MSD

PURPOSE FOR PROGRESS

Impact Report

2025/2026

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About this report

This is the 2025/2026 Impact Report of Merck & Co., Inc., Rahway, New Jersey, USA, which is known as MSD outside the United States (U.S.) and Canada.

All data is current as of December 31, 2025, 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, 2025, to December 31, 2025, with some information on activities that took place in 2026.

Information on documents filed with the Securities and Exchange Commission (SEC), such as our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 24, 2026 (2025 10-K) and our 2026 Notice of Annual Meeting and Proxy Statement filed with the SEC on April 8, 2026 (2026 proxy statement), can be found on our corporate website, which is intended only for residents of the U.S. and Canada.

Our Company

We use the power of leading-edge science and technology 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 that 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.

How we operate

MSD (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 24, 2026.*

More than:

>400 million

People reached with our medicines and vaccines in 2025 (p. 19)

Annual revenue in 2025:

$65.0 billion

Total research and development (R&D) expenses in 2025:

$15.8 billion

Worldwide employees:

~75,000

as of Dec. 31, 2025

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 119-137 for a listing of our disclosures from our prioritized frameworks. For more information on our Company, please see our **Form 10-K**, filed February 24, 2026.*

Highlights

Access to Health

>400 million
People reached with our medicines and vaccines in 2025 (p. 20)

>230 million
People enabled to access our innovative medicines and vaccines through access solutions in 2025 (p. 19)

~82 million
People reached in low- and middle-income countries (LMICs) and underserved populations in high-income countries reached with our social investments (2021-2025) (p. 19)

90%
Of countries reached globally with our products in 2025 (p. 19)

100%
Of the top 20 global burdens of disease (GBD) addressed by our pipeline and products[1] (p. 22)

Environmental Sustainability

Net-zero
Our Company has committed to reaching net-zero greenhouse gas (GHG) emissions by 2045 across Scopes 1, 2, and 3. This goal has been validated by the Science Based Target initiative (SBTi) to confirm alignment to the SBTi Corporate Net-Zero Standards and Guidance (p. 68)

100% renewable energy by 2025
We are proud to share that we have met our commitment to source 100% of our purchased electricity from renewable energy by 2025. We did so through a combination of contracted on-site arrays, Virtual Power Purchase agreements, and Renewable Energy Certificates (p. 67)

8
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. 87)

650+
Partnership engagements with suppliers in support of our efforts to reduce GHG emissions, representing >50% of our Scope 3 emissions in 2024[2] (p. 67)

Employees

>28,000
Employees are members of at least one of our 10 Employee Business Resource Groups (EBRGs) (as of December 31, 2025)—that is over 35% of our workforce globally. All employees are welcome to join any of our Employee Business Resource Groups (p. 43)

>94%
Employees have been celebrated for their contributions to our purpose through our global recognition program (p. 43)

>80
Countries have access to our global Employee Assistance Program (EAP), providing comprehensive mental health support for our employees and their families (p. 43)

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. 96)

>99%
Of employees completed our Leading With Ethics & Integrity training series in 2025 (p. 99)

10 points
Out of 100 allocated to select sustainability metrics specific to Access to Health and Employees in our 2025 Company Scorecard, which is used to determine the payout of our annual incentive plan for most employees, including our executives (p. 9)

Advancing access to health, supporting our people, and driving sustainable, responsible growth

A Message from Rob Davis

Dear Stakeholders,

At MSD, we are united by a singular purpose: to use the power of leading-edge science to save and improve lives around the world. For 135 years, we've helped address some of the world's most important health challenges through medicines, vaccines, and animal health innovations.

This year's Purpose for Progress Impact Report reflects the actions we've taken to expand access to health, support our people and culture, reduce our environmental footprint, and maintain strong governance. It outlines the commitments we've made, the progress we've delivered, and the opportunities ahead.

In fact, we achieved our goals set for completion in 2025 across access, employee engagement and inclusion, environmental sustainability, and ethics and values.

In 2025, our products reached 90 percent of countries globally. And, from 2021-2025, we reached approximately 82 million people with our social investments in low- and middle-income countries and underserved populations in high-income countries.

While we are proud of this progress, we know the need remains significant. That is why we are continuing to expand our efforts to improve access to health around the world.

Accelerating Access to Health

Every day, people face barriers in receiving evidence-based, medically recommended care. Overcoming these barriers is critical to ensure that we can do our part to support meaningful health outcomes for all patients.

That's why **we are pursuing a new commitment to reach 100 million people with access solutions that close those gaps in care, by 2030**.

As we work to deliver on this commitment, we will harness the breadth of our Company to help expand access to health and improve health outcomes around the world. Drawing on decades of experience tackling some of the world's most pressing health challenges, we support efforts that advance prevention, enable earlier diagnosis, strengthen care delivery, and help patients access and stay on appropriate treatment. We tailor these efforts to the needs of local communities, particularly in low- and middle-income countries and in underserved populations in high-income countries.

Guided by our legacy of scientific innovation and global health leadership, we focus on areas where we have deep expertise and have made a lasting impact, including oncology, cardiovascular disease, maternal health, HIV, and infectious diseases.

Through partnerships with governments, health care systems, non-governmental organizations, and local communities, we help address persistent barriers to care and build more resilient health systems.

Looking ahead, we will continue working across sectors to advance locally driven solutions, strengthen health systems, and help more patients access the medicines and vaccines they need.

Our People Drive Our Purpose

Our approximately 75,000 talented colleagues around the world are central to our ability to deliver on our purpose.

We are committed to fostering a culture where people can do their best work, grow their careers, and contribute to meaningful advances in health. To help strengthen that culture, we continue to evolve how we measure and understand the employee experience across our Company.

To provide a more holistic view of the employee experience, we are introducing a Culture Index that brings together key measures of engagement and inclusion. These insights help us ensure that MSD remains a place where colleagues can thrive and where our purpose can come to life every day.

I am proud that our efforts continue to be recognized by organizations including Newsweek, TIME, and Forbes, which have named MSD among the most responsible and trusted companies in America and around the world.

Advancing Environmental Health

We continue to build on our long history of environmental stewardship while advancing toward a more sustainable future.

Today, 100% of the electricity we purchase globally comes from renewable energy sources, and we continue to make progress toward our net-zero greenhouse gas (GHG) emission goal.

Leading with Integrity

We understand that when it comes to health, trust is paramount. We remain steadfast in upholding the highest standards of ethics, transparency, and accountability. Trust and integrity are foundational to our work, and a core value of our Company.

Shaping a Healthier Future

Our history has shown that meaningful progress happens when innovation is paired with responsibility and a commitment to improving lives. Scientific progress is accelerating faster than ever before, creating new opportunities to address some of the world's most pressing health challenges. We recognize the responsibility that comes with that opportunity and remain committed to helping ensure our medicines and vaccines reach the people and communities who need them most.

This report reflects our belief that scientific innovation, responsible business practices, and strong partnerships can help address some of the world's most pressing health challenges. While we are proud of the progress we've made, we know there is more work to do. Together, we have an opportunity to meet the moment and help create a healthier future for all.

Best regards,

Rob Davis
Chairman and Chief Executive Officer

Select awards and recognition

Newsweek & Statista

Ranked in the top ten on America's Most Responsible Companies list (2025, 2026)

US News & World Report

Named to Best Companies to Work For list (2026)

TIME

Named to the World's Most Sustainable Companies list (2026), and Ranked #9 on America's Best Companies (2026)

FORBES

Named to America's Best Large Employers (2026)

Fast Company

Ranked #9 on the World's Most Innovative Companies list in the Healthcare category (2026)

Our Strategic Framework

Our Strategic Framework brings together our Purpose, Aspiration, Priorities, Ways of Working, and Values into one unified picture of our Company. It gives equal weight to what we need to do—deliver on our Priorities and business outcomes—and how we need to do it, through the behaviors and values that define our culture.

Our Purpose

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

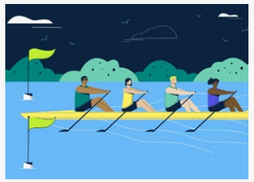
Our Aspiration

We aspire to be the premier research-intensive biopharmaceutical company

Our Priorities

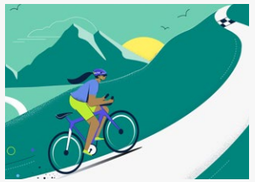
- Invest in, augment, and accelerate our pipeline to deliver life-changing products
- Demonstrate value to our stakeholders and extend access to solutions that address unmet medical needs
- Drive innovation and productivity enabled by digital and data
- Invest in the growth, success, and well-being of 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**—We work with global stakeholders to strengthen health systems and reduce barriers to care. We discover and invent innovative medicines and vaccines that address global health needs, and we work to help ensure our products are accessible and sustainably delivered worldwide.
- **Employees**—We recognize that our ability to deliver on our mission depends on our people. We are committed to fostering a workplace culture centered on innovation, engagement, inclusion, execution, and well-being, while supporting the growth, development, and sense of belonging of our workforce.
- **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 the foundation of our Company and guide how we operate with integrity, transparency, and responsibility. We are committed to putting patients first and earning the trust and confidence of our stakeholders through our actions, policies, and everyday decisions.

Our sustainability efforts aim to position us as a partner of choice within the global health ecosystem, working to build stakeholder trust, improve our long-term business performance, increase investment flow, and 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.

In 2025, we fostered accountability for sustainability through various initiatives, one of which was our 2025 Company Scorecard[3]. This Scorecard determines the annual cash incentives awarded to most employees of the Company, including the Company's executive officers. In 2025, 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 2025.

*For more information about our Company Scorecard, please see page 53 of our **2026 proxy statement**.*

Sustainability governance

Board of Directors

We are committed to governance policies and practices that serve the long-term interests of our business and shareholders. Oversight of sustainability is embedded in our governance structure as 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 and integrating it into our business operations. Through leadership groups such as the Strategic Policy & Sustainability Council, our senior leaders direct the day-to-day supervision and coordination of this strategy across the enterprise.

Corporate governance	2021	2022	2023	2024	**2025**
Independent directors on the Board	12	12	11	12	**12**
Board members who are independent	86%	92%	92%	92%	**92%**
Separate chairman of the Board and CEO	Yes	No	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 **2026 proxy statement** (pages 19-26). For information on how to communicate with the Board, please see page 25 of our 2026 proxy statement.*

Our Executive Team regularly informs the Board on our long-term sustainability strategy, priorities, and performance, through full Board discussions and focused 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 topics 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 our efforts 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)

Social Impact & Sustainability is responsible for embedding sustainability across business practices by setting and tracking public commitments, measuring and reporting progress through the Purpose for Progress Impact Report, and engaging key stakeholders on our responsible business practices. The team also leads social investment initiatives focused on expanding Access to Health by strengthening health systems and improving health outcomes in communities globally.

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 environmental 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 Environmental Sustainability within the Environmental Compliance, Sustainability, & Stewardship (ECSS) 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 environmental 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 are managed through our sustainability strategy and related initiatives. We also conducted impact materiality assessments in 2015, 2018, and 2021.

Looking ahead

In preparation for the implementation of the European Union's Corporate Sustainability Reporting Directive (CSRD), we are currently updating our impact materiality assessment to align with the European Sustainability Reporting Standards (ESRS) which requires a double materiality assessment, identifying how sustainability matters affect our business (financial materiality) and how our activities affect people and the environment (impact materiality). Consistent with CSRD implementation timelines, the results of this assessment will be disclosed in connection with our first CSRD-compliant report, which we expect to publish in 2028 for the 2027 financial year. Until that time, our sustainability strategy, priorities, and disclosures continue to be informed by our 2023 impact materiality assessment, supplemented by ongoing stakeholder engagement, issue monitoring, and risk management processes.

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 sustainability reports issued by industry peers, suppliers, and customers 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.

The following topics emerged from our most recent impact materiality assessment:

Access to Health

- Access to health care and medicine (pages 19-42)
- Affordability (pages 31-42)
- Product safety and quality (pages 101-105, Clinical Trials)
- Public health risks (pages 19-42)

Employees

- Employee diversity and inclusion (pages 57-59)
- Employee health and safety (pages 60-66)
- Talent management (pages 44-51)

Environmental Sustainability

- Climate change risks and management (pages 68-74)

Ethics & Values

- Ethical corporate behavior (pages 97-100, Code of Conduct & Compliance)
- Privacy and data security (pages 114-115, MSD Privacy)

Our approach to stakeholder engagement

We engage with a broad range of stakeholders to gain insights that inform our efforts and help advance solutions that benefit society while supporting our business. Many of these engagements are described throughout this report.

The stakeholder groups 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 essential that we respect and honor their lived experiences. This helps us 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

We regularly engage with our shareholders throughout the year 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, along with other subject-matter experts, engage with shareholders to stay informed about their views on current issues and to address questions or concerns. These teams serve as liaisons between shareholders, 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 address these topics well in advance of the Annual Meeting of Shareholders. This approach enables management and the Board to gather investor perspectives and make informed, deliberate decisions that are balanced and appropriate for our diverse shareholders and in the best interests of our Company.

*For more information on our engagements with shareholders, including topics discussed, please see our **2026 proxy statement** (pages 17-18).*

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 19-42, and for our disclosures on payments to health care professionals, please visit the **Transparency Disclosures page** on our corporate website.*

Employees

We aim to foster a positive and inclusive working environment for our employees by providing resources to support their health and that of their families, as well as opportunities for professional development and for engagement in the communities where they live.

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

To learn more about our work with employees, please see pages 43-66.

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 support 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 116-118.

Suppliers and business partners

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

To learn more about our work with suppliers, please see pages 106-111.

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 118.

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 to support community-led solutions to health care access barriers by building trusted relationships with local stakeholders and NGOs globally. We conduct these engagements predominantly through our social impact efforts. More information about these efforts can be found on the Philanthropy page on our corporate website.

What we accomplished

We set sustainability goals to translate Our Purpose into measurable action, linking business performance with progress across access to health, ethical behaviors, employee culture, and environmental sustainability. By clearly defining expectations, aligning our sustainability ambition with our corporate strategic framework, and embedding accountability across the Company, these goals have driven meaningful results.

We achieved all eleven sustainability goals that were targeted for completion by 2025. For additional details on our annual performance, see how we are delivering on our commitments to expand health access (page 19), foster employee engagement (page 57), reduce our environmental footprint (page 68), and uphold responsible business practices (page 97).

Results of our 2025 sustainability goals[3]

Access to Health

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[4]

ACHIEVED
81.9 million for the five-year period

Reach at least 75% of countries around the world annually with our products[5]

ACHIEVED
90% in 2025

Enable 350 million more people to access our innovative medicines and vaccines globally through access solutions by 2025[6]

ACHIEVED
445.4 million for the five-year period

Employees

Maintain or exceed our current employee engagement index score by 2025, from a 2022 baseline

ACHIEVED
for the three-year period

Maintain or exceed our current inclusion index score by 2025, from a 2022 baseline[7]

ACHIEVED
for the three-year period

Environmental Sustainability

Source 100% of our purchased electricity from renewable sources by 2025[8]

ACHIEVED
100%

Maintain global water use at or below 2015 levels

ACHIEVED
15% below

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

ACHIEVED
12%

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

ACHIEVED
64%

Ethics & Values

Foster an ethics 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[9]

ACHIEVED
for the three-year period

Maintain 100% compliance to privacy and data protection regulatory requirements for active incident monitoring, risk/harm analysis, and on-time notification of data breaches[10]

ACHIEVED

Where we are headed

We are building on the momentum of achieving our 2025 goals with an updated set of sustainability targets.

Our new 2030 goals, focused on Access to Health, Employees, and Ethics & Values, are designed to further integrate societal impact into how we operate, grow, and deliver for patients and communities worldwide.

At the same time, we continue to advance three of our Environmental Sustainability goals (to 2030 and to 2045) and remain on track to achieve them.

Together, these goals align with our evolving business strategy, replace expiring targets, and strengthen accountability and transparency in support of long-term enterprise value and global health impact.

To learn more, please see page 16.

2030 and 2045 sustainability goals

Access to Health

NEW Reach 100 million people with access solutions that help close gaps in care by 2030[11]

Employees

NEW Maintain or exceed our current Culture Index by 2030[12]

Environmental Sustainability

Reduce our operational GHG emissions (i.e., Scopes 1 & 2) 46% by 2030, from a 2019 baseline[13]

ON OUR WAY
with 31% below baseline

Reduce our value chain (Scope 3) GHG emissions by 30% by 2030, from a 2019 baseline[14]

ON OUR WAY
with 10% below baseline

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

ON OUR WAY
with validation by the Science Based Target initiative (SBTi) to confirm alignment to the SBTi Corporate Net-Zero Standards and Guidance

Ethics & Values

NEW Through 2030, achieve at least 97% affirmative responses to the "Willingness to Report" question in our annual survey

NEW Through 2030, achieve at least 99% global employee completion of the Enterprise Mandatory Training to ensure understanding of our reporting processes and available reporting channels[15]

NEW Establish and maintain the trust of the individuals whose personal information we collect and process by disclosing our practices through external-facing privacy statements and notices; training at least 99% of company employees on privacy and data protection principles; and timely investigating 100% of potential privacy incidents reported to us

From goals to action: Advancing our 2030 sustainability goals

Access to Health

By 2030, we aim to reach 100 million people through access solutions that close gaps in care.[11] This goal reflects our commitment to addressing systemic barriers that delay access to prevention, limit people's ability to start treatment, or disrupt care. Through a variety of locally-tailored efforts, we seek to improve the coordination, timeliness, and quality of health services so that more people can benefit from medicines and vaccines over the next five years. This approach builds on our experience and capabilities, and is designed to deliver meaningful, measurable impact for patients and health systems over time. Implementation will be led by functions across the Company, working in collaboration with external partners and stakeholders, to drive sustained impact.

See page 20 for additional information.

Employees

Our culture remains central to our ability to innovate, attract and retain talent, and deliver for our patients and customers. Our new goal reflects a shift to a Culture Index that provides a more holistic view of organizational cultural health, reinforcing that a strong culture is an enterprise-wide priority and a foundation for innovation, resilience, and long-term value.

Ethics & Values

We have two complementary ethics goals focused on employees' willingness to report concerns and their understanding of reporting mechanisms through training completion. Together these goals provide a more comprehensive view of our ethics culture. This dual approach complements traditional compliance measures by assessing both employees' confidence in reporting concerns and their understanding of available reporting channels, helping to reinforce transparency, accountability, and ethical behavior across the Company.

Our updated privacy goal goes beyond regulatory compliance to reflect the full scope of our Global Privacy Program and our commitment to protecting the rights of individuals whose personal information we collect, reinforcing to stakeholders that ethical data use is fundamental to patient trust and corporate integrity.

Footnotes

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

[2] Supplier-related Scope 3 emissions data reflect the prior reporting year due to data collection and reporting timelines.

[3] Detailed annual results for each goal, including progress data, can be found in each respective focus area section of the report.

[4] (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 2025 and for each year in the total 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.

[5] (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.

[6] (a) Enable "more people" is defined as populations supported by initiatives implemented and launched in market and is in comparison to a 2020 baseline as of 2025. "Innovative medicines and vaccines" refers to our Company's on-patent products.

(b) The numbers displayed for 2021 – 2025 (inclusive) estimate the number of people we estimate had the option to access medicines and vaccines in that particular year as a result of our sustainable access strategies, solutions, and partnerships (without comparison to a baseline). These solutions included our commitment to Gavi and UNICEF (rather than doses shipped), collaborations to optimize resources in health systems, expanded financial coverage through insurance, and community-based channel partnerships.

(c) As described in (b) above, results for the individual year represent the total number of people enabled to access our medicines and vaccines during that year and is calculated separately from the five-year cumulative result. The five-year result is calculated using an evidence-based methodology that identifies and removes from the cumulative total individuals who may have been counted in multiple years and is compared to a 2020 baseline. For example, market-level initiatives that span multiple years are counted only once. As a result, the five-year total is not intended to equal the sum of annual results but is instead intended to estimate the number of unique individuals enabled to access our medicines and vaccines over the full five-year period compared to a 2020 baseline.

(d) 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.

[7] Goal deemed achieved if the result is within a variance of 0.5 percentage points or less.

[8] 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.

[9] 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." In 2021, we developed the "Willingness to Report" question to align with evolving best practices. This question was first included in our Pulse survey in March 2022, and 2022 data are used as the baseline against which 2023 through 2025 data are compared.

[10] Regulatory requirements differ by region.

[11] **Access solutions** are initiatives designed to improve access to timely, appropriate, and high-quality prevention, care, and treatment. These initiatives include improving care pathways, supporting patients as they navigate care, training health workers, and implementing innovative approaches to sustainable financing. **Gaps in care** are the challenges people face in receiving evidence-based, medically recommended care. **People reached** are the individuals whom we estimate will receive a service or intervention directly through a program, initiative, or partnership that our Company supports. The number of people reached will be aggregated each year and reported cumulatively. The goal covers the period from January 2026 through December 2030.

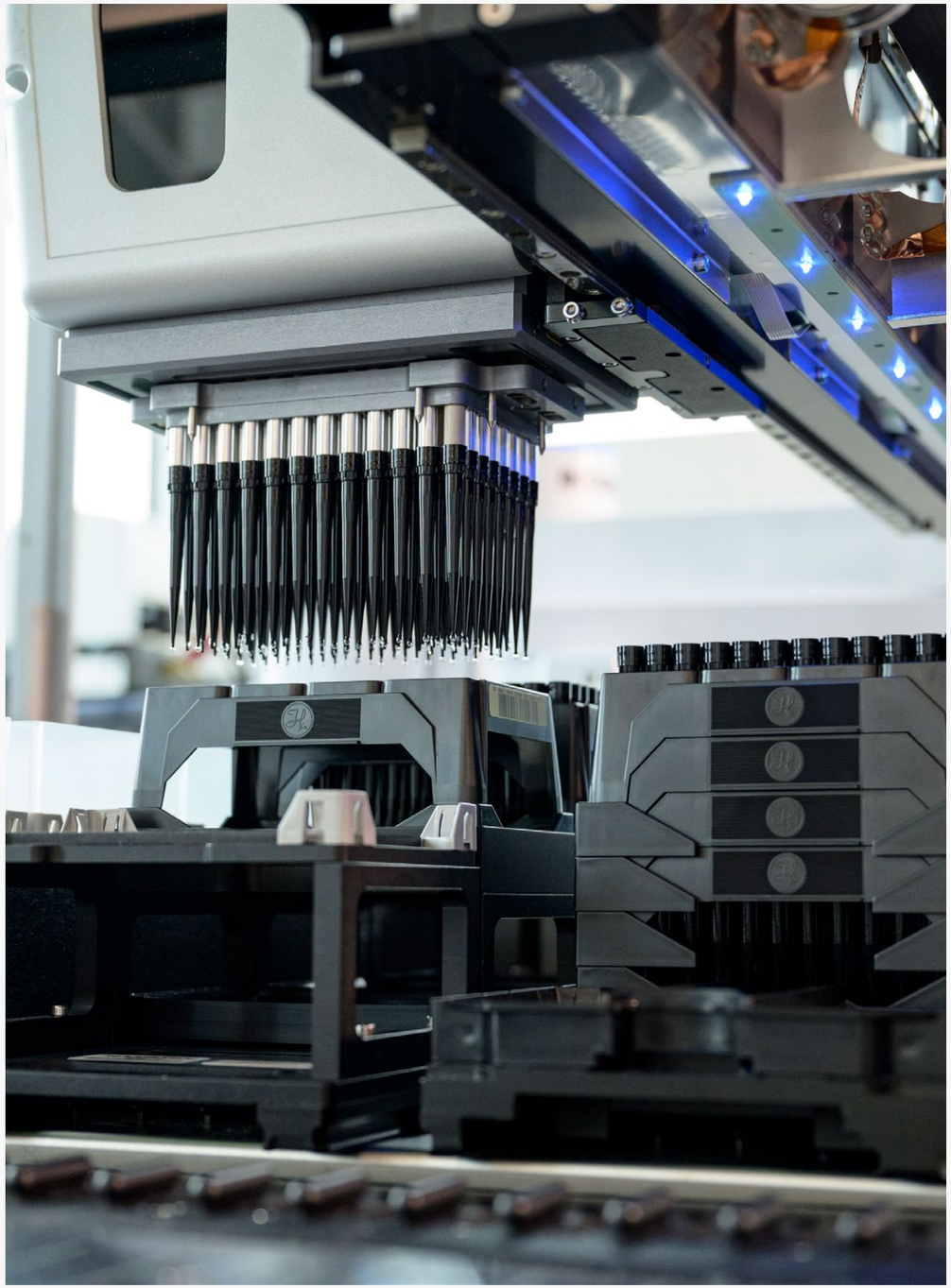
[12] Baseline for Culture Index Score is 2025.

[13] 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. Calculation is based on Market-Based Scope 2 GHG emissions.

[14] (a) Scope 3 GHG emissions include all other indirect emissions in a company's value chain.

(b) In 2025, we re-baselined due to updates in our methodology from the launch of a new digital platform for Scope 3 GHG Emissions calculations. Relevant changes include change of spend-based emissions factor library from U.S. Environmentally-Extended Input-Output (EEIO) to Comprehensive Environmental Data Archive (CEDA) and the use of a higher percentage of supplier specific emission factors. Our 2019-2025 Scope 3 performance data and goal progress were updated accordingly.

[15] For the purposes of this goal, "Enterprise Mandatory Training" refers to required ethics and integrity courses including reporting suspected misconduct.



Our priority United Nations Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) represent the international community's comprehensive agenda 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, anchored by 17 interconnected SDGs.

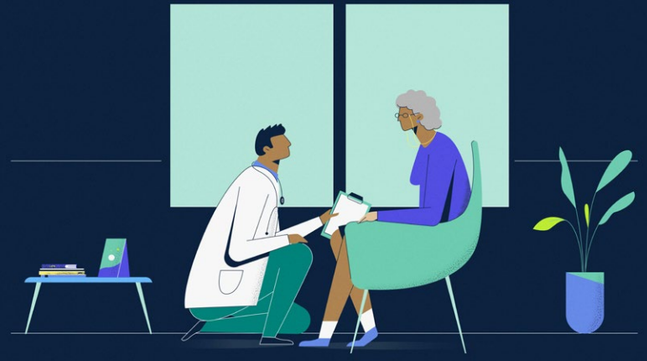
We recognize our significant role and responsibility in alleviating the global burden of disease and enhancing access to medicines and vaccines. This commitment is why SDG 3 (Good Health and Well-being) is at the core of our business operations, aligning seamlessly with our purpose to save and improve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

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

To learn more about how our progress aligns with the SDGs, please see page 133.

Access to Health

We are unified around our purpose: We use the power of leading-edge science to save and improve lives around the world. We advance access to health by strengthening health systems and pathways that enable more people to benefit from our products. This commitment is embedded across our business strategies and geographies.



Topics covered in this section:

Discovery and invention

Availability

Affordability and sustainable access

Strengthening health systems and addressing barriers to health care

Access to Health Goals

	2021	2022	2023	2024	**2025**	**5-year outcome**	
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]	15.0	18.6	21.2	11.4	15.7	81.9	Achieved
Reach at least 75% of countries around the world annually with our products[2]	79%	76%	79%	92%	90%	-	Achieved
Enable 350 million more people to access our innovative medicines and vaccines globally through access solutions by 2025 (in millions)[3]	66.7	189.2	240.0	247.7	230.3	445.4	Achieved

[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 2025 and for each year in the total 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] (a) Enable "more people" is defined as populations supported by initiatives implemented and launched in market and is in comparison to a 2020 baseline as of 2025. "Innovative medicines and vaccines" refers to our Company's on-patent products.
(b) The numbers displayed for 2021–2025 (inclusive) estimate the number of people we estimate had the option to access medicines and vaccines in that particular year as a result of our sustainable access strategies, solutions, and partnerships (without comparison to a baseline). These solutions included our commitment to Gavi and UNICEF (rather than doses shipped), collaborations to optimize resources in health systems, expanded financial coverage through insurance, and community-based channel partnerships.
(c) As described in (b) above, results for the individual year represent the total number of people enabled to access our medicines and vaccines during that year and is calculated separately from the five-year cumulative result. The five-year result is calculated using an evidence-based methodology that identifies and removes from the cumulative total individuals who may have been counted in multiple years and is compared to a 2020 baseline. For example, market-level initiatives that span multiple years are counted only once. As a result, the five-year total is not intended to equal the sum of annual results but is instead intended to estimate the number of unique individuals enabled to access our medicines and vaccines over the full five-year period compared to a 2020 baseline.
(d) 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 advancing access to health

As a research-intensive biopharmaceutical company, we harness leading-edge science to help save and improve lives by discovering, developing, and responsibly delivering innovative medicines and vaccines—one breakthrough at a time. We work with stakeholders like private enterprises, government agencies, and multilateral and non-governmental organizations to ensure our science advances health care. Patients are at the heart of all we do and these collaborations are a vital part of our efforts to enable health care access around the world that is affordable, efficient, and sustainable.

We developed our Statement of Guiding Principles on Access to Health to define our 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 27)
- 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)

We are impacting patients on a global scale. In 2025, we reached more than 400 million people with our medicines and vaccines, including through product donations and commercial operations.[1] We also met our five-year Access to Health goals and established a new ambition, reflecting our continued commitment to addressing barriers to care and improving health outcomes.

Our Access to Health Goals

In 2025, we accomplished a significant milestone in our commitment to expand access to health by achieving all three of our Access to Health goals. We reached 90% of countries around the world with our products, demonstrating our expanding global footprint. Within markets, from 2021 to 2025, we enabled access to our innovative medicines and vaccines for over 445 million people. During the same period, we worked with stakeholders to reach ~82 million people in low- and middle-income countries (LMICs) and underserved populations in high-income countries reached with our social investments.

Our new Access to Health Goal

Building on this strong foundation, we are sharpening our focus on closing gaps in care by strengthening health systems and making it easier for people to access health care across the continuum of care, from prevention and diagnosis to treatment and ongoing support.

Our new goal is to reach 100 million people with access solutions that close gaps in care by 2030.

These access solutions include initiatives that support clinical workflows and promote appropriate prevention, earlier diagnosis, referral process efficiencies, continuity of care, and support adherence to recommended treatment. We support programs that help patients navigate care; train health workers to deliver quality care; and implement financing solutions that help expand access to care. Our approach is tailored to the local context, including resource constrained health systems in low-and middle-income countries (LMICs).

We will focus these efforts in areas where our Company has deep expertise, including oncology, cardiovascular disease, maternal health, HIV, and other infectious diseases, and across global markets, including LMICs. Separate from this goal, we will continue to report annually on the people we reach with our medicines and vaccines.

Achieving this goal requires working in partnership with governments, health systems, non-governmental organizations, and local communities. By collaborating with these organizations, we aim to ensure that access solutions are sustainable over time and support improvements in long-term patient outcomes.

Access to Health Goal

	Target Year
Reach 100 million people with access solutions that help close gaps in care by 2030[2]	2030

[2] Access solutions are initiatives designed to improve access to timely, appropriate, and high-quality prevention, care, and treatment. These initiatives include improving care pathways, supporting patients as they navigate care, training health workers, and implementing innovative approaches to sustainable financing. Gaps in care are the challenges people face in receiving evidence-based, medically recommended care. People reached are the individuals whom we estimate will receive a service or intervention directly through a program, initiative, or partnership that our Company supports. The number of people reached will be aggregated each year and reported cumulatively. The goal covers the period from January 2026 through December 2030.

Embedding access across the Company

Dedicated efforts across our business have accelerated our work to expand access to health globally. This focus extends across our functions and markets, including Research and Development, Manufacturing, Market Access, Commercial Operations, Global Policy, and Social Impact & Sustainability.

[1] This people reached metric estimates the number of people who have received a product of our Company or its subsidiaries 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 MSD Medical Outreach Program. Sources of data are our Company's and its subsidiaries' 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 low- and middle-income countries (LMICs) and groups with limited access to care in high-income countries (page 38).

For example, within our research laboratories, a biostatistics team evaluates social determinants of health within scientific protocols and provides insights that help inform research, development, and business decisions. Another team conducts assessments across pipeline programs to evaluate their potential to address public health burdens and unmet medical needs globally.

In the United States, our teams are working to close critical gaps in care and improve patients' access to timely information, services, and treatment. Across therapeutic areas, these teams have developed strategies to address barriers faced by populations with high disease burdens and limited access to care. These efforts include partnerships and digital solutions that support earlier diagnosis and treatment and improve care coordination.

For LMICs, we have a dedicated team to drive broad and sustainable access to our innovative medicines and vaccines by embedding a focus on access across our end-to-end value chain. 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 have products that can address many of these top diseases and see an opportunity to expand health care access to these innovations through strategic partnerships, working more closely with local and regional actors and leveraging artificial intelligence (AI) technology as well as embedded local private health care providers.

Of note, 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 10.

Our commitment to access was also part of our 2025 Company Scorecard, approved by the Board of Directors' Compensation and Management Development Committee. Our 2025 Company Scorecard incorporated certain sustainability metrics, including access to health metrics, which directly impacted annual incentive pay for executives and most employees.

Policies:

Access to health statement of guiding principles

Access to investigational medicines

Global antimicrobial resistance action plan

Charitable product donations

European Union health technology assessment regulation

Health technology assessment

Intellectual property

Real-world evidence

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

- 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 focus on the highest impact science to address global health needs, because patients are at the heart of all we do.

As part of our R&D efforts, we invest in the capabilities to discover and develop our medicines and vaccines. That includes collaborations with academic institutions, non-profit organizations, government entities, and other biopharmaceutical companies to help us advance the latest breakthroughs.

We also use data science, AI, and machine learning (ML) to help overcome bottlenecks in discovery, research, and development. We see the potential of data science, AI, and ML to help investigate new areas, pathways, and mechanisms that may forge new opportunities as we continue to expand and diversify our pipeline.

Clinical trials underpin our science and are critical to our efforts, and we are committed to generating data that appropriately represent the patients we strive to treat and protect. We also employ strategies to provide access for as many people as possible globally—including working to ensure our approved products are available in every country where we conduct studies.

Everything we do is driven by a shared passion to achieve the greatest good for public health.

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

$15.8 billion
In total R&D expenses

100%
Of the top 20 global burdens of disease (GBD) addressed by our pipeline and products[1]

40
Significant external R&D licenses and collaborations

>110,000
People reached through clinical trials in 66 countries

GRI/SASB disclosures in this section:

GRI 203	SASB 240a.1

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

[1] 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.

Tackling global health burdens like cardiovascular disease

Through our products and pipeline, we seek to address the leading global burdens of disease (GBD) as defined by the Institute for Health Metrics and Evaluation (IHME). The GBD study is the largest and most comprehensive effort to quantify health loss worldwide and over time.

In 2025, our portfolio grew to include maintenance treatment for adults with chronic obstructive pulmonary disease (COPD), which expanded our reach into another major GBD.

Beyond COPD, our products address diseases that rank high on the list of worldwide causes of illness, disabilities, and death, such as cardiovascular disease and cancer. In addition, our vaccine and infectious disease research targets major burdens of disease, including in LMICs. Across our pipeline, the products we market, and our external collaborations, we are seeking to target 100% of IHME's top 20 GBD. (We exclude road injuries from our calculation.)

The World Health Organization (WHO) identifies cardiovascular disease as the world's leading cause of death. More than 60 years ago, we introduced our first cardiovascular disease therapy.

Our efforts to understand and treat cardiovascular-related disorders have continued since, including with our recently U.S. FDA-approved once-daily oral proprotein convertase subtilisin/kexin type 9 (PCSK9) inhibitor, LIPFENDRA® (enlicitide). 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 cardiovascular events and strokes.

LIPFENDRA is the first and only once-daily oral PCSK9 inhibitor designed to lower LDL cholesterol via the same biological mechanism as currently approved monoclonal antibody, injectable PCSK9 inhibitors. The daily pill form helps expand access to these important medicines.

Formulating for access

Innovation is key to expanding access. For example, the development of new dosing schedules, formulations, or routes of administration can broaden distribution of medicines and vaccines.

In human immunodeficiency virus (HIV), we are researching long-acting medications designed to reduce the frequency of administration, which may benefit patients in resource-constrained health systems.

In 2025, we launched KEYTRUDA SC™ (pembrolizumab and berahyaluronidase alfa-pmph) in the U.S., which enables subcutaneous administration of the medicine in KEYTRUDA across all solid tumor indications; it was also approved across all adult indications by the European Commission. This innovation provides an important new option for patients, with the opportunity to expand access to KEYTRUDA and to also save time for patients and health care systems.

Our dedication to global supply and access in RSV

Respiratory syncytial virus (RSV) disease is a common, highly contagious, and widespread seasonal infection. Globally, RSV is the leading cause of hospitalization for otherwise 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 U.S. Food and Drug Administration (FDA) approved our long-acting monoclonal antibody ENFLONSIA™ (clesrovimab-cfor) for the prevention of RSV lower respiratory disease in newborns and infants who are born during or entering their first RSV season. In April 2026, the European Commission approved ENFLONSIA as well.

Since our discovery of ENFLONSIA, 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 meet the needs of LMICs through a combination of internal investments and external partnerships. Following our initial regulatory approval in the U.S., we have been working with urgency to submit licensing applications to address unmet needs for RSV prevention globally.

Enhancing our R&D through collaborations

Our approach to drug development aims to bring together our own innovation with the best external science so we can more quickly help the patients counting on us. Recognizing that breakthroughs can happen anywhere, our Business Development & Licensing and Search & Evaluation teams are strategically embedded within major global scientific epicenters. Through our One Pipeline approach, these teams combine deep internal research capabilities with disciplined business development and licensing efforts to identify, evaluate, and invest in the most promising external science.

In 2025, we entered into 40 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.

Investing in infectious disease research for LMICs

We have a strong history of infectious disease research, including for diseases that disproportionately impact people in LMICs, like HIV, tuberculosis (TB), malaria, dengue, and influenza.

Advancing our innovative HIV pipeline

We have a proud legacy in HIV research and have engaged in R&D efforts for more than 35 years with work that has led to significant discoveries and transformed outcomes for people living with HIV. We continue to advance our innovative HIV pipeline with a focus on both treatment and prevention. According to UNAIDS, 1.2 million people acquired HIV in 2025, highlighting the continued need for new options like our investigational, once monthly, oral pre-exposure prophylaxis (PrEP) candidate, alimatravir (MK-8527). Through a collaboration with the Gates Foundation, we are evaluating alimatravir in women and adolescent girls in sub-Saharan Africa. We're also conducting similar trials in 16 other countries to explore the potential of alimatravir to contribute to global efforts to reduce the spread of HIV infections. In addition, in July 2026, we announced early components of a multi-faceted strategy to provide rapid, broad and sustainable access to alimatravir in low- and middle-income countries (LMICs), if approved. Initial plans include establishing early generic licensing covering 129 LMICs; supporting targeted, regional manufacturing capabilities in Africa and Latin America; and investing early in product manufacturing to enable timely access and availability in regions of high unmet need.

In 2026, the U.S. FDA approved IDVYNSO™ (doravirine/islatravir), a new once-daily, two-drug regimen of islatravir with doravirine, a potent, long-acting antiviral that forms an anchor for additional regimens. Islatravir is currently being evaluated in late phase trials as a once weekly combination with Gilead Sciences' lenacapavir, an HIV capsid inhibitor, and separately, in combination with ulonivirine, an internally developed non-nucleoside reverse transcriptase inhibitor.

Combating the leading cause of infectious disease deaths globally

The WHO has described TB as the leading cause of death globally from an infectious agent. To help address TB globally, we have a licensing agreement with the Gates Medical Research Institute (Gates MRI) to advance two preclinical candidates for treating TB. One of those candidates is set to begin Phase 2 clinical trials and early data were included in a recent publication in the peer-reviewed journal *Nature Medicine*.

Our scientists discovered the candidates in collaboration with the Gates Foundation as part of the TB Drug Accelerator (TBDA), which brings together biopharmaceutical companies, research organizations, and universities to accelerate new TB therapies.

An alarming rise in resistance to malaria treatments

We are collaborating on a potential new treatment option for malaria, an infection that disproportionately affects the WHO African Region with about 95% of all malaria cases globally and 95% of deaths. The WHO Fact Sheet on malaria, released December 2025, notes that children under five made up 75% of malaria deaths in the region. Importantly, there is an alarming rise in resistance to existing malaria treatments.

Research and development	2021	2022	2023	2024	**2025**
Research and development expenses (in billions)[1]	$12.2	$13.5	$30.5	$17.9	**$15.8**
Top 20 global burdens of diseases addressed by our products and pipeline[2]	71%	83%	83%	84%	**100%**
Established significant external licenses and collaborations[3]	92	97	76	75	**40**

[1] (a) R&D expenses in 2021, 2023, 2024 and 2025 include charges of $1.7 billion, $17.1 billion, $3.6 billion and $650 million, 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 were contributed to Organon & Co. in the 2021 spin-off have been reflected as discontinued operations in our Company's consolidated financial statements through the date of the spin-off and therefore are excluded from the 2021 figure 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 collaborations are deemed "significant" because they involve an asset or technology with the potential to enhance our R&D capabilities or portfolio.

Our antimalarial drug candidate, MK-7602, invented through our longstanding collaboration with the Walter and Eliza Hall Institute, Australia, and with funding from the Wellcome Trust, completed Phase 1 clinical studies and showed promising anti-malarial activity in a human challenge study. Phase 2 studies are planned and we are also evaluating medicines from this new class of compounds against other parasites responsible for causing devastating diseases in LMICs.

Furthering dengue vaccine research

In 2025, we began Phase 3 clinical trials for our investigational quadrivalent vaccine for the prevention of dengue, V181, designed to protect against any of the four dengue virus serotypes. This marks a key milestone in our work to help address this widespread, mosquito-borne disease, which can be fatal in severe cases. Approximately half of the world's population lives in areas with a risk for dengue and we are committed to research that helps protect the millions of people at risk for dengue virus infection.

A potential first-in-class approach to influenza prevention

The WHO estimates there are around 1 billion cases of influenza annually across the globe, including 3 to 5 million cases of severe illness. The virus causes between 290,000 to 650,000 deaths annually, and 99% of deaths in children under age five occur in LMICs.

In January 2026, we acquired Cidara Therapeutics, Inc. and its investigational potentially first-in-class drug-Fc conjugate, long-acting antiviral, MK-1406. It is currently being evaluated to help protect high-risk individuals from influenza in a Phase 3 trial among adult and adolescent participants who are at higher risk of developing complications from influenza.

Systematic evaluation to inform product access strategies

In 2025, we carried out global assessments across more than 30 of our pipeline programs to evaluate their potential to address public health burdens and unmet medical needs, particularly in LMICs and resource-limited areas in other countries.

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.

Importantly, following a product's approval, we continuously reassess its potential to address disease in various parts of the world for patients with varied access and availability needs.

Improving representation in clinical trials

In 2025, we supported clinical trials across:

- >24,000 sites in >66 countries,
- Reaching an estimated 110,000 people

Clinical trials are critical to advancing scientific innovations and to evaluating the safety and efficacy of medicines and vaccines. We are working to expand access to our trials—including through increased representation of traditionally under-represented populations, along with increased participation in oncology trials from people living in the U.S.

Improving the representation of participants in our clinical trials allows us to generate data on the safety and efficacy of our medicines and vaccines across demographic groups, ensuring we serve those most impacted by the disease being studied. This is why we have a comprehensive approach to increasing the representation of participants.

For late-stage trials, we require plans to recruit and retain 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 board to gain firsthand insights and incorporate the voice of community members and patients into our approaches to enrollment.

Collaboration is a vital part of improving representation in our clinical trials, which is why we actively sponsor organizations that connect, support, and train clinicians. For example, we collaborate with academic institutions, including Historically Black Colleges and Universities (HBCUs), to share health information and resources, foster community trust, and connect people to trials. We are also active participants in TransCelerate BioPharma, a non-profit catalyst for change in clinical research to help drive innovation.

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 an organization for their participant payment and travel solutions for patients and caregivers, and we are collaborating with an additional organization which connects trial participants to community resources that can help overcome barriers to enrollment.

In addition, we have developed tools to reach study participants within their communities, through our partnership with an organization that fuses community trust with patented AI to reach clinical trial participants and to drive meaningful engagement. This includes engagement with nearly 233,000 people through digital and community activations and directing more than 9,300 people to MSDclinicaltrials.com. We also implemented novel tools and approaches to reach potential study participants with companies that use the latest AI tools to more effectively match patients with clinical trial sites. AI tools have helped us accelerate several site activations and to match with trial patients, with timelines being truncated from approximately five to eight months to two weeks. AI has also enabled us to simplify administrative and contracting processes.

We offer MSDclinicaltrials.com, a website that is accessible and informative for patients, care partners, and HCPs. The website provides plain language summary results and is intended to be a trusted source for clinical trial information. As we partner with organizations, such as BlackDoctor.org, a health resource for the Black community, we connect our website with clinical trial educational information to empower patients to find a clinical trial near them.

Our work is not possible without the partnership of clinical trial sites—the front line for clinical trial participants. We continue to offer sites support to augment resources in order to help address gaps in workload. We also survey sites each year to keep abreast of key challenges and to understand ways we can help integrate solutions.

Finally, we strive to ensure clinical trial participants are our highest priority by complying 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 cost of treatment in the event of trial-related injuries, in accordance with applicable regulatory requirements.

Availability

For us, access goes beyond innovation—it means ensuring our medicines and vaccines reach people who need them. That is why our supply chain strategy is purpose-built to deliver reliable global access. Our integrated approach to supply chain is built on the principles of access, agility, resilience, capability, and sustainability to ensure we support patients everywhere.

In 2025, we reached 90% of countries worldwide with our products, surpassing our goal of reaching at least 75%. This global footprint reflects continued investments in manufacturing capacity, strengthened regional supply networks, and enhanced digital visibility across our operations.

As our supply chain capabilities and global footprint mature, we are evolving how we measure and set our ambition for product reach. Beginning with future reporting cycles, we will refine indicators that more meaningfully reflect how we supply our medicines and vaccines across markets.

Our goal to reach 75% of countries annually will be retired in 2026. Having exceeded this target every year it has been tracked, it no longer reflects the level of ambition needed to measure progress. Our commitment to supporting the reliable availability of our medicines and vaccines when and where they are needed remains unchanged.

GRI/SASB disclosures in this section:

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

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

Access to Health Goal

	2025	
Reach at least 75% of countries around the world annually with our products[1]	90%	Achieved

[1] "Countries" are as defined by the World Bank Country and Lending Groups. Includes only human health products.

How our supply chain strategy enables global access

Our supply chain strategy enables both patient access and enterprise growth as we support an expanding pipeline and increased demand across diverse modalities.

We embed supply resilience across our planning, sourcing, manufacturing, quality, and logistics processes. Through expanded supplier visibility, integrated risk management, and enterprise governance, we also proactively identify and mitigate supply risks to help safeguard supply continuity.

In addition, our network strategy is designed to be flexible as our portfolio expands across biologics, vaccines, and innovative modalities such as antibody-drug conjugates and peptides. Investments in upstream capacity, flexible manufacturing platforms, and internal launch capabilities help us ensure availability and deliver our critical medicines and vaccines faster.

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%. Our operational performance continues to support this commitment. In 2025, we maintained strong service performance across our network, with orders shipped on time and in full remaining at 99%. We continued to exceed expectations, achieving an outstanding 99% line-item fill rate. This metric is a key indicator of our ability to fulfill customer orders completely and on time.

Using digital technologies to transform our supply chain

We operate an integrated digital ecosystem that connects internal data with external intelligence for real-time monitoring of suppliers, materials, and logistics across our global supply network. Through advanced analytics and AI-enabled decision support, our teams can identify potential disruptions early, evaluate mitigation scenarios, and coordinate rapid responses across our global operations. These digital capabilities also support broader patient access initiatives across the Asia-Pacific region by strengthening supply visibility and distribution planning. For example, in India, expanded access initiatives have contributed to a fourfold increase in patients starting treatment with our oncology medicines over the past three years.

These capabilities strengthen supply chain resilience and support reliable delivery of medicines and vaccines, even during periods of geopolitical, environmental, or operational disruption.

Availability	2021	2022	2023	2024	**2025**
Orders shipped on time and in full	98%	98%	98%	99%	**99%**

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 world. In 2025, we registered 306 products and devices, with most of these in 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 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 products.

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 2025
Vaccines			
M-M-R®II	Measles, Mumps, Rubella Virus Vaccine Live	January 2009	71
ROTATEQ®	Rotavirus Vaccine, Live, Oral, Pentavalent	October 2008	102
GARDASIL®	Human papillomavirus vaccine [types 6, 11, 16, 18] (recombinant, adsorbed)	May 2009	122
GARDASIL® 9	Human papillomavirus 9-valent vaccine (recombinant, adsorbed)[1]	February 2018	119
VARIVAX®	Varicella Virus Vaccine Live (first varicella vaccine to receive WHO prequalification)	February 2018	87
ERVEBO®	Ebola Zaire Vaccine, Live	November 2019	45

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

Product registration	2021	2022	2023	2024	**2025**
Annual product registrations[1]	141	156	159	213	**306**
Products that have WHO prequalification status	7	7	7	6	**6**
Patent applications filed in low-income countries[2]	0	0	0	0	**0**

[1] Data include new products and new indications.

[2] Countries classified as low-income countries in the current World Bank Country and Lending Group classifications, from https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.

Regionalized network models strengthen our responsiveness

We continue to invest in the expansion of our global manufacturing and supply capabilities to support growing patient demand and an increasingly diverse pipeline and portfolio. Between 2025 and 2029, we expect to invest approximately $20 billion in capital projects. These will expand our manufacturing capacity, strengthen digital supply capabilities, and enhance end-to-end operational resilience.

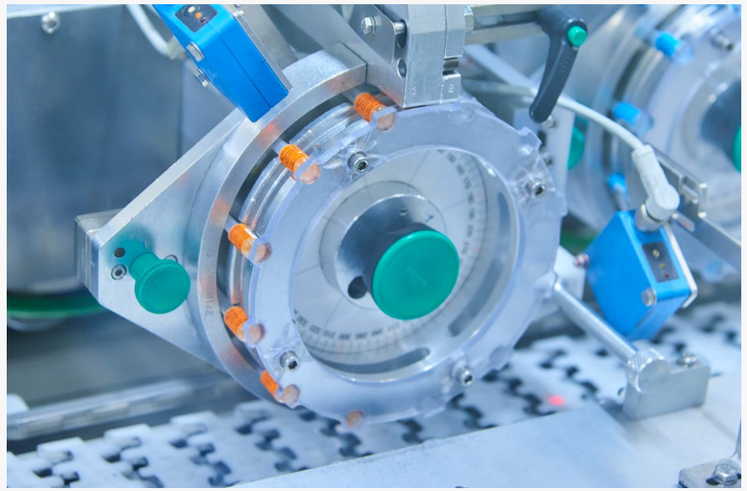
Our supply chain strategy increasingly incorporates regionalized network models designed to strengthen responsiveness, while maintaining global flexibility. This includes growing manufacturing capacity in the U.S. to support a "U.S.-for-U.S." supply model, strengthening European production capabilities to support supply for global markets, and building cost-efficient manufacturing configurations that serve additional regions. These regionalized supply networks help us respond quickly to evolving demand while maintaining reliable product supply globally.

In parallel, we continue to collaborate with regional partners to expand local manufacturing capabilities to be closer to patients. Our partnership with Instituto Butantan in Brazil supports local vaccine production for national immunization programs while strengthening local expertise. Similarly, our collaboration with Bio Farma in Indonesia supports local manufacturing and distribution of Human Papillomavirus (HPV) vaccines, helping expand vaccine availability and strengthening supply resilience across the region.

Product and manufacturing innovation supporting access

Innovations in product design and manufacturing can also improve accessibility and supply efficiency. One example is the introduction of the multi-dose vial presentation of GARDASIL®9 (Human Papillomavirus 9-valent Vaccine), which helps boost manufacturing efficiency while expanding global vaccination capacity. These improvements are particularly valuable for vaccination programs operating in remote or resource-limited environments, where refrigeration capacity and transportation infrastructure may be limited. In addition, the multi-dose presentation allows health care providers to vaccinate more patients using fewer vials.

Through supply chain design, we are addressing accessibility challenges for infectious diseases prevalent in LMICs. These advancements enable distribution in challenging storage conditions and reflect our commitment to delivering health solutions to all populations who can benefit.



Updating manufacturing to support expanded Ebola vaccine access

Across our Company and with our stakeholders, we collaborate to ensure our products reach the people who need them the most. Leveraging Hilleman Laboratories, our LMIC-focused R&D joint venture with the Wellcome Trust, we recently began a new effort with CEPI, Wellcome Trust, and SK bioscience to expand access to our vaccine to help protect against Zaire ebolavirus, the major cause of Ebola outbreaks over the last 20 years. The $30 million project seeks to update the vaccine's manufacturing process so that it is less costly to produce and easier to deploy in remote, low-resource settings. This is an important development for Africa, where Ebola remains a rare but potentially deadly disease, with an average fatality rate of about 50%.

The recent Ebola outbreak caused by the Bundibugyo virus highlights how unmet needs can evolve, particularly in settings with limited countermeasures. Our Company continues to collaborate with global health stakeholders, providing expert scientific and technical consultation to support innovation and enable more agile, coordinated responses to emerging threats.

Read more about our commitment to UNICEF on page 33.

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, our Company develops, tests, and implements market-based solutions that help us strive 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.

For the past five years, we have worked toward our goal to enable 350 million more people globally to access our innovative medicines and vaccines by 2025. We are proud to share we surpassed this five-year goal, enabling access for over 230 million people in 2025 alone, and more than 445 million people over the five-year period. We achieved this goal by helping to build 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 sustainable access to our innovative medicines and vaccines” on page 32.

Access to Health Goal

	2021	2022	2023	2024	**2025**	**5-year outcome**	
Enable 350 million more people to access our innovative medicines and vaccines globally through access solutions by 2025.[1]	66.7	189.2	240.0	247.7	230.3	445.4	Achieved

[1] (a) Enable “more people” is defined as populations supported by initiatives implemented and launched in market and is in comparison to a 2020 baseline as of 2025. “Innovative medicines and vaccines” refers to our Company’s on-patent products.
(b) The numbers displayed for 2021 – 2025 (inclusive) estimate the number of people we estimate had the option to access medicines and vaccines in that particular year as a result of our sustainable access strategies, solutions, and partnerships (without comparison to a baseline). These solutions included our commitment to Gavi and UNICEF (rather than doses shipped), collaborations to optimize resources in health systems, expanded financial coverage through insurance, and community-based channel partnerships.
(c) As described in (b) above, results for the individual year represent the total number of people enabled to access our medicines and vaccines during that year and is calculated separately from the five-year cumulative result. The five-year result is calculated using an evidence-based methodology that identifies and removes from the cumulative total individuals who may have been counted in multiple years and is compared to a 2020 baseline. For example, market-level initiatives that span multiple years are counted only once. As a result, the five-year total is not intended to equal the sum of annual results but is instead intended to estimate the number of unique individuals enabled to access our medicines and vaccines over the full five-year period compared to a 2020 baseline.
(d) 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.

GRI/SASB disclosures in this section:

GRI 203 SASB 240a.1

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

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. In 2025, we advanced this commitment, enabling access for over 230 million people, and achieved our five-year goal through access solutions. This included customer collaborations, finance solutions, expanding community-level channels to bring our innovations closer to where patients seek care, and our commitment to Gavi, the Vaccine Alliance (Gavi) and UNICEF.

In support of these efforts, our Sustainable Access Solutions 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 partnerships with a broad range of cross-industry partners, we also design new ways to enable patient access—working with health authorities, employers, insurers, non-governmental, community-based, and advocacy organizations on creative, tailored solutions to address recurring health care barriers.

Driving health care innovation through customer collaborations

Many health care systems face significant challenges, including long wait times and limited capacity constraints that can slow down timely diagnosis and treatment. To help tackle these challenges, we partner with health care and service providers across Europe, Latin America, and Asia to uncover obstacles and utilize innovative approaches that enhance the efficiency and long-term viability of care delivery.

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, helping to shorten time to diagnosis and treatment while improving use of limited health system resources. During the goal period, we expanded this initiative to 24 countries and implemented it with nearly 150 health care providers. In some cases, waiting times in the cancer care pathway improved by about 60%.

In 2025, we worked with more than 40 hospitals across 15 mid-European countries to identify bottlenecks and reduce time to diagnosis along the lung cancer pathway. In several countries, we partnered with medical centers to increase infusion unit and pharmacy capacity. This effort not only boosts overall activity and streamlines patient flow within infusion units but also enhances coordination of care.

Financing health care

One of the most persistent barriers to treatment in 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 have been 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 helping to create a healthy workplace, not only in maintaining healthy physical environments, but also by prioritizing preventive health measures, empowerment, health education, and self-care among employees.

We continued our commitment to advancing workplace action in cancer care and prevention by focusing on solutions that support employee health. In collaboration with Foreign Policy (FP), we convened a panel of experts for a discussion on “Empowering Employee Health: A Strategic Imperative for Employers” during FP’s Health Forum, held alongside the 80th U.N. General Assembly. The conversation underscored the essential role employers play in supporting a healthy workforce, highlighted the barriers employees face in accessing health care—particularly preventive cancer care—and emphasized the need for coordinated, cross-sector action to drive meaningful and sustained impact.

Throughout 2025, we led by example by providing company-funded cancer screenings and vaccinations for eligible employees and their families, and ensured our impact extended beyond our Company. We collaborated with companies across various regions to support employees by promoting awareness and providing cancer prevention solutions, particularly when it comes to HPV-related cancers. By leading as an example and encouraging companies to go beyond cancer care to focus on cancer screening and 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.

We continue to be 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 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, yellow fever, and mpox.

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 committed to provide over 115 million doses of our HPV vaccine for use in Gavi-supported countries from 2021-2025. We will continue to offer our HPV vaccines to Gavi for use in Gavi-eligible countries at an access price between 2026–2030.

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®[1] is the world's first U.S. FDA-approved, WHO-prequalified vaccine for the prevention of disease caused by Zaire ebolavirus. In 2021, our Company entered into an agreement with UNICEF to support the establishment of the world's first ERVEBO stockpile, developed in collaboration with several international health and humanitarian organizations around the world. To date, we've supplied more than 500,000-doses of ERVEBO to the global stockpile, and more than 300,000 doses have been used in support of responses to several outbreaks in recent years. The stockpile also enables preventative vaccination for frontline and health care workers.

Read more about it on page 30.

The recent outbreak of Ebola disease caused by the Bundibugyo virus underscores the unmet needs as preparedness continues to evolve. Our Company continues to collaborate with global health stakeholders, providing expert scientific and technical consultation to support agile, coordinated responses as new threats emerge.

[1] The ERVEBO® vaccine is approved for use in the United States, European Union, United Kingdom, Switzerland, and Uganda for individuals 12 months of age or older and in Canada and 10 countries in Africa for individuals 18 years of age and older.

Our pricing approach

We price our medicines based on the benefits to people, health care systems, and society, now and in the future, by prioritizing value, access, and the need to drive innovation. 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 2025, 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 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 2025, 6,209,392 courses of generic therapy have been shipped to 29 LMICs covered under the agreements.

In addition, in July 2026 we announced our multi-faceted strategy aiming to enable rapid, broad and sustainable access to alimatravir, an investigational, novel, once-monthly oral pill as pre-exposure prophylaxis (PrEP) for the prevention of HIV-1, following regulatory approval. Initial access plans include establishing early generic licensing covering 129 LMICs that account for a substantial majority of new HIV diagnoses globally.

Public policies that improve access and affordability

Public policies play a central role in shaping patient access to medicines and vaccines, the affordability of care, and the long-term sustainability of health systems. We advocate for evidence-based policies that strengthen health systems by prioritizing prevention, enabling innovation, and directing resources toward interventions that help improve outcomes and reduce avoidable complications and costs.

Delivering value through prevention and early care

Our policy engagement emphasizes a continuum of prevention and care, from primary prevention and vaccination across the life-course to early detection, timely diagnosis, and effective linkage to care. We work with governments, multilateral organizations, and cross-sector partners to promote policies that recognize prevention and early intervention as cost-effective strategies to reduce the economic burden of advanced disease and improve long-term access and affordability.

In 2025, we advanced this approach through global and regional advocacy focused on non-communicable diseases (NCDs), healthy aging, and immunization. Working with partners such as the Global Coalition on Aging, including through the Aging with Heart Alliance, we supported policies that promote prevention and early intervention for cardiovascular disease and its risk factors that can help reduce preventable events, disability, and downstream health system costs. We also continued to promote life-course immunization as a core pillar of prevention, highlighting the role of vaccination across all ages in preventing infectious diseases that exacerbate chronic conditions and lead to avoidable hospitalizations.

Shaping prevention-focused health policy

We engaged actively in multilateral policy discussions leading up to the United Nations High-Level Meeting on NCDs, advocating for commitments that prioritize primary and secondary prevention, early detection and screening, timely diagnosis, and effective linkage to care. Our advocacy emphasized that delays in access often may result in more advanced disease, poorer outcomes, and higher long-term costs for both patients and health systems.

At the regional level, including in Asia-Pacific economies via the Asia-Pacific Economic Cooperation (APEC) forum, we supported policy discussions on sustainable health financing that recognize prevention, early diagnosis, and system readiness as essential to improving access and maximizing the impact of limited resources. This included engagement on immunization financing and cancer control policies that encourage investment not only in treatment, but also in prevention and early care.

Strengthening country-level delivery capacity

We also collaborate with cross-sector partners to strengthen the infrastructure needed to deliver prevention and early intervention. Through initiatives such as the City Cancer Challenge Foundation and the Access to Oncology Medicines Coalition, and partnerships focused on cancer policy and financing, we support efforts to address affordability barriers and improve early diagnosis, appropriate use of medicines, and health system capacity.

Across our policy advocacy, we aim to support health systems that use resources more efficiently and prioritize interventions that deliver long-term value. By promoting prevention, early intervention, and value-focused approaches to care, we seek to improve access and affordability for patients while supporting the sustainability of health care systems.

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 2025, we reached over 266 million people with product donations through the MECTIZAN Donation Program, the U.S. Patient Assistance Program (U.S. PAP), our Company's Medical Outreach Program (MMOP), and other Company product donations for disaster relief and humanitarian aid.

The U.S. Patient Assistance Program

The U.S. Patient Assistance Program provides certain of our Company's medicines and adult vaccines free of charge to eligible individuals who do not have prescription drug or health insurance coverage and who, without our assistance, cannot afford them. This is consistent with our Company's long-held values and tradition of putting patients first.

Product donations	2021	2022	2023	2024	**2025**
Product donations through our U.S. Patient Assistance Program (U.S. dollars in millions)[1]	$1,455	$1,685	$1,570	$1,736	**$1,028**
Product donations for ex-U.S. programs and U.S. disaster relief (U.S. dollars in millions)[2]	$284	$97	$258	$215	**$115**

[1] Value of products donated by the U.S. Patient Assistance Program varies year to year due to variations in the program's product mix and broader health care landscape change.

[2] Value of product donations made ex-U.S. through the MMOP as well as for U.S. disaster response. Fluctuation year over year due to amount of disasters and war crisis needs.

People reached through donation programs	2021	2022	2023	2024	**2025**
People reached globally through product donation and patient assistance programs and partnerships (estimate includes MECTIZAN) (in millions)[1]	197.3	359.2	385.2	292.2	**266.1**
People reached through the MECTIZAN Donation Program[2]	197.0	358.9	385.0	292.0	**265.8**
Patients utilizing our U.S. Patient Assistance Program (in millions)[3]	0.130	0.113	0.129	0.093	**0.086**
People reached through the MMOP (in millions)[4]	0.139	0.119	0.042	0.036	**0.030**

[1] "People reached" is defined as people who received a medicine or vaccine through the MECTIZAN Donation Program (MDP), U.S. Patient Assistance Program (U.S. PAP), MMOP, and other company product donations. Estimated figures assume all products reached patients and are based on converting volume of medicines and vaccines donated to the number of people who accessed the treatment and the treatment durations. The U.S. PAP and MMOP product donations fluctuate based on patient need and products available. All MDP product donation requests from countries for implementation in 2025 were fully supplied. The decrease in people reached in 2025 versus prior years reflects the impact of policy funding cuts shifting demand from 4Q25 into 1Q26.

[2] "People reached" is defined as people who received a medicine through the MECTIZAN Donation Program. Estimated figures assume all products reached patients, and are based on converting volume of medicines donated. This estimate calculates the number of people who accessed the treatment. All MDP product donation requests from countries for implementation in 2025 were fully supplied. 2025 showed a decrease year over year as countries were impacted by policy funding cuts shifting country demand from 4Q25 into 1Q26.

[3] 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 health care landscape.

[4] (a) Estimated figures, which assume all products 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 year to year varies due changes in products being offered, product deletions and company divestitures.

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 this program.

In 2025, we reached

265.8 million

people with our MECTIZAN donations.

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 or visit Mectizan.org.

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 needs 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 negative 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.

In 2025, MMOP responded to numerous natural disasters that were driven by climate change and human conflict. 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 2025, we reached an estimated 30,000 people through the MMOP, which 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

Our Company's Animal Health business provides ongoing research support and vaccine donations toward combating rabies through the Afya Program. To help support rabies-elimination efforts, Afya provides vaccine donations for mass dog vaccination to our nonprofit partners, including Rabies Free Africa in Tanzania and Mission Rabies in Asia, Africa, and beyond. In 2025, we celebrated the milestone of donating over 7 million rabies vaccine doses through the program since its inception.

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

Strengthening health systems and addressing barriers to health care

Our deepest-held values drive our focus to strengthen health systems and address barriers to health care. We strive to reduce barriers for global communities facing long-standing challenges in getting quality care. 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.

Access to Health Goal

	2025	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]	15.7	81.9	Achieved

[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 2025 and for each year in the total 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.

GRI/SASB disclosures in this section:

GRI 203 SASB 240a.1

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

~82 million

People in low- and middle-income countries and in underserved populations in high-income countries reached with our social investments (2021-2025) (p. 39)

$49 million

Invested in partnerships, programs, and impact investments that support health care capacity-building and address underlying barriers to access to health in 2025

Our approach to strengthening health systems and addressing barriers to health

In 2021, we set an ambitious goal to reach 30 million people through social investments in LMICs and underserved patients in the U.S. by the end of 2025. After exceeding that target ahead of schedule in 2022, we raised the bar—committing to reach 50 million people in LMICs and underserved populations in high-income countries. As the goal period has closed, we are proud to report we not only met this expanded goal, but surpassed it by reaching a total of 81.9 million people between 2021-2025 (see page 19).

In 2025 alone, we invested **$49** million in partnerships, programs, and impact investments that support health care capacity-building and address underlying barriers to access to health. These efforts reached **15.7** million people in LMICs and underserved populations in high-income countries and trained an estimated **79,000** health workers—building health workforce capacity and extending our impact for years to come.

These accomplishments reflect the strength of our long-term, partner-driven approach to invest in sustainable solutions that expand access to high-quality health services by building health workforce capacity, expanding service availability and reducing barriers to access, strengthening care navigation and coordination, and extending reach through digital platforms and health communications.

Our social investments are guided and reviewed by expert advisory bodies, including an internal Investment Committee for our Impact Venture Fund; an internal Economic Inclusion, Workforce Development, and Health Equity Council; an external advisory committee for the MECTIZAN Donation Program; and MSD for Mothers.

Addressing barriers to health	2021	2022	2023	2024	**2025**
Annual investment in partnerships, programs and impact investments that support health care capacity-building and address underlying barriers to access to health (in millions)[1]	$36	$38	$44	$43	**$49**
Number of health care workers trained through major partnerships, programs and impact investments (estimate in millions)[2]	0.097	0.315	0.349	0.038	**0.079**

[1] Represents investments made by our Office of Social Impact and Sustainability (SIS). Starting in 2023, this number also includes cash giving for disaster relief.

[2] (a) Increase in 2022 driven by MSD for Mothers training programs scaled through digital delivery and with integration into national training campaigns.
(b) The 2024 and 2025 totals for health workers trained are lower than in 2022 and 2023 due differences in the types of projects reporting in those years.

Global health 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 addressing barriers that differently or disproportionately affect communities with limited access to health services
- 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

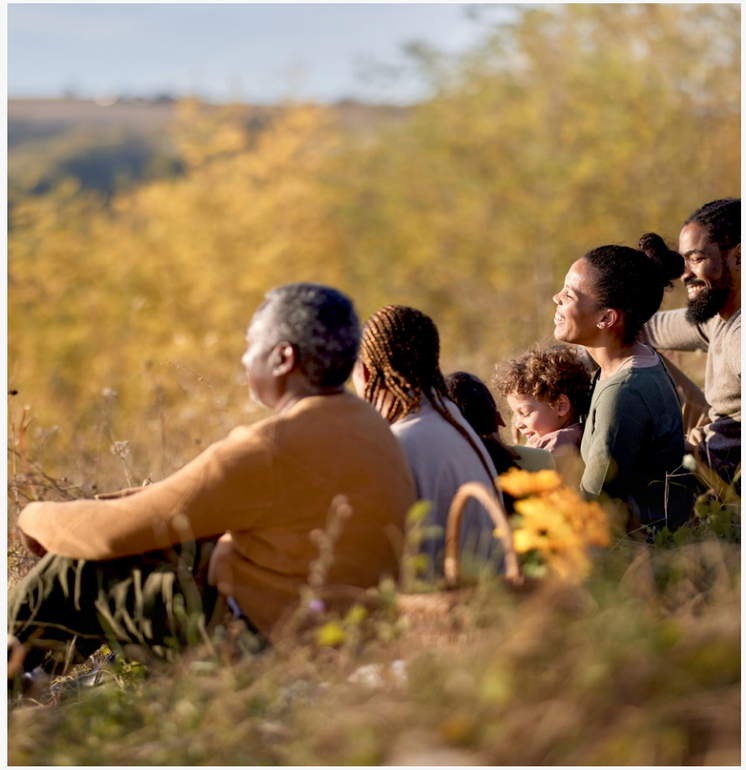
Established in 1957 and funded entirely by our Company, our Foundation is our major source of financial support for qualified, eligible non-profit organizations whose programs align with our philanthropic priorities. For nearly 70 years, the Foundation has invested in innovative programs and partnerships to improve the health and well-being of people around the world. In the U.S., the Foundation has supported several multi-year initiatives to improve access to high-quality care. For example, the Foundation established the Alliance for Equity in Cancer Care in 2022 with a five-year (2022-2026), $20 million commitment to address persistent gaps in cancer care by improving the delivery of high-quality and culturally responsive care in underserved communities across the U.S. In 2025, the Foundation launched the Collaborative for Equity in Cardiac Care, a $22 million five-year (2025-2029) national initiative to improve access to care for people living with heart conditions by meeting their medical and social needs.

The Foundation also funds programs that improve health care in LMICs, with a focus on people who are living with cancer. Through an $11 million commitment over six years (2023-2028) to University of New Mexico (UNM) Health, the Foundation is supporting Project ECHO® to train and mentor local health workers so they can provide high-quality care to an estimated 11 million people living with cancer in communities across India, Indonesia, Malaysia, and Vietnam. The Foundation's support of the American Cancer Society (ACS), with a $3.5 million commitment over six years (2025-2030), is helping to improve the delivery of cancer care, strengthen health systems, and support patients and families in Indonesia, Kenya, and Nigeria. In collaboration with ministries of health, local health care institutions, and cancer organizations, ACS aims to develop and scale programs that help people living with cancer navigate the care journey and that integrate navigation services into routine cancer care.

We support 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 non-profits and community-based coalitions to address social determinants of health in the U.S. These grassroots coalitions—comprised of public health stakeholders, community engagement groups, and business leaders—provide education and awareness in rural communities and address 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 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.



One program designed specifically to address critical health and social needs where our employees live and work is Solutions for Healthy Communities (SHC). SHC provides multi-year grants to non-governmental organizations to catalyze local innovations that facilitate access to quality health care for communities with limited access. These initiatives not only improve access to care, but also strengthen health systems and foster resilience and empowerment at the local level.

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

Leveraging our employees to strengthen health systems and address barriers to care

The Richard T. Clark (RTC) Fellowship for Global Health is our Company's 12-week philanthropic leadership program that pairs small teams of cross-functional employees with non-profit partners to expand access to health. RTC Fellows listen, consult, and co-create practical solutions for designated projects, each supported by a grant to strengthen operations and extend impact.

In 2025, 22 RTC Fellows supported seven non-profit partners in Costa Rica, Kenya, India, South Africa, and the Philippines. Projects included implementing a community-driven cancer awareness and screening program with integrated health worker training and mobile health solutions; developing a mobile and web application for real-time water quality monitoring; creating an online training course to enhance rabies surveillance and management; and supporting vulnerable children and adolescents living with HIV and sickle cell disease.

The project supporting children and adolescents living with HIV and sickle cell disease has since been recognized as a best practice for sickle cell disease data collection and is now informing national public health research through the non-profit partner's collaboration with the Kenyan government.

*Learn more about our fellowship program on **our 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. MSD for Mothers is our longstanding global initiative to help create a world where no woman has to die while giving life. For over a decade, we have brought MSD'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 its inception and through 2025, our MSD for Mothers initiative has reached nearly 40 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 2025, we expanded a public-private partnership with the American Heart Association to address women's health at the intersection of maternal health and cardiovascular health in the U.S. We also expanded our public-private partnership with Jhpiego and the Federation of Obstetric and Gynecological Societies of India (FOGSI) to advance quality improvement efforts across the country.

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

Addressing cancer disparities

In addition to the philanthropic investments mentioned earlier in this section, such as the Alliance for Equity in Cancer Care, we are building a range of collaborations to strengthen cancer prevention, care, and support systems to close gaps in care and health outcomes. Through our partnerships and commitments, we support a variety of efforts to help improve education, navigation, and access to services in communities differently or disproportionately affected by cancer.

In the U.S., we have supported the American Cancer Society's Get Screened campaign, aimed at reducing disparities in cancer screening. Globally, we collaborate with the City Cancer Challenge Foundation (C/Can) to improve access to quality cancer care in more than 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 2021, we provided catalytic philanthropic support to launch the Advancing Health Online (AHO) initiative, 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. In 2025, Global Impact—on behalf of AHO—joined forces with Gavi, the Vaccine Alliance, to create VaxSocial. Given the increasing role of social media platforms as a conduit for health information, VaxSocial is an initiative that supports country-driven projects and uses social media to increase vaccine confidence and awareness in India, Indonesia, and Nigeria. VaxSocial projects are generating evidence and sharing insights with the global health community.

*For more information, please visit the **Advancing Health Online** website.*

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.*

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 drives our focus to accomplish this mission.

We recognize that only through a strong commitment to our highly skilled and passionate workforce can we deliver successfully on that mission. As a result, 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 that investment in our workforce through robust career development opportunities and comprehensive resources supports the safety and well-being of our employees and their families. We also 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.

>28,000

Employees are members of at least one of our 10 Employee Business Resource Groups—that is over 35% of our workforce globally. All employees are welcome to join any of our Employee Business Resource Groups.

>94%

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

>80

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

Topics covered in this section:

Global talent management

Employees serve as 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 and each other. Embracing a philosophy of development for all, we enable a culture that accelerates talent growth through innovative programs and practices, providing new experiences, knowledge, and skills, and cultivating networks for success.

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 providing everyone with the opportunity and support to succeed.

Aided 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 talent-and-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 119-137 for a listing of our disclosures from our prioritized frameworks.

Our global approach to talent management

As our business needs continue to evolve, we seek to not only attract and retain exceptional employees, but to intentionally build the skills and capabilities that will shape the future of our Company. When we align what our business needs with what our people can do, we unlock the potential to adapt faster, perform better, and stay ahead. Our employees are empowered to navigate complexity, adapt to change, and consistently deliver on our strategy.

Our people are our greatest asset. Teams, bolstered by employees with varied thoughts, perspectives, and experiences, foster innovation and creativity while driving sustainable business performance. To that end, we prioritize building and aligning 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 helps our employees navigate their careers while recognizing and respecting each individual's unique journey.

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 enable them to achieve their goals and shape their futures. Through forward-looking, business-aligned approaches, we develop experiences and skills at every level and in every function and division globally, strengthening both leadership and technical capabilities and building an agile workforce. Further, we strive to increase access to opportunities for career growth through skills-based development and flexible career journeys.

As of Dec. 31, 2025, we had approximately 75,000 employees worldwide, including approximately 30,000 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.

Empowering leaders

We remain steadfast in our commitment to effective leadership for all, actively advancing our organizational culture and enhancing both individual and collective performance. In 2025, we integrated our 15 Enterprise Leadership Skills into daily operations 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 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 employees' 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 we actively celebrate and reward leadership every day.

In 2025, we expanded our Leadership Readiness Labs to focus on applying leadership to address business opportunities and challenges. Dedicated, innovative spaces, these Labs nurture and empower our leaders through continuous development. Leaders also participate in additional learning resources designed to enhance their ability to give and receive feedback, conduct development conversations, and prepare the next wave of leadership in their organizations.

Our people leaders participated in structured 360° and 180° feedback surveys to understand their progress against our Enterprise Leadership Skills and Ways of Working. This reinforces accountability and leadership behaviors, nurturing a culture that aligns with our core values and Strategic Framework.

Building capabilities

Committed to supporting employee growth and development, we build and align the capabilities required to optimize our diversified portfolio. We believe each individual holds the potential and desire to succeed, and we recognize that every employee brings unique skills and aspirations to the table. Our goal extends beyond retention—we aim to create employees who are passionate advocates for their own careers.

In 2025, we launched a development feedback tool, the Personal Leadership Profile, that allows each employee to understand their preferences, tendencies, strengths, and areas for growth in the context of our 15 Enterprise Leadership Skills. Our Opportunity Marketplace provides employees with the ability to network and participate in short-term assignments that support business areas outside of their day-to-day function, aligned to their developmental goals and career aspirations.

Our launch efforts in Organizational Capability Planning in 2025 ensure we are intentionally shaping an environment where these individual development opportunities can translate into enterprise-wide strength. By anticipating future skill needs, thoughtfully aligning talent to critical work, and designing teams and structures that enable collaboration and agility, we create conditions for our people to apply and expand their capabilities in meaningful ways. This integrated approach allows us to continuously match the right skills to the right opportunities at the right time. As our business evolves, our workforce grows with it—stronger, more adaptable, and better positioned to deliver on our strategic ambitions.

Cultivating culture

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.

By promoting a culture of ongoing dialogue and support, we strengthen the overall employee experience and ensure everyone feels valued and supported. Our purpose drives us to positively impact patients, customers, and communities worldwide, and 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.

Our performance management philosophy and practices support a transparent and developmental culture. Employees set annual priorities, regularly receive feedback, and engage in progress discussions throughout the year. These practices nurture a culture that aligns with our core values and Strategic Framework, with transparency, fairness, and continuous development for all.

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 received by employees by %

	2021	2022	2023	2024	**2025**
All employees[1]	95%	96%	96%	96%	**97%**

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

Our approach to recruitment and retention

Attracting and retaining exceptional talent is central to our purpose of saving and improving lives. Across Scientific Research, Clinical Development, Digital and Analytical Functions, Regulatory Affairs, Commercial, and Operations teams, our people work collaboratively to discover, develop, and deliver breakthrough medicines and vaccines for patients around the world.

As our pipeline grows in scale and complexity, we continue to strengthen our capabilities across key scientific, technical, and operational areas. This includes expanding expertise in biologics development, oncology, vaccine manufacturing, digital clinical development, and data-driven research. These investments ensure we have the talent needed to advance the next generation of medical innovation.

Our global network of discovery research centers in California, Massachusetts, and China positions us within dynamic biomedical ecosystems and in proximity to leading academic and industry partners. These centers complement the deep R&D expertise at our New Jersey and Pennsylvania hubs, enabling seamless, enterprise-wide collaboration.

In 2025, we opened the Hyderabad Technology Hub in India as part of our global technology transformation. The Hyderabad Hub brings together experts in cloud engineering, cybersecurity, AI/ML, automation, data science, and digital product development—key contributors to accelerating drug development, modernizing systems and improving operational agility. This hub strengthens the Company's institutional knowledge, enhances continuity, and deepens our long-term investment in digital and technology talent.

In parallel, we are expanding our Human Health commercial organization to support anticipated product launches and entry into new therapeutic areas. These targeted expansions, building new field teams and strengthening customer-facing capabilities, ensure our ability to bring innovative medicines and vaccines to patients across priority markets.

We are integrating responsible AI-enabled tools into talent practices to enhance sourcing, screening, and matching processes. These technologies improve efficiency, consistency, and visibility of opportunities while ensuring human oversight at every stage. By integrating digital capabilities with recruiter expertise, we are well positioned to scale hiring in alignment with business needs.

This refreshed Employer Brand highlights the strength of our pipeline, expansion into new therapeutic areas, and breadth of our enterprise capabilities, while reinforcing our position as an employer of choice in competitive talent markets. The Employee Value Proposition (EVP) serves as the foundation of our employer brand, articulating the unique benefits, culture, and experiences we offer employees and prospective candidates.

In addition, to promote transparency and career mobility, we maintain a Global Job Posting Policy that ensures open roles are posted consistently across regions. This increases visibility to internal opportunities and helps foster a more inclusive talent marketplace.

Employees by region (2025)	Number of employees*	% of total
U.S.[1]	**30,358**	**40%**
Europe (Western)	**21,014**	**28%**
China	**5,822**	**8%**
Asia Pacific	**7,234**	**10%**
Latin America[2]	**4,409**	**6%**
Japan	**3,203**	**4%**
Eastern Europe, Middle East, and Africa (EEMEA)	**2,216**	**3%**
Canada	**833**	**1%**

* Full-time equivalents reported.

[1] U.S. headcount including Puerto Rico.

[2] Excluding Puerto Rico.

Employee retention remains a priority. In 2025, we observed a reduction in hiring, alongside an increase in employee turnover from 6.9% in 2024 to 8.1% in 2025.

Turnover (global)	2021	2022	2023	2024	**2025**
Overall turnover rate[1]	11.1%	11.4%	7.8%	6.9%	**8.1%**
Voluntary turnover rate	8.8%	8.5%	5.6%	4.6%	**4.8%**

[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 (2025)	**Overall turnover rate***	**Voluntary turnover rate**
Animal Health	**7.2%**	**4.8%**
Global Support Functions	**6.0%**	**4.3%**
Global Human Health	**12.5%**	**6.3%**
Manufacturing Division	**10.4%**	**4.7%**
Research Laboratories	**5.0%**	**4.0%**

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	2021	2022	2023	2024	**2025**
Asia Pacific					
Employees hired	588	870	936	863	**1,380**
Hire rate[1]	10.0%	14.6%	15.1%	13.3%	**19.8%**
EEMEA[2]					
Employees hired	373	295	295	194	**150**
Hire rate[1]	13.8%	11.6%	13.2%	8.5%	**6.7%**
Latin America					
Employees hired[3]	496	441	619	508	**378**
Hire rate[1,3]	10.5%	9.3%	12.7%	10.4%	**8.4%**
Europe					
Employees hired	1,709	2,024	2,015	1,957	**1,796**
Hire rate[1]	9.5%	10.5%	9.7%	9.2%	**8.1%**
Japan					
Employees hired	120	137	178	211	**179**
Hire rate[1]	3.8%	4.3%	5.5%	6.3%	**5.4%**

Employee hires by region	2021	2022	2023	2024	**2025**
U.S.					
Employees hired[4]	3,443	3,625	3,056	3,004	**2,249**
Hire rate[1,4]	13.1%	13.3%	10.5%	10.0%	**7.2%**
China					
Employees hired	1,907	1,391	1,064	459	**595**
Hire rate[1]	31.5%	21.5%	16.0%	7.1%	**10.0%**
Canada					
Employees hired	73	109	79	92	**107**
Hire rate[1]	12.8%	18.4%	11.8%	12.6%	**12.6%**

[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).

[3] Latin America (LATAM) excluding Puerto Rico.

[4] U.S. including Puerto Rico.

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 period

Our approach to learning and development

The Global Learning & Development (GLD) organization fosters an enriched learning culture that draws on a broad range of perspectives. Our approach strategically aligns with our Company's aspirations and purpose and ensures we enable an inclusive and accessible environment for all employees to learn and thrive.

We collaborate across the Company to understand critical business challenges and prioritize learning solutions to address them. We analyze the learning needs of our global workforce, accounting for various environmental factors that influence learning. We then design, develop, and execute employee-centric, innovative experiences to build capabilities across our workforce, support career growth and development, and drive business impact.

Designed around five critical moments in an employee's career, our learning strategy ensures employees excel and are prepared for the future, enabling our Company to remain competitive and compliant in a highly regulated industry. The five critical moments include:

- Company and Culture: Promoting our ways of working, organizational values, and fostering a sense of belonging among all employees
- Leader Development: Cultivating current and future leaders through targeted programs that grow leadership skills
- Professional Development: Providing curated learning opportunities that support employee development for today, and in the future, across all organizational levels
- In-role Development: Enhancing skills for current and future success within roles, driving performance, and job satisfaction
- 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, ensuring all employees can participate fully in their development.

Talent, learning, and development focus

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

Functional learning

A key focus, functional learning 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.

In addition, we launched an enterprise-wide Learning Academy model to create a clear, long-term "home" for the skills that matter most to our Company's strategy. Each academy brings together structured learning journeys, curated digital resources, live experiences, and ongoing coaching to create a consistent, scalable path for capability building that evolves with the business.

One critical academy focuses on digital and data, accelerating the development of capabilities such as analytics, automation, and AI fluency.

By institutionalizing this academy approach, we are upskilling our workforce and creating a durable capability engine that supports innovation, improves execution, and strengthens our long-term competitive position.

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 in 2025. These experiences align with our Enterprise Leaderships Skills and Strategic Framework.

Multi-team Leader Learning Journey

A six month immersive learning experience, the Multi-Team Leader Journey equips those who oversee team leaders with the skills to support and empower their people. Participants engage in live forums and virtual sessions to tackle key business and people challenges through peer coaching, collaborative problem-solving, and experimentation.

Open for global self-registration and delivered regionally, the journey helps leaders build the capabilities needed to navigate executive-level complexity. Throughout the program, participants test and refine their leadership approach while connecting and learning across the enterprise. Core components include creating a visionary "strategy on a page," deepening self-awareness, leading with presence and resilience, fostering psychological safety, enabling faster and better decisions, and strengthening collaboration across networks. In 2025, we offered 23 cohorts globally, with 428 employees completing the program.

Team Leader Learning Journey

The Team Leader Journey provides a three-month experiential learning opportunity for those 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.

Open for self-registration globally but delivered regionally, the journey provides team leaders with a 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, giving feedback, and techniques to build strong partnerships. In 2025, we offered 20 cohorts globally, with 784 employees completing the program.

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

In 2025, 11 participants from different divisions and regions around the world successfully completed their first GMAP-LEEP rotation and have now transitioned into their second assignment outside of their home country. A global, application-based program, GMAP-LEEP offers an immersive-development journey designed to accelerate the growth of mid-career talent through a deeply immersive learning experience. Spanning 2.5 years, the program integrates two rotations and a 30-month learning journey centered on leadership, enterprise thinking, experiential learning, and purpose. Through these experiences, participants gain a holistic understanding of the organization and how its functions interconnect, strengthening both their business acumen and leadership capabilities.

Coaching programs

Our coaching portfolio offers numerous experiences to support employees at all levels in a range of needs, including role transition, skill-building, and leadership effectiveness. 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 addition to these HR Talent CoE leadership development offerings, our Company provides hands-on, mission-driven programs such as the Richard T. Clark Fellowship—a 12-week philanthropic leadership experience that pairs employee teams with non-profit partners to expand access to health. See page 41 in the Access to Health section for more information.

The following table presents course completion data from our learning management systems, reflecting one facet of how our employees learn, apply, grow, and develop.

Training and education*	2021	2022	2023	2024	**2025**
Total course completions for all learners (in millions)	6.3	5.1	5.5	6.3	**6.0**
Hours of training for all learners (in millions)[1]	3.2	2.5	2.7	3.2	**3.0**
Average course completions per learner	51	42	49	57	**54**

* "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.

Compensation and benefits

We hold compensation and benefits as central to our employee commitment, anchored in fair, competitive pay and comprehensive well-being support. These offerings reflect our ongoing investment in employee success and we deliver them through a thoughtfully designed suite of programs that address the many different 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 119-137 for a listing of our disclosures from our prioritized frameworks.

Our approach to compensation

Our compensation programs recognize and reward 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 stay competitive and appropriate to the markets where we compete for talent. Our employees can feel confident they work 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, our global recognition program, helps 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 serves as a core element of our culture. In 2025, we celebrated over 94% of our employees through the INSPIRE program.

We are committed to fair pay

We are deeply committed to ensuring fair pay for all employees, consistent 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 paid 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.
- We set pay for new hires and internal offers across the globe without requesting or considering previous salary, relying instead on job-related factors, candidate qualifications, and 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 people leaders and employees about pay-related questions and concerns.
- In 2025, we established a cross-functional team that actively monitors the EU Pay Transparency Directive and prepares timely, full compliance.
- We maintain a council that oversees 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 2025, our global study encompassed over 70,000 employees, representing over 90% of the workforce.

Our focus on fair pay furthers our goal of being the employer of choice and supports our efforts to attract and retain the best talent. We see these as clear business imperatives for our Company and we commit fully to upholding them.

Our approach to benefits and well-being

Innovation and employee engagement have proven critical to our success. We understand that fostering a culture of innovation depends not only on creativity and collaboration, but also on our employees' overall well-being. By prioritizing employee health and work-life balance, we create an environment where individuals feel valued and supported, enabling them to bring their best ideas forward. As a result, we view employee well-being as integral to our strategy, ensuring that our workforce remains motivated, resilient, and empowered to drive the Company's growth and success.

We view our plans and programs as a partnership of shared responsibility: we provide high quality benefits through data-driven insights and leading practices and empower employees to take an active role in their health and future. To address the full spectrum of employees' needs, our benefits and programs are organized around four interconnected well-being pillars—physical, mental, financial, and social—to create a cohesive framework that supports overall health and fosters a positive work-life experience. Through comprehensive benefits, resources, and a holistic approach to wellness, we strive to cultivate a thriving workplace where innovation and employee engagement go hand in hand.

The Chief Human Resources Officer provides employee well-being governance in partnership with the Senior Vice President of Global Compensation and Benefits as the executive sponsor. The Associate Vice President of Global Benefits and Well-being provides leadership for the organization's benefits strategy and design, and ensures effective implementation supported by the executive oversight of daily operations.

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

*For more detail, view our **Well-being Report**.*

Physical well-being

We emphasize preventive care as a key strategy in protection against illness and disease, focusing on early detection to improve health outcomes. Because cancer remains a significant global health challenge, we ensure preventive cancer care—including HPV vaccinations and recommended cancer screenings—is available to our employees worldwide. To support this, we established the guiding principles for our global standards of care and began implementing worldwide preventive cancer care in 2025, ensuring more comprehensive and clinically relevant support for our employees. As part of our commitment to cancer prevention, we also maintain a global tobacco-free workplace policy, reinforcing our efforts to reduce cancer risk and promote healthier lifestyles.

In the event of illness, we provide integrated benefits and services to enable the best treatment outcomes, sustained recovery, and ongoing support for survivors. We focus on affordable access to high-quality health care benefits as well as programs and resources that build healthy habits for our employees and their families. We continuously review and update our health care benefits to meet the evolving needs of our employees and their families.

Mental well-being

We view mental well-being as integral to overall health, as it is influenced by interconnected factors including physical, financial, and social health, as well as the well-being of loved ones. To support this holistically and effectively, we replaced our Employee Assistance Program (EAP) in 2025 with a dedicated global mental well-being partner—providing comprehensive, no-cost mental health resources for employees and their families worldwide. Mental health awareness and engagement are supported through our regional well-being leads and their local in-country points of contact, a network of volunteer "mind well" champions, ongoing communications, and webinars featuring experts across a range of mental health topics.

Dedicated mental well-being support

We embrace a comprehensive approach to mental health care and to that end, our mental well-being partner offers accessible, high-quality mental health support to employees[1], their household members, and dependents outside the home. Services include[2]:

- 12 free mental health therapy or coaching sessions
- Guidance on local work-life services
- 24/7 library of evidence-based self-care resources
- Virtual clinician-facilitated group discussions and informational sessions on topics including mental health, current events, social conflict, parenting, and belonging
- Onsite counselors at certain locations
- 24/7 crisis care management through a collaboration between our mental well-being partner, our Global Security team, and our global employee health team
- Unlimited support for managers globally—equipping leaders to respond effectively and compassionately to employee needs
- Small group discussions—facilitated by a virtual, licensed clinician, allowing people to share experiences, learn helpful coping strategies, and support one another

Mental health awareness training

Our Company offers a mental health awareness training module for people leaders and individual contributors. Designed to strengthen support for emotional well-being in the workplace, this program enables:

- Constructive, open conversations about mental health with colleagues
- Early recognition of when a team member may need help
- Skills and confidence to engage in respectful, supportive discussions about mental health
- Clear understanding of when and where to direct employees for additional support and resources

Mental health campaigns

Each year, we promote mental well-being through a series of global campaigns conducted during three key periods of the year: Mental Health Month in May; World Mental Health Day on October 10; and throughout November, when we spotlight "Movember" to raise awareness for Men's Health and Suicide Prevention. During these campaigns, we engage our employees and various Employee Business Resource Group (EBRG) communities through live webcasts, feature inspiring motivational speakers, and provide opportunities for employees around the world to connect, learn, and actively participate in vital conversations about mental health.

Global flexible work arrangement policy

We recognize that flexible work arrangements provide alternative modes of working that can enhance mental well-being, strengthen collaboration, boost productivity, and support work-life balance. Since 2008, our global policy has supported different ways of working, such as:

- Fully remote work
- Hybrid in-office and remote work
- Job sharing
- Compressed work week
- Part-time
- Flexible core hours
- Occasional flexibility

To show our commitment to workplace flexibility, we provide a wide range of resources to help employees with home office setup and healthy work practices, including ergonomic guidance and well-being stretch tips.

[1] Employees include contingent workers, temporary staff, and other classifications depending on local requirements in each of the 75+ countries in which our Company has a presence.
[2] Supplemental resources may be available depending on local context.

Financial well-being

We foster financial well-being by equipping employees with the skills and resources to plan and safeguard against significant financial hardship. Because financial stress can affect mental, physical, and social health, we provide support that helps employees build resilience and stability. We strive to help employees develop and sustain a sense of security and control over their finances—both day to day and over the long-term.

Retirement savings

Globally, we provide core and supplemental financial protection and retirement programs that consistently rank among the most competitive and contemporary offered by large multinational companies. We maintain more than 112 pension arrangements across 39 countries—including defined benefit, cash balance, and defined contribution plans—as well as pension and 401(k) options in the U.S. These programs frequently complement government-sponsored Social Security, enhancing employee financial security through additional retirement income.

Time off and leave

Time away from work and thoughtfully designed leave programs are powerful contributors to financial well-being, because they provide income stability during life events and reduce stress associated with potential loss of earnings. While paid time off and leave benefits vary by country due to local practices and regulations, our Company maintains a global paid parental time off (PPTO) policy that guarantees at least 12 weeks of PPTO for employees worldwide—whether the employee is a birth parent, adoptive parent, a parent through legal surrogacy, or the spouse/partner of a new parent—offering income continuity and flexibility that allow employees to fully focus on caregiving and family bonding during a critical life stage.

Disaster relief and crisis support

The safety of our employees and their families is our highest priority. We actively track natural disasters and other critical incidents worldwide to ensure timely, targeted assistance wherever and whenever it is required. For example, in 2025, we continued to provide relief to those affected by the war in the Middle East; we offered relief to those affected by wildfires in the U.S., including temporary housing, financial assistance, and mental health support; and we monitored and provided safety instructions and support to those affected by the earthquake in Myanmar.

Social well-being

Many of our programs cultivate a sense of social belonging and connection within teams and across communities, which in turn:

- Boosts engagement by fostering trust and psychological safety—conditions that encourage employees to contribute, collaborate, and engage openly
- Enhances physical and mental health through supportive peer relationships and positive daily interactions, reducing stress and burnout
- Accelerates innovation by creating more opportunities for idea-sharing, cross-functional collaboration, and different perspectives
- Elevates motivation and accountability as employees feel supported by colleagues, people managers, and leaders, and see their work as part of a shared mission

By intentionally investing in social well-being—inside and outside of the workplace—we build a culture that attracts and retains talent, improves performance, and drives sustainable business results.

Local champions

Our Well-being Champions and Mind Well Champions are dedicated advocates for healthier lives and help inspire colleagues to prioritize wellness. They play a key role in sustaining our culture of well-being by providing on-the-ground support that boosts awareness, visibility, and participation in programs and initiatives. Local teams frequently organize activities such as cancer awareness runs, environmental sustainability events, and mental well-being campaigns, often partnering with local EBRG chapters.

Professionally facilitated “gatherings”

Facilitated discussions, or gatherings, play a meaningful role in strengthening employees’ social well-being by creating opportunities for genuine human connection in a safe, structured environment. These sessions bring small groups of colleagues together to talk openly about shared experiences, emotions, or challenging events, all with guidance from a trained mental health expert. Participants hear from others, offer empathy, and learn that they are not alone. This collaboration improves collective resilience and encourages healthier interactions long after the session ends.

Enhancing connection through employee communities

We partner closely with our EBRGs to ensure they have access to relevant workshops and webinars. By collaborating directly with EBRG leaders, we co-design programming that addresses relevant topics, strengthens community connection, and enhances overall well-being. In many cases, our teams also contribute as presenters or subject-matter experts, reinforcing our shared commitment to delivering meaningful learning experiences across the organization.

Social events and community activities

Social clubs and employee events are important to social well-being because they create easy, natural opportunities for colleagues to connect, form friendships, and feel a stronger sense of belonging at work. These activities help employees build community, reduce isolation, and integrate more quickly into the workplace culture. By fostering meaningful social interactions and shared experiences, clubs and events strengthen emotional resilience and support the social pillar of our Company’s well-being framework.

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 2025, various collective bargaining groups and work councils represented approximately 21% of our global employee population.

Global diversity and inclusion

For decades, diversity and inclusion have been central to our Company's approach to advancing public health and driving business performance. We are proud of our long-standing commitment to fostering an inclusive work environment that fuels creativity, accelerates innovation, and strengthens collaboration across our enterprise. These capabilities have proven essential to delivering solutions that meet the needs of patients and customers around the world. We remain steadfast in our commitment to a culture rooted in respect, engagement, and fairness.

Employees Goals

	2023	2024	**2025**	
Maintain or exceed our current employee engagement index score by 2025	On track	On track	On track	Achieved
Maintain or exceed our current inclusion index score by 2025[1]	On track	On track	On track	Achieved

[1] Goal deemed achieved if the result is within a variance of 0.5 percentage points or less.

See page 15 for our newest Employees goal and commitments.

GRI/SASB disclosures in this section:

GRI 405

Please see the Reporting Indices section on pages 119-137 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.

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

- Our People: Strengthen the foundational elements of our workforce
- Our Culture: Nurture an inclusive culture
- Our Business: Leverage inclusion to ensure business value
- Our World: 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 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.

Our five ambassador teams:

- The Global Disability Inclusion Strategy Council
- The Global Diversity and Inclusion Extended Human Resources Leadership Team
- Employee Business Resource Group Executive Leadership Council
- Global Diversity & Inclusion Business Consortium
- Diversity and Inclusion Divisional/Regional Council Steering Committee

Cultivating an inclusive workplace

Our inclusive culture is rooted in our values of respect, trust, and accountability. In 2025, we continued to prioritize psychological safety—ensuring employees feel safe to speak up, engage respectfully, and bring their authentic selves to work.

Psychological safety enables open dialogue, collaboration, and innovation by empowering employees to share ideas, raise concerns, and challenge perspectives without fear of judgment or retaliation. Allyship reinforces this environment by fostering shared responsibility, advocacy, and mutual support across differences. When employees feel valued and supported, inclusion deepens, belonging grows, and innovation thrives—driving stronger teams and meaningful business impact.

Our employee Pulse Survey and broader employee listening efforts provide ongoing opportunities for colleagues to share candid feedback on engagement, ways of working, inclusion, and psychological safety. We actively use these insights to inform decisions at all levels of the organization, strengthening inclusive leadership practices, and shaping actions that support a culture where all employees feel valued, respected, and safe to contribute fully. In 2025, 79% of respondents reported a sense of belonging, reinforcing the impact of listening, accountability, and action. We remain committed to maintaining or exceeding our employee engagement and inclusion indexes, guided by data-driven insights that reflect employee experiences and perceptions of belonging, engagement, and inclusive leadership.

Employee Business Resource Groups (EBRG)

Our EBRGs form a globally integrated network that strengthens enterprise performance, inclusion, and leadership development. Our 10 EBRGs, with more than 28,000 members and 300+ global chapters, operate across four priority areas—Our People, Our Culture, Our Business, and Our World—and serve as high-impact partners that provide opportunities for networking, education, and insight to employees, business units, and support functions across the enterprise. Each EBRG remains open to all employees, regardless of background.

Grounded in our purpose to save and improve patient lives, EBRGs serve as a strategic driver of enterprise performance. By fostering inclusive leadership and strengthening decision making, EBRGs integrate culturally relevant insights into how we innovate, operate, and engage across global markets. Internally, they strengthen our employee experience by fostering a sense of belonging for all. Our EBRGs also serve an important role in advancing external engagement rooted in our values, and elevate the Company's reputation and community presence across our markets.

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

Opportunities for people with disabilities

We commit fully 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 seek 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.

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

Skills-First talent strategy

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

In 2025, in alignment with our Skills-First talent strategy, we posted over 1,000 positions that did not require a four-year degree. Among those hired for these roles, 34% had less than a four-year degree. In 2025, the number of Skills-First employees totaled approximately 2,500 employees, an 8% increase over 2024.

In 2025, we were honored to welcome 88 Skills-First interns and five Skills-First apprentices to our team. We placed these individuals in positions across various fields, including digital marketing, data analytics, information technology, and project management. Many of the Skills-First interns and apprentices transitioned into full-time or contractor positions upon completion of their programs.

Strategic partnerships

In 2025, the GD&I CoE advanced engagement with external partners to strengthen inclusive workplace practices while supporting business, talent, and community outcomes. These partnerships enabled employees to gain the skills and behaviors necessary to foster an environment of respect and belonging for all employees, through webinars, conferences, and other resources. In addition, these partnerships supported health access and community engagement efforts, expanded awareness of career pathways in the biopharmaceutical industry, and elevated our Company's external presence as an employer of choice. EBRGs leverage external partner programs in support of educational programming open to all employees, EBRG operations, and strategy and community engagement priorities.

The GD&I CoE supported talent-facing engagements, including Career Immersion Days with Opportunity Network, providing college students with direct exposure to MSD leaders, functions, and career pathways.

The GD&I CoE also convened a pharmaceutical industry forum in partnership with an external partner to facilitate dialogue on LGBTQ+ workplace inclusion and health care policy, reinforcing our Company's role as a convener and thought partner across the industry. Another successful initiative brought Global Clinical Trial Organization leaders to the PA Conference for Women to educate attendees on the importance of community participation in clinical trials. Together, these efforts reflect the GD&I CoE's role as a strategic connector—linking external expertise, business priorities, and community outreach in support of our Company's purpose.

Health and safety

As a global health care company, we prioritize health and safety in our workplace. Through our comprehensive safety programs, 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 119-137 for a listing of our disclosures from our prioritized frameworks.

Our approach to health and safety

We 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 2025, 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 EHS management system includes comprehensive programs to reduce or eliminate safety risks. These include safe facility design, engineering controls, protection systems, and emergency response capabilities. The 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 play an active role in advancing 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 45001 Standard for Occupational Health and Safety Management Systems but have opted not to pursue certification. We are confident our existing EHS management system is effective and meets 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 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 perform comprehensive 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 digital system to evaluate and score contractors and subcontractors. This tool evaluates contractors' safety related programs, performance, 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 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 and 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 reducing 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 robust equipment and facility design, operational controls, maintenance procedures, and comprehensive employee training. We also maintain emergency preparedness and response capabilities to effectively manage unplanned incidents and minimize impact. Our emergency response programs are designed to protect our employees, visitors, the environment, nearby communities, and physical assets. Additionally, these programs include pre-planning activities for credible emergencies, such as process upsets, fires, spills, releases, severe weather events, and security-related incidents. Site-specific emergency response procedures address incident reporting and management, personnel evacuation, medical response, and incident control. We routinely conduct emergency response drills and train employees in job- and site-specific emergency response duties.

Many manufacturing sites 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 may provide off-site assistance when requested.

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 which include elimination, substitution, engineering and administrative controls, as well as personal protective equipment (PPE). Ongoing monitoring and verification of these controls is essential to ensure their effectiveness.

In 2025, we supported our dynamic and rapid business growth by updating the Corporate IH standard and the Corporate Biosafety standard. These initiatives 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 program requirements within our Company. This shift to focused content is intended to facilitate robust decision-making and sustain work efficiency at our sites. Both programs began digital systems projects which further support data-based decision-making and work efficiency, as well as improve program compliance. These digital systems projects will continue in 2026.

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 design and implement ergonomic workstations to reduce the likelihood of musculoskeletal disorders. 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 empower employees to create healthier, more efficient workspaces.

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 needed for specific jobs, focusing on hazards encountered 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 Human Resources 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 policies 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 assessments 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 (EAP) 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, and health screenings, as well as trainings and educational conferences on various health topics organized by the Benefits and Occupational Health Services teams and our EBRGs.

*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 2025, our Lost Time Incident Rate (LTIR) was 0.11 and our Recordable Incident Rate (RIR) was 0.28. There was 1 employee fatality in 2025.

In 2025, our top three types of recordable injuries were:

- 31% related to slips, trips, and falls
- 23% related to ergonomics
- 16% related to being struck by or caught in

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)	2021	2022	2023	2024	**2025**
Workplace safety					
Recordable Incident Rate (RIR)[1]	0.20	0.26	0.28	0.28	**0.28**
RIR percentage change	25%	31%	8%	—%	**—%**
Lost Time Incident Rate (LTIR)[2]	0.08	0.06	0.11	0.11	**0.11**
Fatalities[3]	0	1	1	0	**1**

[1] (a) 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] (a) LTIR: 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.

[3] For each of 2022, 2023, and 2025, the reported fatality was transportation-related.

Injuries by business area (2025)	Lost Time Cases	Lost Time % of total	Total Recordable Cases	Total Recordable % of total
Manufacturing (MSD Manufacturing Division)	**32**	**33%**	**108**	**43%**
Animal Health including Biopharma and Technology	**27**	**28%**	**48**	**19%**
Human Health	**12**	**13%**	**33**	**13%**
Research (MSD Research Labs)	**18**	**19%**	**41**	**16%**
Global support functions (Legal, HR, IT, GSE, etc.)	**7**	**7%**	**20**	**8%**
Total[1]	**96**	**100%**	**250**	**99%**

[1] Amount may not total 100% due to rounding.

Injuries by causal factor (2025)	Lost Time Cases	Lost Time % of total	Total Recordable Cases	Total Recordable % of total
Slips/trips/falls	**39**	**41%**	**77**	**31%**
Struck by/caught in	**11**	**11%**	**39**	**16%**
Ergonomic	**20**	**21%**	**57**	**23%**
Motor vehicle	**8**	**8%**	**16**	**6%**
Biological exposure	**1**	**1%**	**21**	**8%**
Non-ergonomic	**3**	**3%**	**7**	**3%**
Physical/environmental exposure	**6**	**6%**	**10**	**4%**
Chemical exposure	**6**	**6%**	**15**	**6%**
Other	**2**	**2%**	**8**	**3%**
Total[1]	**96**	**99%**	**250**	**100%**

[1] Amount may not total 100% due to rounding.

In 2025, we saw an increase in our collisions per million miles figure. In response, we strengthened leadership engagement to reinforce awareness and accountability for our driver safety program and enhanced our 2026 training to focus on key risk factors, including decision-making, hazard recognition, distraction prevention, and defensive driving behaviors to reduce harsh maneuvers and collisions.

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 (non-employees—capital projects construction contractors)

In 2025, our Global Engineering Solutions—Capital Project spent 4,458,344 work hours in construction.

In 2025, we completed 80 peer safety reviews on projects.

The construction RIR result was 0.58. The actual construction Days Away, Reassigned, or Transferred (DART) rate was 0.31. Lastly, construction projects had 75,451 Tap Ins (safety observations) reported in 2025.

In 2025, our Integrated Facility Management (IFM) employees had 3,863,334 work hours and our permanent contractors working on site had 3,054,115 work hours. The IFM RIR was 0.75 and the LTIR was 0.52.

Global safety performance (employees)	2021	2022	2023	2024	**2025**
Motor vehicle safety					
Collisions per million miles (CPMM)[1]	6.11	4.58	7.20	5.98	**6.33**

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

Global safety performance (non-employees)	2021	2022	2023	2024	**2025**
Capital projects construction safety					
RIR[1,3]	0.28	0.50	0.56	0.50	**0.58**
DART[2,3]	0.11	0.21	0.23	0.17	**0.31**
Fatalities	0	0	0	0	**0**

[1] RIR: Calculated per the Occupational Safety and Health Administration (OSHA) methodology.
[2] DART: Calculated per OSHA 300 methodology.
[3] (a) 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.
(b) Primarily reflects capital projects over $100,000 managed by our global engineering group.

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

Global safety performance (non-employees)	2021	2022	2023	2024	**2025**
Facility management contractor safety					
RIR[1]	0.60	0.59	1.01	0.66	**0.75**
LTIR[1]	0.27	0.28	0.73	0.37	**0.52**
Fatalities[2]	0	0	0	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 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 environmental impacts in our upstream and downstream value chain.

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

Topics covered:

Renewable Energy Goal

100% renewable energy by 2025

We are proud to share that we have met our commitment to source 100% of our purchased electricity from renewable energy by 2025. We did so through a combination of contracted on-site arrays, Virtual Power Purchase agreements, and Renewable Energy Certificates (p. 68)

Meeting our Waste and Water Goals

In 2025, we achieved our public water and waste goals, demonstrating continued progress against our environmental sustainability strategy. Further details on our achievement can be found in our Performance Summary

Partnering with Suppliers

650+

Partnership engagements with suppliers in support of our efforts to reduce GHG emissions, representing >50% of our Scope 3 emissions in 2024[1]

8

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

[1] Supplier-related Scope 3 emissions data reflect the prior reporting year due to data collection and reporting timelines.

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 119-137 for a listing of our disclosures from our prioritized frameworks.

Environmental Sustainability Goals

	2025	
Source 100% of our purchased electricity from renewable sources by 2025[1]	100%	Achieved
Reduce our operational GHG emissions (Scopes 1 & 2) 46% by 2030, from a 2019 baseline[2]	31% below baseline	On our way
Reduce our value chain (Scope 3) GHG emissions by 30% by 2030, from a 2019 baseline[3]	10% below baseline	On our way
Achieve net-zero GHG emissions (Scopes 1, 2, & 3) by 2045	**Our Company has committed to reaching net-zero GHG emissions by 2045 across Scopes 1, 2, and 3. This goal has been validated by the Science Based Target initiative (SBTi) to confirm alignment to the SBTi Corporate Net-Zero Standards and Guidance.**	On our way

[1] 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.

[2] 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. Calculation is based on Market-Based Scope 2 GHG emissions.

[3] (a) Scope 3 GHG emissions include all other indirect emissions in a company's value chain.
(b) In 2025, we re-baselined due to updates in our methodology from the launch of a new digital platform for Scope 3 GHG Emissions calculations. Relevant changes include change of spend-based emissions factor library from U.S. EEIO to CEDA and the use of a higher percentage of supplier specific emission factors. Our 2019-2025 Scope 3 performance data and goal progress were updated accordingly.

Policies

Climate change

Business Partner Code of Conduct

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

- Paris Climate Agreement
- Science Based Target initiative (SBTi)
- 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 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 impacts of our operations and supply chain.

Our Company has committed to reaching net-zero GHG by 2045 across Scopes 1, 2, and 3. This goal has been validated by the Science Based Target initiative (SBTi) to confirm alignment to the SBTi Corporate Net-Zero Standards and Guidance. Our long-term goal builds on our near-term targets set in 2021, which include reducing our Scope 1 and market-based Scope 2 absolute GHG emissions by 46 percent by 2030, from a 2019 base year.

In addition, we continue 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.

For more information on our approach to governance regarding climate-related issues, please see the Sustainability Governance section on page 10.

We conduct a biennial climate policy alignment assessment of U.S. trade associations in which we are members and for which our dues exceed $25,000. As part of this process, we determine whether these trade associations have publicly disclosed formal positions on climate change and, if so, review those positions in the context of our climate change policy.

*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 could 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.

In 2025, we conducted a qualitative assessment of physical and transitional climate risks and opportunities aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework using a low carbon economy scenario aligned with a <1.5°C future, and a high carbon economy scenario aligned with a >4.5°C future. Identified climate-related risks are integrated into the Enterprise Risk Management process, and follow the same identification, assessment, and management principles as any other risk type. To reduce physical and transitional risk exposure and prepare our transition to a low-carbon economy, these potential risks are integrated into our Company's business planning, including investment in reducing energy usage, 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

In 2024, our Company 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. We integrated capital projects into our long-range capital plan as part of this initiative, applying the same governance and structured approach to investments used across our broader capital portfolio. To ensure execution rigor and strategic alignment, we reevaluate the portfolio annually and align it with 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.

Our Company's rigorous review process ensures that the financial evaluation, resource requirements, and justification for sustainability initiatives are aligned with business priorities. For approved initiatives, we estimate emissions impacts to inform our net-zero roadmap. Approved initiatives are also incorporated into the budgeting cycle, where finance partners closely with business owners to monitor costs, milestones, KPIs, and compliance. These investments are not expected to have a material adverse effect on the Company's financial condition, results of operations, liquidity, or capital resources for any year.

Carbon offsets

In line with guidance from the SBTi, we do not use carbon offsets to meet our near-term (2030) SBTi approved Scope 1 & 2 and Scope 3 emissions reduction targets.

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

Carbon offsets are used only where required by local, regional, or national programs, or as part of certification initiatives such as Leadership in Energy and Environmental Design (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

In 2025, our energy management journey continued to evolve as we advanced the GENIUS Program—our Global Energy Network for Improvement in Usage & Supply. At the heart of this work is a simple belief: effective energy management is essential to reducing emissions, supporting operational excellence, and building a more resilient, sustainable future. Guided by this principle, we spent the past year strengthening the systems, tools, and behaviors that help our global network use energy more intelligently and responsibly.

GENIUS is more than a program—it is our common language for energy management across the Company. Built on the respected ISO 50001 and ENERGY STAR frameworks, it helps every site apply the same disciplined Plan-Do-Check-Act approach to improving energy performance. Throughout 2025, we focused on deepening the adoption of this framework at our sites, ensuring that teams have the structure and guidance needed to make energy part of everyday decision making.

In an effort to bring greater visibility through shared metrics, we created an enterprise-wide sustainability metrics dashboard. This tool gives insights on our performance and progress that are used by individuals at the site to leadership sponsors to help inform data driven decisions. By standardizing how we measure and report energy program-related metrics, we have a clearer, more transparent foundation for the decisions that shape our sustainability strategy.

In the U.S., seven technical operations sites advanced through the Department of Energy's (DoE) 50001 Ready Program. This initiative helps teams build the discipline and confidence needed to manage energy performance effectively. Sites identify their Significant Energy Users, improve metering and Energy Performance Indicators, and integrate energy reviews into governance, with projects identified progressing through the formal capital-planning process for approval. Many of these sites are now preparing for self-attestation and assessing pathways to full ISO 50001 certification. These sites are now influencing others—sharing practices, tools, and lessons learned that will inform future cohorts and accelerate progress across the network.

Our progress is also reflected in the growing number of sites that have demonstrated alignment with the ISO 50001:2018 standard. Since adopting the framework, sixteen European sites have been externally certified, underscoring their commitment to a rigorous, system-based approach to energy management. Each certified site undergoes annual surveillance audits and full recertification every three years, ensuring the system continues to deliver meaningful energy performance results. In 2025, one of our sites in the Netherlands was successfully certified for the first time through the collective effort of several cross-functional teams, reinforcing our culture of continuous improvement and collaboration.

These efforts represent more than operational improvements—they represent a maturing, enterprise-wide culture of energy stewardship. By strengthening our systems, increasing transparency, and expanding globally recognized certifications, we are building a foundation that supports reliability, decarbonization readiness, and our long-term net-zero transition.

Employee engagement

Employees across our global sites are building a strong culture of environmental sustainability through focused, locally driven engagement activities. In Ireland, the "See Green, Be Green" Program continues to advance everyday sustainable behaviors. In China, the "Environment & Sustainability Program Month" turns environmental sustainability commitments into daily habits through pledge-signing, hands-on recycling projects, interactive quizzes, and recognition of "energy-saving stars." In the Netherlands, the "Green by Choice Program" promotes carpooling, idea sharing, project implementation, a biodiversity photo contest, and progress toward ISO 50001 certification. At our headquarters in Rahway, the site dedicated a space for environmental sustainability messaging and events. The intent of the "Sustainability Corner" is to provide a highly visible, transparent, and inclusive message: that everyone plays a part in helping to reach our Company environmental sustainability goals.

To support and amplify these local efforts, a Sustainability Employee Engagement and Communication Strategy was developed. This strategy provides a clear, repeatable framework, with defined content, schedules, channels, roles, integrated training, and an annual calendar of events, to strengthen alignment across regions and functions.

Together, these programs create meaningful value by linking global direction with local action. This enables consistency and measurable actions, and accelerates a culture change working towards a low-carbon, sustainable future driven by engaged employees worldwide.

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. The latest version of the LCTP includes 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 utilizing the LEED rating system as a guide in our standards and, at a minimum, our offices and laboratories must achieve LEED Gold certification. In 2025, we received ten LEED certifications, including one Platinum and six Gold, across our real estate portfolio, contributing to more than 6.6 million square feet of LEED space either completed or under construction.

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

Renewable energy

In 2019, we set a goal to source 100% of our purchased electricity from renewable energy by 2025. Renewable energy installations, such as photovoltaic (PV) arrays and wind turbines help avoid emissions, reduce energy demand peaks, and in some cases defer or eliminate the need for new fossil-fuel-based power generation. In 2025, we are proud to share that we have met our ambitious goal. The achievement reflects the hard work and dedication of both at-site and above-site teams.

To achieve our goal, our Company pursued a diversified pathway:

- Securing 233 MW of virtual power purchase agreements (VPPAs) commitments. This includes the addition of a new VPPA—the 24 MW Santa Rita 2 project in Texas—and the launch of the 51 MW Postigo Solar project in Spain. The regional breakdown of these commitments is:
  - North America: 142 MW
  - Europe: 91 MW
- Running a global Request for Proposal (RFP) and awarding business to multiple suppliers that will procure Energy Attribute Certificates (EACs) across 44 countries where VPPAs were not viable
- Installing and maintaining solar panels at sites when possible

By conducting gap assessments within our own site network, we will continue to monitor global electricity use versus our current renewable electricity sourcing. This will allow us to maintain our 100% renewable energy sourcing for our purchased electricity in our journey towards achieving net-zero. We will continuously look to improve the quality of our renewable energy program by incorporating the concept of "additionality" into our projects and the sourcing of EACs whenever possible. Moving towards our net-zero target, we will look for opportunities for new on-site renewable energy generation, new VPPAs, power purchase agreement (PPA) projects, and vendor-supplied renewable energy through the electrical grid.

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 2026, battery electric vehicles (BEVs) comprised 6.8% of our running fleet, primarily representing Middle and Northern European markets, such as the UK, Belgium, Netherlands, Germany, Austria, and the Nordics. In some select markets, a BEV is the default selection for all drivers. 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. and Canada markets in the second half of 2026.

Our value chain GHG emissions

Our value chain represents the largest portion of our GHG footprint, which is why engaging suppliers on climate performance remains central to achieving our goals. We have significantly increased our efforts to reduce our value chain impacts and associated Scope 3 GHG emissions by the efforts described below.

- **Setting clear expectations, building strong partnerships:** We set clear environmental sustainability expectations for suppliers, and communicate them transparently and regularly. In 2025, we began reinforcing these expectations through an annual leadership message from our Chief Procurement Officer. We have also provided our suppliers with “Guidance on Environmental Sustainability Expectations for Suppliers”, outlining reporting requirements, timelines, and alignment with our climate goals. These expectations establish a common baseline—one that helps suppliers understand not just what we expect, but how to get there.
- **Building capability together:** We recognize that our suppliers are at different stages of their sustainability journeys. That’s why we focus on practical enablement, meeting suppliers where they are and helping them build the capabilities they need to decarbonize. In 2025, we engaged directly with suppliers through trainings, workshops, and webinars focused on emissions measurement and decarbonization pathways. More than 300 supplier representatives from over 195 companies joined our Sustainability Partner Exchange webinar to share best practices and learn from peers. We also published and trained suppliers on our Company’s Decarbonization Playbook, a practical toolkit designed to help companies identify and prioritize emissions reduction opportunities. We will continue to expand these efforts, with a sharper focus on the suppliers and categories representing our largest emissions hotspots and opportunities to jointly design and implement mitigation interventions.
- **Empowering our procurement teams:** Our procurement teams play a central role in advancing decarbonization in our supply chain. In 2025, we delivered training and guidance to procurement professionals on supplier decarbonization, emissions data, and engagement approaches. We also continued to support an internal network of decarbonization leads and champions who drive progress with suppliers every day. We will continue to foster a culture where sustainability is embedded in our ways of working—and where our teams feel confident collaborating with suppliers to identify, prioritize, and implement emissions reduction initiatives.
- **Embedding sustainability in how we work:** We strive to integrate decarbonization into the fabric of how we make procurement decisions. In 2025, we strengthened sourcing and contracting processes to more comprehensively consider supplier environmental performance. We will continue to integrate emissions insights into sourcing strategies and equip procurement teams with the data they need to consider environmental performance alongside cost, quality, and supply continuity.
- **Industry collaboration:** Industry collaboration is an important part of our approach. We are an active member and co-founder of the Energize Program and actively participate in the Pharmaceutical Supply Chain Initiative (PSCI) and the Scope 3 Peer Group. Through initiatives like these, we collaborate with industry peers to promote best practices, expand renewable energy access, and scale climate solutions across our value chain.
- **Improving data quality:** Better data enables us to identify emissions hotspots, prioritize high-impact reduction efforts, design tailored engagement programs, and track progress over time. It also strengthens collaboration, building shared understanding with suppliers and creating opportunities to work jointly with suppliers on meaningful reductions. In the last year, we expanded efforts to increase primary emissions data coverage through direct supplier outreach. We are launching a new digital platform to streamline data collection and continue providing targeted training to improve data quality.
- **Moving forward:** Our Scope 3 journey is a long-term commitment built on partnership, transparency, and continuous improvement. Our progress in 2025 reflects the collective effort of our teams, suppliers, and industry partners as we strive to build a more sustainable value chain.

Reporting and disclosure of our GHG emissions

We report our GHG emissions in accordance with regulatory requirements in certain countries and annually through our CDP disclosure, which aligns to the Task Force on Climate-Related Financial Disclosures (TCFD) reporting framework.

*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 emissions 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 emissions 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, Sustainability, and Stewardship CoE assists our facilities in obtaining appropriate environmental permits and in quantifying and controlling air emissions to comply with applicable regulations and emissions 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.

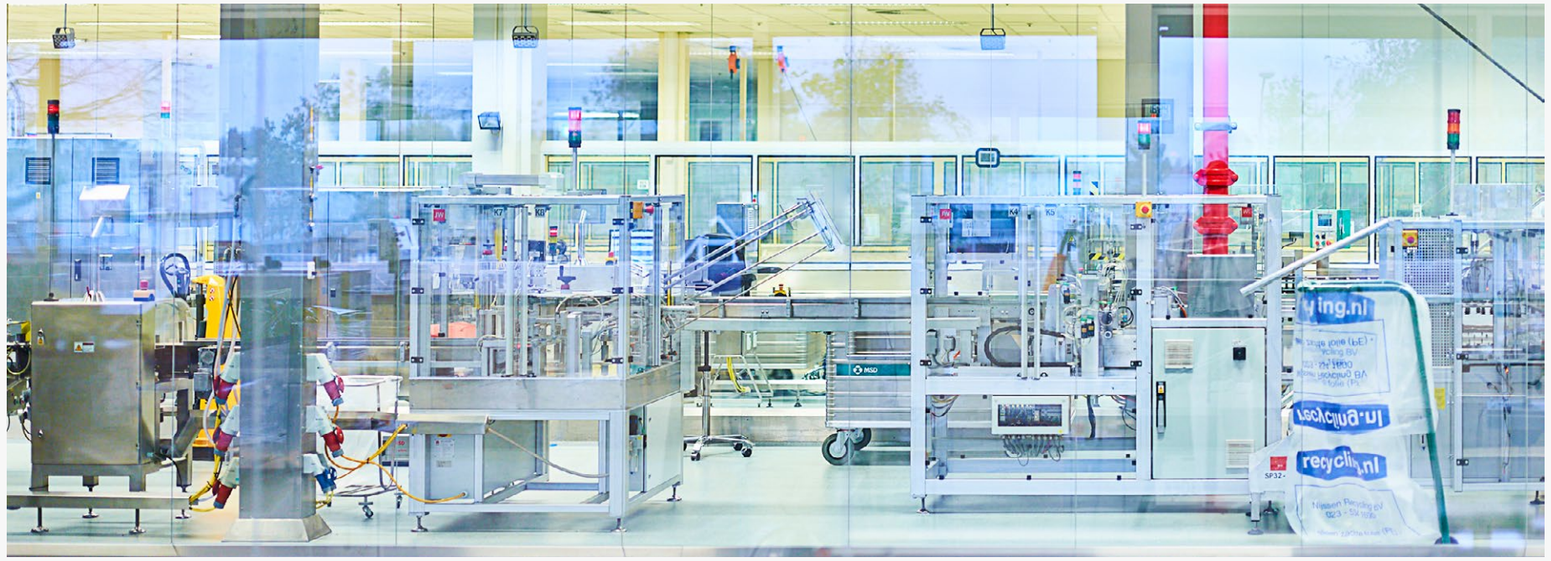
For more information on this program, see pages 86-87.

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 (NO_x), sulfur oxides (SO_x), 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 NO_x, SO_x, 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 and animal 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 119-137 for a listing of our disclosures from our prioritized frameworks.

Water Goal

In 2025, we achieved our goal to maintain global water use at or below 2015 levels

Achieved

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 we endorse or that 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 facilities to evaluate opportunities for water reuse and for our high-water-risk facilities to maintain water risk management plans.

Each site is responsible for managing its water approach. The Environmental Compliance, Sustainability, and Stewardship Center of Excellence (CoE) reviews environmental data to monitor sites' progress. Above-site teams from across the Company support sites in their water stewardship efforts. To help direct and track projects, we have developed a Water Conservation Playbook for our global sites. This consistent approach guides projects across our global sites and fosters continuous improvement.

We have achieved our 2025 water goal to maintain water use at or below 2015 levels. Our sites employed various technologies and techniques to reduce our water footprint and improve operational performance, and they continue to apply these measures. We will continue to maintain performance reporting on water to ensure transparent oversight and sustained water stewardship.

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

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. We request that suppliers conserve natural resources and take measures to reduce water consumption.

For more information on supplier engagement on water-related topics, see page 110.

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. In support of these expectations, we continue to identify partnerships that advance our water stewardship priorities and contribute to Sustainable Development Goal (SDG) 15, which seeks to protect, restore, and promote sustainable use of terrestrial ecosystems.

In 2025, along with River Partners, we supported large-scale habitat restoration at the Willow Bend Preserve along the Sacramento River in California, the state's largest river. Converting 175 acres of former farmland into a native floodplain ecosystem, this restoration reconnects the river to its natural floodplain, improving water quality, conserving freshwater, and creating critical habitat for imperiled species, including multiple runs of Chinook salmon and steelhead.

By restoring the natural function of the historic floodplain and supporting fish migration, the Willow Bend Preserve project delivers measurable conservation outcomes. These include expanded rearing habitat for endangered salmon, increased biodiversity for aquatic and terrestrial species, improved flood resilience, and long-term climate benefits through natural carbon storage and groundwater recharge. Through this investment, we are helping advance nature-based solutions that protect vulnerable species, strengthen ecosystems, and support healthier waterways.

River Partners is working to transfer the Willow Bend property to a local tribe and the wider tribal community in the area for long-term ownership and stewardship of what was once part of their historic homeland. The transfer, and partnership with the tribe in helping develop the restoration vision for the property, creates an important foundation for community engagement, educational programs, and cultural revitalization.

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

For more information on this approach and additional habitat-restoration partnerships, please see the Nature and Biodiversity section (page 78).

Water as a shared resource

Water risk is assessed across our site network as part of our standard business practices.

Our process includes the following steps:

- 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 management 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 management plans.
- We’ll continue to monitor sites that do not meet the water use threshold for operational risk and put in place management 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.

In 2025, the WRI Aqueduct Water Risk Atlas tool identified 11 of our 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 management plan in place.

The sites that use the most water in our network are in the U.S. Of these, eight 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 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 water basin
- 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.

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. We require wastewater with the potential to adversely impact human or environmental health to be appropriately managed, controlled, and treated prior to release into the environment. This includes managing releases of active pharmaceuticals into the environment (PiE).

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 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 106-111. 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 and support our business operations. Biological diversity underpins nature's resilience in the face of environmental changes, such as those due to climate change.

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

GRI/SASB disclosures in this section:

GRI 304 GRI 304-2 GRI 304-3

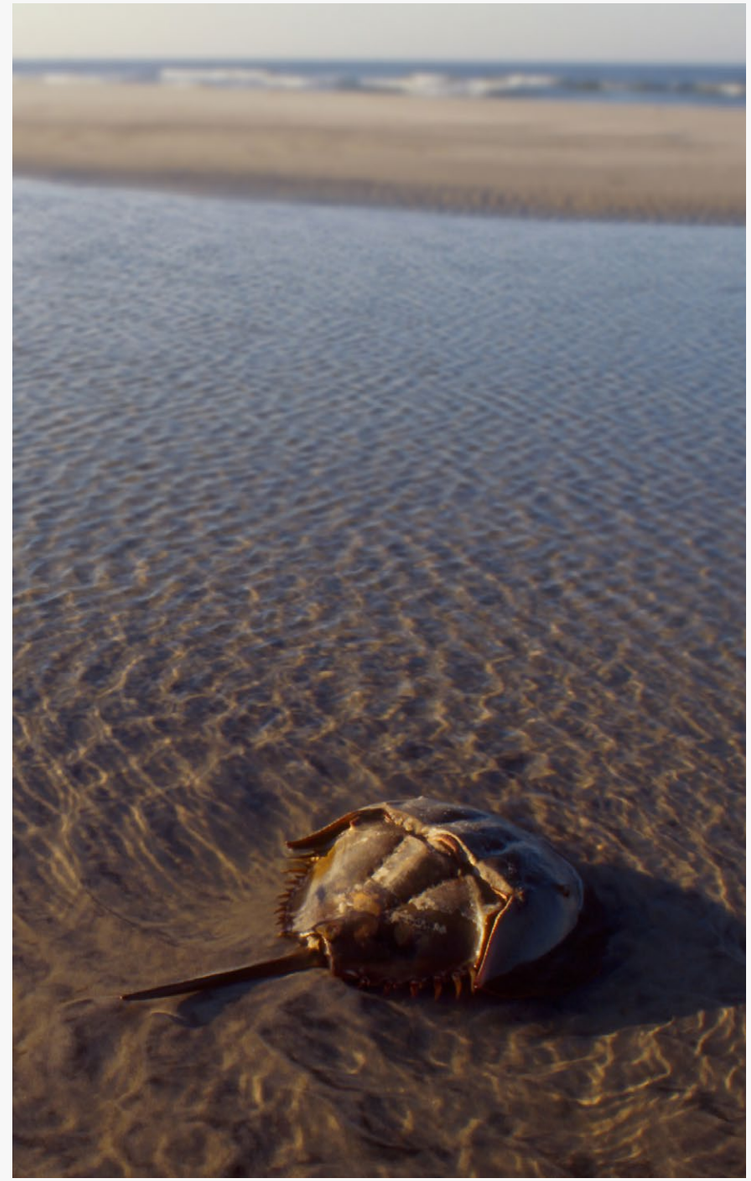
Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

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. Through our climate, water, and waste management programs, we are working to reduce the impacts and dependencies that contribute to nature and biodiversity loss. This work is reinforced through our product stewardship program, which minimizes the consumption of raw materials required to manufacture our products and generation of associated waste, reducing strain on species and ecosystems.

In 2024, we conducted our first Locate, Evaluate, Assess, Prepare (LEAP) assessment, developed by the Task-Force on Nature-related Financial Disclosure (TNFD), to assess our operations and supply chain to identify nature-related impacts, dependencies, risks, and opportunities. The findings highlighted areas for further investigation and are guiding our strategic approach to nature and biodiversity.

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

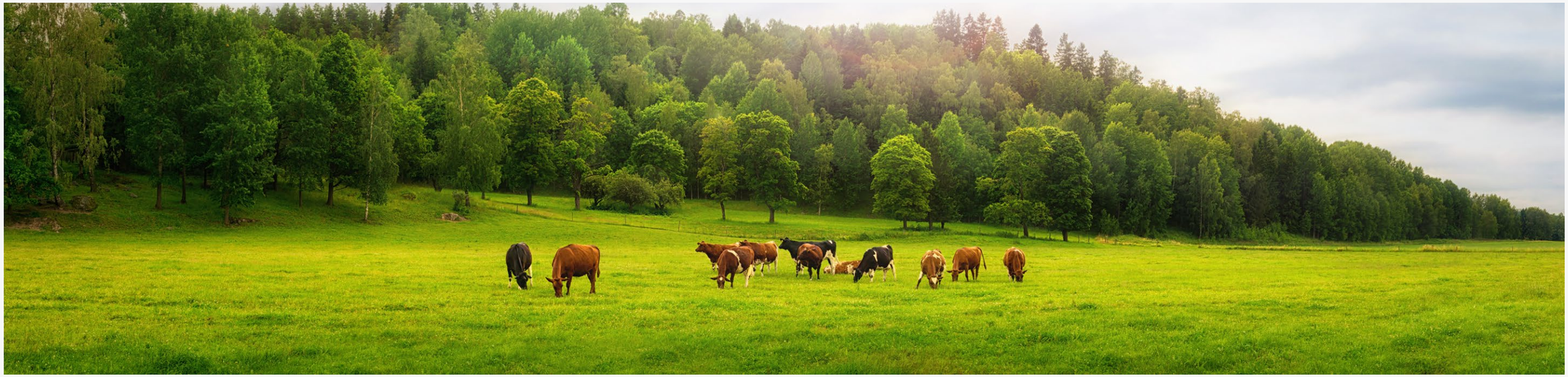


Recombinant Endotoxin, our commitment and journey

The pharmaceutical industry has historically relied on reagents derived from wild horseshoe crab blood, such as Limulus Amebocyte Lysate (LAL), as the global standard for bacterial endotoxin testing. Endotoxin testing is a fundamental step to ensuring our medicines meet the quality standards required to protect patient health and prevent potentially life-threatening endotoxin-related adverse reactions. We recognize that reliance on these reagents places an environmental burden on wild horseshoe crab populations and the coastal ecosystems dependent on them.

As part of our commitment to environmental stewardship, we have taken significant measures to reduce our use of LAL. Cartridge systems are being implemented across the organization, requiring approximately 90% less reagent per test compared to previous assays. We are also evaluating a test handling system that incorporates a microfluidic disk with the potential for even greater reductions in reagent use.

Our commitment also includes the transition from wild horseshoe crab-derived LAL to synthetic and recombinant alternatives. To support this transition, we are conducting a rigorous, systematic, science-based validation of our processes and procedures to identify alternative reagents that meet regulatory requirements and quality standards. Through collaboration with regulators and suppliers we aim to reduce the burden on wild horseshoe crab populations and coastal ecosystems while maintaining an unwavering focus on quality and patient safety.



Animal health supporting biodiversity and conservation

Our Animal Health business supports biodiversity and conservation by offering an innovative solution for managing livestock grazing. By replacing physical fences, the Vence® virtual fencing system helps reduce wildlife injuries during migration, improves rangeland health, and reduces staffing and supply costs. The Vence® virtual fencing system allows landowners to create virtual pastures to facilitate grazing management, track cattle movement, and locate individual animals at any time. Rotational grazing through Vence® mirrors the natural movement of cattle across the landscape, preventing overgrazing, allowing for better long-term management of grass and rangelands, protecting sensitive areas, such as burn zones and waterfront areas, and supporting improved soil health.

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, One Tree Planted, and The California Water Resilience Initiative (CWRI), we have identified projects to invest in near our sites. These collective action investments also strengthen community engagement by creating volunteer opportunities for employees in the communities where they live and work.

In 2025, we partnered with River Partners to restore 175 acres of floodplain habitat, supporting biodiversity and endangered species recovery while advancing long-term stewardship with the local tribal community. Additional details on the project and its water-quality benefits are provided in the Water section (page 75).

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.

Additionally, since 2016, our Animal Health business has prioritized habitat restoration through a continued partnership with WeForest. In total, more than 206 hectares of land have been restored by planting approximately 300,000 trees in Brazil, India, Malawi, Tanzania, Zambia, and Ethiopia. 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 waste disposal methods at our sites to gain a better understanding of our waste handling 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.

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 119-137 for a listing of our disclosures from our prioritized frameworks.

Waste Goals

In 2025, we achieved our goal of sending no more than 20% of our global operational waste to landfills and incinerators (without energy recovery)	Achieved
In 2025, we achieved our goal of at least 50% of our sites send zero waste to landfill	Achieved

Policies

- Pharmaceuticals in the environment
- Responsible disposal of medicines
- Business Partner Code of Conduct
- Respect for Environmental, Health and Safety
- Sharps Management Plan—CalRecycle

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, Sustainability and Stewardship Center of Excellence (CoE) reviews 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.

We have achieved our 2025 operational waste goals: sending no more than 20% of our global operational waste to landfills and incinerators (without energy recovery), and having at least 50% of our sites send zero waste to landfill. This progress reflects sustained, site-level efforts to reduce waste sent to landfill and incineration while improving operational performance—measures that sites continue to apply.

To support this progress and drive consistency across our operations, we developed a Waste Diversion Playbook for our global sites. The playbook provides a common framework to identify, prioritize, and track high-impact waste-reduction and diversion projects, which supported sites in meeting the 2025 goals and will continue to strengthen our performance over time.

We will continue to report on our waste performance to ensure transparent oversight and to support the ongoing application of sustainable waste-management practices.

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 84), 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 Facilities 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. 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 84-87.

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. 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.

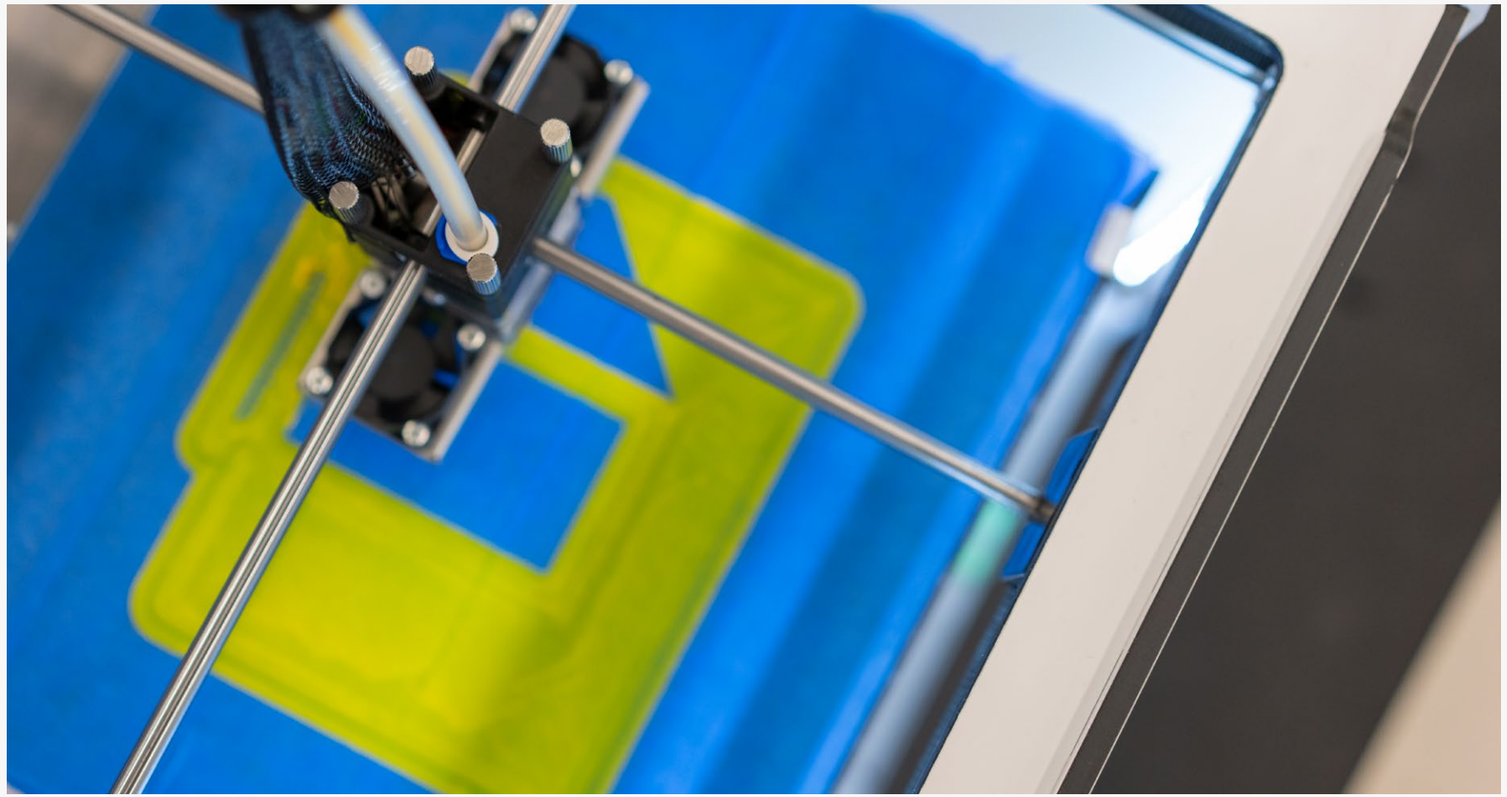
For more information on our environmental management with suppliers, please see page 110.

*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 119-137 for a listing of our disclosures from our prioritized frameworks.

Policies

Responsible Disposal of Medicines

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

- Eco-Pharmaco-Stewardship (EPS) initiative
- 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. 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 European Federation of Pharmaceutical Industries Association (EFPIA), and AnimalhealthEurope 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 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.

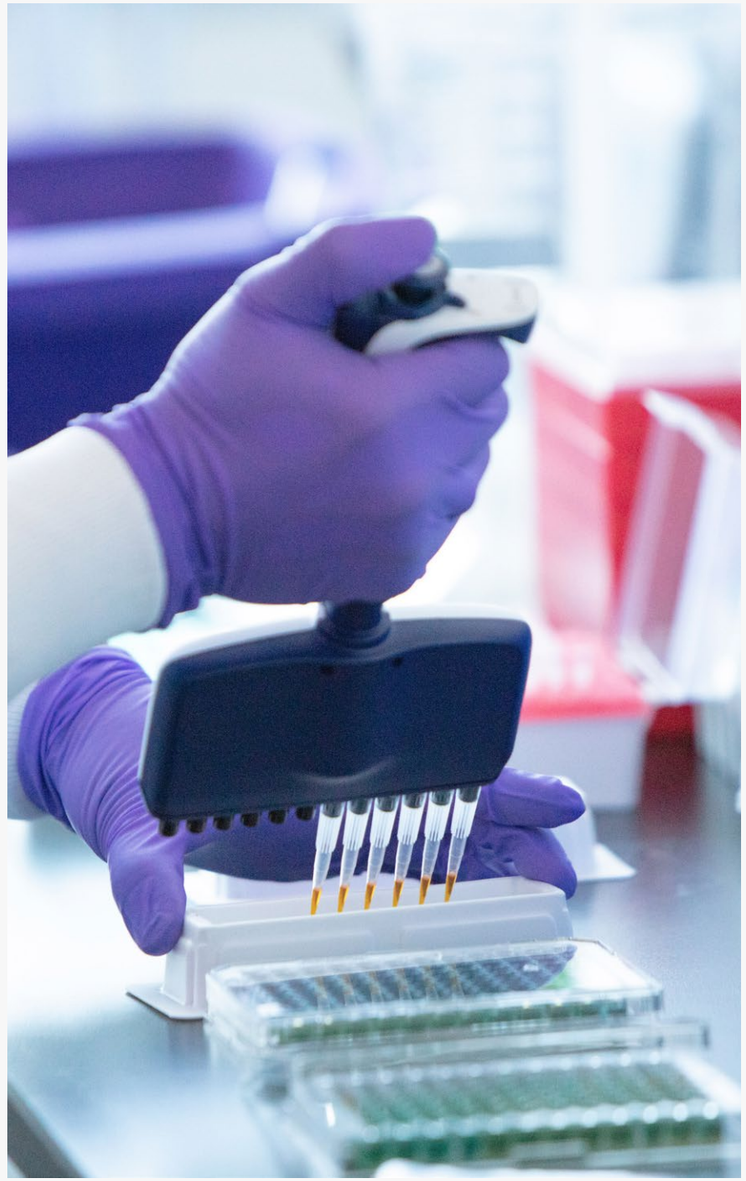
We participated in the development of the PAS2090 Product Category Rule (PCR) through industry collaboration within the Pharmaceutical Life-Cycle Assessment (LCA) Consortium under the Pharmaceutical Environment Group (PEG) and Sustainable Markets Initiative (SMI) Health Systems Task Force. This pharmaceutical specific PCR, published in 2025, will allow for more clarity and harmonization of LCA and Product Carbon Footprint (PCF) measurements and reporting across all life cycle stages. We are currently conducting LCAs and PCFs within our human health and animal health portfolios that will be used to satisfy external stakeholder requirements as well as to understand our footprint internally.

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 sustainable process development 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.

Environmental packaging is managed by our Global Science & Technology areas with oversight from our Environmental Health and Safety 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

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 environmental design into the packaging for pharmaceuticals.

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 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 and 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 and 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, 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 11 Green Chemistry Challenge Awards for innovative process improvements, eight 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 four 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

From 2024 to 2025, our combined year-over-year Scope 1 and market-based Scope 2 GHG emissions reduced by 17 percent. The decrease was driven by reductions in market-based Scope 2 electricity emissions from increased renewable electricity use, as well as reductions in Scope 1 fugitive and natural gas emissions. In 2025, our Scope 3 GHG emissions increased as compared to 2024. While performance was mixed across our reported categories, an increase in GHG emissions in our largest category, Purchased Goods and Services, led to an overall increase in GHG emissions year to year. Our analysis shows that our Scope 3 GHG emissions impacts are more than six times greater than our combined Scopes 1 & 2 market-based emissions.

Environmental Sustainability Goals

	2023	2024	**2025**	
Source 100% of our purchased electricity from renewable sources by 2025[1]	57%	61%	100%	**Achieved**
Reduce our operational GHG emissions (Scopes 1 & 2) 46% by 2030, from a 2019 baseline[2]	14% below baseline	16% below baseline	31% below baseline	**On our way**
Reduce our value chain (Scope 3) GHG emissions by 30% by 2030, from a 2019 baseline[3]	6% below baseline	13% below baseline	10% below baseline	**On our way**
Achieve net-zero GHG emissions (Scopes 1, 2, & 3) by 2045	**Our Company has committed to reaching net-zero GHG emissions by 2045 across Scopes 1, 2, and 3. This goal has been validated by the Science Based Target initiative (SBTi) to confirm alignment to the SBTi Corporate Net-Zero Standards and Guidance.**			**On our way**

[1] 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.

[2] 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. Calculation is based on Market-Based Scope 2 GHG emissions.

[3] (a) Scope 3 GHG emissions include all other indirect emissions in a company's value chain.
(b) In 2025, we re-baselined due to updates in our methodology from the launch of a new digital platform for Scope 3 GHG Emissions calculations. Relevant changes include change of spend-based emissions factor library from U.S. EEIO to CEDA and the use of a higher percentage of supplier specific emission factors. Our 2019-2025 Scope 3 performance data and goal progress were updated accordingly.

Total energy use (GJ)*

	2019	2021	2022	2023	2024	**2025**
Total energy use	16,838,000	16,328,000	16,676,000	16,664,000	16,543,000	**16,279,000**

* (a) 2019 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years data.
(b) 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.

Breakdown (by type) of total energy used (Scope 1 and location-based Scope 2 energy use)*

	2019	2021	2022	2023	2024	**2025**
Natural gas (Scope 1)	66%	66%	67%	66%	66%	**67%**
Renewable energy generated and used on site (Scope 1)[1]	0.0031%	0.010%	0.010%	0.35%	0.39%	**0.46%**
Fleet fuel (Scope 1)	7.3%	5.2%	6.0%	6.3%	6.3%	**6.9%**
Fuel oil (Scope 1)	1.6%	1.5%	1.7%	1.5%	1.4%	**1.4%**
Biofuel (Scope 1)	0.00078%	0.0010%	0.0012%	0.0013%	0.0041%	**0.089%**
Spent solvents (Scope 1)	0%	0%	0%	0%	0%	**0%**
Coal (Scope 1)	0%	0%	0%	0%	0%	**0%**
Purchased energy (Scope 2)[2]	22%	24%	23%	23%	23%	**22%**
Purchased steam (Scope 2)	3.4%	3.3%	3.0%	3.3%	2.8%	**2.0%**

* (a) 2019 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years data.
(b) 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.
(c) Annual energy breakdown may not add up to 100 percent due to rounding.

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

[2] Energy sources include on site electricity sourced from external suppliers, purchased cooling water, and off site fleet battery electric vehicle charging. 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	2021	2022	2023	2024	**2025**
Natural gas (Scope 1)	66%	66%	67%	66%	66%	**67%**
Renewable energy generated and used on site (Scopes 1 & 2)[1]	5.7%	11%	10%	13%	14%	**22%**
Fleet fuel (Scope 1)	7.3%	5.2%	6.0%	6.3%	6.3%	**6.9%**
Fuel oil (Scope 1)	1.6%	1.5%	1.7%	1.5%	1.4%	**1.4%**
Biofuel (Scope 1)	0.00078%	0.0010%	0.0012%	0.0013%	0.0041%	**0.089%**
Spent solvents (Scope 1)	0%	0%	0%	0%	0%	**0%**
Coal (Scope 1)	0%	0%	0%	0%	0%	**0%**
Purchased energy (Scope 2)[2]	16%	14%	13%	10%	9.3%	**0.28%**
Purchased steam (Scope 2)	3.4%	3.3%	3.0%	3.3%	2.8%	**2.0%**

* (a) 2019 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years data.
(b) 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.
(c) 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] Energy sources include on site electricity, purchased cooling water, and off site fleet battery electric vehicle charging. On site electricity 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.

GHG emissions (Mt CO_2e)*	2019	2021	2022	2023	2024	**2025**
Scope 1	719,600	674,600	705,500	697,100	691,400	**684,500**
Scope 2 location-based	375,400	375,600	350,600	340,600	324,600	**303,400**
Scope 2 market-based	300,900	240,900	217,500	170,600	164,400	**23,800**
Total Scopes 1 & 2 (market-based)	1,020,500	915,500	923,000	867,700	855,800	**708,200**
GHG emissions intensity per employee (Scopes 1 & 2 market-based)	16.57	13.75	13.57	12.05	11.41	**9.44**
Scope 3[1]	5,170,800	5,521,900	4,939,500	4,857,700	4,518,100	**4,631,800**
Total GHG emissions across Scopes 1, 2 (market-based), and 3[1]	6,191,300	6,437,400	5,862,500	5,725,400	5,373,900	**5,340,100**

* (a) We engaged an external third-party to perform a limited assurance engagement over select 2025 GHG emissions metrics. Scope 1 & 2 GHG Emissions, as well as 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. For details on the inventory and methodology please reference the Report of Independent Accountants (2025 GHG assurance letter), accessible on the Sustainability Resources page of our corporate website.

(b) The limited assurance engagement for 2025 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.

(c) The operational control approach is used, only facilities over which our Company has operational control are included in the Scope 1 & 2 GHG emissions inventory.

(d) 2019 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years data.

(e) 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.

(f) All values are rounded. As a result, the total values shown may not equal the sum of the individual source totals.

[1] In 2025, we re-baselined due to updates in our methodology from the launch of a new digital platform for Scope 3 GHG Emissions calculations. Relevant changes include change of spend-based emissions factor library from U.S. EEIO to CEDA, and the use of a higher percentage of supplier specific emission factors. Our 2019-2025 Scope 3 performance data and goal progress were updated accordingly.

Scope 3 GHG emissions details (Mt CO_2e)*	2019	2021	2022	2023	2024	**2025**
Category 1: Purchased goods and services[1]	3,592,100	4,136,000	3,690,200	3,611,300	3,391,000	**3,527,300**
Category 2: Capital goods[1]	366,300	438,400	360,000	319,500	221,400	**260,300**
Category 3: Fuel and energy-related activities not included in Scopes 1 & 2[2]	205,500	218,900	216,500	209,800	208,600	**205,100**
Category 4: Upstream transportation and distribution[1]	199,700	229,000	246,400	228,000	225,000	**219,400**
Category 5: Waste generated in operations (excluding recycled and composted waste)[3]	89,000	103,300	108,500	85,800	93,500	**81,400**
Category 6: Employee business travel[4]	287,100	36,500	64,600	204,100	199,000	**158,000**
Category 7: Employee commuting[5]	123,300	67,700	67,000	90,900	92,200	**92,200**
Category 9: Downstream transportation and distribution[6]	124,800	134,800	87,100	16,200	8,200	**8,000**
Category 11: Use of sold products[7]	16,500	16,200	25,500	23,600	18,600	**19,900**
Category 12: End-of-life treatment of sold products[8]	164,600	137,100	66,800	59,600	47,500	**42,600**
Category 14: Franchises[9]	2,000	4,000	6,900	8,900	13,100	**17,500**
Total	5,170,800	5,521,900	4,939,500	4,857,700	4,518,100	**4,631,800**

* (a) Our 2025 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.
(b) In 2025, we re-baselined due to updates in our methodology from the launch of a new digital platform for Scope 3 GHG emissions calculations. Relevant changes include change of spend-based emissions factor library from U.S. EEIO to CEDA, and the use of a higher percentage of supplier-specific emission factors. Our 2019-2025 Scope 3 performance data and goal progress were updated accordingly.
(c) 2019 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years data.
(d) 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.
(e) All values are rounded. As a result, the total values shown may not equal the sum of the individual GHG totals.

[1] Based on vendor activity data where available, or economic input-output modeling using spend data and CEDA and IPCC emission factors.

[2] Based on primary fuel and energy-use data and emission factors from IPCC, DESNZ, IEA, Australian NGA, Green-e® Residual Mix, AIB European Residual Mix, New Zealand Measuring Emissions Guide, and EPA eGRID.

[3] Based on primary waste data and emission factors from IPCC and DESNZ.

[4] Based on primary travel vendor data with Thrust Carbon calculations or employee-reimbursable mileage with emission factors from EPA Emissions Factor Hub, DESNZ , Australian NGA, and New Zealand Measuring Emissions Guide.

[5] Based on number of employees and emission factors from EPA Emission Factor Hub and DESNZ. Calculations consider commuting days, on-site EV chargers, and vanpool, where data is available.

[6] Based on activity data for the products shipped via our wholesalers transportation and emission factors from DESNZ and ecoinvent.

[7] Due to recent acquisitions, we are currently evaluating the applicability of additional products to this category. Includes Animal Health products ENGEMYCIN® (oxytetracycline), NEO SPRAY CAF® (oxytetracyclinum), OXYTETRIN® LA (oxytetracycline), as well as sales in the U.S. of Biomark, Hyperinfusion, Falcon, and Vaki products. GHG Emissions are based on amount of propellant per product sold and IPCC emission factors or by lifetime energy consumption and IEA emission factors. In 2025, we added Vaki products, 2019-2025 performance data were updated accordingly.

[8] Based on packaging material data and emission factors from IPCC and DESNZ. Calculations assume all primary, secondary and tertiary packaging purchased is disposed of by our customers.

[9] Based on revenue data for licensed products and the Scope 1 & 2 portion of CEDA emission factors.

Total Carbon Offsets (Mt)	2022	2023	2024	**2025**
Total Carbon Offsets—South San Francisco[1]	1,895.12	3,968.80	2,931.56	**2,173.91**

[1] 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 of our corporate website for more information on our Carbon Offset Portfolio.

Air pollutant emissions by type (Mt)*	2021	2022	2023	2024	**2025**
Nitrogen oxides (NO_x)	342	373	382	373	**353**
Sulfur oxides (SO_x)	23	30	30	23	**22**
Volatile organic compounds (VOCs)	351	333	293	278	**269**
Ozone Depletion Potential (ODP)	0.21	0.70	0.14	0.47	**0.045**

* (a) Data are estimated using conservative assumptions and factors, not measured or weighed.
(b) 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

We have achieved our 2025 water goal to maintain water use at or below 2015 levels. Water use increased slightly from 19.3 million cubic meters in 2024 to 19.5 million cubic meters in 2025. Water withdrawal is variable based on manufacturing and research activities year to year. Approximately 13 percent of the total water we used in 2025 was supplied from surface water sources, 50 percent was supplied by groundwater sources, and the balance was sourced from third-party water suppliers. Total water reused, recovered, or recycled decreased by 0.6 million cubic meters in 2025 compared to 2024. This was due to reduced water reuse at our largest water use site following an operational change.

Water Goal

	2023	2024	**2025**	
In 2025, we achieved our goal to maintain global water use at or below 2015 levels	16% below 3.6 million m^3	16% below 3.6 million m^3	15% below 3.4 million m^3	Achieved

Water use by source (million m^3)*	2015	2021	2022	2023	2024	**2025**
Groundwater	12.0	9.7	10.1	10.0	9.9	**9.8**
Fresh surface water[1]	3.9	2.6	2.0	2.0	2.2	**2.6**
Brackish or sea water[1]				0.0	0.0	**0.0**
Third-party water	7.0	7.1	7.0	7.3	7.3	**7.1**
Total	23.0	19.3	19.1	19.4	19.3	**19.5**

* (a) 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.
(b) 2015 data is presented as a baseline year to demonstrate progress against our goal in addition to the most recent five years of data.
(c) All values are rounded. As a result, the total values shown may not equal 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)*	**All areas (total)**	**Areas of extremely high or high stress WRI Aqueduct Water Risk Atlas Output**	**Areas of stress after internal risk assessment methodology**
Groundwater	**9.8**	**0.1**	**0.0**
Fresh surface water[1]	**2.6**	**0.0**	**0.0**
Brackish or sea water[1]	**0.0**	**0.0**	**0.0**
Third-party water	**7.1**	**2.5**	**0.6**
Total	**19.5**	**2.6**	**0.6**

* All values are rounded. As a result, the total values shown may not equal 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 reused, recovered, or recycled (million m^3)	2022	2023	2024	**2025**
Total water reused, recovered, or recycled	1.0	1.5	2.1	**1.5**

Water discharge by receiving water body (million m^3) (2025)*	**All areas (total)**	**Areas of extremely high or high stress WRI Aqueduct Water Risk Atlas Output**	**Areas of stress after internal risk assessment methodology**
Groundwater	**0.0**	**0.0**	**0.0**
Fresh surface water	**9.1**	**0.0**	**0.0**
Brackish or sea water	**0.1**	**0.0**	**0.0**
Third-party treatment	**5.4**	**1.5**	**0.3**
Total	**14.7**	**1.5**	**0.3**

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

Waste

We have achieved our 2025 operational waste goals: sending no more than 20% of our global operational waste to landfills and incinerators (without energy recovery), and having at least 50% of our sites send zero waste to landfill. The percentage of waste sent to landfill and incineration increased from 11% in 2024 to 12% in 2025. The number of sites sending zero waste to landfill increased from 63% to 64%. Our total amount of waste generated decreased when comparing 2025 to 2024 due to changes in our Company network and variations in production.

Waste Goals

	2023	2024	**2025**	
In 2025, we achieved our goal of sending no more than 20% of our global operational waste to landfills and incinerators (without energy recovery)	15%	11%	12%	**Achieved**
In 2025, we achieved our goal of at least 50% of our sites send zero waste to landfill	55%	63%	64%	**Achieved**

Global operational waste (% of total waste)*

	2021	2022	2023	2024	**2025**
Incinerated (without energy recovery)	28%	12%	10%	7%	**8%**
Landfilled	5%	4%	5%	4%	**4%**
Total (2025 Goal <20%)	33%	16%	15%	11%	**12%**

* (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)*

	2021	2022	2023	2024	**2025**
Recycled	9,824	6,878	7,735	9,150	**5,740**
Energy recovery	14,029	28,964	23,173	25,520	**22,381**
Composted	0	0	0	0	**0**
Landfilled	315	92	100	58	**52**
Other	2,824	2,814	2,220	2,157	**2,544**
Reused	1,510	683	643	625	**132**
Incinerated (without energy recovery)	22,086	9,109	6,085	5,927	**5,110**
Total	50,588	48,540	39,957	43,436	**35,959**

* (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 are rounded. As a result, the total values shown may not equal the sum of the individual source totals.

Non-Hazardous waste (Mt)*	2021	2022	2023	2024	**2025**
Recycled	13,073	13,668	12,840	14,952	**13,080**
Energy recovery	7,066	10,115	8,620	10,623	**10,223**
Composted	5,872	5,672	6,948	17,632	**12,969**
Landfilled	3,702	3,643	3,719	3,565	**3,058**
Other	266	121	486	92	**160**
Reused	583	693	751	713	**754**
Incinerated (without energy recovery)	850	881	1,000	852	**1,253**
Total	31,412	34,793	34,364	48,428	**41,497**

* (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 are rounded. As a result, the total values shown may not equal the sum of the individual source totals.

Total waste (Mt)*	2021	2022	2023	2024	**2025**
Recycled	22,897	20,546	20,575	24,102	**18,820**
Energy recovery	21,095	39,079	31,793	36,143	**32,604**
Composted	5,872	5,672	6,948	17,632	**12,969**
Landfilled	4,017	3,735	3,819	3,623	**3,110**
Other	3,090	2,935	2,706	2,249	**2,704**
Reused	2,093	1,376	1,394	1,338	**886**
Incinerated (without energy recovery)	22,936	9,990	7,085	6,779	**6,363**
Total	82,000	83,333	74,320	91,865	**77,455**

* (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 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 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.

Topics covered:

- Ethical corporate behavior
- Customer health and safety
- Supplier management
- Human rights
- Privacy and data security
- Government relations

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)

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 raise and report misconduct without fear of retaliation and where our values guide our commitment to ethical corporate behavior.

Policies

Code of Conduct

Our culture and values

External charters, principles, and initiatives we endorse or 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

GRI/SASB disclosures in this section:

GRI 2-26 GRI 205 GRI 205-2 GRI 206

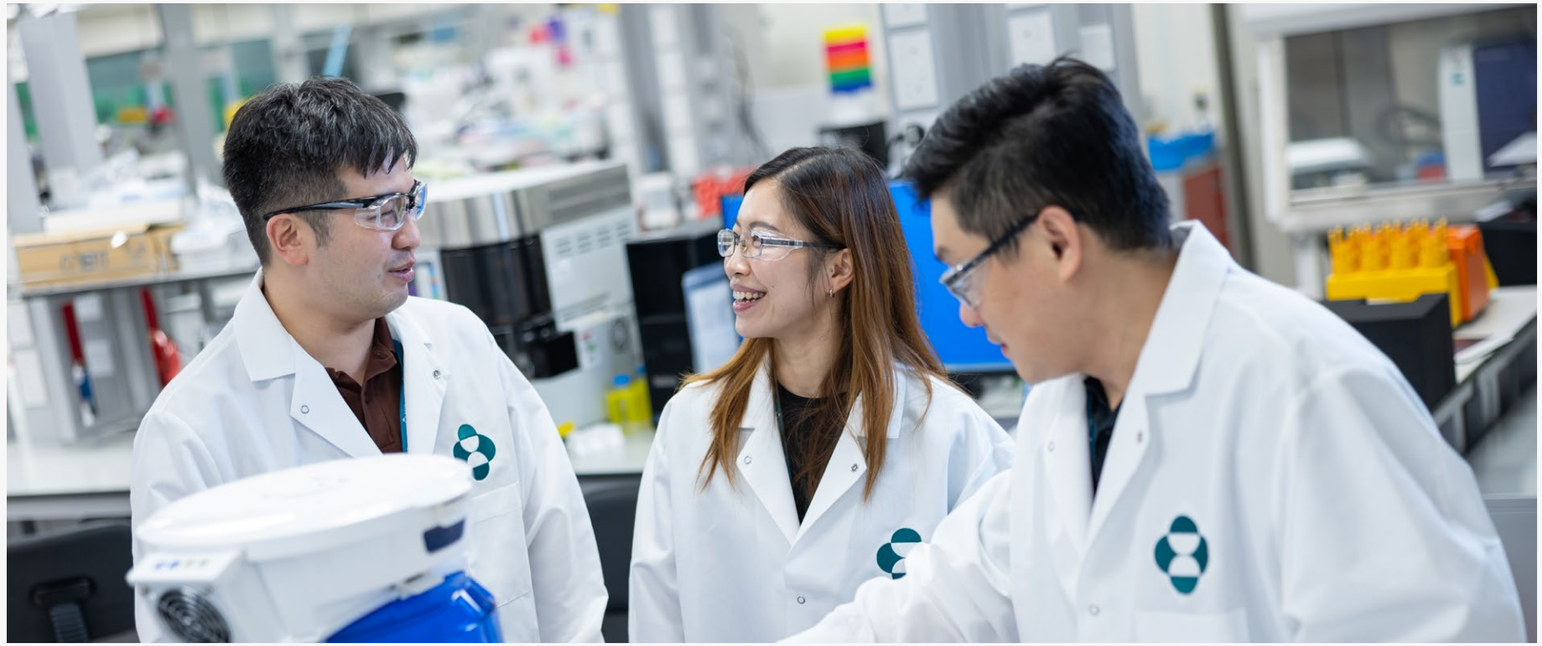
Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

Ethics & Values Goal

	2023	2024	**2025**	**3-year outcome**
Foster an ethics 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	On track	**On track**	**Achieved**

[1] 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." In 2021, we developed the "Willingness to Report" question to align with evolving best practices. This question was first included in our Pulse survey in March 2022, and 2022 data are used as the baseline against which 2023 through 2025 data are compared.

See page 15 for our newest Ethics & Values goals and commitments.



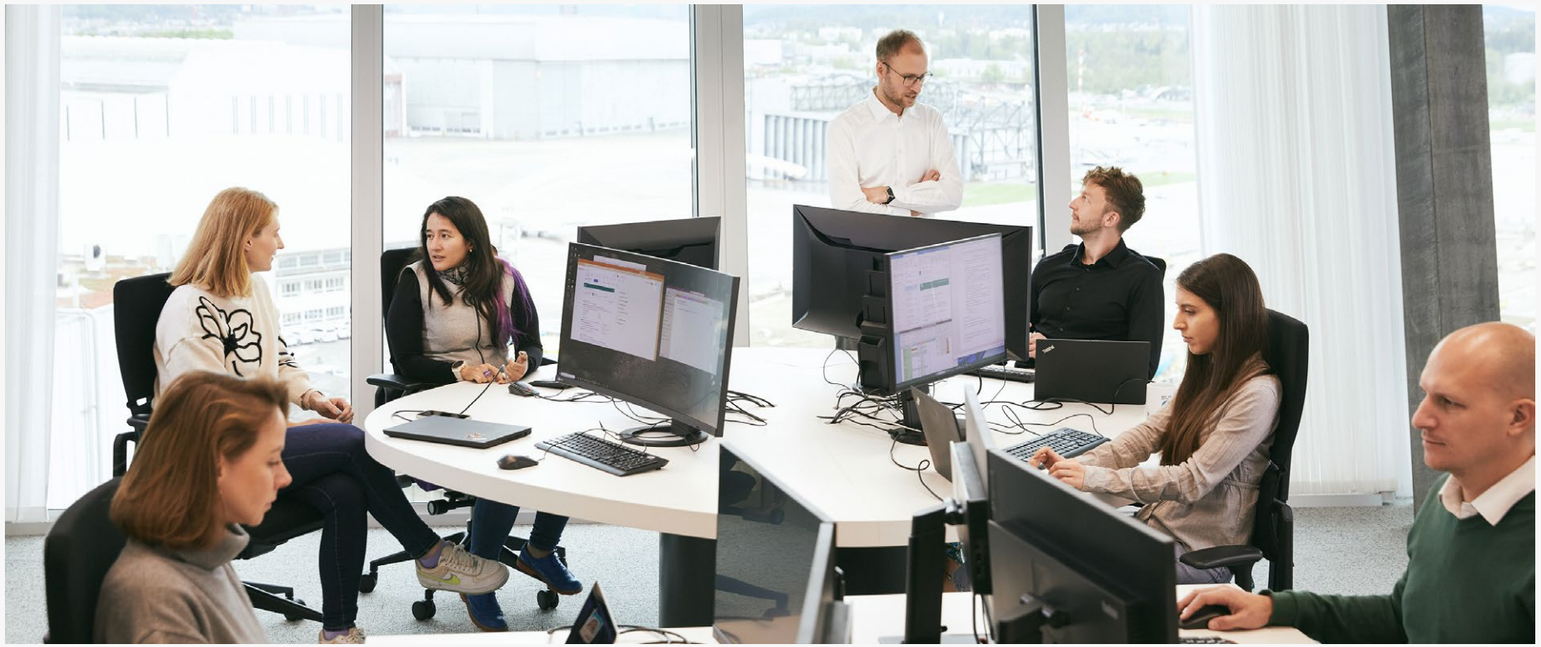
Our approach to ethical corporate behavior

Our Code of Conduct

Our Code of Conduct supports our employees' values-based decision-making and empowers our employees to uphold our ethical standards in their day-to-day work. Updated regularly, our Code of Conduct is offered in both digital and PDF formats in 21 languages, making it easily accessible regardless of language and technological preferences.

In addition to guiding employees in how to navigate complex situations, our Code of Conduct encourages them to report ethical concerns and explains how to do so.

*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, International Legal & Compliance, or 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 third parties 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 culture of ethics and integrity

The Ethics & Compliance Office manages our Global Ethics Program, which includes a range of educational campaigns and communication activities. Many of these initiatives encourage a culture where employees feel safe to raise and report misconduct without fear of retaliation and raise awareness of the channels for reporting such potential concerns. We also inform employees of the process we follow once a concern is reported.

The Ethics & Compliance Office partners with a network of site-based, volunteer ethics ambassadors outside of the U.S. These ambassadors are advocates for raising and reporting misconduct through our designated reporting channels 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 2025, more than 99% of our employees completed the assigned training, which covers our Code of Conduct, raising and reporting concerns, conflicts of interest, privacy, anti-bribery, and anti-corruption.

We provide additional training on anti-bribery and anti-corruption for employees who work with non-U.S. government officials. Additionally, we 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. FDA promotional regulations.

In addition to our mandatory Ethics & Integrity training series, we assign employees training on relevant policies based on their roles and responsibilities. For example, our sales representatives are required to complete roles-based sales and product training designed to support compliance with applicable laws, regulations, and Company policies. 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	2021	2022	2023	2024	**2025**
Employees completing our Leading with Ethics & Integrity training series[1]	>99%	>99%	>99%	>99%	**>99%**

[1] For 2025, 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. Although only certain employees are required to participate in our potential conflict of interest disclosure process annually, our disclosure system 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 the associated risks.

As part of the disclosure process, we also require employees to certify compliance with our corporate policies on preventing bribery and corruption, 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 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 119-137 for a listing of our disclosures from our prioritized frameworks.

Our approach to customer health and safety

Our strategy sustains quality and compliance excellence through focused digital technologies, effective oversight, 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.

Number of GCP/pharmacovigilance (PV) inspections resulting in significant fines, penalties, warning letters, or product seizures	2021	2022	2023	2024	**2025**
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 9 PV inspections of the Company conducted in 2025.

[2] There were 14 GCP Inspections of the Company conducted in 2025.

Please visit the U.S. FDA MedWatch website for more information on product safety alerts and for up-to-date information on fatalities associated with product use.

*For more information on our approach to representation in clinical trials, please see page 25 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.

Product safety and risk management

We are committed to continuously monitoring the safety of our human and animal health products throughout their lifecycle. Our rigorous safety and risk management practices help protect the people and animals who rely on our products. We maintain comprehensive, Company-wide systems for collecting, reviewing, and reporting adverse events (AEs), supported by ongoing assessments of product safety to identify and address potential risks as they emerge.

Through ongoing safety reviews, we identify and address emerging risks associated with our products. This approach helps ensure that product labeling and guidance remain accurate, current, and aligned with regulatory requirements. As new information becomes available, we evaluate the benefit-risk balance to support the continued safety and efficacy of our products, reinforcing our commitment to those who depend on them.

Product packaging

Our product packaging includes information on potential adverse reactions and other risks that may be serious or clinically significant. Contact information is provided on both our product packaging and corporate websites to support the reporting of AEs by patients, caregivers, human and veterinary health professionals, and other sources in the U.S. For individuals outside the U.S., AEs should be reported in accordance with applicable local laws and regulations.

Product labeling

Ensuring the accuracy of our product labels is central to our commitment to safety. We monitor product information on an ongoing basis and update labeling as needed, communicating relevant changes to regulatory authorities worldwide.

Health literacy

In Human Health, health literacy refers to an individual's ability to find, understand, and use information and services to make informed health-related decisions for themselves and others. We recognize the importance of improving the health literacy of our information for patients and customers and we aim to equitably support individuals who use our products—or their caregivers—in accessing and applying this information effectively. Our global health literacy policy establishes consistent standards for developing resources and materials for the people we serve.

Applying health literacy principles outlined in the policy helps ensure our communications are clear, concise, understandable, and actionable when they are read, heard, or seen. The Health Literate Glossary, available in multiple languages and reviewed for cultural competency, supports patient and public materials and our Company glossary is now accessible to the general public and to investigators. In addition, our FDA-authorized patient labels incorporate feedback from participants across a range of health literacy levels, resulting in labels that help patients use medications safely and effectively.

Together these global resources reflect our ongoing commitment to improving the health literacy of our resources and materials.

Product quality

We operate in a highly complex and ever-changing regulatory landscape. Specifically, we use technological advancements like integrated IT tools, 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.

Counterfeit products

We invest in an industry-leading, rigorous, and intelligence-led Product Integrity strategy focused on protecting patients, consumers, and our Company reputation from harm associated with counterfeit, diverted, or otherwise illicit medicines. Our Global Security group oversees our strategy and its execution. 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 national and international organizations in fighting counterfeit and other illicit pharmaceutical products. We aim to raise awareness of the issue and to educate the public and other relevant stakeholders about the risks of counterfeit and illicit 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. Through active partnerships with other pharmaceutical companies and organizations focused on security, patient safety, consumer protection, and public health, we advocate for high-priority anti-counterfeiting and illicit trade policy initiatives.

These collaborative efforts promote the intelligence-sharing needed to combat threats from counterfeit and other illicit medicines, such as through white papers, reports, and data circulation initiatives.

The anti-counterfeiting data below outlines the number of new suspected and substantiated counterfeit events in 2025 and for the previous four years. The data reflects the status of each event for all years as of January 15, 2026.

In 2025, our Global Security Product Integrity team addressed 2,592 new product integrity events in 95 locations worldwide. These events included both externally reported and internally initiated cases involving counterfeit, diversion, supply chain security, tampering, and brand security concerns related to non-MSD or unapproved generic products. Approximately 11% of these events were proactively initiated by the Global Security Product Integrity team to identify emerging threats and to further assess and mitigate known risks.

We also support meaningful enforcement actions as a strategic priority. In 2025, our Product Integrity efforts contributed to 188 arrests that we were made aware of and the seizure of 3,239,261 units of counterfeit or illicit versions of 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 575 unique questioned samples received as evidence in our forensic labs and prepared for forensic testing in 2025. Globally, we also have field-based forensic detection devices to analyze and detect counterfeits.

Product recalls*	2021	2022	2023	2024	**2025**
Product recalls: Global	15	5	10	4	**7**
Product recalls: ex-U.S. (including Puerto Rico)	13	2	6	3	**5**
Units subject to recall: Global[1]	1,839,656	109,473	20,340,166	13,242	**54,034**

* 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.

[1] (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.

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 2025, Global Security trained approximately 7,685 law enforcement officials in 24 locations on the safety risks associated with counterfeit and diverted medications.

Internally, Product Integrity trains employees on identifying and reporting suspected counterfeit, diversion, and tampering (CDT) events. In 2025, this training reached more than 123,151 employees and contractors globally.

Supply Chain Integrity

Supply Chain Security

We maintain standards, policies, and initiatives to proactively protect the legitimate end-to-end supply and 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 and evaluating threats to our supply network, and vulnerabilities in the supply chain, to provide the right solutions that minimize risk. We have resources globally to manage our security programs, identify critical touch points, collaborate with stakeholders, and investigate security incidents. Through our dedicated intelligence, analysis, and innovation resources, we are equipped to adapt and respond to changing and newly emerging security risks, and enhance the security and visibility of our products through the assessment of emerging technologies and process efficiencies.

As a certified importer under the U.S. Customs Trade Partnership Against Terrorism (CTPAT) 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.

Product Security

Counterfeits are becoming increasingly indistinguishable from authentic products with commercial scale capacity. Robust product security is needed to distinguish the illicit products from real. In 2025, we utilized an AI-based platform in field-based assessments of suspected counterfeits. This platform uses AI to assess images of the suspect against expected artwork. The field-based assessments were successful in the identification of suspect and authentic products, and we look to expand the use of this tool in the field.

Also in 2025, we finalized an assessment of a digitally enabled anti-counterfeiting technology which uses a mobile phone to verify uniquely printed packaging features. This technology is being piloted in 2026 on a critical product in a high-risk market. Further adoption of this technology is expected in late 2026. This technology is being evaluated for integration with serialization checks to create a powerful, multi-factor authentication platform to further enhance our product's security.

Serialization, the addition of a 2D barcode with a unique identification number on each package that goes to market, is required in many global markets. Serialization can enable visibility of a product's movement throughout the supply chain. In 2025, we continued to utilize serialization in both required markets as well as voluntarily serializing in markets without a regulatory requirement. We continue to evaluate ways to utilize the full potential of serialization in combination with other features as product security tools.

For more information on patient access and product availability, see the Availability section on page 27.

Anti-counterfeiting*	2021	2022	2023	2024	**2025**
Investigations of suspected counterfeit products[1]	1,045	883	1,251	1,493	**1,537**
Substantiated cases of counterfeit products	114	237	295	737	**554**

* Prior-year data have been adjusted to reflect the current status of each event as of January 15, 2026.

[1] Evidence from ongoing investigations of suspected counterfeit products can result in recategorization.

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

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

Policies

Business Partner Code of Conduct

Supplier performance expectations

Supply chain security

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 we endorse or that 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 Global Supplier Management Group (GSMG) 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 establish expectations, assess risk, support supplier development, and manage performance.

GSMG drives our Sustainable Sourcing program and maintains the standards and processes we use to identify, qualify, and manage suppliers.

Our Sustainable Sourcing program is an integral part of our GSMG strategy and includes 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. Elements of the program include:

- 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 67-95)
- 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 both 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 and 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 27-29.

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 114-115.

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 1 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 potential LHR risk.

We use a 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.

Engagement

Engaging and seeking input from relevant stakeholders, including GSMG, Ethics & Compliance, Legal, and Global Safety and Environment (GSE)—This engagement and collaboration help gather input and guidance from subject matter experts.

Collaboration

Working with Pharmaceutical Supply Chain Initiative (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 Pharmaceutical Supply Chain Initiative membership is to help our suppliers identify social issues proactively and maintain the resources needed to address them.

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 environmental assessment

We integrate environmental sustainability principles into each stage of our supplier management program. Our Global Supplier Management Group (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 67-95.

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 2025, all assessments referenced in the table below were performed in person.

External manufacturing EHS assessments	2021	2022	2023	2024	**2025**
Prospective external manufacturers	42	27	49	47	**45**
Current external manufacturers	54	51	80	55	**54**
Total	96	78	129	102	**99**

Economic inclusion

Economic Inclusion enables us to procure products and services from an array of businesses ranging in location, ownership, and specialization. Core to GSMG, Economic Inclusion is a pathway for suppliers, including small and medium businesses, to access opportunities within our supply chain. Our work makes positive impacts on local economies and every $1 million invested with suppliers yields $2.1 million in economic activity, creates 13 new jobs, and adds $600,000 in wages. For forty years, we have recognized the value of Economic Inclusion because it's who we are, have been, and continue to be.

Small business spend: U.S. (in millions)	2021	2022	2023	2024	**2025**
Small-business spend: U.S.	1,027	1,088	1,550	1,566	**1,591**

For more information on our overall GD&I strategy, please see pages 57-59.

Celebrating 40 Years of Economic Inclusion: A Milestone Moment

Our Economic Inclusion 40th Anniversary Celebration, held in September with over 200 participants, marked a powerful milestone—four decades of partnership, progress, and purpose. The event brought together leaders, valued suppliers, community partners, and colleagues from across the organization to honor the remarkable journey of our Global Economic Inclusion Program. To ensure global participation, the celebration was also made available online via webcast for our colleagues around the world.

The day featured key highlights, including a special proclamation from the Governor of New Jersey and a second proclamation from the City of Rahway, home of our global headquarters. State and local leaders shared inspiring reflections on our Company's unwavering commitment to supplier inclusion and the far-reaching impact this work has had on communities throughout the world.

Attendees enjoyed a historical showcase led by our archival partner, providing a rare look into the evolution of our program and spotlighting several longstanding supplier collaborators. Senior leaders facilitated forward-looking discussions centered on expanding economic opportunities across the enterprise.

From networking sessions and a community impact showcase to guided campus tours, the celebration delivered a comprehensive experience—honoring our history while energizing the vision for what comes next.

The event culminated in an awards ceremony recognizing the dedication of our colleagues and the invaluable partnerships that have propelled our mission for 40 years. Together, the anniversary event celebrated not only our past achievements but also the bold steps we continue to take to create meaningful opportunities for all—within our Company and throughout the communities we serve.

Connecting Possibilities: 2025 Global Economic Inclusion Virtual Lab

In 2025, we continued our commitment to connecting virtually with our small business supplier community. We collaborated with our procurement teams globally to host a Global Economic Virtual Lab for suppliers. This event effectively provided small business suppliers with opportunities for one-on-one business meetings. More than 120 suppliers participated in procurement category-specific breakout sessions, further encouraging enhanced engagement and knowledge sharing. In addition, 89 one-on-one meetings were held, with follow-up engagement for high-potential suppliers to support ongoing relationship development.

The event was designed to help create connections between contractors and the key decision-makers in our procurement teams. We encouraged participation from small business suppliers across various areas and regions including construction, integrated logistics, marketing, professional services, site services, and direct materials, among others. Attendees had the opportunity to present and network directly with decision-makers and receive feedback on the outcomes of their interactions.

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 2-23 GRI 2-24 GRI 2-25 GRI 2-26

Please see the Reporting Indices section on pages 119-137 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

External charters, principles, and initiatives we endorse or 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 Statement 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 2025, we established a cross-functional Human Rights Working Group (HRWG) to further strengthen our human rights program, including through enhanced stakeholder engagement. The HRWG serves as a center of excellence, providing guidance and support to both corporate and local teams to promote a unified approach to identifying and managing human rights risks. The HRWG operates under a defined governance structure that is aligned with our Company's sustainability governance bodies (see the "Sustainability Governance" section for further details on page 10). In addition, we updated our Business Partner Code of Conduct to enhance its coverage of human rights issues and to align with the Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management.

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 reporting 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 also 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, Social Impact & 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 Mandatory Training (EMT) program to help maintain employee awareness and understanding of our expectations. Examples of human rights-related topics that our EMT program covered in 2025 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 raising and reporting misconduct.

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 sets clear expectations that suppliers and business partners uphold workers' human rights, treat workers with dignity, respect the protection of internationally proclaimed human rights, and avoid complicity in human rights abuses.

For more information on our social assessments for suppliers, please see page 109.

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, which 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.

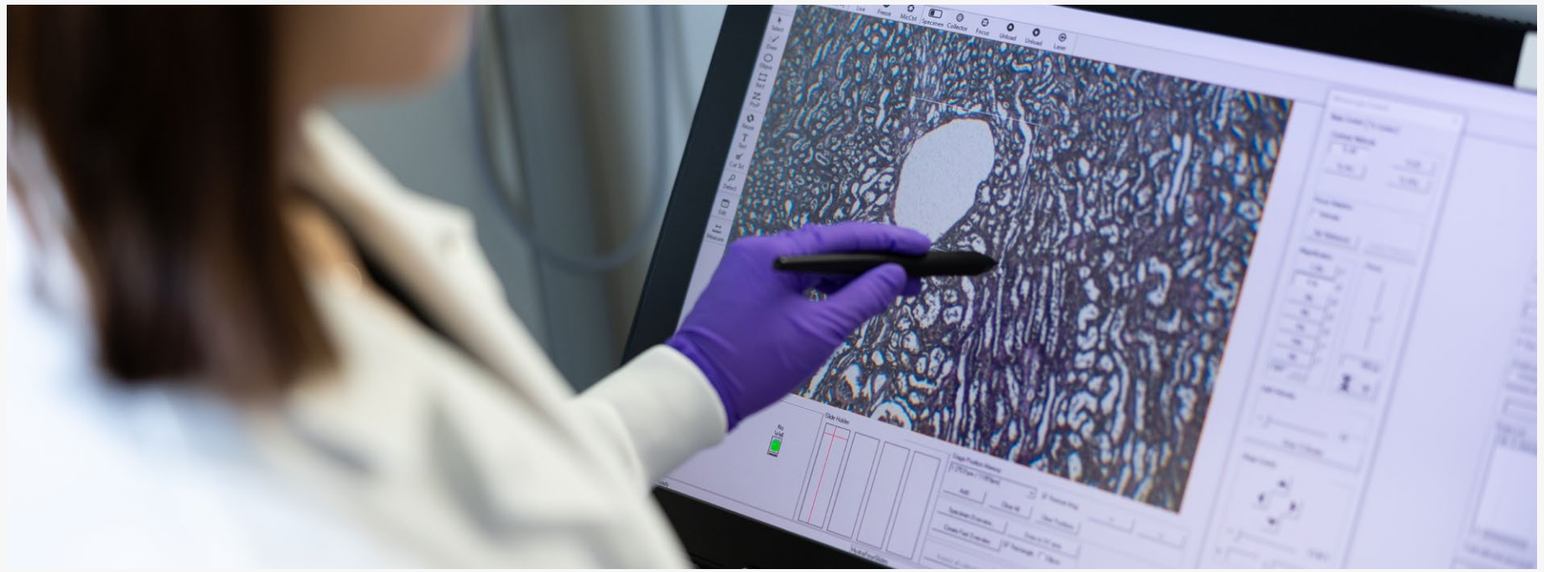
In addition, we continue to improve our comprehensive, global, state-of-the-art information security and cyber resiliency program.

Ethics & Values Goal

	2021	2022	2023	2024	**2025**	
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	100% compliance maintained	100% compliance maintained	100% compliance maintained	100% compliance maintained	Achieved

[1] Regulatory requirements differ by region.

See page 15 for our newest Ethics & Values goals and commitments.



GRI/SASB disclosures in this section:

GRI 418 GRI 418-1

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

Our approach to privacy and data security

Over the past two decades, we have established and continually enhanced a comprehensive global privacy program that embeds organizational accountability for privacy and data protection across our operations and within our partner and supplier ecosystem. Notably, we have achieved and continue to maintain Binding Corporate Rules (BCRs), our Global Cross-Border Privacy Rules System certification, and EU-U.S. Data Privacy Framework certification.

We recognize the exceptional potential that AI holds for enabling our Company to innovate and improve the lives of patients worldwide as well as to enhance business processes. However, we are also aware of the potential risks associated with AI, including privacy considerations. Our privacy program plays an important role in evaluating and managing the privacy-related risks that may arise from the use of AI.

Global privacy program

Our global privacy program is rooted in accountability, data stewardship, consistent global standards and practices, and organizational oversight. Our Chief Ethics and Compliance Officer reports to the General Counsel and leads the Global Privacy Office. Our General Counsel 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 periodically to discuss the strategic direction of our program.

Anchored to the legal requirements of the EU General Data Protection Regulation (GDPR), our program is designed to ensure continued compliance in a dynamic and evolving regulatory landscape. In the U.S., an increasing number of states have enacted privacy laws of some kind, and countries around the world continue to develop their privacy and data protection legal frameworks. Cross border data transfers have become increasingly complex and AI regulations are emerging with increasing frequency and complexity. To keep pace with these changes, we conduct regular regulatory scanning, assess whether new laws and regulations have the potential to impact existing business operations, counsel internal stakeholders on privacy compliance, and engage proactively with law and policymakers and renowned international initiatives and forums.

At the heart of our program is a set of core privacy processes and a network of more than 300 privacy stewards embedded across divisions globally. Our core processes are designed to translate regulatory requirements into consistent, practical controls and requirements that protect personal data, manage risk, and enable responsible, compliant data use across the organization. The steward network facilitates the implementation of these processes and requirements and also measures program maturity through a combination of annual privacy self-assessments at the entity and organization level, and through internal, comprehensive privacy audits.

We also provide annual mandatory privacy and cybersecurity training for our employees. These trainings are designed to help our workforce understand their data protection responsibilities and stay informed about evolving regulatory expectations, as well as to further our commitment to fostering a strong culture of privacy and information security awareness. Our privacy training program is multifaceted and includes onboarding training, privacy fundamentals, and role-based mastery.

Critically, we have a well-established global process for reporting and managing privacy incidents. The first step of this process is to verify the facts reported and to substantiate the concerns. In 2025, we received 375 substantiated privacy concerns, which marks a 21% increase compared to the previous year. We believe that training and awareness focused on data handling and security contributed significantly to this increase. Notwithstanding the overall increase, the data breach notification rate remained stable, with 11 out of 375 incidents deemed reportable to data protection authorities or data subjects.

Global privacy program	2021	2022	2023	2024	**2025**
Concerns regarding privacy practices, breaches of privacy, and losses of personal data that were substantiated[1]	425	217	302	309	**375**
Privacy breaches requiring notification by our Company to individuals or government authorities	3	4	10	8	**11**

[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) Consistent network traffic monitoring and increased privacy and cybersecurity awareness efforts resulted in reduced number of privacy incidents in 2022.
(c) 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.
(d) Privacy incidents reporting levels remained stable for 2025.
(e) Training and awareness efforts focused on data handling and security contributed to the increase in 2025.

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 of saving and improving 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 nine 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.

GRI/SASB disclosures in this section:

GRI 2-28 GRI 415 GRI 415-1

Please see the Reporting Indices section on pages 119-137 for a listing of our disclosures from our prioritized frameworks.

Policies (U.S.)

Independent expenditures

Trade association dues

CPA-Zicklin Index

For the last nine 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.

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 $1,019,850 in U.S. corporate political contributions at the state level in 2025. A large portion of these funds was used to support the campaigns of 377 candidates in 30 states. The party breakdown of the contributions for individual candidates was approximately 39% Democratic and 61% Republican. Republicans held a majority in 59 chambers and Democrats held a majority in 39 chambers.

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 2025, our PAC spent a total of $574,650. These contributions included financial support for the campaigns of 197 candidates in 39 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 2025, 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 2025:

- 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 this list.*

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.

*The most recent assessment is available on the **Sustainability Resources page** of our corporate website.*

Information on our approach to climate change is on pages 68-74.

Through our top three trade associations, in 2025, we engaged on the following policy issues at the U.S. federal level:

- Medicare Part B
- Medicare Part D
- Pharmacy benefit manager (PBM) reform
- Protecting a strong immunization infrastructure
- Supporting science-based trade policy

We also engaged on the following policy issues at the U.S. state level in 2025:

- 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
- Animal welfare and research

In addition, we engaged on the following policy issues in Europe in 2025:

- 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
- Supporting science-based trade policy
- Animal welfare and the science-based solutions provided by our new technology portfolio

Reporting indices

To ensure our progress is both measurable and transparent, we align our disclosures with globally recognized frameworks. The indices below detail our performance and guide our ongoing commitment to accountability and sustainable business practices.

Indices included in this report

Global Reporting Initiative (GRI)

SASB Standards

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 3
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 2025 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, 2025, to December 31, 2025. In some cases, the narrative in the report also includes content regarding decisions and initiatives that took place in the first half of 2026. Our last Impact Report was published in August 2025. 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@msd.com 908-740-4000 msd.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 2025 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 106-111
2-7	Employees	Pages 43-66
2-8	Workers who are not employees	Pages 45, 61-62, 66
2-9	Governance structure and composition	Page 10. Additional information on our Board structure and roles can also be found in our 2026 proxy statement (pages 6-23, 25-26).
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	
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 2026 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 2026 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 2026 proxy statement (pages 40-86). For information on how a measure in our 2025 Company's Scorecard linked the compensation of most employees, including our executives, to certain Sustainability metrics, please see page 53 of our 2026 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 40-86 of our 2026 proxy statement. For information on how a measure in our 2025 Company Scorecard linked 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 2026 Form 8-K filed with the Securities and Exchange Commission on May 22, 2026.
2-21	Annual total compensation ratio	For more information on the CEO pay ratio, and methodology for determining this ratio, please see page 65 of our 2026 proxy statement.
2-22	Statement on sustainable development strategy	Pages 5-6, 8-9
2-23	Policy commitments	Pages 21, 68, 75, 81, 84, 97, 106, 112, 116
2-24	Embedding policy commitments	Pages 21, 68, 75, 81, 84, 97, 106, 112, 116
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, 113
2-27	Compliance with laws and regulations	We did not have any significant instances of non-compliance with laws and regulations in 2025, globally.
2-28	Membership associations	Page 118
2-29	Approach to stakeholder engagement	Pages 12-13
2-30	Collective bargaining agreements	Page 56, Human Rights policies
Material topics		
3-1	Process to determine material topics	Page 11
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, 2025, 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 of this report.
201-2	Financial implications and other risks and opportunities due to climate change	Please visit our 2025 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 19-42, 111
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 106-111
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 #	Description	Response
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 97-100
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 100
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 84-87
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 68-73, 88-91
302-1	Energy consumption within the organization	
302-4	Reduction of energy consumption	

GRI #	Description	Response
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 75-77, 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 78-80
304-3	Habitats protected or restored	
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 68-70, 73-74, 89-92
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_x), sulfur oxides (SO_x), and other significant air emissions	

GRI #	Description	Response
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 81-83, 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 106-108, 110
308-2	Negative environmental impacts in the supply chain and actions taken	Page 110

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, 50-59
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 #	Description	Response
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 60-64
403-1	Occupational health and safety management system	Pages 60-61
403-2	Hazard identification, risk assessment, and incident investigation	Pages 61-64
403-3	Occupational health services	Pages 61-64
403-5	Worker training on occupational health and safety	Pages 62-63
403-6	Promotion of worker health	Page 64, as well as our Well-being Report
403-9	Work-related injuries	Pages 65-66
403-10	Work-related ill health	Page 62-64
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 51
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 57-59
405-1	Diversity of governance bodies and employees	Not reported
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	Page 109

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 116-118
415-1	Political contributions	Pages 117-118
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 101-105
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	Page 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 114-115
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, 101-103
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 19-42
240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Page 29
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
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

SASB #	Description	Response
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	Pages 104-105
260a.2	Discussion of process for alerting customers and business partners to potential or known risks associated with counterfeit products	
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
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

SASB #	Description	Response
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 14, 19, 22, 25-26, 31-33, 36-42
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 112-113, Human Rights policy
2	Businesses should make sure that they are not complicit in human rights abuses	Pages 97, 106-109, 112-113, 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, 106-109, 112-113, 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 57-59, 113
Environment		
7	Businesses should support a precautionary approach to environmental challenges	Pages 67-95, 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 19-42
SDG 2: Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	MSD Animal Health
SDG 3: Good Health & Well-being	Ensure healthy lives and promote well-being for all at all ages	Pages 19-42, 60-66, 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	Pages 43-59
SDG 6: Clean Water & Sanitation	Ensure availability and sustainable management of water and sanitation for all	Pages 75-77
SDG 7: Affordable & Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Pages 68-73
SDG 8: Decent Work & Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	Pages 43-59, 106-111
SDG 9: Industry, Innovation & Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Pages 22-26, 38-42
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 81-87
SDG 13: Climate Action	Take urgent action to combat climate change and its impacts	Pages 68-74
SDG 14: Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Pages 75-80
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 12-13, 18

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. MSD currently is not a signatory to the Stakeholder Capitalism Metrics.

Principles of governance

Metric	Response
Governing purpose	
Setting purpose (Core)	Pages 8-10
Purpose-led management (Expanded)	
Quality of governing body	
Governance body composition (Core)	Page 10. Additional information on our Board structure and roles can also be found in our 2026 proxy statement (pages 11-23, 27-28).
Progress against strategic milestones (Expanded)	Pages 14-16
Remuneration (Expanded)	A full discussion of our remuneration policies for our Board and for Named Executive Officers (NEOs) can be found in our 2026 proxy statement (pages 40-86). For information on how a measure in our 2025 Company Scorecard linked the compensation of most employees, including our executives, to certain Sustainability metrics, please see pages 52-53 of our 2026 proxy statement.
Stakeholder engagement	
Material issues impacting stakeholders (Core)	Page 11
Ethical behavior	
Anti-corruption (Core)	Page 100
Protected ethics advice and reporting mechanisms (Core)	Pages 98, 113
Alignment of strategy and policies to lobbying (Expanded)	Pages 116-118

Metric	Response
Risk and opportunity oversight	
Integrating risk and opportunity into business process (Core)	Pages 10-11

Planet

Metric	Response
Climate change	
GHG emissions (Core)	Pages 68-74, 88-91
Paris-aligned GHG emissions targets (Expanded)	Pages 68-69, 88
TCFD implementation (Core)	Page 69
Nature loss	
Land use and ecological sensitivity (Core)	Pages 78-80
Freshwater availability	
Water consumption and withdrawal in water-stressed areas (Core)	Pages 75-77, 93
Impact of freshwater consumption and withdrawal (Expanded)	CDP
Air pollution	
Air pollution (Expanded)	Pages 74, 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 113, Human Rights policy
Human rights review, grievance impact and modern slavery (Expanded)	Page 113, Human Rights policy
Freedom of association and collective bargaining at risk (Expanded)	Pages 52-53, 109, Human Rights policy
Health and well-being	
Health and safety (Core)	Pages 60-66
Employee well-being (Expanded)	Pages 60-66, 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 22-26, 38-42
Economic contribution (Core)	2025 Form 10-K
Financial investment contribution (Core)	2025 Form 10-K
Significant indirect economic impacts (Expanded)	Pages 22-42
Innovation for better products and services	
Total R&D expenses (Core)	2025 Form 10-K, page 61
Community and social vitality	
Total tax paid (Core)	2025 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 U.S. 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, 2025 and the Company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov).