

Carbon Reduction Plan

Supplier name: Merck Sharp & Dohme (UK) Limited

Publication date: August 2025

Commitment to Achieving Net Zero

MSD has committed to a net-zero target for our greenhouse gas (GHG) emissions across our global operations (Scopes 1, 2, and 3) by 2045, which has been validated by the Science Based Targets initiative (SBTi).

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2019		
Additional Details relating to the Baseline Emissions calculations.		
The 2019 baseline year was selected as the 2019 data set was the latest available during our target setting process.		
Baseline year emissions: 2019 (Global Emissions)		
EMISSIONS	TOTAL (tCO₂e)	
Scope 1	746,900^{1, 12}	
Scope 2	300,900^{2, 12}	
Scope 3 (Included Sources)	6,442,500³	
	<i>Our Scope 3 breakdown is as follows –</i>	
	Category 1 - Purchased goods and services ⁴	4,749,800
	Category 2 - Capital goods ⁴	328,300
	Category 3 - Fuel and energy-related activities not included in Scopes 1 & 2 ^{5, 12}	202,300
	Category 4 - Upstream transportation and distribution ⁴	385,600
	Category 5 - Waste generated in operations (excluding recycled and composted waste) ⁶	18,800
	Category 6 - Employee business travel ^{7, 12}	286,300
	Category 7 - Employee commuting ⁸	293,900
	Category 9 - Downstream transportation and distribution ^{4, 9}	124,800
	Category 11 – Use of sold products ¹⁰	900
	Category 12 - End-of-life treatment of sold products ¹¹	48,300
	Category 14 - Franchises	3,500
Total Emissions	7,490,300	

Current Emissions Reporting

Reporting Year: 2024 (Global Emissions)		
EMISSIONS	TOTAL (tCO ₂ e)	
Scope 1	721,200 ^{1, 12}	
Scope 2	163,000 ^{2, 12}	
Scope 3 (Included Sources)	6,057,900 ³ <i>Our Scope 3 breakdown is as follows –</i>	
	Category 1 - Purchased goods and services ⁴	4,743,200
	Category 2 - Capital goods ⁴	281,700
	Category 3 - Fuel and energy-related activities not included in Scopes 1 & 2 ^{5,12}	170,400
	Category 4 - Upstream transportation and distribution ⁴	423,700
	Category 5 - Waste generated in operations (excluding recycled and composted waste) ⁶	20,800
	Category 6 - Employee business travel ^{7,12}	197,200
	Category 7 - Employee commuting ⁸	178,700
	Category 9 - Downstream transportation and distribution ⁹	11,800
	Category 11 - Use of sold products ¹⁰	1,500
	Category 12 - End-of-life treatment of sold products ¹¹	5,500
	Category 14 - Franchises	23,400
Total Emissions	6,942,100	

Emissions Reduction Targets

Acting on climate change is another way we show how we contribute to a healthier world – because climate change affects the social and environmental determinants of health, such as clean air, safe drinking water, sufficient food and secure shelter. MSD has adopted a set of global environmental sustainability targets to help position our Company to succeed in an increasingly resource-constrained world. These were developed to address the rising expectations of our customers, investors, external stakeholders, and employees regarding the environmental impact of our operations and supply chain.

- Reduce our operational greenhouse gas (GHG) emissions (i.e., Scopes 1 & 2) 46% by 2030, from a 2019 baseline, which has been validated as a Near-Term Target by the SBTi.¹³
- Source 100% of our purchased electricity from renewables by 2025.^{13,14}
- Reduce our value chain (Scope 3) GHG emissions by 30% by 2030 from a 2019 baseline, which has been validated as a Near-Term Target by the SBTi.¹³
- MSD has committed to a net-zero target for our greenhouse gas (GHG) emissions across our global operations (Scopes 1, 2, and 3) by 2045, which has been validated by the SBTi.¹³

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the **2019** baseline. The carbon emission reduction from our scope 1 & 2 (market-based) operations equates to **163,600 tCO₂e**, a **16%** reduction against the **2019** baseline and the below measures will be in effect when performing the contract. In 2024, our Scope 3 GHG emissions increased as compared to 2023. While performance was mixed across our reported categories, an increase in GHG emission in our largest category, Purchased Goods and Services, led to an overall increase in GHG emissions from 2023.

By 2025, in alignment with our environmental commitments, we will source 100% of our UK purchased electricity from renewable sources.

Our UK manufacturing locations hold accredited energy management (ISO 50001) and environmental management systems (ISO 14001). To help meet our climate commitments, manufacturing sites have completed the 'Low Carbon Transition Playbook', a tool to help create a site strategy by identifying gaps, uncovering opportunities, and creating a common platform for assessment of levers and resource deployment across a range of sustainability initiatives.

MSD is actively working to reduce the CO₂e emissions associated with our company vehicles in the UK and globally. Compared to our 2019 baseline, the average emissions (g CO₂e/Km) of our UK running fleet have reduced by 63%. The average emissions (g CO₂e/Km) of new company vehicles ordered in 2024 are 99% lower compared to 2019.

MSD has committed to future consolidation of our London operations, into a new building for both laboratories and offices. In this building, MSD aspires to fit out to a LEED Platinum and BREEAM Outstanding level with Well 2.0 certification. The landlord is also constructing the building shell and core aligned with strict total embedded carbon targets and low energy operational goals as set out in Planning by Camden Council. The building will be electric-only (excluding backup supply), utilizing 100% purchased electricity from renewable sources. MSD also seeks to implement My Green Lab certification in the building for our operations.

For the most up-to-date global progress versus our targets, see our latest MSD Impact Report ¹³.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹⁵ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting^{16,17}.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard¹⁸.

This Carbon Reduction Plan has been reviewed and signed off by the Managing Director of MSD UK and the head of Global Safety and the Environment and has the endorsement of our Company's Executive Management Team.

Signed on behalf of the Supplier:**Marc Steinman**

Electronically signed by: Marc
Steinman
Reason: Approved
Date: Aug 20, 2025 00:58:12 EDT

08/20/2025
Date:



Electronically signed by: Benjamin
Lucas
Reason: Approved
Date: Aug 20, 2025 11:43:48 GMT+1

08/20/2025
Date:

Footnotes:

- ¹ Global Scope 1 emissions in accordance with the WRI Greenhouse Gas Protocol. Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, or vehicles).
- ² Global Scope 2 market-based emissions in accordance with the WRI Greenhouse Gas Protocol. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
- ³ Global Scope 3 emissions in accordance with the WRI Greenhouse Gas Protocol. Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.
- ⁴ Emissions are based on primary data where available and an economic input-output model performed by Climate Earth, Inc using spend data.
- ⁵ Emission factors from 2024 UK Defra and 2024 IEA were used in conjunction with primary fuel and energy-use data. Does not include purchased cooling water.
- ⁶ Primary-waste data were used with the U.S. EPA's WARM Model. Including recycled and composted waste in these calculations would result in negative emissions in 2019 (-62,400 MT CO₂e) and 2024 (-53,300 MT CO₂e).
- ⁷ Based on primary travel vendor data where available employee-reimbursable mileage utilizing UK Defra factors, and an economic input-output model performed by Climate Earth, Inc using spend data. Note that business travel has returned to pre-pandemic levels.
- ⁸ 2020-2024 reductions were caused by shifts to remote and hybrid working models.
- ⁹ Shifted from using spend data modelling to using of primary vendor data in 2024 for the products shipped via our wholesalers at the country level through different modes of transportation and 2024 UK Defra factors.
- ¹⁰ Due to recent acquisitions, we are currently evaluating the applicability of additional products to this category. This category currently includes the impacts of our Animal Health products ENGEMYCIN® (oxytetracycline), NEO SPRAY CAF® (oxytetracycline), and OXYTETRIN® LA (oxytetracycline). We have also included the energy use impacts of the U.S.A 2019-2024 sales of our Biomark and Falcon products.
- ¹¹ Calculated assuming that all primary, secondary, and tertiary packaging purchased was disposed of by our customers. Packaging material data was used with the U.S. EPA's WARM Model.
- ¹² We engaged an external third-party to perform a limited assurance annually beginning in our baseline year of 2019 of our Scopes 1, 2 GHG emissions and several Scope 3 GHG emission categories as defined by the World Resources Institute's Greenhouse Gas Protocol. In 2024, we engaged an external third-party to perform limited assurance for Scopes 1 and 2 as well as Scope 3 Categories 3 and 6, which includes primary vendor and employee reimbursable data.
- ¹³ <https://www.msd.com/company-overview/sustainability/>
- ¹⁴ 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.
- ¹⁵ <https://ghgprotocol.org/corporate-standard>
- ¹⁶ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>
- ¹⁷ <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>
- ¹⁸ <https://ghgprotocol.org/standards/scope-3-standard>