

CLIMATE POLICY ALIGNMENT ASSESSMENT

TRADE ASSOCIATIONS¹

Our Position on Climate Change

Our company recognizes the consensus among climate scientists that Earth's climate is changing, and that human activity is the major contributor. Our company supports international and national actions to address the challenges presented by climate change, including economic incentives for researching, developing, and deploying low-carbon and renewable energy technologies. Our position on climate change supports the principles of the Paris Agreement which created a global framework to combat climate change. The goal of the agreement is to limit global temperature rise to well below 2°C; preferably to 1.5°C, compared to pre-industrial levels.

Our company's position on climate change is guided by the following principles:

- Climate-related goals and associated regulatory frameworks must be science-based and align with the effort to keep global temperature rise to well below 2°C; preferably to 1.5°C
- Regulatory frameworks should be designed to encourage energy conservation and stimulate private sector innovation and investment
- Sustainable finance will be a key tool to unlock technological and organizational advancements to both combat and adapt to the change in climate
- Public policies should promote the development, use and storage of energy from renewable sources
- Public policies must address the links between climate change, water scarcity, risk of biodiversity loss, deforestation, and public health risks
- Public policies should allow and plan for appropriate adaptation and mitigation measures, including water conservation and management programs in areas of high-water risk, and initiatives to strengthen health systems in targeted regions
- Public disclosures should align with global frameworks and should represent core elements of how organizations operate: governance, strategy, risk management and metrics and targets

Our Company committed to a net-zero target for our greenhouse gas (GHG) emissions across our global operations (Scopes 1, 2, and 3) by 2045. This goal has been validated by the Science Based Target initiative (SBTi) to confirm alignment to the SBTi Corporate net-zero Standards and Guidance. For more information on our position regarding Climate Change, please see our [Public Policy Statement on Climate Change](#). For information on our initiatives, policies, and accomplishments please see our [Sustainability Resources](#) page.

Climate Policy Alignment Assessment

Our company is a member of numerous 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.

Our corporate website includes a list of U.S. industry and trade groups of which we are a member for which our trade association dues are greater than \$25,000 and the amount of those dues that are used for political purposes, if any.²

In 2026, we conducted our latest biennial Climate Policy Alignment Assessment of these groups for the year-ended December 31, 2025. This assessment evaluated whether the groups who used a portion of our dues for political purposes in 2025 had publicly disclosed formal positions on climate change and, if so, reviewed them in the context of our company's own position on climate.³ The table below sets forth the results of this assessment.

¹ The information included in this assessment is current as of May 2026.

² See <https://www.msd.com/company-overview/sustainability/transparency-disclosures/>

³ See Company website for 2025 dues used for lobbying.

Trade association	Summary of organization's climate position	Assessment
Academy of Managed Care Pharmacy	No formal statement or policy in relation to climate change.	NA
Animal Health Institute	No formal statement or policy in relation to climate change.	NA
Bio New Jersey	No formal statement or policy in relation to climate change.	NA
Bio New York	No formal statement or policy in relation to climate change.	NA
Biotechnology Industry Organization (BIO)	No formal statement or policy in relation to climate change.	NA
Business Roundtable	Business Roundtable has published a formal climate position that acknowledges the significant impact climate change poses to the economy, public health, and security.⁴ Business Roundtable has also issued comments against the removal of the EPA's GHG emission reporting program.⁵	Business Roundtable does not state their support for the Paris Agreement or achieving carbon net-zero. However, they recognize the importance of climate mitigation and support legislation that will help reach that goal. Our position on climate change expressly supports the principles of the Paris Agreement and we are committed to achieving net-zero by 2045. In 2026, we re-engaged with Business Roundtable and highlighted our position on climate change, building on our earlier engagement in 2024.
Chemistry Council of New Jersey (CCNJ)	No formal statement or policy in relation to climate change.	NA

⁴ See <https://www.businessroundtable.org/policy-perspectives/energy-environment>. Accessed June 16 2026.

⁵ See <https://www.businessroundtable.org/business-roundtable-comments-on-epas-proposed-reconsideration-of-the-greenhouse-gas-reporting-program>. Accessed June 16 2026

Trade association	Summary of organization's climate position	Assessment
Community Oncology Alliance	No formal statement or policy in relation to climate change.	NA
Healthcare Distribution Alliance (HDA)	The HDA “and the nation’s healthcare distributors recognize the industry’s responsibility to reduce its carbon emissions — and view protecting our planet as an extension of our commitment to the health and safety of communities across America”. ⁶	The HDA does not state their support for the Paris Agreement or achieving carbon net-zero. However, they recognize the importance of climate mitigation in the healthcare industry. Our position on climate change expressly supports the principles of the Paris Agreement and we are committed to achieving net-zero by 2045. In 2026, we engaged with Healthcare Distribution Alliance and highlighted our position on climate change.
Healthcare Institute of New Jersey	No formal statement or policy in relation to climate change.	NA
Healthcare Leadership Council	No formal statement or policy in relation to climate change.	NA
Life Science Pennsylvania	No formal statement or policy in relation to climate change.	NA
National Association of Biomedical Research	No formal statement or policy in relation to climate change.	NA

⁶ See <https://www.hda.org/environmental-sustainability/>. Accessed June 16 2026.

Trade association	Summary of organization's climate position	Assessment
National Association of Manufacturers (NAM)	The NAM has published a formal climate position that acknowledges the objectives of the Paris Agreement and the transition to net-zero, while also calling for “negotiations in earnest to improve on the Paris Climate Agreement”, which remains unchanged since previously assessed in 2024.⁷ The NAM has also expressed support for the current administration's energy policy, including the “Unleashing American Energy” executive order, which seeks to accelerate fossil fuel expansion, as well as a declaration of a “national energy emergency”, which reverses US climate regulations, including withdrawal from the Paris Agreement.⁸	The NAM's climate position acknowledges the overall goals of the Paris Agreement and transition to net-zero. However, its position also calls for renegotiation of the Paris Agreement and has stated its support for the current administration's energy policy, including withdrawal from the Paris Agreement. Our position on climate change expressly supports the principles of the Paris Agreement and we are committed to achieving net-zero by 2045. In 2026, we re-engaged with the NAM and highlighted our position on climate change, building on our earlier engagement in 2022 and 2024.
National Health Council	No formal statement or policy in relation to climate change.	NA
New Jersey Civil Justice Institute	No formal statement or policy in relation to climate change.	NA
Personalized Medicine Coalition	No formal statement or policy in relation to climate change.	NA
Pharmaceutical Research and Manufacturers of America (PhRMA)	No formal statement or policy in relation to climate change.	NA

⁷ See <https://www.nam.org/wp-content/uploads/2021/01/The-Promise-Ahead.pdf>. Accessed June 16 2026.

⁸ See <https://nam.org/trump-unleashes-u-s-energy-33113/>. Accessed June 16 2026.

Trade association	Summary of organization's climate position	Assessment
Texas Healthcare & Bioscience Institute	No formal statement or policy in relation to climate change.	NA
U.S. China Business Council	No formal statement or policy in relation to climate change.	NA
U.S. Chamber of Commerce (Chamber)	The Chamber states “Combating climate change requires citizens, governments, and businesses to work together. Inaction is simply not an option. American businesses play a vital role in creating innovative solutions and reducing greenhouse gases to protect our planet. A challenge of this magnitude requires collaboration, not confrontation, to advance the best ideas and policies. Together, we can forge solutions that improve our environment and grow our economy—leaving the world better for generations to come”.⁹ The Chamber has published a climate position that includes "support[ing] market-based solutions developed through bipartisan legislation in Congress, and acknowledges the costs of action and inaction and the competitiveness of the U.S. economy”.⁹	The Chamber does not explicitly state support for the Paris Climate Agreement or achieving carbon net-zero. However, it recognizes the need for collective action on climate change and supports market-based solutions to reduce emissions, with emphasis on balancing environmental progress with economic growth and U.S. competitiveness. Our position on climate change expressly supports the principles of the Paris Agreement and we are committed to achieving net-zero by 2045. In 2026, we re-engaged with the Chamber and highlighted our position on climate change, building on our earlier engagement in 2022 and 2024.
U.S. Council for International Business (USCIB)	The USCIB has published a formal position on the Environment that includes a climate change and energy position. ¹² The position supports “leveraging private sector leadership and technical expertise to support sound environmental protection and policy decisions that are reflective of the real economy” and notes that USCIB has “represented US business at every Climate COP in history ...	The USCIB does not explicitly state support for achieving carbon net-zero. However, it demonstrates alignment with the Paris Agreement through its stated goal of advancing Paris Agreement implementation. Its position emphasizes leveraging private sector leadership and market-driven approaches, alongside continued U.S.

⁹ See <https://www.uschamber.com/climate-change>. Accessed June 16 2026.

Trade association	Summary of organization’s climate position	Assessment
	with the goal of advancing Paris Agreement implementation”.¹⁰ USIB’s 2026 Policy Priorities include “continued US leadership on environmental policy through engagement on topics such as just transition, climate and trade, energy access and security”.¹¹	engagement on climate, energy, and just transition issues. Our position on climate change expressly supports the principles of the Paris Agreement and we are committed to achieving net-zero by 2045. In 2026, we re-engaged with USCIB and highlighted our position on climate change building on our earlier engagement in 2024.
U.S. Global Leadership Campaign	No formal statement or policy in relation to climate change.	NA

¹⁰ See <https://uscib.org/environment/>. Accessed June 16 2026.

¹¹ See <https://uscib.org/policy-advocacy-ud-706/policy-priorities/>. Accessed June 16 2026.