

# CLIMATE POLICY ALIGNMENT ASSESSMENT

## TRADE ASSOCIATIONS<sup>1</sup>

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### Our Position on Climate Change

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

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

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

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

### Climate Policy Alignment Assessment

Our company is a member of numerous industry and trade groups. We work with these groups because they represent the pharmaceutical industry and business community in debates led by governments and other stakeholders, and because they help the industry reach consensus on policy issues.

Our corporate website includes a list of U.S. industry and trade groups of which we are a member for which our trade association dues are greater than \$25,000.<sup>2</sup>

In 2024, we conducted a climate policy alignment assessment of these groups for the year-ended December 31, 2023, by determining whether they had publicly disclosed formal positions on climate change and, if so, reviewing those positions in the context of our company's own position on climate change.<sup>3</sup> We had previously undertaken a similar assessment with respect to applicable U.S. industry and trade groups for the year-ended December 31, 2021. The table below sets forth the results of our latest assessment.

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<sup>1</sup> The information included in this assessment is current as of June 2024.

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

<sup>3</sup> See [https://www.merck.com/wp-content/uploads/sites/124/2024/04/2023\\_Trade\\_Association\\_Dues.pdf](https://www.merck.com/wp-content/uploads/sites/124/2024/04/2023_Trade_Association_Dues.pdf).

Trade association	Summary of organization's climate position	Assessment
<b>Academy of Managed Care Pharmacy</b>	No formal statement or policy in relation to climate change.	NA
<b>Animal Health Institute</b>	No formal statement or policy in relation to climate change.	NA
<b>Bio New Jersey</b>	No formal statement or policy in relation to climate change.	NA
<b>Bio New York</b>	No formal statement or policy in relation to climate change.	NA
<b>Biocom California</b>	No formal statement or policy in relation to climate change.	NA
<b>Biotechnology Industry Organization (BIO)</b>	No formal statement or policy in relation to climate change.	NA
<b>Business Roundtable</b>	<p>Business Roundtable has published a formal climate position that acknowledges the significant impact climate change poses to the economy, public health, and security.<sup>4</sup></p> <p>“Business Roundtable believes that to avoid the worst impacts of climate change, the world must work together to limit global temperature rise this century to well below 2 degrees Celsius above preindustrial levels, consistent with the Paris Agreement”<sup>4</sup></p> <p>Business Roundtable’s position “supports a goal of reducing net U.S. GHG emissions by at least 80 percent from 2005 levels by 2050” but does not explicitly state support for net-zero.<sup>4</sup></p>	<p>Similar to our company, Business Roundtable supports the principles of the Paris Climate Agreement and is committed to achieving GHG reductions, although not fully aligned to net-zero.</p> <p>In 2024, we engaged with Business Roundtable and highlighted our position on climate change.</p>

<sup>4</sup> See <https://www.businessroundtable.org/climate>. Accessed June 24, 2024.

Trade association	Summary of organization's climate position	Assessment
<b>California Life Sciences Association</b>	No formal statement or policy in relation to climate change.	NA
<b>Chemistry Council of New Jersey (CCNJ)</b>	No formal statement or policy in relation to climate change.	NA
<b>Community Oncology Alliance</b>	No formal statement or policy in relation to climate change.	NA
<b>Council of the Americas</b>	No formal statement or policy in relation to climate change.	NA
<b>Healthcare Distribution Alliance</b>	No formal statement or policy in relation to climate change.	NA
<b>Healthcare Institute of New Jersey</b>	No formal statement or policy in relation to climate change.	NA
<b>Healthcare Leadership Council</b>	No formal statement or policy in relation to climate change.	NA
<b>Life Science Pennsylvania</b>	No formal statement or policy in relation to climate change.	NA
<b>Massachusetts Biotechnology Council</b>	No formal statement or policy in relation to climate change.	NA
<b>National Association of Biomedical Research</b>	No formal statement or policy in relation to climate change.	NA
<b>National Association of Manufacturers (NAM)</b>	The NAM has published a formal climate position that acknowledges the objectives of the Paris Agreement and the transition to net-zero, while also calling for “negotiations in earnest to improve on the Paris Climate Agreement”, which remains unchanged since previously assessed in 2022. <sup>5</sup>	While the NAM's climate position acknowledges the overall goals of the Paris Climate Agreement, the position also calls for its renegotiation.

<sup>5</sup> See <https://www.nam.org/wp-content/uploads/2021/01/The-Promise-Ahead.pdf>. Accessed June 24, 2024.

Trade association	Summary of organization's climate position	Assessment
		<p>Our position on climate change expressly supports the principles of the Paris Climate Agreement and we are committed to achieving net-zero.</p> <p>In 2024, we re-engaged with the NAM and highlighted our position on climate change, building on our earlier engagement in 2022.</p>
<b>National Health Council</b>	No formal statement or policy in relation to climate change.	NA
<b>New Jersey Civil Justice Institute</b>	No formal statement or policy in relation to climate change.	NA
<b>Pennsylvania Chamber of Business &amp; Industry</b>	<p>The Pennsylvania Chamber of Business &amp; Industry (PA Chamber) has a published formal statement that states that it “believes that environmental excellence and economic growth are mutually compatible objectives, and that environmental and natural resources laws and programs should be framed and implemented to concurrently meet these twin objectives”.<sup>6</sup></p> <p>The PA Chamber’s statement does not mention the Paris Agreement or net-zero. However, it does state: “With regard to greenhouse gas emissions, the PA Chamber supports efforts in Pennsylvania which balance societal environmental, energy, and economic objectives, fit rationally within any finally adopted and applicable national or international strategy, and capitalize on the availability of Pennsylvania’s diverse natural resources to facilitate economic development in the Commonwealth”.<sup>6</sup></p>	<p>Our position on climate change expressly supports the principles of the Paris Climate Agreement and we are committed to achieving net-zero.</p> <p>In 2024, we engaged with PA Chamber and highlighted our position on climate change.</p>

<sup>6</sup> See [https://www.pachamber.org/legislative\\_agenda/energy\\_environmental/environmental/](https://www.pachamber.org/legislative_agenda/energy_environmental/environmental/). Accessed June 24, 2024.

Trade association	Summary of organization's climate position	Assessment
<b>Personalized Medicine Coalition</b>	No formal statement or policy in relation to climate change.	NA
<b>Pharmaceutical Research and Manufacturers of America (PhRMA)</b>	No formal statement or policy in relation to climate change.	NA
<b>Texas Healthcare &amp; Bioscience Institute</b>	No formal statement or policy in relation to climate change.	NA
<b>U.S. China Business Council</b>	No formal statement or policy in relation to climate change.	NA
<b>U.S. Chamber of Commerce (Chamber)</b>	<p>The Chamber has published a climate position that includes "support[ing] market-based solutions to reduce emissions and support U.S. competitiveness, national security, and American workers", which remains unchanged since previously assessed in 2022.<sup>7</sup></p> <p>The Chamber "supported the Biden administration's decision to re-join the Paris Climate Agreement".<sup>7</sup> The Chamber has no stated position on net-zero.</p>	<p>The Chamber supported the U.S. decision to re-join the Paris Climate Agreement in 2021. The Chamber has no stated position on net-zero.</p> <p>Our position on climate change expressly supports the principles of the Paris Climate Agreement and we are committed to achieving net-zero.</p> <p>In 2024, we re-engaged with the Chamber and highlighted our position on climate change, building on our earlier engagement in 2022.</p>
<b>U.S. Council for International Business (USCIB)</b>	<p>The USCIB has published a formal position on Sustainable Development that includes a climate position.<sup>8</sup> The USCIB's climate position supports "Cost-effective, science and risk-based cooperative environmental and energy policies" and "Pro-growth, market-oriented policies that promote sustainable development".<sup>8</sup></p>	<p>Our position on climate change expressly supports the principles of the Paris Climate Agreement and we are committed to achieving net-zero.</p> <p>In 2024, we engaged with USCIB and highlighted our position on climate change.</p>

<sup>7</sup> See <https://www.uschamber.com/climate-change/the-chambers-climate-position-inaction-is-not-an-option>. Accessed June 24, 2024.

<sup>8</sup> See <https://www.uscib.org/sustainable-development-ud-3890/>. Accessed June 24, 2024.

Trade association	Summary of organization's climate position	Assessment
U.S. Global Leadership Campaign	No formal statement or policy in relation to climate change.	NA