Public

# Carbon Reduction Plan

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|---|---|
| **Supplier name** | **Merck Sharp & Dohme (UK) Limited** |
| **Publication date** | **August 2026** |

## 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**[1,4] | **719,600** |
| **Scope 2 (Market-based)**[2,4] | **300,900** |
| **Scope 3** (included sources)[3,4,5,6] | **5,170,800** |

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|---|---|
| Category 1 – Purchased goods and services[7] | 3,592,100 |
| Category 2 – Capital goods[7] | 366,300 |
| Category 3 – Fuel and energy-related activities not included in Scopes 1 & 2[4,8] | 205,500 |
| Category 4 – Upstream transportation and distribution[7] | 199,700 |
| Category 5 – Waste generated in operations (excluding recycled and composted waste)[9] | 89,000 |
| Category 6 – Employee business travel[4,10] | 287,100 |
| Category 7 – Employee commuting[11] | 123,300 |
| Category 8 – Upstream leased assets[12] | Not Applicable |
| Category 9 – Downstream transportation and distribution[13] | 124,800 |
| Category 10 – Processing of sold products[14] | Not Applicable |

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|---|---|
| Category 11 – Use of sold products[15] | 16,500 |
| Category 12 – End-of-life treatment of sold products[16] | 164,600 |
| Category 13 – Downstream leased assets[17] | Not Applicable |
| Category 14 – Franchises[18] | 2,000 |
| Category 15 – Investments[19] | Not Applicable |
| **Total emissions** | **6,191,300** |

## Current emissions reporting

| **Reporting year: 2025** | |
|---|---|
| **Emissions** | TOTAL ($tCO_2e$) |
| **Scope 1** [1,4] | **684,500** |
| **Scope 2 (Market-based)** [2,4] | **23,800** |
| **Scope 3** (included sources) [3,4,5,6] | **4,631,800** |

| | |
|---|---|
| Category 1 – Purchased goods and services[7] | 3,527,300 |
| Category 2 – Capital goods[7] | 260,300 |
| Category 3 – Fuel and energy-related activities not included in Scopes 1 & 2[4,8] | 205,100 |
| Category 4 – Upstream transportation and distribution[7] | 219,400 |
| Category 5 – Waste generated in operations (excluding recycled and composted waste)[9] | 81,400 |
| Category 6 – Employee business travel[4,10] | 158,000 |
| Category 7 – Employee commuting[11] | 92,200 |
| Category 8 – Upstream leased assets[12] | Not Applicable |
| Category 9 – Downstream transportation and distribution[13] | 8,000 |
| Category 10 – Processing of sold products[14] | Not Applicable |
| Category 11 – Use of sold products[15] | 19,900 |
| Category 12 – End-of-life treatment of sold products[16] | 42,600 |
| Category 13 – Downstream leased assets[17] | Not Applicable |
| Category 14 – Franchises[18] | 17,500 |
| Category 15 – Investments[19] | Not Applicable |
| **Total emissions** | **5,340,100** |

## 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 and 2) 46% by 2030, from a 2019 baseline, which has been validated as a Near-Term Target by the SBTi.[20]
- Source 100% of our purchased electricity from renewables by 2025.[20,21]
- 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.[20]
- 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.[20]

## 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 Scopes 1 and 2 (market-based) operations equates to 321,300 tCO2e, a 31% reduction against the 2019 baseline and the below measures will be in effect when performing the contract. In 2025, our Scope 3 GHG emissions increased as compared to 2024. 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 2024.

In 2025, in alignment with our environmental commitments, 100% of our UK purchased electricity came 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 (gCO2e/km) of our UK running fleet have reduced by 76%. The average emissions (gCO2e/km) of new company vehicles ordered in 2025 are 91% lower compared to 2019.

For the most up-to-date global progress versus our targets, see our latest MSD Impact Report.[20]

## Declaration and sign off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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 standard[22] and uses the appropriate government emission conversion factors for greenhouse gas company reporting.[23,24]

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), 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) Standard.[25]

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, 2026 18:07:57 EDT

Date:

Electronically signed by: Benjamin Lucas
Reason: Approved
Date: Aug 21, 2026 12:29:59 GMT+1

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 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 2025, we engaged an external third-party to perform limited assurance for Scopes 1 and 2 as well as Scope 3 Category 3 (Fuel and energy-related activities not included in Scopes 1 & 2) and Category 6 (Employee business travel), which includes primary vendor and employee reimbursable data.

5 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. Our 2019-2025 Scope 3 performance data were updated.

6 All values are rounded. As a result, the total values shown may not equal the sum of the individual GHG totals.

7 Categories 1, 2, and 4 are based on vendor activity data where available, or economic input-output modelling using spend data and CEDA and IPCC emission factors.

[8] Category 3 is 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.

[9] Category 5 is based on primary waste data and emission factors from IPCC and DESNZ.

[10] Category 6 is 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.

[11] Category 7 is 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.

[12] Category 8 is not applicable. We account for leased assets that are used for direct business activities as part of our direct Scope 1 and Scope 2 emissions calculations. No other upstream leased assets have been identified at this time.

[13] Category 9 is based on activity data for the products shipped via our wholesalers and emission factors from DESNZ and Ecoinvent.

[14] Category 10 is not applicable. Our company makes pharmaceutical products for human or animal health. These products are typically ingested, injected or applied topically.

[15] Category 11: 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 U.S.A. sales 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.

[16] Category 12 is 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.

[17] Category 13 is not applicable. Our company does not utilize downstream leased assets.

[18] Category 14 is based on revenue data for licensed products and the Scope 1 and 2 portions of CEDA emission factors.

[19] Category 15 is not applicable. As per the Greenhouse Gas Protocol, we do not believe we qualify as an Investor.

[20] https://www.msd.com/company-overview/sustainability/

[21] 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.

[22] https://ghgprotocol.org/corporate-standard

[23] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

[24] https://www.epa.gov/climateleadership/ghg-emission-factors-hub

[25] https://ghgprotocol.org/standards/scope-3-standard