

# 2023/2024 Impact Report

## Summary of Progress

For our full report, please [click here](#).



*“Expanding and enabling access to our medicines and vaccines for the hundreds of millions of people around the world who depend on us is both a great responsibility and a profound privilege. Driven by an unwavering sense of urgency and fueled by a relentless focus on leading-edge science, we will continue to deliver innovative solutions that address some of the world’s most serious global health challenges and deliver societal value.”*

**Robert M. Davis**  
Chairman and Chief Executive Officer

## Key highlights



### Access to Health

**>550 million**

People reached with our medicines and vaccines in 2023<sup>1</sup>

**240 million**

People enabled to access our innovative medicines and vaccines through access solutions in 2023<sup>2</sup>



### Employees

**>99%**

Parity indicated in our global pay equity study for female employees compared to their male colleagues. For the third year in a row, we have maintained greater than 99% pay equity by race as well as gender in the U.S.



### Environmental Sustainability

**Net-zero by 2045**

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)



### Ethics & Values

**\$3.6 billion**

Spending with small and diverse Tier 1 and 2 suppliers globally in 2023

# Our approach

For more than 130 years, we’ve been dedicated to operating responsibly and creating value for society. That commitment is one of our ongoing strengths and core to our business, which is why operating responsibly is part of the foundation of our Strategic Framework, denoting our commitment to enable a safe, sustainable and healthy future for people and communities.

## 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 corporate Strategic Framework

### Our Strategic Priorities

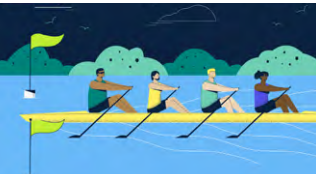
Invest in, augment, and accelerate our pipeline to deliver life-changing products

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 focus areas, goals and performance

Our goals represent our public commitments to delivering value to society. Over the past year, we challenged ourselves to continue meaningful progress towards our ambitious commitments within each of our focus areas.

<div> Access to Health</div>			
Goals	2022	2023	Total
Enable <b>350 million more people</b> to access our innovative medicines and vaccines globally, through access solutions, by 2025. <sup>2</sup>	189.2	<b>240.0</b>	<b>N/A</b>
Reach at least <b>75% of countries</b> around the world annually with our products. <sup>3</sup>	76%	<b>79%</b>	<b>N/A</b>
Further advance health equity by <b>reaching 50 million people</b> in low- and middle-income countries (LMICs) and people underserved by health care in high-income countries with our social investments, by 2025. <sup>4,5</sup>	18.6	<b>21.2</b>	<b>54.8</b> (2021-2023)

<div> Environmental Sustainability</div>		
Goals	2022	2023
Reduce our <b>Scope 1 and 2 operational GHG emissions by 46%</b> by 2030, from a 2019 baseline. <sup>8</sup>	8% below baseline <sup>9</sup>	<b>12% below baseline</b>
Reduce our <b>value chain (Scope 3) GHG emissions by 30%</b> by 2030, from a 2019 baseline. <sup>10</sup>	2% below baseline	<b>4% below baseline</b>
Source <b>100% of our purchased electricity</b> from renewable sources, by 2025. <sup>11</sup>	45%	<b>57%</b>
Achieve <b>net-zero GHG emissions</b> (Scopes 1, 2 & 3) by 2045.	In 2024, we committed to a net-zero target by 2045 across our global operations (GHG emissions Scope 1, 2 & 3) aligned with the SBTi guidelines.	

<div> Employees</div>		
Goals	2022	2023
Maintain or exceed our <b>current inclusion index score</b> , by 2025. <sup>6,7</sup>	On track	<b>On track</b>
Maintain or exceed our <b>current employee engagement index score</b> , by 2025. <sup>6,7</sup>	On track	<b>On track</b>

<div> Ethics &amp; Values</div>		
Goals	2022	2023
Foster a “Speak Up” culture by maintaining or exceeding our <b>current percentage of global employees responding favorably to the “Willingness to report” question</b> in an internal survey as an annual average, by 2025. <sup>12,13</sup>	On track	<b>On track</b>
Maintain <b>100% compliance to privacy and data protection regulatory requirements</b> for active incident monitoring, risk/harm analysis and on-time notification of data breaches. <sup>14</sup>	100% compliance maintained	<b>100% compliance maintained</b>





# Select awards and recognition

We’re proud that our longstanding commitment to driving responsible actions has received external recognition as we strive to mitigate sustainability-related risks and create value for our business, society and all of our stakeholders.

## Barron’s

100 Most Sustainable U.S. Companies — #38 overall and #1 in the biopharmaceutical industry (2024)

## Human Rights Campaign Foundation

Recognized on the Corporate Equality Index (2023-2024)

## Newsweek

America’s Most Responsible Companies — #1 overall and #1 in the sector (2024)

## Seramount

One of the 75 companies on the Top Companies for Executive Women list (2023)

## JUST Capital

America’s Most JUST Companies — #25 overall and #1 in the sector (2024)

## TIME

#28 on the World’s Most Sustainable Companies list (2024)





<sup>1</sup> This people reached metric estimates the number of people who have received a MSD product through commercial channels, clinical trials, voluntary licensing and product donations. Product donations include people reached through the MECTIZAN Donation Program, U.S. Patient Assistance Programs, and the MSD Medical Outreach Program. Sources of data are MSD 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. The people reached metric does not include people reached through social investments, which are calculated as part of our goal to further advance health equity for populations in LMICs and underserved by health care in high-income countries.

<sup>2</sup> Metrics contributing to this goal are displayed on an annual basis and provide information on the number of people 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.

<sup>3</sup> Countries are as defined by the World Bank Country and Lending Groups. Includes only human health products.

<sup>4</sup> 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 the last day of February of the corresponding performance year.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> The Pulse survey is open to employees globally.

<sup>8</sup> 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.

<sup>9</sup> 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 (2023), IEA (2023), EU Residual (2023), UK Defra (2023) & Inventarios Corporativos (2023)] and Scope 1 & 3 emission factor updates [EPA Climate Leaders (2023)].

<sup>10</sup> 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.

<sup>11</sup> 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.

<sup>12</sup> 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.”

<sup>13</sup> In 2021, we developed the “Willingness to Report” question referenced in footnote 1 to align with evolving best practices. This question was first included in the internal survey in March 2022, and 2022 data are used as the baseline against which 2023 data are compared.

<sup>14</sup> Regulatory requirements differ by region.



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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.

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No duty to update

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