistry Awards and how we are* ***safeguarding the environment through green chemistry*** *on our corporate website.*

Climate, energy and air emissions

Goals	2022	2023	2024
Reduce our operational GHG emissions (i.e., Scopes 1 & 2) 46% by 2030, from a 2019 baseline[1]	9% below baseline	14% below baseline	**16% below baseline**
Reduce our value chain (Scope 3) GHG emissions by 30% by 2030, from a 2019 baseline[2]	7% below baseline	9% below baseline	**6% below baseline**
Source 100% of our purchased electricity from renewable sources by 2025[3]	45%	57%	**61%**
Achieve net-zero greenhouse gas (GHG) emissions (Scopes 1, 2 & 3) by 2045	**In 2024, we committed to a net-zero target for our greenhouse gas (GHG) emissions across our global operations (Scopes 1, 2, and 3) by 2045, aligned with the guidelines of the Science Based Targets initiative (SBTi).**		

[1] Scope 1 GHG emissions are direct emissions from owned or controlled sources such as on-site fuel combustion and fleet vehicles. Scope 2 GHG emissions are indirect emissions from the generation of purchased energy consumed by the reporting company.

[2] (a) Scope 3 GHG emissions include all other indirect emissions in a company's value chain.
(b) In 2024, we initiated a work process with our suppliers to collect and report their activity data related to our Scope 3 emissions in place of our input/output spend modeled data, when available. Our 2019-2024 Scope 3 performance data and goals were updated to include this data.

[3] 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.

From 2023 to 2024, our combined year-over-year Scope 1 and market-based Scope 2 GHG emissions reduced by 2 percent. The decrease was due to reductions in market-based Scope 2 electric emissions and Scope 1 fugitive and fleet emissions. In 2024, our Scope 3 GHG emissions increased as compared to 2023. While performance was mixed across our reported categories, an increase in GHG emission in our largest category, Purchased Goods and Services, led to an overall increase in GHG emissions from 2023. Our analysis shows that our Scope 3 GHG emissions impacts are more than six times greater than our combined Scopes 1 and 2 emissions.

Total energy use (GJ)	2019	2020	2021	2022	2023	**2024**
Total energy use	17,261,000	16,784,000	16,791,000	17,197,000	17,186,000	**16,965,000**

Breakdown (by type) of total energy used (Scope 1 and location-based Scope 2 energy use)*	2019	2020	2021	2022	2023	**2024**
Natural gas (Scope 1)	64%	66%	64%	65%	64%	**65%**
Renewable energy generated and used on site (Scope 1)[4]	0.003%	0.010%	0.010%	0.010%	0.33%	**0.37%**
Fleet fuel (Scope 1)	10%	8%	8%	9%	9%	**9%**
Fuel oil (Scope 1)	2%	2%	2%	2%	2%	**1%**
Biofuel (Scope 1)	0.0008%	0.0009%	0.0009%	0.0010%	0.0008%	**0.0008%**
Spent solvents (Scope 1)	0%	0%	0%	0%	0%	**0%**
Coal (Scope 1)	0%	0%	0%	0%	0%	**0%**
Purchased electricity (Scope 2)[5]	22%	22%	24%	22%	22%	**22%**
Purchased steam (Scope 2)	3%	3%	3%	3%	3%	**3%**

* Annual energy breakdown may not add up to 100 percent due to rounding.

[4] Includes solar, wind and other renewable energy generated on site where renewable energy credits or guarantees of origin have been retained or retired.

[5] Includes electricity sourced from external suppliers. Reported using Scope 2 location-based value in accordance with the GHG Protocol.

Breakdown (by type) of total energy used (Scope 1 and market-based Scope 2 energy use)*	2019	2020	2021	2022	2023	**2024**
Natural gas (Scope 1)	64%	66%	64%	65%	64%	**65%**
Renewable energy generated and used on site (Scope 1)[1]	6%	9%	10%	10%	13%	**14%**
Fleet fuel (Scope 1)	10%	8%	8%	9%	9%	**9%**
Fuel oil (Scope 1)	2%	2%	2%	2%	2%	**1%**
Biofuel (Scope 1)	0.0008%	0.0009%	0.0009%	0.0010%	0.0008%	**0.0008%**
Spent solvents (Scope 1)	0%	0%	0%	0%	0%	**0%**
Coal (Scope 1)	0%	0%	0%	0%	0%	**0%**
Purchased electricity (Scope 2)[2]	16%	13%	13%	12%	10%	**9%**
Purchased steam (Scope 2)	3%	3%	3%	3%	3%	**3%**

*Annual energy breakdown may not add up to 100 percent due to rounding.

[1] Includes solar, wind and other renewable energy used on site or purchased, where renewable energy credits or guarantees of origin have been retained or retired.

[2] Includes solar, wind and other renewables generated on site where renewable energy credits (RECs) have been sold. Reported using Scope 2 market-based value in accordance with the GHG Protocol.

Total GHGs (Mt CO_2e)	2019	2020	2021	2022	2023	**2024**
Scope 1[3,5,6]	746,900	737,400	704,800	739,500	731,600	**721,200**
Scope 2 location-based[3,5,6]	375,400	357,100	375,600	350,500	340,400	**323,800**
Scope 2 market-based[3,5,6]	300,900	238,400	240,800	217,300	170,100	**163,000**
Total Scopes 1 & 2 GHGs (market-based)[3,5,6,8]	1,047,800	975,800	945,600	956,800	901,800	**884,200**
Scope 3 GHGs[4,5]	6,442,500	6,170,300	6,255,400	5,999,600	5,863,500	**6,057,900**
GHG intensity (Scopes 1 & 2 - market-based)[7]	17.01	15.34	14.20	14.07	12.52	**11.79**

Note: We engaged an external third-party to perform a limited assurance engagement over select 2024 GHG emissions metrics included in this report. To view the Report of Independent Accountants, please visit the **Sustainability Resources** page of our corporate website. The limited assurance engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements.

[3] Our 2024 GHG emissions metric was externally assured by a third-party.

[4] Our 2024 Scope 3 GHG emissions for Category 3 (Fuel and energy-related activities not included in Scopes 1 & 2) and Category 6 (Employee business travel) were externally assured by a third-party.

[5] In accordance with the World Resource Institute's GHG Protocol, prior-year data have been adjusted to add or remove facilities that have been acquired, sold or spun-off. Adjustments also reflect changes in methodology to ensure consistency from year to year, including Scope 2 emission factor updates [E-GRID (2025), IEA (2024), EU Residual (2024), UK DEFRA (2024), and Canada National Inventory Report (2025)] and Scope 1 & 3 emission factor updates [EPA Climate Leaders (2025), IEA (2024), and UK DEFRA (2024)]. The World Resource Institute's GHG Protocol defines Scope 1 GHG emissions as direct emissions from owned or controlled sources such as on-site fuel combustion and fleet vehicles. Scope 2 GHG emissions are indirect emissions from the generation of purchased energy consumed by the reporting company. Scope 3 GHG emissions include all other indirect emissions in a company's value chain. Emissions were based on our economic input-output model using our third party spend. Whenever possible, we replaced the relevant emissions calculated from our spend-based model with primary emissions data provided directly from our suppliers or calculated emissions data based on the activity. We adjusted our spend-based model to account for foreign exchange and inflation in order to normalize and compare our performance against our baseline year of 2019.

[6] The operational control approach is used to account for GHG emissions for Company facilities globally. Only those facilities over which our Company has operational control are included in the GHG inventory.

[7] Total Scope 1 & Scope 2 market-based metric tons CO_2e per employee.

[8] All values are rounded. As a result, the total values shown may not equal the sum of the individual GHG totals.

Scope 3 GHG details (Mt CO_2e)	2019	2020	2021	2022	2023	**2024**
Purchased goods and services[1]	4,749,800	4,818,700	4,866,400	4,565,200	4,447,300	**4,743,200**
Capital goods[1]	328,300	444,900	418,800	383,000	319,500	**281,700**
Fuel and energy-related activities not included in Scopes 1 & 2[2,10]	202,300	181,100	183,000	185,100	176,000	**170,400**
Upstream transportation and distribution[1]	385,600	279,700	395,600	520,100	459,900	**423,700**
Waste generated in operations (excluding recycled and composted waste)[3,4]	18,800	21,900	23,800	24,900	19,500	**20,800**
Employee business travel[5,10]	286,300	101,400	36,200	64,200	203,600	**197,200**
Employee commuting[6]	293,900	137,900	141,300	143,400	196,800	**178,700**
Downstream transportation and distribution[7]	124,800	136,000	134,800	87,100	16,200	**11,800**
Use of sold products[8]	900	900	900	2,500	1,300	**1,500**
End-of-life treatment of sold products[9]	48,300	43,000	47,600	11,900	7,600	**5,500**
Franchises	3,500	4,800	7,000	12,200	15,800	**23,400**
Total[11]	6,442,500	6,170,300	6,255,400	5,999,600	5,863,500	**6,057,900**

[1] Emissions are based on primary vendor data where available and economic input-output modeling performed by Climate Earth, Inc., using spend data.

[2] Emission factors from 2024 UK Defra and 2024 IEA were used in conjunction with primary fuel and energy-use data. Does not include purchased cooling water.

[3] Primary-waste data were used with the U.S. EPA's WARM Model.

[4] Including recycled and composted waste in these calculations would result in negative emissions in 2019 (-62,400 Mt CO_2e), 2020 (-48,900 Mt CO_2e), 2021 (-46,300 Mt CO_2e), 2022 (-57,900 Mt CO_2e), 2023 (-51,500 Mt CO2e) and 2024 (-53,300 Mt CO_2e).

[5] Based on primary travel vendor data, employee-reimbursable mileage and Thrust Carbon Calculations. Business travel has returned to pre-pandemic levels.

[6] 2020-2024 reductions caused by shifts to remote and hybrid working models.

[7] Calculated using primary vendor data for the products shipped via our wholesalers at the country level through different modes of transportation and 2024 UK Defra factors for tonne.km

[8] Due to recent acquisitions, we are currently evaluating the applicability of additional products to this category. This category currently includes the impacts of our Animal Health products ENGEMYCIN® (oxytetracycline), NEO SPRAY CAF® (oxytetracyclinum), OXYTETRIN® LA (oxytetracycline). We have also included the energy use impacts of the U.S.A 2019-2024 sales of our Biomark and Falcon products.

[9] Calculated assuming that all primary, secondary and tertiary packaging purchased was disposed of by our customers. Packaging material data was used with the U.S. EPA's WARM Model.

[10] Our 2024 Scope 3 GHG emissions comprised of World Resources Institute's GHG Protocol Scope 3 Category 3 (Fuel and energy-related activities not included in Scopes 1 & 2) and Category 6 (Employee business travel), which include primary vendor and employee reimbursable data, were externally assured by a third-party.

[11] All values are rounded. As a result, the total values shown may not equal the sum of the individual GHG totals.

Total Carbon Offsets (Mt)	2022	2023	**2024**
Total Carbon Offsets - South San Francisco[12]	1,895.12	3,968.80	**2,931.56**

[12] Certified carbon offsets are used to meet the requirement of Leadership in Energy and Environmental Design (LEED) Zero carbon certification. The carbon offsets are from Schneider Electric's Ecomix Offsets and are Green-e Climate Certified. Visit our **Sustainability Resources** page for more information on our Carbon Offset Portfolio.

Air pollutant emissions by type (Mt)*	2020	2021	2022	2023	**2024**
Nitrogen oxides (NOx)	388	347	377	388	**379**
Sulfur oxides (SOx)	22	24	31	31	**24**
Volatile organic compounds (VOCs)	394	357	338	301	**283**
Ozone-depleting substances (ODS)	0.3	0.3	0.7	0.2	**0.5**

*Data are estimated using conservative assumptions and factors, not measured or weighed.

Note: Previously reported data have been restated per our methodology, which includes adding facilities that have been acquired and removing facilities that have been sold or spun-off.

Water

Water use decreased slightly from 19.4 million cubic meters in 2023 to 19.3 million cubic meters in 2024. Water withdrawal is variable based on manufacturing and research activities year to year. Approximately 11 percent of the total water we used in 2024 was supplied from surface water sources, and 51 percent was supplied by groundwater sources, with the balance sourced from third-party water suppliers. Total water reused, recovered or recycled increased by 0.6 million cubic meters in 2024 compared to 2023, this was due to increased water reuse during warmer weather months at our largest water use site.

Goal	2022	2023	2024
Maintain global water use at or below 2015 levels	3.9 million m^3 (17%) below	3.6 million m^3 (16%) below	**3.6 million m^3 (16%)below**

Water use by source (million m^3)*	2015	2020	2021	2022	2023	2024
Groundwater	12.0	10.1	9.7	10.1	10.0	**9.9**
Fresh surface water[1]	3.9	2.9	2.6	2.0	2.0	**2.2**
Brackish or sea water [1]				0.0	0.0	**0.0**
Third-party water	7.0	7.0	7.1	7.0	7.3	**7.3**
Total	23.0	19.9	19.3	19.1	19.4	**19.3**

*(a) In accordance with the GHG Protocol, prior-year data has been adjusted to add or remove facilities that have been acquired and sold. 2015 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years data.
(b) All values above are rounded to one decimal place. As a result, the total values shown may not equal to the sum of the individual source totals.

[1] Total Surface Water: Prior to 2022, Fresh Surface Water and Brackish or Sea Water were not differentiated and are presented as a single data point.

Water use by source (million m^3) (2024)	All areas (total)*	Areas of extremely high or high stress identified from WRI Aqueduct Water Risk Atlas Tool	Areas of stress after internal risk assessment methodology
Groundwater	**9.9**	**0.1**	**0.0**
Fresh surface water	**2.2**	**0.0**	**0.0**
Brackish or sea water	**0.0**	**0.0**	**0.0**
Third-party water	**7.3**	**2.7**	**0.7**
Total	**19.3**	**2.8**	**0.7**

Water reused, recovered or recycled (million m^3)	2022	2023	2024
Total water reused, recovered or recycled	1.0	1.5	**2.1**

Water discharge by receiving water body (million m^3)(2024)*	All areas (total)	Areas of extremely high or high stress identified from WRI Aqueduct Water Risk Atlas Tool	Areas of stress after internal risk assessment methodology
Groundwater	**0.0**	**0.0**	**0.0**
Fresh surface water	**7.4**	**0.0**	**0.0**
Brackish or sea water	**0.1**	**0.0**	**0.0**
Third-party treatment	**5.7**	**1.6**	**0.3**
Total	**13.2**	**1.6**	**0.4**

*(a) All values exclude rainwater.
(b) All values above are rounded. As a result, the total values shown may not equal the sum of the individual receiving water body totals.

Waste

The percentage of waste sent to landfill and incineration continues to decline, dropping from 15% in 2023 to 11% in 2024. The number of sites sending zero waste to landfill increased from 55% to 63%. While the total amount of waste increased, so did the percentage of waste sent for beneficial reuse (i.e., recycling, energy recovery, reuse, composting and other treatment). The increase in waste is primarily due to an expansion of a company facility that resulted in an increase in composted waste. For more information on our strategy to reduce landfill waste, see page **82**.

Goals	2022	2023	**2024**
No more than 20% of our global operational waste will be sent to landfills and incinerators (without energy recovery) by 2025	16%	15%	**11%**
At least 50% of our sites will send zero waste to landfills by 2025	51%	55%	**63%**

Global operational waste (% of total waste)*	2020	2021	2022	2023	**2024**
Incinerated (without energy recovery)	23%	28%	12%	10%	**7%**
Landfilled	5%	5%	4%	5%	**4%**
Total (2025 Goal <20%)	28%	33%	16%	15%	**11%**

*(a) The method of disposal is determined by the initial waste treatment facility, which is identified by the regulatory waste shipping record. We do not track operational waste beyond the initial waste treatment facility.
(b) In 2022, new information specific to the technology used for the generation and use of energy at the disposal facility to which our largest hazardous waste stream is sent was identified. The waste directed to this disposal technology was previously classified as incineration without energy recovery, but with this updated information it has been reclassified as incineration with energy recovery as per our internal definitions. The data for reclassification are not readily available prior to 2022 and therefore could not be updated.

Hazardous waste (Mt)*	2020	2021	2022	2023	**2024**
Recycled	8,685	9,824	6,878	7,735	**9,150**
Energy recovery	15,330	14,029	28,964	23,173	**25,520**
Composted	0	0	0	0	**0**
Landfilled	198	315	92	100	**58**
Other	1,662	2,824	2,814	2,220	**2,157**
Reused	480	1,510	683	643	**625**
Incinerated (without energy recovery)	16,649	22,086	9,109	6,085	**5,927**
Total	43,004	50,588	48,540	39,957	**43,436**

*(a) The method of disposal is determined by the initial waste treatment facility, which is identified by the regulatory waste shipping record. We do not track operational waste beyond the initial waste treatment facility.
(b) In 2022, new information specific to the technology used for the generation and use of energy at the disposal facility to which our largest hazardous waste stream is sent was identified. The waste directed to this disposal technology was previously classified as incineration without energy recovery, but with this updated information it has been reclassified as incineration with energy recovery as per our internal definitions. The data for reclassification are not readily available prior to 2022 and therefore could not be updated.
(c) All values above are rounded. As a result, the total values shown may not equal the sum of the individual source totals.

Non-hazardous waste (Mt)*	2020	2021	2022	2023	**2024**
Recycled	13,537	13,073	13,668	12,840	**14,952**
Energy recovery	8,280	7,066	10,115	8,620	**10,623**
Composted	4,892	5,872	5,672	6,948	**17,632**
Landfilled	4,061	3,702	3,643	3,719	**3,565**
Other	1,717	266	121	486	**92**
Reused	963	583	693	751	**713**
Incinerated (without energy recovery)	1,124	850	881	1,000	**852**
Total	34,574	31,412	34,793	34,364	**48,428**

*(a) The method of disposal is determined by the initial waste treatment facility, which is identified by the regulatory waste shipping record. We do not track operational waste beyond the initial waste treatment facility.
(b) All values above are rounded. As a result, the total values shown may not equal the sum of the individual source totals.

Total waste (Mt)*	2020	2021	2022	2023	**2024**
Recycled	22,222	22,897	20,546	20,575	**24,102**
Energy recovery	23,610	21,095	39,079	31,793	**36,143**
Composted	4,892	5,872	5,672	6,948	**17,632**
Landfilled	4,259	4,017	3,735	3,819	**3,623**
Other	3,379	3,090	2,935	2,706	**2,249**
Reused	1,443	2,093	1,376	1,394	**1,338**
Incinerated (without energy recovery)	17,773	22,936	9,990	7,085	**6,778**
Total	77,578	82,000	83,333	74,320	**91,865**

*(a) The method of disposal is determined by the initial waste treatment facility, which is identified by the regulatory waste shipping record. We do not track operational waste beyond the initial waste treatment facility.
b) In 2022, new information specific to the technology used for the generation and use of energy at the disposal facility to which our largest hazardous waste stream is sent was identified. The waste directed to this disposal technology was previously classified as incineration without energy recovery, but with this updated information it has been reclassified as incineration with energy recovery as per our internal definitions. The data for reclassification are not readily available prior to 2022 and therefore could not be updated.
(c) All values above are rounded. As a result, the total values shown may not equal the sum of the individual source totals.

Ethics & Values

It is imperative we uphold our stakeholders' trust and act with integrity in all we do. That means putting patients first and operating responsibly to help create a safe, sustainable and healthy future for people globally.

Our commitment to ethics and integrity is the foundation of our Company and vital to fulfilling our purpose. Our policies and procedures reinforce our commitment, from how we conduct research and development (R&D) and manage our supply chain to how we deliver our products.

Our employees are united by four values that represent who we are and how we work together: patients first; respect for people; ethics and integrity; and innovation and scientific excellence.

24/7

Availability of our MSDethics.com reporting tool, which allows employees and third parties to raise concerns confidentially and anonymously (where permitted by law)

Topics covered:

Ethical corporate behavior

The highest standards of ethics and integrity underpin everything we do, which is why we foster a culture where employees feel safe and empowered to speak up and where our values guide our commitment to ethical corporate behavior.

Goals	2024
Foster a "Speak Up" culture by maintaining or exceeding our current percentage of global employees responding favorably to the "Willingness to report" question in an internal survey as an annual average, by 2025[1]	**On track**

[1] (a) Favorable response indicates the percentage of respondents who respond "yes" to the question stating, "I am willing to report employee misconduct and potential ethics or compliance issues."

GRI/SASB disclosures in this section:

GRI 2-26 GRI 205 GRI 205-2 GRI 206

*+ Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Policies

Code of Conduct

Our culture and values

External charters, principles and initiatives we endorse and that guide our work on this topic:

- European Federation of Pharmaceutical Industries and Associations (EFPIA) Code of Practice
- International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code of Practice
- International Labor Organization Core Labor Standards
- Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises
- Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management
- PhRMA Code on Interactions With Health Care Professionals
- Ten Principles of the UN Global Compact
- UN Guiding Principles on Business and Human Rights
- UN Universal Declaration of Human Rights

Our approach to ethical corporate behavior

Our Code of Conduct

In 2023, we released an updated edition of our **Code of Conduct**, which supports our employees' values-based decision-making. The Code of Conduct empowers our employees to uphold our ethical standards in their day-to-day work. Offered in both digital and PDF formats in 21 languages, our Code of Conduct is easily accessible, regardless of language and technological preferences.

In addition to guiding employees in how to navigate complex situations, the Code of Conduct encourages them to speak up and report ethical concerns.

+ *Please visit our corporate website for more information on our **Code of Conduct**.*

Addressing ethics- and compliance-related concerns

The Global Investigations team within the Offices of the General Counsel receives, triages and redresses ethics- and compliance-related concerns. Depending on the nature of a concern, it is addressed by appropriate members of the Offices of the General Counsel, including the Global Investigations team, Ethics & Compliance Office, Global Security or Human Resources (HR).

We encourage employees to bring concerns to their management, HR, Legal, Compliance, Global Investigations or at MSDethics.com, which is operated by an independent third party and is available 24/7. MSDethics.com allows employees and suppliers to raise concerns or ask questions confidentially and anonymously (where permitted by law) in their preferred language, via telephone or online. Of note, it is a violation of our corporate policy to retaliate against employees who report concerns.

We maintain a process for escalation and investigation of potential ethics- and compliance-related concerns. The process ensures we promptly and discreetly investigate all reports.

If allegations of misconduct are substantiated, we take appropriate actions to ensure those responsible are held accountable and recurrence is prevented. Subject to local law, disciplinary actions can include, but are not limited to, dismissal, final written warning letters or suspension. Incentive payments may also be impacted, subject to local law. In addition, we address any needed improvements in organizational and process controls.

Fostering a speak-up culture

The Ethics & Compliance Office manages our global Speak Up program, which includes a range of educational campaigns and communication activities. These initiatives encourage a speak-up culture and raise awareness of the channels for reporting potential concerns. We also inform employees of the process we follow once a concern is reported.

To foster a strong culture of ethics and compliance, the Ethics & Compliance Office partners with a network of site-based, volunteer ethics ambassadors outside of the U.S. These ambassadors are advocates for the Speak Up program and address employee questions about our reporting process.

Ethics and compliance training

Training is vital to creating a strong ethics and compliance culture and to ensuring employees understand our expectations and principles. Each year, we assign our Leading with Ethics & Integrity training series to all employees. The goal of this series is to empower employees to act with integrity and make values-based decisions.

In 2024, more than 99% of our employees completed the assigned training, which covers our Code of Conduct, speaking up, conflicts of interest, privacy, anti-bribery and anti-corruption.

We also provide additional training on anti-bribery and anti-corruption for employees who work with non-U.S. government officials. We also require U.S. employees in our Human Health division to understand their responsibilities under the Anti-Kickback Statute, the U.S. Prescription Drug Marketing Act and applicable U.S. Food and Drug Administration (FDA) promotional regulations.

In addition to mandatory training on our Code of Conduct, we assign employees training on relevant policies based on their roles and responsibilities. For example, our sales representatives must complete sales and product training. Training is specific to the country where employees are based and covers the scope of their responsibilities in ensuring compliance with applicable laws and regulations. Regardless of location, our ethics and compliance trainings emphasize that if employees are unsure about any conduct, they should ask for help. We make sure to note the multiple places where employees can turn for assistance.

The first option is to talk with their managers, and if they do not feel comfortable doing so, they may contact:

- Ethics & Compliance
- Legal
- HR
- MSDethics.com

Ethics and integrity training	2020	2021	2022	2023	**2024**
Employees trained on Leading with the Ethics & Compliance training series[1]	>99%	>99%	>99%	>99%	**>99%**

[1] For 2024, the percent complete for Ethics and Compliance Office owned Enterprise Mandatory Training courses was 99.88%.

Potential conflicts of interest disclosure

An important part of our corporate ethics and compliance program is our disclosure process for potential conflicts of interest. We require employees to disclose certain outside activities, interests and close personal relationships that could present potential conflicts of interest, and to update those disclosures at least every 12 months. For 2024, we developed and deployed a new tool to manage this process. Although only certain employees must complete this process annually, it is available to all employees with potential conflicts of interest to disclose. When we identify potential conflicts, the Ethics & Compliance Office works with the employee and management to mitigate.

As part of the disclosure process, we also require employees to certify compliance with our corporate policies on preventing bribery and corruption, and on antitrust law compliance, conflicts of interest and insider trading. U.S.-based (including Puerto Rico) employees must also note if they are subject to an investigation of an agency of the U.S. government or are on any list of prohibited or restricted parties issued by an agency of the U.S. government. This approach supports compliance with keeping with our policy on the effects of exclusions, debarments, suspensions and health care-related criminal convictions, reporting and screening.

Anti-corruption

Our reputation for ethics and integrity underpins our relationship with health care professionals, patients and other stakeholders. Bribery and corruption are illegal and undermine public trust.

We adhere to applicable anti-corruption laws and regulations, including the Foreign Corrupt Practices Act and the UK Bribery Act.

Our anti-corruption policy prohibits the offer, promise or giving of any payment or benefit—transfer of value (ToV) to or for the benefit of—an individual or entity in order to improperly influence decisions or actions regarding our business. The policy applies to ToV in connection with direct engagements (i.e., those we conducted) and indirect engagements (i.e., those managed by a third-party intermediary or partner). The policy applies to ToV offered, promised or provided to private and public officials.

Divisional policies anchor to our corporate anti-corruption policy and reinforce the principles for certain higher-risk activities involving ToV to government officials outside of the U.S. They also establish the systems and processes for appropriate pre-engagement and anti-corruption due diligence.

Our **Business Partner Code of Conduct** presents similar and consistent anti-corruption principles for our partners. (The term “partners” collectively refers to all types of organizations that provide goods, services or resources.) It states business partners shall not offer to pay, ask for or accept anything of value—or give the appearance that they do—in order to improperly influence decisions or actions regarding our business or government activities. It also bars doing so through intermediaries. Our partners must adhere to these principles and operate in full compliance with the Business Partner Code of Conduct.

Anti-competitive behavior

Our customers benefit from fair, free and open markets. Though we work in a competitive industry, it is important we compete fairly, legally and based on the merits of our products and services.

Our interactions with customers, suppliers and competitors are governed by antitrust and competition laws, which we supplement with a corporate policy addressing antitrust and competition issues.

We recognize our reputation for integrity, trust, honesty and fair dealing depends on fair competition. We strive to promote appropriate customer choice, business relationships and business practices. Our policies help our employees recognize that we gain competitive advantage through the merits of our products and services, never through unethical or illegal anti-competitive business practices.

Fostering pro-competitive practices

Our commercial teams support appropriate access to our approved products by using approved promotional content, consistent with applicable regulatory laws, to inform customers of options.

We adhere to external laws, regulations and industry codes of conduct, as well as to our global Code of Conduct, our corporate policies and procedures, and our ethics and compliance program.

In addition, our ethics and compliance program seeks to prevent inappropriate practices. We monitor our practices and address noncompliance to ensure our interactions with customers and consumers do not include unsubstantiated competitive claims.

Customer health and safety

Quality and safety are of paramount importance to us, which is why we have a variety of policies and procedures to help protect the health and safety of our customers. Whether it is in our manufacturing processes, how we run our clinical trials or how we monitor for counterfeit products, we have a commitment to sustained quality and compliance excellence in everything we do.

In a highly complex and ever-changing regulatory landscape like the one we operate in, we must proactively manage risk and protect the integrity of our products, which includes using the latest technologies and collaborating with regulatory authorities.

GRI/SASB disclosures in this section:

GRI 416	GRI 416-2	GRI 417	GRI 417-1	SASB 210a.1	SASB 250a.3	SASB 260a.1
SASB 260a.2	SASB 260a.3	SASB 270a.2				

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to customer health and safety

Our quality strategy sustains quality and compliance excellence through focused digital technologies, effective oversight and risk mitigation, engaged and empowered colleagues and communities, and a mature quality management posture. Our strategy is key to ensuring patient safety as well as the quality and continuous supply of our products.

Patient health and safety

Clinical trial site monitoring, design, conduct and oversight

We are committed to sharing the results of our clinical trials, regardless of their outcome, in a timely manner. If a clinical trial of a product is terminated early for safety reasons, we promptly disclose medically important information to regulatory authorities and the public, update the status on www.clinicaltrials.gov within 30 days, and submit a manuscript to a journal (or post a summary online) within 12 months after the last patient's last visit occurs. If the trial was terminated for efficacy reasons, the results will be disclosed within 12 months after the last patient's last visit occurs.

Summaries of terminated trials provide information about patient disposition, safety and adverse experiences, as well as explain why the trial was terminated early. We comply with all applicable laws and regulations associated with registering clinical trials publicly and subsequently posting their results. We also have processes for complying with the FDA Amendments Act of 2007, the European Union Clinical Trials Regulation No 536/2014 (EU-CTR), and Clinical Trials Regulation (Regulation EU NO 536/2014), including those related to clinical trial registration and posting results.

A clinical trial registry also provides information on in-progress trials, and the ability to track the trials over the course of development. Company-sponsored and -conducted clinical trials involving patients assigned to treatment with investigational and marketed products are registered at trial initiation on **ClinicalTrials.gov**, **EUclinicaltrials.eu** and **ENCePP.eu**.

In accordance with our **public policy position statement on clinical trial ethics**, all investigational studies in human subjects are conducted in a manner consistent with applicable laws, regulations and guidelines for the protection of human subjects, including those issued by the International Council for Harmonisation: Good Clinical Practice (ICH-GCP).

Individual country regulations and guidelines remain the primary determinant of specific requirements for conducting medical research. In all regions, we have a commitment, where appropriate, to reflect the broad populations of people who will use our products. As a result, we work to obtain information that ensures a thorough evaluation of the safety and efficacy of our medicines and vaccines. These efforts allow us to seek regulatory approvals globally and thereby offer our medicines to patients who need them around the world.

When appropriate, a data monitoring committee (DMC) reviews unblinded data from ongoing trials in a pre-specified, scientifically acceptable manner. The DMC's goals are to protect the trial participants' safety and to assess whether the risk/benefit profile is favorable. The DMC's recommendations are communicated internally to relevant scientists and can be distributed externally to clinical investigators, review boards or regulatory agencies, as appropriate.

+ *For more information on our approach to representation in clinical trials, please see page **25** in the Access to Health section of this report. For more information on clinical trials in general, please visit the **Clinical Trials page** on our corporate website.*

Marketing and labeling

Our Chief Medical Officer (CMO) is responsible for defining the benefit/risk profile of every pipeline and marketed product. The CMO also provides medical oversight for all clinical programs, supervises development and implementation of medical policies (including those related to data transparency and sharing clinical data), and has authority over the design, execution and implementation of expanded access ("compassionate or early use") programs. The CMO is also our principal medical spokesperson.

GCP/pharmacovigilance (PV) inspections	2020	2021	2022	2023	**2024**
PV inspections by regulatory agencies of the Company or clinical trial investigators that led to significant fines, penalties, warning letters or product seizures[1]	0	0	0	0	**0**
GCP inspections by regulatory agencies of the Company or clinical trial investigators that led to significant fines, penalties, warning letters or product seizures[2]	0	0	0	0	**0**

[1] There were 8 PV inspections of the Company conducted in 2024.
[2] There were 7 GCP Inspections of the Company conducted in 2024.

+ *Please visit the **U.S. Food & Drug Administration's (FDA) MedWatch** website for more information on product safety alerts. You may visit the **FDA's Adverse Event Reporting System (FAERS)** website for up-to-date information on fatalities associated with product use.*

Clinical safety and risk management

The Clinical Safety and Risk Management organization leads the Risk Management Safety Team for all Human Health candidates and products, from the beginning of Phase 2b through the end of a product's lifecycle. Clinical Safety and Risk Management is responsible for the development of proactive clinical safety risk management strategies, including the Risk Management Plan, which is a regulatory requirement in many countries for marketed drugs and vaccines.

+ *For information on our Animal Health Product Quality and Safety Assessments, please visit our **Animal Health website**.*

Consistent with applicable FDA regulations, as well as those of relevant health authorities around the world, the labels on our product packaging contain information about potential adverse reactions and other potential risks that are either serious or otherwise clinically significant. We include contact details in our product packaging and on our corporate website for patients, human and animal caregivers, farmers and producers, and human and animal health professionals to report adverse events (AEs) in the U.S. Outside the U.S., AEs are reported in accordance with applicable local country laws and practices.

There are occasions when, in consultation with regulatory authorities, we may determine that it is important to communicate new or updated information promptly to health care professionals involved in prescribing or dispensing a drug, or in caring for patients who receive a drug. In these situations, we work with regulatory authorities to communicate this information to health care professionals in a timely manner so they can inform patients through appropriate mechanisms.

Our Animal Health Global Pharmacovigilance (GPV) team manages a system for the collection, review and reporting of AEs, and for the ongoing assessment of product safety.

+ *For information on our Product Quality and Safety Assessments, please visit our **Animal Health website**.*

Product label reviews

Ongoing monitoring of our product labels is a major focus of our safety efforts. Our Label Review teams monitor information on our products and work with our Risk Management Safety teams to develop or update labeling and communicate relevant information to regulatory authorities worldwide.

Health literacy

It's essential to improve the health literacy of our information for patients and customers. We incorporate health literacy into every aspect of clinical development and throughout the lifecycle of our products. In 2020, we formed the internal Health Literacy Community of Practice (CoP), with the mission to champion health literacy across the Company by making our information more accessible, understandable and actionable for our customers and patients. We launched the Health Literate Glossary in 2021 as a resource for creating materials for patients and the public. The glossary has over 1,325 words in nine languages and is reviewed by our Employee Business Resource Groups for cultural competency. In 2024, we made the English and Spanish glossaries available to the U.S. public at: **Glossary—Merck Clinical Trials**.

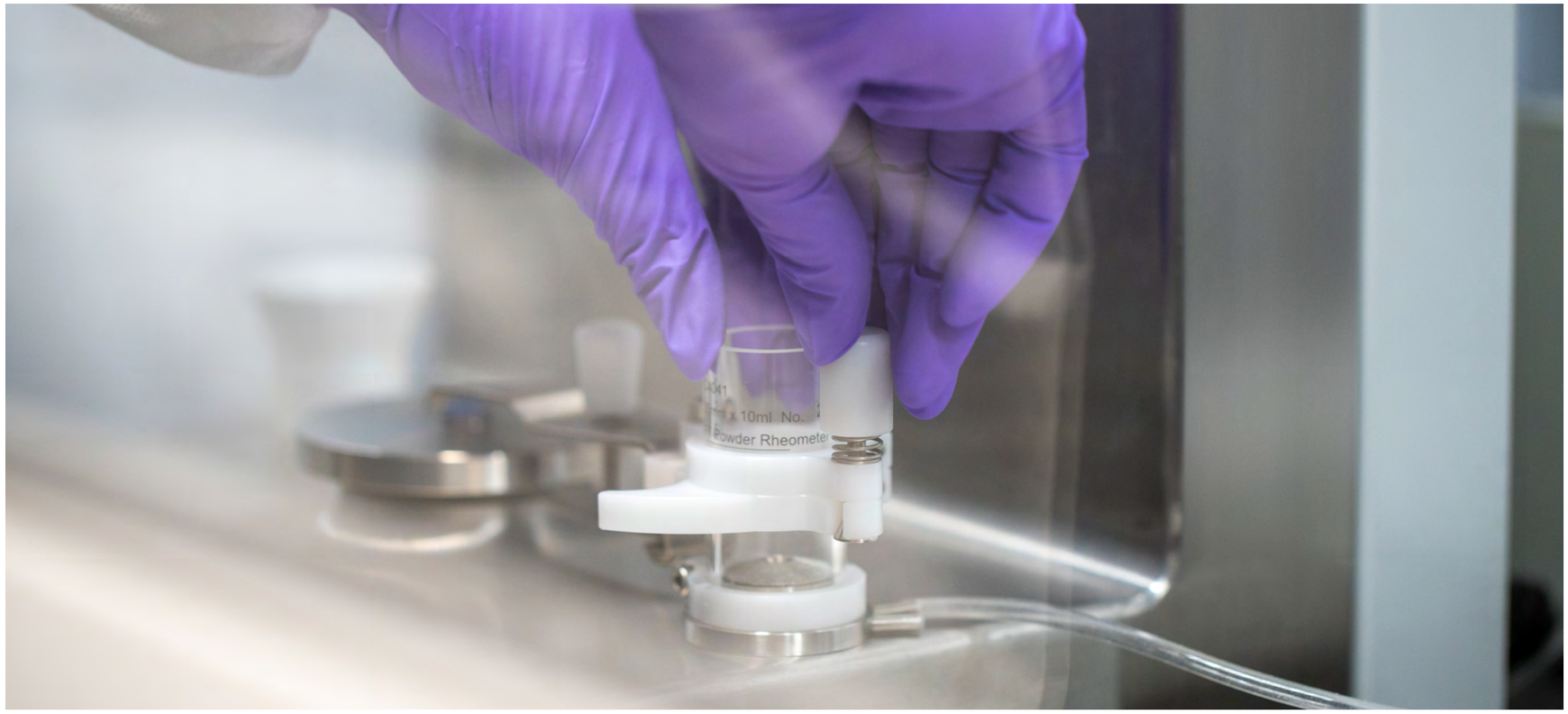
We prioritize health literacy in our labeling practices. Our labeling team has invented a method that improves the patient labeling process for new FDA-authorized patient labels, ensuring comprehension across levels of health literacy and patient demographics. This methodology, involving participants with limited to adequate health literacy, allows the team to integrate participant feedback with essential health literacy principles. By creating informative labels that are easier to understand, we help patients use their medications safely and effectively.

In 2024, we developed our Global Health Literacy Policy. This Company-wide policy uses health literacy principles to establish consistent standards for the development of all resources and materials intended for our consumers, patients and the general public, from product development and continuing throughout the life cycle of the product.

Product safety

We operate in a highly complex and ever-changing regulatory landscape. Specifically, we use technological advancements like integrated IT tools, artificial intelligence (AI) and streamlined digital platforms to enhance how we manufacture high-quality products.

In addition, we adhere to a strict set of quality standards and have policies and procedures to define, measure, control and sustain product quality. Our Global Quality organization establishes standards to ensure our products are manufactured, tested, released and distributed in compliance with regulatory requirements. We continuously strive to enhance these standards to ensure ongoing compliance with Current Good Manufacturing Practices (CGMPs). We provide appropriate, ongoing training on CGMPs for our employees so they can perform their duties effectively. Our quality system ensures all applicable employees are trained and monitors training effectiveness.



Product recalls	2020	2021	2022	2023	**2024**
Product recalls: Global[1]	16	15	5	10	**4**
Product recalls: ex-U.S.	14	13	2	6	**3**
Units subject to recall: Global[2]	5,895,375	1,839,656	109,473	20,340,166	**13,242**

[1] Periods following June 2021 exclude products that were included in the spin-off to Organon & Co. where the Marketing Authorization has transferred to Organon in the impacted markets.

[2] (a) "Units subject to recall" is defined as units within the scope of a recall that are outside of the Company's control.
(b) For 2023, 90% of the recalled units are related to two atypical recall events: 1) The recall of two animal health vaccines that have small batch sizes, are made to order and are sold by individual dose, resulted in 9,539,479 recalled units. Due to how batches are measured, a bottled product would be counted as one unit even though it might contain thousands of doses. By comparison, a made to order vaccine product sold by the dose would be counted as an individual unit. This difference for the made to order products resulted in the high number of units recalled. 2) The global recall of two human health products, DIPROSAN and CELESTONE Sterile Suspension, by Organon & Co. (for which the Company remained the Marketing Authorization Holder in certain trailing markets pending transition to Organon & Co. following spin-off) resulted in 8,818,144 recalled units.

Counterfeit products

We invest in an industry-leading, rigorous and intelligence-led product integrity strategy focused on protecting patients from harm associated with counterfeit, diverted or otherwise illicit medicines. Our Global Security group oversees our strategy and its execution to protect patients and our reputation from the negative impacts of counterfeit and illicit medicines. We use a three-pronged approach:

- Securing the supply chain
- Investigations and enforcement
- Raising public and stakeholder awareness

We cooperate with relevant government agencies, other pharmaceutical manufacturers, wholesalers, distributors, health professionals, consumer groups and related organizations in fighting counterfeit pharmaceutical products. We aim to raise awareness of the issue and to educate the public about the risks of counterfeit products and how to protect against them.

This effort includes a multi-pronged approach to communicating and mitigating the threat of counterfeit medicines while recognizing it cannot be fully eliminated.

In addition, our product integrity program focuses on collaboration and information-sharing to raise public and stakeholder awareness of the issue. Through active partnerships with other pharmaceutical companies and organizations focused on security, patient safety and public health, we advocate for high-priority anti-counterfeiting policy initiatives.

These collaborative efforts promote the intelligence-sharing needed to combat threats from counterfeit medicines, such as through white papers, reports and data circulation initiatives.

The anti-counterfeiting data below outline the number of new suspected and substantiated counterfeit events in 2024 and for the previous four years. The data reflect the status of each event for all years as of January 15, 2025.

In 2024, our Global Security group addressed 2,532 new product integrity events in 95 countries, involving counterfeit, diversion, supply chain security, tampering or brand security (non-Merck, unapproved generic product). Approximately 14.5% of these events were proactively investigated to identify new or emerging threats, or to further characterize and mitigate known threats.

We also support meaningful enforcement actions as a strategic priority. In 2024, our product integrity activity contributed to 163 arrests and the seizure of 1,443,080 units of counterfeit or illicit versions of our products. There were at least 42 prosecutions in 2024 for pharmaceutical crimes involving our products.

Forensic analysis of questionable products is vital to investigations. This testing determines whether a questioned product is counterfeit, diverted or otherwise illicit. We characterize counterfeit products to gain intelligence on the counterfeiters and any threats to public health. There were 827 unique questioned samples received as evidence in our forensic labs and prepared for forensic testing in 2024. Globally, we also have field-based forensic detection devices to analyze and detect counterfeits.

Our forensic scientists have pioneered several analytical tools for detecting and characterizing counterfeit medicines. We also explore new analytical tools to increase our capabilities. We share our findings with regulatory and law enforcement agencies for possible use in enforcement actions and legal proceedings.

As part of our proactive training and awareness programs, throughout 2024, Global Security trained approximately 3,079 law enforcement personnel in 11 countries on the safety risks associated with counterfeit and diverted medications.

Internally, our Global Security group trains employees on identifying and reporting suspected counterfeit, diversion and tampering (CDT) events. Started in late 2017, this training has reached more than 112,000 employees and contractors globally.

Anti-counterfeiting*	2020	2021	2022	2023	**2024**
Investigations of suspected counterfeit products[1]	629	1,045	884	1,251	**1,501**
Substantiated cases of counterfeit products	74	115	237	285	**700**

*Prior-year data have been adjusted to reflect the current status of each event as of January 15, 2025.

[1] Evidence from ongoing investigations of suspected counterfeit products can result in recategorization.

Supply chain integrity

Supply chain security

We maintain policies and initiatives to proactively protect the legitimate end-to-end distribution of our products.

We require our customers to purchase our products directly from us or from authorized distributors listed publicly on our corporate website. Accordingly, we work collaboratively with internal and external stakeholders to promote security awareness and protect the integrity of our supply chain.

We ensure compliance with our security policies and programs by identifying supply network vulnerabilities and threats and by providing reasonable solutions that minimize risk. We have resources globally to manage our security programs, identify critical touch points, collaborate with stakeholders and investigate incidents. In addition, through our dedicated security intelligence and data analysis resources, we are well-positioned to adapt and respond to changing and newly emerging security risks.

We also use innovative solutions to enhance the security and visibility of our products from origin to final disposition.

As a certified importer under the U.S. Customs Trade Partnership Against Terrorism program, we are validated by U.S. Customs and Border Protection as an elite Tier 3 member for implementing best practices in supply chain security. This adds an important layer to the security of our products and materials imported to the U.S.

Serialization and product security

Serialization—adding a 2D barcode with a unique identification number on each package that goes to market—is a tool we use to secure our supply chain and prevent counterfeiting. A serial number on individual packages enables anyone along the supply chain, from a distributor to a pharmacist to a patient, to scan the code and verify it as a genuine product.

Many global markets have regulatory requirements to serialize pharmaceutical products. We comply with all mandated serialization requirements. Throughout 2024, we have voluntarily expanded serialization into several markets that do not have such requirements. These markets are piloting programs to enhance the security and traceability of our products using blockchain technology.

In 2024, we explored digitally enabled anti-counterfeiting technologies to further protect our products. These technologies use mobile phones to verify packaging features. We have completed proof-of-concept studies and are exploring integration with our packaging. This technology, coupled with serialization, would create a powerful, multi-factor verification platform to enhance our products' security.

+ *For more information on patient access and product availability, see the Availability section on page **26**.*

Supplier management

We are committed to the highest ethical standards to help maximize the long-term sustainability of our business and of the communities in which we operate. We strive to conduct business with third parties that share our commitment to high ethical standards and operate in a responsible and ethical manner. Here, we use the term "third party" broadly to include any individual or entity that provides goods or services in support of our sourcing initiatives.

We have business relationships with thousands of suppliers, including direct suppliers (such as external manufacturing providers), capital expenditure suppliers, indirect suppliers and research providers. Our direct suppliers provide us with goods, such as packaging, components and ingredients. Capital expenditure suppliers provide goods and services such as engineering and construction. Our indirect suppliers include those that provide services, such as logistics, travel and meetings, facility management and marketing. Our research providers include those that provide lab supplies and other R&D-related services.

GRI/SASB disclosures in this section:

GRI 2-6	GRI 203	GRI 204	GRI 308	GRI 414	GRI 414-1

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Policies

Business Partner Code of Conduct

Supplier performance expectations

Supply chain security

Conflict minerals policy

Counterfeiting of medical products

Human rights

+ *For information on our policies, please visit our **Policies & Positions** and **Sustainability Resources** pages on our corporate website.*

We expect all third parties we engage with to comply with all applicable regulations, as well as share in our commitment to the principles outlined in our **Business Partner Code of Conduct**.

External charters, principles and initiatives that we endorse or guide our work on this topic:

- United Nations (UN) Universal Declaration of Human Rights (UDHR)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- International Labour Organization (ILO) Core Conventions
- Organization for Economic Co-operation and Development Guidelines (OECD) for Multinational Enterprises on Responsible Business Conduct
- Global Reporting Initiative (GRI) Standards
- UN Global Compact
- Pharmaceutical Research and Manufacturers of America (PhRMA) Code on Interactions with Health Care Professionals
- International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) Code of Practice
- European Federation of Pharmaceutical Industries and Associations (EFPIA) Code of Practice
- Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management

Our approach to supplier relations

Our Procurement group sources the goods and services we need to further our mission. We work with responsible third parties that are aligned to our values and standards and provide the best overall value to our business. In addition, to minimize supply chain disruptions, we identify and mitigate potential risks related to third parties.

Our sourcing management process integrates environmental sustainability, social responsibility, economic inclusion and small business development principles in every stage. Throughout the supplier lifecycle, we also establish expectations, assess risk, support supplier development and manage performance.

Our Global Supplier Management Group (GSMG) drives our Sustainable Sourcing program and maintains the standards and processes we use to identify, qualify and manage suppliers.

Our Sustainable Sourcing program includes the following elements:

- Integration into our Global Sourcing & Procurement strategy and processes
- A cross-functional team that oversees program development and the processes and guidelines that encourage best practices, prevent violations of supply chain standards and limit risk
- Establishing sustainability requirements that are communicated to our suppliers and included in supplier selection. (For more information about how we engage with suppliers, please see our Environmental Sustainability section on pages **69-95**)
- Reviewing, tracking and communicating supplier sustainability programs
- Collaborating as we educate and learn from our supply chain, peer companies and best-in-class organizations

To help manage and address potential risks associated with third-party business relationships, we have a Third-Party Risk Management program and committee, which oversees associated practices, systems and processes.

Supplier selection and expectations

We select suppliers that share our values and principles. We expect appropriate standards of conduct and respect for human rights—consistent with our own—from our suppliers, contractors, vendors and external partners. Our Business Partner Code of Conduct communicates our expectations for Human Rights; Labor & Employment; Health, Safety & Environment; and Ethical Business Practices.

We communicate our Business Partner Code of Conduct, along with our Supplier Performance Expectations, to existing and potential third parties. In addition, they are included in requests for information, proposals and quotes, as well as in our purchase order terms and conditions. We also make our Business Partner Code of Conduct available in multiple languages on our corporate website.

Our Business Partner Code of Conduct references the PSCI Principles for Responsible Supply Chain Management (the Principles). PSCI is a group of pharmaceutical and health care companies that promotes sustainable sourcing and better business conditions across the industry. The Principles set the standard for human rights, ethics, labor, health and safety, environment and related management systems. We believe PSCI member companies share our vision of excellence in safety, environmental and social outcomes across the global pharmaceutical and health care value chain.

Supplier due diligence assessments

We established a supplier due diligence process to evaluate and verify the suitability of suppliers. We conduct an assessment of the suppliers' financial stability, operational capabilities, legal, compliance, cyber resiliency, reputation and overall business practices. We then use the information gathered to make informed decisions about supplier selection, mitigating potential risk and ensuring compliance with our requirements.

Key topics covered by supplier due diligence include:

- Anti-bribery and corruption
- Conflict minerals
- Restricted-party screening
- Environmental, social and governance risks
- Financial stability
- Information security and cybersecurity
- Intellectual property
- Human rights and labor risks
- Privacy (data protection)
- Supply chain security
- Pharmacovigilance

We have a centralized third-party due diligence process that uses a single tool across risk domains. The central due diligence process integrates risk intelligence data with the third-party assessments to increase risk sensing, improve efficiency and provide stronger mitigation controls.

When assessments and audits identify deficiencies or opportunities for improvement, we monitor suppliers to ensure they address our concerns in a responsible and compliant manner. As part of our monitoring, we have mechanisms to report, track and monitor supplier plans to address nonconformance and drive continued improvement. We perform additional reviews for external manufacturing suppliers and suppliers that manage personal and private information.

+ *For more information on maintaining a global supply network, see the Availability section on pages **26-30**.*

Protecting the privacy of personal information

Some of our suppliers, such as contract research organizations, market research agencies, information technology systems developers, corporate card suppliers, and travel and meeting agencies process personal information in connection with their services. We require these suppliers to provide appropriate privacy protections for the personal information they handle in accordance with our privacy policies and applicable privacy laws, regulations and guidelines.

+ *See more about our privacy program on pages **116-118**.*

Training

We appreciate the importance of training and develop and assign numerous training events to employees and industry peers and suppliers. We assign most of our internal classes through our centralized learning system. In addition to providing training through our internal systems, we also work with PSCI to develop and provide training to our suppliers and peers.

+ *Additional details regarding our supplier-focused programs can be found on pages **107-113**.*

Supplier social assessment

Our supplier Labor and Human rights (LHR) audit program examines various topics related to a supplier's social practices. These audits assess a supplier's compliance with internationally recognized human rights and labor standards. We are committed to upholding the PSCI Principles and we require our suppliers to operate in compliance with all applicable laws. GSMG oversees the implementation of our supplier LHR audit program.

Human rights and labor risks

We understand that companies with supply chains that extend into high-risk countries potentially face greater LHR risks. Our supply chain can expose us to these risks, as some of our third-party suppliers and service providers operate in higher-risk countries. We consider LHR risks as part of our third-party risk management activities. We also recognize that potential risks may exist beyond Tier 2 suppliers.

We detect and address risks in our supply chain through:

Supplier selection

Selecting suppliers that are socially responsible and that share our commitments to ethics and integrity—We strive to obtain services, goods, active ingredients, components, finished goods or other products in a lawful and fair way.

Expectations

Setting and communicating our expectations of suppliers, including those related to child labor, forced labor and human trafficking—We use our Business Partner Code of Conduct, which is made available in multiple languages on our website, to communicate our expectations.

Supply chain mapping

Mapping our supply chain to identify which of our suppliers operate in countries known to present a significant risk of LHR issues—We use this information to decide the level of due diligence that may be necessary.

Due diligence

Conducting appropriate supplier due diligence to determine the level of risk presented by suppliers, including potential new (prospective) suppliers and our existing suppliers—Our supplier due diligence process for LHR targets direct materials suppliers, including external manufacturing suppliers and indirect suppliers providing services that pose a higher LHR risk.

We use a self-assessment questionnaire to gather information on freely chosen employment, child labor, employment practices, employee disclosures, fair treatment, wages, benefits and working hours. We use suppliers' responses to judge whether that supplier has programs or procedures to address potential risks for LHR, including modern slavery and human trafficking. We use the information as part of our due diligence to determine the acceptability of suppliers' local practices. Results are applied by GSMG to inform our supplier-selection and risk-management processes.

Contracts

Seeking written commitment from suppliers to respect the principles set forth in our Business Partner Code of Conduct through our contracts/agreements—Our standard contract templates contain a Business Partner Code of Conduct compliance clause that includes provisions that address modern slavery.

Auditing

Performing LHR audits at select supplier facilities to verify their conformance with our expectations (as stated in our Business Partner Code of Conduct) and working with them to address identified nonconformances—We use independent third-party audit firms to perform announced LHR audits at suppliers' facilities. When preparing our audit schedule, we consider the industry risk, the category of materials supplied, the country in which the supplier operates and results of past due diligence.

Remedial actions

Tracking and reporting on the closure of remedial actions taken by suppliers to address identified nonconformances (gaps/concerns) revealed by supplier LHR auditing—We monitor open remedial actions and ensure they are closed in a timely manner.

Monitoring

Assigning relationship managers from within GSMG to monitor the performance of key suppliers—We hold suppliers accountable for meeting their contractual obligations.

Assessing the effectiveness of our program

The metrics listed in the table below help us assess the effectiveness of our LHR efforts in our business and supply chain. We use these measures to monitor our performance and identify opportunities to improve our programs.

+ *You can find a **list of our products and an update on our pipeline** on our corporate website.*

+ *For more information on our sector, business relationships, financials, operations and organization changes, please see our Form 10-K, filed February 25, 2025, on **our corporate website**.*

Engagement

Engaging and seeking input from relevant stakeholders, including GSMG, Ethics & Compliance, Legal and Global Safety and Environment (GSE)—The engagement and collaboration help gather input and guidance from subject matter experts.

Collaboration

Working with PSCI to develop training, tools and maturity models, and to share knowledge across our industry and with our suppliers—The aim of the collaboration through our PSCI membership is to help our suppliers identify and solve social issues for themselves.

Training

Providing training to sourcing professionals who have responsibility for supplier selection, oversight and monitoring—Training is provided as part of onboarding and covers topics on our Business Partner Code of Conduct, third-party risk management and mitigation of modern slavery risks in supply chains.

Supplier management	2020	2021	2022	2023	**2024**
Supplier Labor and Human Rights (LHR) audits conducted[1]	47	10	12	10	**29**
Supplier Labor and Human Rights (LHR) audit Corrective Actions and Preventive Actions (CAPA) closed[2]	100%	100%	100%	100%	**89%**
Suppliers reached regarding Environmental, Social and Governance (ESG)[3]	1,492	1,856	2,471	2,686	**2,820**

[1] Announced on-site audits, independently performed by third-party audit firms; primary focus on direct material (Tier 1) supplier facilities located in certain high-risk countries.

[2] While data is presented based on the year the audit was performed, not all CAPAs are due within the same calendar year. All CAPAs from previous reporting periods have been closed. For the current reporting period, the CAPA closed percentage is as of July 22, 2025 Open CAPAs will be monitored through closure, and progress will be presented in next year's report.

[3] Suppliers reached regarding ESG means the aggregate number of our suppliers who have attended PSCI's capability-building program through the Company's membership in PSCI. Per PSCI's website, the aim of this program is "to build supplier knowledge and expertise so they can identify and solve safety, social, environmental and ethical issues for themselves."

Supplier environmental assessment

We integrate environmental sustainability principles into each stage of our supplier management program. Our GSMG drives the program and maintains the associated standards and processes by which we identify, qualify and manage suppliers. The Environmental Sustainability Program is an essential element of supplier management along with Social Responsibility, Economic Inclusion and Small Business Development. We partner with our third parties to drive environmental sustainability throughout our supply chain.

+ *For more information on our integrated approach with our suppliers, please see pages **69-95**.*

External manufacturing

We screen external manufacturers of active pharmaceutical ingredients (APIs) and finished products for environmental health and safety (EHS) compliance, in addition to quality, supply and technical competence requirements.

The GSE organization leads the EHS screening and on-site assessment, including a survey covering topics such as regulatory compliance, fatalities and major incidents.

Based on the screening results and activities the supplier undertakes, certain external manufacturers are subject to a more detailed on-site assessment by a multidisciplinary team, which may include our Quality, GSE, Global Technical Operations and GSMG representatives. We periodically reassess our external manufacturers using a risk-based approach; higher-risk external manufacturers are subject to more frequent on-site assessments.

We expect our external manufacturers will remediate EHS observations, and we monitor and track corrective actions and preventative actions (CAPAs) through completion.

For 2024, all assessments referenced in the table below were performed in person.

External manufacturing EHS assessments	2020	2021	2022	2023	**2024**
Prospective external manufacturers	50	42	27	49	**47**
Current external manufacturers	27	54	51	80	**55**
Total	77	96	78	129	**102**

Economic inclusion

We have been working for almost 40 years to create economic opportunities by procuring products and services from an array of businesses, ranging in location, ownership and specialization. We integrate this approach into our overall global business development strategy under our fourth pillar (Transform the environmental, cultural and business landscape). When we support small businesses, we bring economic opportunities to communities that create jobs, build wealth and bring in community development. These efforts are also good for business. Our efforts support a global supply chain that links stakeholders with innovative and qualified suppliers to help us deliver on our purpose.

+ *For more information on our overall GD&I strategy, please see pages **57-61**.*

$4.0 billion*

Global spend through our economic inclusion program, representing 18% of our global procurement spend in 2024

*Tier 1 and Tier 2 spend.

In 2024, our expenditures covered a global footprint that includes the U.S.; Latin America (LATAM); Europe, Middle East, Africa and Canada (EMEAC); as well as Japan, China and Asia Pacific (JCAP) regions. We understand how a healthy, fair and robust supply chain empowers people to overcome social and economic barriers.

Advanced Leadership Program

The Merck Advanced Leadership Program (ALP) represents a collaborative effort between our Company and Drexel University. With a focus on experiential development, this program draws upon evidence-based research and the expertise of industry practitioners to provide valuable knowledge and experiences. Participants engage in thought-provoking discussions and facilitated sessions with Drexel University faculty, as well as their peers and our leadership. These interactions foster self-reflection and personal growth, and establish relationships within a broader community network.

Since its inception, the ALP has made a profound impact on the landscape of supplier development, as evidenced by recent evaluations and feedback from participants and stakeholders. The program is designed to enhance the capabilities of graduated suppliers, equipping them with essential skills and insights necessary to thrive in an increasingly competitive marketplace.

Key outcomes of the program:

1. High satisfaction ratings: The ALP has garnered a weighted average satisfaction rating of 4.76 out of 5. Moreover, a Net Promoter Score of 93 suggests participants are highly likely to recommend the program to peers, reflecting its overall effectiveness and appeal.
2. Enhanced skills and insights: Participants in the program have reported significant improvements across a variety of critical business domains. Notable areas of growth include:
   - Leadership skills: Developing the capacity to lead and motivate teams effectively
   - Marketing strategies: Gaining insights into modern marketing techniques to boost visibility and sales
   - Financial insights: Understanding financial metrics and management for better decision-making
   - Networking opportunities: Establishing valuable connections that can facilitate future business opportunities
3. Increased confidence and business relationships: Graduates have also shared that their participation in the program has significantly boosted their confidence, particularly when it comes to proposal submissions. This newfound assurance has translated into improved business relationships, with 56% of participants reporting an increase in proposals submitted and 43% noting an uptick in contract acquisitions following the program.

The ALP has not only facilitated individual growth among participants, but has also strengthened the overall supplier network. By prioritizing continuous improvement and active engagement with stakeholders, the program is positioned for even greater impact in the future. The overwhelmingly positive feedback and quantitative results highlight its effectiveness and underscore its crucial role in advancing supplier development. As businesses navigate the complexities of an evolving marketplace, programs like the ALP are invaluable in preparing suppliers to meet these challenges head on.

Impact spend in the U.S. (Tier 1)[1,2]

$3.7 billion
Spending through our economic inclusion program

>43,350
Jobs supported through our suppliers

$6.8 billion
Economic impact of U.S. spending

$1.9 billion
Earnings through jobs created/sustained

[1] Based on 2024 data.
[2] Billion Dollar Roundtable Economic Impact Study. University of Washington, Foster School of Business.

Breaking Ground Together: Virtual Summit for Suppliers in Construction Trades

In 2024, we continued our commitment to connecting virtually with our small and emerging supplier community. We collaborated with our Global Capital Procurement team to organize the “Breaking Ground Together: Virtual Summit for Suppliers in Construction Trades.” This event provided educational sessions and opportunities for one-on-one business meetings. It was designed to foster connections between contractors and the key decision-makers in our construction sector. The summit included two main components: virtual meetings focused on assessing capabilities and qualifications, followed by an invitation to our annual summit. We encouraged participation from contractors across various trade disciplines, including mechanical, electrical and civil engineering, among others. Additionally, the virtual summit featured engaging presentations from industry leaders and a fireside chat that highlighted the significance of business innovation. Attendees had the chance to network directly with decision-makers and receive timely updates on the outcomes of their interactions. This initiative showcases our commitment to improving access and encouraging broader participation within the construction industry.

Human rights

We have a responsibility to respect internationally recognized human rights standards. We believe dignity and respect for people is essential in business. Respect for human rights is core to our purpose to save and improve lives around the world.

GRI/SASB disclosures in this section:

GRI 412	GRI 412-1	GRI 412-2	GRI 412-3

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Policies

Code of Conduct

Business Partner Code of Conduct

Clinical trial ethics

Human rights

Use of medicine in capital punishment

Conflict minerals policy

External charters, principles and initiatives that we endorse that guide our work on this topic:

- UN Universal Declaration of Human Rights (UDHR)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- International Labour Organization (ILO) Core Conventions
- Organization for Economic Co-operation and Development Guidelines (OECD) for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- UN Global Compact
- Pharmaceutical Research and Manufacturers of America (PhRMA) Code on Interactions with Health Care Professionals
- International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) Code of Practice
- European Federation of Pharmaceutical Industries and Associations (EFPIA) Code of Practice
- Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management

Our approach to human rights

We embed respect for human rights in our policies, conducting risk assessments and due diligence, engaging with suppliers, providing training, maintaining grievance mechanisms and encouraging the reporting of concerns. Through these measures, we identify, address and mitigate human rights-related risks throughout our operations and supply chain.

Our **Human Rights Public Policy** expresses our commitment to respect and promote internationally recognized human rights standards. It also explains our approach to identifying, preventing and mitigating adverse human rights impacts related to our operations and supply chain. We strive to avoid causing or contributing to adverse human rights impacts through our activities and seek to prevent or mitigate adverse impacts linked to our operations and products.

We reflect our commitment to respect human rights in our **Code of Conduct**, our **Business Partner Code of Conduct** and in relevant corporate policies. In addition, we integrate our commitment into our Strategic Framework, which encompasses our key priorities, guiding principles, core values and annual enterprise initiatives.

In 2023, we partnered with external human rights experts and conducted an enterprise-wide human rights assessment to identify human rights risks and impacts within our operations and supply chain. This involved mapping potential risks and impacts on various stakeholders, including employees, supply chain workers and local communities. The human rights impact assessment for the same scope was refreshed in 2024 using the same methodology. In addition, we reviewed and updated our Human Rights Public Policy in 2024 to ensure it remains effective in addressing human rights issues.

Remedy

To protect against human rights abuses, we maintain a grievance mechanism that allows employees and others to report concerns in a confidential manner, without fear of retaliation. We provide multiple channels for reporting, including our **Speak Up** tool at MSDethics.com.

We expect our suppliers and other business partners to encourage all workers to report concerns or suspected illegal activities without threat of reprisal, intimidation or harassment, and to investigate and take corrective action if needed. In addition, we expect our suppliers to provide workers with information on how to confidentially report concerns.

In addition, we maintain a process to receive, investigate and address concerns related to our employees, suppliers or local communities regarding any potential human rights abuses.

+ *For more information on mechanisms for raising concerns, please see page **98**.*

Governance

Leaders across the organization support our oversight and monitoring of business-related human rights risks, including HR, Global Safety & Environment, the Global Supplier Management Group (GSMG), the Ethics & Compliance Office, the Global Privacy Office, Enterprise Risk Management, the Office of Social Impact and Sustainability, and the Strategic Policy and Sustainability Council (SPSC), a governing body for sustainability.

Employee training on human rights

We embed business-related human rights issues within our Enterprise Management Training (EMT) program to help maintain employee awareness and understanding of our expectations. Examples of human rights-related topics that our EMT program covers in 2024 include: privacy and data protection; harassment and discrimination; fairness and inclusion; our Code of Conduct; and training that explains how to report concerns, emphasizing the importance of speaking up.

Investment agreements and contracts

GSMG manages contract development and execution activities related to the selection and sourcing of suppliers of goods and services. Through our standard contracts and agreements, we seek a written commitment from suppliers to respect and abide by the principles in our Business Partner Code of Conduct (BPCC). Our BPCC states suppliers and business partners are expected to uphold the human rights of workers, to treat workers with dignity, to respect the protection of internationally proclaimed human rights and to ensure they are not complicit in human rights abuses.

+ *For more information on our social assessments for suppliers, please see pages **110-111**.*

Privacy and data security

We are committed to respecting and protecting the privacy rights of people we interact with—patients, customers, partners and employees. We demonstrate that commitment by deploying our global privacy program. Our program is designed to respect individuals, develop trust, prevent harm and ensure compliance with the letter and spirit of privacy and data protection laws around the world. This is especially important in an era of rapid technological development and an evolving regulatory landscape.

In addition, we continue to improve our comprehensive, global, state-of-the-art information security and cyber resiliency program.

Goals

	2024
Maintain 100% compliance to privacy and data protection regulatory requirements for active incident monitoring, risk/harm analysis and on-time notification of data breaches[1]	**100% compliance maintained**

[1] Regulatory requirements differ by region

GRI/SASB disclosures in this section:

GRI 418	GRI 418-1

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Our approach to privacy and data security

Over the past 20 years, we have developed and continually improved a comprehensive global privacy program that promotes organizational accountability for privacy, data governance and data protection across our business and with our partners and suppliers. We were the first in the world to obtain regulatory approval in the EU for Binding Corporate Rules (BCRs), based in part on our existing Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules (CBPRs)-certified program.

This achievement demonstrates organizations can rely on common internal standards and processes to govern international data transfers across both the EU and APEC regions, simplifying their ability to address the growing regulatory challenges in this area.

Our holistic approach to privacy has its origins in biomedical research ethics and the protection of participants in our research studies. In addition, for other activities and processes involving data about people, we have adapted human subject research ethics standards for risk benefit analysis, transparency, anonymization, coding and prior review.

We recognize the exceptional potential that artificial intelligence (AI) holds for enabling our Company to innovate and improve the lives of patients worldwide as well as to enhance relevant business processes. However, we are also aware of AI risks in protecting privacy and personal information, such as the inaccuracy of data and biased processing. This is where our privacy program plays a key role in supporting the development of Company principles that ensure our use of AI follows ethical and legal principles. We are committed to developing, deploying and using our AI systems transparently and adhering to our privacy and data security policies.

Global privacy program

Our global privacy program is designed to ensure continued compliance in a dynamic and evolving regulatory landscape. In the U.S., 19 states have enacted data privacy laws of some kind and countries around the world continue to develop their data privacy legal framework. AI regulations are also emerging with increasing frequency and complexity. By anchoring our global program to the legal requirements of the EU General Data Protection Regulation (GDPR), we are well-positioned to comply with new global regulations designed to model the GDPR and its key principles.

To keep pace with the evolving regulatory landscape, we engage proactively with law and policymakers and participate in renowned international initiatives and forums such as the International Pharmaceutical & Medical Device Privacy Consortium, the Global Privacy Assembly, the Information Accountability Foundation, the Centre for Information Policy Leadership and the International Association of Privacy Professionals.

Our approach to privacy and personal data protection is one of accountability and transparency. Our Chief Ethics and Compliance Officer leads the Global Privacy Office and reports to the General Counsel, who is part of the Executive Team and reports directly to our CEO. Oversight of our global privacy program is conducted by our Privacy and Data Protection Board (PDPB), a cross-functional governance body that meets quarterly to discuss the strategic direction of our program.

At the heart of this effort is a global privacy program with a network of more than 300 privacy stewards globally. One of the many tasks of this network is to measure program maturity through a combination of annual privacy self-assessments at the entity and organization level, and through internal, comprehensive privacy audits. With privacy recognized as a human right in almost every location around the world, the pull through of the global privacy program through the network of privacy stewards broadens its reach beyond the Global Privacy Office.

Our privacy and data protection impact assessments can identify and address potential privacy risks through controls and remediation approaches aligned to regulatory requirements and best practices. We are increasingly reliant on third-party partners and service providers to assist us in our global operations. Just as we need to pay close attention to privacy and data protection, so do the third parties in our supply chain. We employ a robust third-party due diligence process to ensure we only do business with those who share our values and standards.

We also provide annual mandatory privacy and cybersecurity training to communicate and reinforce the guidelines of our privacy and information security policies as well as our commitment to a strong culture of privacy and cybersecurity compliance. We have a systematic approach for ensuring employees can understand and comply with our policies, including a robust cybersecurity training and awareness program that provides learning opportunities to encourage employees to make security-aware decisions. Training topics include, but are not limited to, information protection, identity, email, browsing and mobile security. We also expect employees to maintain an up-to-date record of their qualifications that details relevant cybersecurity work experience, skills, certifications and internal, industry or vendor-provided training.

We welcome customers, employees, candidates, patients and others whose personal information we may have in our systems to raise requests about their data, such as to access, correct, port or delete the information. We have a well-established process for reporting privacy incidents to the Global Privacy Office for investigation. The first step of this process is to verify the facts reported and to substantiate the concerns. In 2024, we received 309 substantiated privacy concerns, which marks a 2% increase compared to the previous year. Increasingly effective efforts toward raising awareness about privacy incidents globally contributed to this increase. 8 out of 309 incidents were deemed to be reportable to data protection authorities or data subjects.

Global privacy program

	2020	2021	2022	2023	**2024**
Concerns regarding privacy practices, breaches of privacy and losses of personal data that were substantiated[1]	250	425	217	302	**309**
Privacy breaches requiring notification by our Company to individuals or government authorities	0	3	4	10	**8**

[1] (a) Includes all concerns about our privacy practices reported to our Company's Privacy Office and substantiated or verified. Verified concerns are investigated as part of the Company's Incident Management Process, which includes a determination of whether regulatory or data subject notification is required.
(b) Increased sensitivity of network traffic monitors contributed to increased number in 2021.
(c) Consistent network traffic monitoring and increased privacy and cybersecurity awareness efforts resulted in reduced number of privacy incidents in 2022.
(d) As part of the Global Privacy Office's efforts to deepen further the company's understanding of the global privacy program, a series of quarterly awareness campaigns were rolled out to all employees and contractors in 2023. One such awareness campaign focused exclusively on recognizing and reporting privacy incidents, whether occurring internally or at an external processor. This heightened awareness directly resulted in an increase in the number of reported privacy incidents in Asia Pacific and Latin America, as well as by the Animal Health division.
(e) Privacy incidents reporting levels remained stable for 2024.

Government relations

Our Company engages in the political process at the federal, state and international levels to educate policymakers, lawmakers and candidates on issues critical to our industry and to our purpose to invent new medicines and vaccines to save and improve lives.

The Center for Political Accountability (CPA), in conjunction with the Zicklin Center for Governance & Business Ethics at The Wharton School of the University of Pennsylvania, has recognized our Company as a "Trendsetter" for the last eight years in their annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability report. The CPA-Zicklin Index assesses companies' disclosure practices and spending and accountability policies for spending with corporate or treasury funds to influence elections. Zicklin defines a Trendsetter as an S&P 500 company scoring 90% or above for political disclosure and accountability.

CPA-Zicklin Index

For the last eight years, we have been listed as a "Trendsetter" in CPA's annual index of the top 100 companies in the Russell 1000, which demonstrates our commitment to transparency around political giving.

GRI/SASB disclosures in this section:

GRI 2-28	GRI 415	GRI 415-1

+ *Please see the Reporting Indices section on pages **122-139** for a listing of our disclosures from our prioritized frameworks.*

Policies

Independent expenditures

Trade association dues

Our approach to government relations

We make bipartisan contributions that we carefully consider on a case-by-case basis. In establishing our political giving priorities, our Political Contributions Committee considers various factors to prioritize candidates who support policies that enhance innovation and patient access to health care. While we provide contributions to candidates who support innovation and access, we recognize that we do not agree with every position that recipients take on every social and business issue.

Political contributions

We spent a total of $1,152,100 in U.S. corporate political contributions at the state level in 2024. A large portion of these funds was used to support the campaigns of 513 candidates in 29 states. The party breakdown of the contributions for individual candidates was approximately 43% Democratic and 57% Republican. Republicans held a majority in 50 chambers, Democrats held the majority in 33 chambers, and in two chambers, power was divided equally between the parties.

Under our corporate political contributions program, we also provided support to state legislative leadership committees, industry-affiliated PACs and several national organizations representing state elected officials. Examples of these groups include the Republican Governors Association and the Democratic Governors Association.

In addition, we made contributions in the U.S. through our Political Action Committee (PAC) to support state and federal candidates. These contributions are fully funded by voluntary employee contributions. In 2024, our PAC spent a total of $904,090. These contributions included financial support for the campaigns of 466 candidates in 41 states. The breakdown by party affiliation was approximately 36% Democrat and 64% Republican. This program also provided support to state and federal legislative leadership committees.

Our representatives involved in state and federal government relations activities made the recommendations for specific corporate political and PAC contributions based on the budget and priorities approved by the Political Contributions Committee.

In 2024, we also provided corporate contributions to candidates or political parties in Australia and Japan. These contributions were consistent with the electoral funding and disclosure laws of their respective countries.

+ *Information on our political contributions is on the **Transparency Disclosures page** of our corporate website.*

Membership associations

We are a member of numerous U.S.-based 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 public policy issues.

Our top three trade associations in 2024:

- PhRMA
- Biotechnology Industry Organization (BIO)
- U.S. Chamber of Commerce

When our trade associations actively lobby on our core business issues, we seek to align their positions with our own. There are times, however, when we may not share the views of our peers or associations—both on issues that are central to our business and on those that, while important, are not directly material to our purpose. With representatives on boards and committees of industry groups and trade associations, we can voice questions or concerns we may have about policy or related activities. We may even recuse ourselves from related trade association or industry group activities when appropriate.

We disclose a list of industry and trade groups of which we are members and for which our dues are greater than $25,000 and the amount of those dues that are used for political purposes. We encourage all trade associations to which we belong to disclose publicly their political activities as well.

+ *Please see the **Transparency Disclosures page** on our corporate website for a list of our U.S. industry and trade groups.*

Through our top three trade associations, in 2024, we engaged on the following policy issues at the U.S. federal level:

- Medicare Part B
- Medicare Part D
- Pharmacy benefit manager (PBM) reform

We also engaged on the following policy issues at the U.S. state level in 2024:

- Advancing market-based solutions to support patient access to innovative medicines, vaccines and health care
- Supporting policies to enable a strong business environment for U.S. operations
- Protecting a strong immunization infrastructure

- Protecting access to animal health products, including vaccines, medicines and technology solutions
- Educating state policymakers on the impact of perfluoroalkyl and polyfluoroalkyl substances (PFAS) regulations on active pharmaceutical ingredients (APIs) used in animal and human health products
- Animal welfare and research

In addition, we engaged on the following policy issues in Europe in 2024:

- Addressing the European Commission's review of incentives for biopharmaceutical products
- Fostering frameworks for sound pricing and procurement regimes in and across diverse EU member state economies
- Supporting government vaccination programs
- Advancing the dialogue for sustainable models to fund future cancer and cardiovascular care
- Improving standards for health technology assessment and health literacy
- Ensuring science-based policies for biological medicines
- Science-based trade policy for farm animals and food products derived from farm animals
- EU Chemicals Sustainability Strategy and the Zero Pollution Action Plan
- Animal welfare and the science-based solutions provided by our new technology portfolio
- Animal health as a contributor to food sustainability

In 2024, we conducted a climate policy alignment assessment of U.S. trade associations in which we were a member in 2023 and where our dues were greater than $25,000. For this assessment, we determined whether these trade associations had publicly disclosed formal positions on climate change and, if so, we reviewed those positions in the context of our position on climate change. This assessment is on the **Sustainability Resources page** of our corporate website.

+ *Information on our approach to climate change is on pages **70-76**.*

Reporting indices

Indices included in this report

Global Reporting Initiative (GRI)

Sustainability Accounting Standards Board (SASB)

UN Global Compact (UNGC)

UN Sustainable Development Goals (SDGs)

Stakeholder Capitalism Metrics

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) standards represent global best practices for reporting publicly on a range of economic, environmental and social impacts. The table below summarizes where responses to the GRI disclosures can be found throughout this report.

General disclosures

GRI #	Description	Response
2-1	Organizational details	Page **4**
2-2	Entities included in the organization's sustainability reporting	All of our Company's global operations, including those of subsidiaries, are in scope for this report unless stated otherwise. This report includes activities at all facilities, owned and leased, over which we have operational control, unless otherwise noted. The basis for reporting on other matters specific to the operations of our business can be found in our **2024 Form 10-K**.
2-3	Reporting period, frequency and contact point	Except as otherwise noted, we report on our policies, initiatives and performance annually. The data in this report cover the same period as our annual financial reporting, from January 1, 2024, to December 31, 2024. In some cases, the narrative in the report also includes content regarding decisions and initiatives that took place in the first half of 2024. Our last Impact Report was published in August 2024. We welcome your feedback on this report, as well as any other comments or questions you may have. You may contact us at the address, email, phone number or web address below. Merck & Co., Inc. Social Impact & Sustainability 126 East Lincoln Avenue P.O. Box 2000 Rahway, NJ 07065 USA investor_relations@merck.com 908-740-4000 **merck.com/contact-us/**
2-4	Restatements of information	Any restatements of information from prior Impact Reports, and the reasons for these restatements, are described in the footnotes beneath the performance data tables.

GRI #	Description	Response
2-5	External assurance	We engaged an external third-party to perform a limited assurance engagement over select 2024 GHG emissions metrics included in this report. To view the Report of Independent Accountants, please visit the **Sustainability Resources** page of our corporate website. The limited assurance engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. We did not obtain external verification for this Impact Report in its entirety.
2-6	Activities, value chain and other business relationships	Pages **107-113**
2-7	Employees	Pages **43-68**
2-8	Workers who are not employees	Pages **63-64**, **68**
2-9	Governance structure and composition	
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	Page **11**. Additional information on our Board structure and roles can also be found in our **2025 proxy statement** (pages 6-23, 27-28).
2-12	Role of the highest governance body in overseeing the management of impacts	
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	Relevant information with respect to our Board can be found in Section 13 of the **Policies of the Board of Directors**.
2-16	Communication of critical concerns	For information on communicating to the Board, as well as topics discussed with shareholders, please visit our **2025 proxy statement** (page 25).
2-17	Collective knowledge of the highest governance body	Information on our Board's and its Committees' responsibilities, including with respect to sustainability, as well as information on our Board's and its Committees' self-evaluations can be found in our **2025 proxy statement** (pages 14-23) and in the Policies of the Board and the Committees' charters, which are available on our **corporate website**.
2-18	Evaluation of the performance of the highest governance body	
2-19	Remuneration policies	A full discussion of our remuneration policies for our Board and for Named Executive Officers (NEOs) can be found in our **2025 proxy statement** (pages 40-83). For information on how a measure in our Company's Scorecard links the compensation of most employees, including our executives, to certain Sustainability metrics, please see page 53 of our **2025 proxy statement**.

GRI #	Description	Response
2-20	Process to determine remuneration	A full discussion of our approach to remuneration for our Board and for Named Executive Officers (NEOs) can be found on pages 40-83 of our **2025 proxy statement**. For information on how a measure in our Company's Scorecard links the compensation of most employees, including our executives, to certain Sustainability metrics, please see page 53. To learn more about the non-binding advisory vote to approve the compensation of our NEOs, please see our Form 8-K filed with the Securities and Exchange Commission on May 29, 2025, a copy of which is available on our **corporate website**.
2-21	Annual total compensation ratio	For more information on the CEO pay ratio, and methodology for determining this ratio, please see page 64 of our **2025 proxy statement**.
2-22	Statement on sustainable development strategy	Pages **9-10**
2-23	Policy commitments	Pages **21**, **62**, **70**, **77**, **82**, **85**, **97**, **107**, **114**, **119**
2-24	Embedding policy commitments	Pages **21**, **70**, **77**, **82**, **85**, **97**, **107**, **114**
2-25	Processes to remediate negative impacts	Our efforts to remediate the negative impacts of our operations are addressed throughout this report.
2-26	Mechanisms for seeking advice and raising concerns	Pages **98**, **115**
2-27	Compliance with laws and regulations	We did not have any significant instances of non-compliance with laws and regulations in 2024, globally.
2-28	Membership associations	Page **121**
2-29	Approach to stakeholder engagement	Pages **13-14**
2-30	Collective bargaining agreements	Page **56**, **Human Rights policies**
Material topics		
3-1	Process to determine material topics	Page **12**
3-2	List of material topics	
3-3	Management of material topics	

Economic

GRI #	Description	Response
GRI 201 Economic performance (2016)		
201-1	Direct economic value generated and distributed	For information about our business and economic performance, please see our **Form 10-K** for the year ended December 31, 2024, on our corporate website. For information on our overall tax strategy, please see our **Global Tax Strategy** on our corporate website. Information on our employee compensation and benefits can be found on pages **52-56** of this report. For more information on our impact investments, please visit our **Impact Investing page** on our corporate website and on page **39** and **42** of this report.
201-2	Financial implications and other risks and opportunities due to climate change	Please visit our 2024 Task Force on Climate-related Financial Disclosures (TCFD) Report on our **corporate website**.
201-3	Defined benefit plan obligations and other retirement plans	Pages **52-56**, as well as our **Well-being Report**
GRI 203 Indirect economic impacts (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **18-42**, **112-113**
203-1	Infrastructure investments and services supported	
203-2	Significant indirect economic impacts	
GRI 204 Procurement practices (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **107-113**
GRI 205 Anti-corruption (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **97-100**
205-2	Communication and training about anti-corruption policies and procedures	Page **100**
GRI 206 Anti-competitive behavior (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **97-10**
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page **100**

GRI #	Description	Response
GRI 207 Tax (2019)		
207-1	Approach to tax	For information on our tax strategy, the responsible party within our Company and our approach to compliance, please see our **Global Tax Strategy** on our corporate website.

Environmental

GRI #	Description	Response
GRI 301 Materials (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **85-89**
GRI 302 Energy (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **70-75**, **90-91**
302-1	Energy consumption within the organization	
302-4	Reduction of energy consumption	
GRI 303 Water and effluents (2018)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **77-79**, **93**
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
GRI 304 Biodiversity (2016)		
304-2	Significant impacts of activities, products and services on biodiversity	Pages **80-81**
304-3	Habitats protected or restored	

GRI #	Description	Response
GRI 305 Emissions (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 70-72, 75-76, 90-92
305-1	Direct (Scope 1) GHG emissions	
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NO□), sulfur oxides (SO□), and other significant air emissions	
GRI 306 Waste (2020)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 82-84, 94-95
306-1	Waste generation and significant waste-related impacts	
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
GRI 308 Supplier environmental assessment (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 107-109, 112
308-2	Negative environmental impacts in the supply chain and actions taken	Page 112

Social

GRI #	Description	Response
GRI 401 Employment (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **44-47**, **50-61**
401-1	New employee hires and employee turnover	Pages **47-49**
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages **52-56**, as well as our **Well-being Report**
401-3	Parental leave	Our global workforce has access to at least 12 weeks of paid parental time off. For more information, please see our **Well-being Report** as well as the **Compensation and Benefits page** on our corporate website.
GRI 403 Occupational health & safety (2018)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **62-66**
403-1	Occupational health and safety management system	Pages **62-63**
403-2	Hazard identification, risk assessment, and incident investigation	Pages **63-66**
403-3	Occupational health services	Pages **63-66**
403-5	Worker training on occupational health and safety	Pages **64-65**
403-6	Promotion of worker health	Page **66**, as well as our **Well-being Report**
403-9	Work-related injuries	Pages **67-68**
403-10	Work-related ill health	Page **64-66**

GRI #	Description	Response
GRI 404 Training & education (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **50-51**
404-1	Average hours of training per year per employee	Page **50**
404-2	Programs for upgrading employee skills and transition assistance programs	Pages **50-51** and information on topic-specific trainings can be found throughout the report
404-3	Percentage of employees receiving regular performance and career development reviews	Page **46**
GRI 405 Diversity & equal opportunity (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **57-60**
405-1	Diversity of governance bodies and employees	Page **61**
GRI 412 Human rights assessment (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **107-111**, **114-115**, **Human Rights policy**
412-1	Operations that have been subject to human rights reviews	
412-2	Employee training on human rights policies and procedures	
412-3	Investment agreements and contracts that include human rights clauses or underwent screening	
GRI 414 Supplier social assessment (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages **110-111**
414-1	New suppliers that were screened using social criteria	
414-2	Negative social impacts in the supply chain and actions taken	Page **111**

GRI #	Description	Response
GRI 415 Public policy (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 119-121
415-1	Political contributions	Pages 120-121
GRI 416 Customer health & safety (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 101-106
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 104-105
GRI 417 Marketing & labeling (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 102-103
417-1	Requirements for product and service information and labeling	
GRI 418 Customer privacy (2016)		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed and mechanisms for evaluating the effectiveness of the company's strategy	Pages 116-118
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	

Sustainability Accounting Standards Board (SASB)

SASB is an independent standards-setting organization dedicated to improving the effectiveness and comparability of corporate disclosure on sustainability-related factors. The table below summarizes how our existing reporting aligns with the recommended metrics for the Biotechnology & Pharmaceuticals Standard within the Health Care sector, and where this information can be found in this report.

SASB #	Description	Response
Safety of clinical trial participants		
210a.1	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	Pages **25**, **101-104**
210a.2	Number of inspections related to clinical trial management and pharmacovigilance that resulted in: (1) entity voluntary remediation or (2) regulatory or administrative actions taken against the entity	None
210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Not reported
Access to medicines		
240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Pages **18-42**
240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Page **28**
Affordability and pricing		
240b.2	Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	Not reported
240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous reporting period	Not reported

SASB #	Description	Response
Drug safety		
250a.1	Products listed in public medical product safety or adverse event alert databases	**FAERS MedWatch**
250a.2	Number of fatalities associated with products	
250a.3	(1) Number of recalls issued, (2) total units recalled	**FAERS MedWatch**, and page **104**
250a.4	Total amount of product accepted for take-back, reuse, or disposal	We do not collect data on the amount of product accepted for takeback, reuse or disposal.
250a.5	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	Please visit the **FDA website** for more information.
Counterfeit drugs		
260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	
260a.2	Discussion of process for alerting customers and business partners to potential or known risks associated with counterfeit products	Pages **105-106**
260a.3	Number of actions that led to raids, seizure, arrests, or filing of criminal charges related to counterfeit products	
Ethical marketing		
270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Not reported
270a.2	Description of code of ethics governing promotion of off-label use of products	Pages **102-103**
Employee recruitment, development and retention		
330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development staff	Pages **47-48**
330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Page **48**

SASB #	Description	Response
Supply chain management		
430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit programme or equivalent third-party audit programmes for integrity of supply chain and ingredients	Our Human Health and Animal Health divisions both use the Rx-360 audit program as a resource for purchasing audit reports in the event that suppliers refuse audits, but we do not currently publish this percentage
Business ethics		
510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Not reported
510a.2	Description of code of ethics governing interactions with health care professionals	Page **97**, **Code of Conduct & Compliance**, and **PhRMA Code on Interactions with Health Care Professionals**
Activity metrics		
000.A	Number of patients treated	Page **18**, **20**, **22**, **25-26**, **31-34**, **36-41**
000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	**Pipeline**

UN Global Compact (UNGC)

The United Nations Global Compact (UNGC) is a voluntary initiative that encourages businesses to adopt sustainable and socially responsible policies and practices. It provides a framework for companies to align their operations and strategies with ten universally recognized principles in the areas of human rights, labor standards, environmental protection and anti-corruption efforts. As a participant in the UNGC, we have committed to integrating these principles into our business practices. The table below shows where each principle features in this report.

Principle	Description	Response
Human rights		
1	Businesses should support and respect the protection of internationally proclaimed human rights	Pages **117-118**, **Human Rights policy**
2	Businesses should make sure that they are not complicit in human rights abuses	Pages **97**, **110-112**, **114-115**, **Human Rights policy**
Labor		
3	Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining	Page **56**, **Human Rights policy**
4	Businesses should support the elimination of all forms of forced and compulsory labor	Pages **97**, **110-112**, **114-115**, **Human Rights policy**
5	Businesses should support the effective abolition of child labor	
6	Businesses should support the elimination of discrimination in respect of employment and occupation	Pages **57-61**, **115**
Environment		
7	Businesses should support a precautionary approach to environmental challenges	Pages **69-95**, **Respect for Environmental, Health and Safety**
8	Businesses should undertake initiatives to promote greater environmental responsibility	
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption		
10	Businesses should work against corruption in all its forms, including extortion and bribery	Page **100**

UN Sustainable Development Goals (SDGs)

The SDGs are a set of 17 global goals whose aim is to end poverty, fight inequality and injustice, and tackle climate change by 2030. The table below summarizes how our reporting aligns with the SDGs and where this information can be found in this report.

Goal	Description	Response
SDG 1: No Poverty	End poverty in all its forms everywhere	Pages **18-42**
SDG 2: Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	**Merck Animal Health**
SDG 3: Good Health & Well-being	Ensure healthy lives and promote well-being for all at all ages	Pages **18-42**, **62-68**, **100**, **Well-being Report**
SDG 4: Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Pages **50-51**
SDG 5: Gender Equality	Achieve gender equality and empower all women and girls	Page **61**
SDG 6: Clean Water & Sanitation	Ensure availability and sustainable management of water and sanitation for all	Pages **77-79**
SDG 7: Affordable & Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Pages **70-75**
SDG 8: Decent Work & Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	Pages **43-61**, **107-113**
SDG 9: Industry, Innovation & Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Pages **22-25**, **38-40**
SDG 10: Reduced Inequalities	Reduce inequality within and among countries	**Human Rights policy**
SDG 11: Cities & Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	Not applicable
SDG 12: Responsible Consumption & Production	Ensure sustainable consumption and production patterns	Pages **82-89**
SDG 13: Climate Action	Take urgent action to combat climate change and its impacts	Pages **70-76**
SDG 14: Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Pages **77-81**
SDG 15: Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	
SDG 16: Peace, Justice & Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Pages **38-42**, **100**
SDG 17: Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Pages **13-14**, **17**

Stakeholder Capitalism Metrics

At the World Economic Forum's (WEF) annual meeting in Davos in 2020, 120 of the world's largest companies supported efforts to develop a core set of common metrics and disclosures for their investors and other stakeholders. Below is our alignment against the Core metrics in this framework, as well as select disclosures from the Expanded metrics. Merck currently is not a signatory to the Stakeholder Capitalism Metrics.

Principles of governance

Metric	Response
Governing purpose	
Setting purpose (Core)	Pages **9-11**
Purpose-led management (Expanded)	
Quality of governing body	
Governance body composition (Core)	Page **11**. Additional information on our Board structure and roles can also be found in our **2025 proxy statement** (pages 11-23, 27-28).
Progress against strategic milestones (Expanded)	Pages **15-16**
Remuneration (Expanded)	A full discussion of our remuneration policies for our Board and for Named Executive Officers (NEOs) can be found in our **2025 proxy statement** (pages 40-83). For information on how a measure in our Company's Scorecard links the compensation of most employees, including our executives, to certain Sustainability metrics, please see page 53 of our **2025 proxy statement**.
Stakeholder engagement	
Material issues impacting stakeholders (Core)	Page **12**
Ethical behavior	
Anti-corruption (Core)	Page **100**
Protected ethics advice and reporting mechanisms (Core)	Pages **15-16**
Alignment of strategy and policies to lobbying (Expanded)	Pages **119-121**
Risk and opportunity oversight	
Integrating risk and opportunity into business process (Core)	Pages **11**, **13**

Planet

Metric	Response
Climate change	
GHG emissions (Core)	Pages **70-76**, **90-92**
Paris-aligned GHG emissions targets (Expanded)	Pages **70-71**, **90**
TCFD implementation (Core)	Pages **71-72**
Nature loss	
Land use and ecological sensitivity (Core)	Pages **80-81**
Freshwater availability	
Water consumption and withdrawal in water-stressed areas (Core)	Pages **77-79**, **93**
Impact of freshwater consumption and withdrawal (Expanded)	**CDP**
Air pollution	
Air pollution (Expanded)	Pages **76**, **92**

People

Metric	Response
Dignity and equality	
Pay equality (Core)	Not reported
Wage level (Core)	Not reported
Risk for incidents of child, forced or compulsory labor (Core)	Page **115**, **Human Rights policy**
Human rights review, grievance impact and modern slavery (Expanded)	Page **115**, **Human Rights policy**
Freedom of association and collective bargaining at risk (Expanded)	Pages **52-53**, **110-111**, **Human Rights policy**

Health and well-being	
Health and safety (Core)	Pages **62-68**
Employee well-being (Expanded)	Pages **62-68**, **Well-being Report**
Skills for the future	
Training provided (Core)	Pages **50-51**

Prosperity

Metric	Response
Employment and wealth generation	
Absolute number and rate of employment (Core)	Pages **47-49**
Infrastructure investments and services supported (Expanded)	Pages **22-25**, **38-40**
Economic contribution (Core)	**2024 Form 10-K**
Financial investment contribution (Core)	**2024 Form 10-K**
Significant indirect economic impacts (Expanded)	Pages **22-42**
Innovation for better products and services	
Total R&D expenses (Core)	**2024 Form 10-K**, page 58
Community and social vitality	
Total tax paid (Core)	**2024 Form 10-K**

Forward-looking Statement of Merck & Co., Inc., Rahway, N.J., USA

This report of Merck & Co., Inc., Rahway, N.J., USA (the "Company") includes "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline candidates that the candidates will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the Company's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the Company's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 and the Company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (**www.sec.gov**).

No duty to update

The information contained in this publication was current as of the date presented. The Company assumes no duty to update the information to reflect subsequent developments. Consequently, the Company will not update the information contained in this publication and investors should not rely upon the information as current or accurate after the presentation date.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