

## PUBLIC POLICY STATEMENT

# WATER STEWARDSHIP

Water is at the core of sustainable development and is critical for socio-economic development, healthy ecosystems and human survival. It is vital for reducing the global burden of disease and improving the health, welfare and productivity of populations. The United Nations (UN) has declared access to safe drinking water and sanitation as a basic human right that is essential for population health.

At Merck, water is critical for the discovery and production of our medicines and vaccines. In recognition of the critical importance of water to our business and the global community, we have endorsed the UN CEO Water Mandate, a public commitment to adopt and implement a comprehensive approach to water management and have aligned our water program with its principles. In addition, we have recognized “Clean Water and Sanitation” as one of the eight UN Sustainable Development Goals that we have prioritized as being closely aligned to our mission. We have developed water use targets and water risk management goals to guide the use of water in our operations and supply chain.

## Water Use

As we work to invent health solutions that advance the prevention and treatment of diseases around the world, we recognize that we need to use water more efficiently. In recent years, the company has reduced its global water use by 29%, meeting our 2020 goal of a 25% reduction five years early, and has set a goal to decouple water use from growth by maintaining water use at or below 2015 levels through 2025, despite expanding biological operations, , which typically require more water-intensive manufacturing processes.

Through our efforts in Green & Sustainable Science within our research laboratories, we are designing new product manufacturing processes that use less water and raw materials. We are also actively exploring the implementation of single-use equipment in our operations where appropriate, which can greatly reduce the amount of water required for cleaning.

We have estimated that the majority of our water use resides in our supply chain, so we have increased our level of engagement there. Our Business Partner Code of Conduct requires that our suppliers conserve natural resources and have systems in place to quantify the amount of water they use. We are going a step further with our strategic suppliers, by collecting water use information from them as a part of our environmental sustainability goals. We plan to engage with our strategic suppliers to find opportunities to reduce water use, and request that they set their own water reduction targets by 2025.

## Water Risk

Because access to water is critical to our operations, we map water risk at our facilities to understand where we may need to implement higher levels of water stewardship. We also understand that water

risk can be magnified by climate change, making the understanding of our future risk exposure even more critical. One of our environmental sustainability goals is to identify sites that operate in areas under water stress and develop management plans to use water more efficiently at these locations. Our key suppliers are also mapped to understand where water risk resides in our supply chain, so that we can identify where mitigation strategies may be warranted.

### Water Quality

We assure that wastewater discharges from our manufacturing facilities meet all applicable requirements and exercise an appropriate level of care at our facilities globally, even if not required by local regulation. In addition, we evaluate the potential impact our products may have on ecosystems and manage our discharges to be protective of the environment.

We recognize that pharmaceutical and biological research and manufacturing generate wastewater that contains contaminants that can affect water quality and that expectations for enhanced removal of these contaminants from wastewater discharges will continue to grow. Therefore, we are working to understand the water challenges in the communities in which we operate, determine how our operations impact those locations, and identify appropriate water management practices for protecting and improving local water quality.

For more information, see our [public policy statement](#) on pharmaceuticals in the environment (PIE).

### Public Disclosure

Our water use and risk evaluation is reported publicly via our annual Corporate Responsibility Report (<https://www.msdrresponsibility.com/environmental-sustainability/water/>) and our submission to CDP. We also strive to educate our employees and other stakeholders on our water stewardship activities through our internal and external communication channels.

### Collaboration

As a signatory to the UN CEO Water Mandate, we continue to look for ways to collaborate to find the best solutions to water issues, especially in areas where we operate. We have also supported local communities by funding water conservation projects through our charitable giving.