Public Policy Statement | December 2023

Climate change

There is 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.

In its 2021 Sixth Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) examined both global and regional impacts and concluded that "It is unequivocal that human influence has warmed the atmosphere, ocean and land. Widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred."

Changes to the environment impact both human and animal health. A warming climate, loss of biodiversity, onset of droughts and the aftermath of extreme weather events can propagate the spread of disease and will require new solutions. As a global healthcare company, we recognize that we have an obligation to identify and respond to the public health risks associated with climate change. In addressing these challenges, we know that not only what we do matters, but also how we do it matters.

In addition to adding our voice to the call for action, our company is taking steps to reduce energy use and greenhouse gas (GHG) emissions from our operations. We are examining the environmental impacts within our value chain and have committed to engage with our strategic partners and suppliers to drive reductions in their energy use and GHG emissions.

Our Position on Climate Change

We support 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 disclosure on organizational performance and governance is a minimum expectation

Carbon Neutrality

Our company has committed to being carbon neutral in our own operations (Scope 1 and market-based Scope 2) by 2025. Independent of the growth of our business, any remaining emissions beyond our reductions will be offset by investing in high-quality certified carbon offsets utilizing nature-based and/or technological-based solutions

Reducing our Impact

Our company has adopted and achieved several GHG-reduction goals over the last decade. In 2021, we set a target, validated by the Science-Based Target initiative (SBTi), to reduce our Scope 1 and market-based Scope 2 absolute GHG emissions 46 percent by 2030 from a 2019 base year.[1]

The SBTi has confirmed that our company's Scope 1 and 2 goal is in line with a 1.5°C trajectory.

We believe that reducing GHG emissions can provide both environmental and business benefits. Our efforts to reduce energy demand through energy conservation, improved operating efficiency and increased reliability, have resulted in significant cost savings, which contributes to the company's long-term financial strength. Seeking diversity in our energy supply can reduce risk to our operations, provide budget certainty, allow the flexibility to shift to new, efficient technologies, and accelerate our low carbon transition.

[1] The target boundary includes biogenic emissions and removals from bioenergy feedstocks

Our Commitment to Renewable Energy

We recognize that renewable energy is cost-effective in many applications, and that these technologies will be needed to achieve significant reductions in GHG emissions worldwide. Photovoltaic arrays, wind turbines and other renewable-energy installations avoid emissions, help reduce energy-demand peaks and postpone or avoid the need to add new power plants.

Our company has set bold renewable energy targets. We are committed to sourcing 100 percent of our purchased electricity[2] from renewable sources by 2025, which is a full 15 years earlier than our previous goal.

Our Approach to our Value Chain

We realize that to make a truly meaningful reduction in our overall environmental impact, we must engage with our suppliers to drive positive change. Our company and suppliers must accept our shared impact and utilize our expertise, experiences, and influence to drive action. Our Scope 3 reduction target, to reduce our emissions 30%, by 2030, from a 2019 baseline, has been validated by the SBTi. We believe that strengthening our supplier engagement is a way to de-risk our supply and create opportunity.

Reporting on our Performance

We are committed to measuring our progress in reducing energy use and GHG emissions and reporting our progress to stakeholders in a timely and transparent manner. Our reporting practices include:

- Annual reporting of GHG emissions to regulatory agencies as required by local, state and national laws
- Annual disclosure of performance against GHG and energy targets in our annual Impact Report
- Annual disclosure of global GHG emissions to CDP

Stakeholder Engagement and Leadership Activities

Our company takes a proactive approach to climate change by encouraging trade associations to advance public policies to address climate change. We participate in several

[2] We define "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

organizations, including the European Federation of Pharmaceutical Industries and Associations (EFPIA).

By establishing a science-based target, we have joined the **"We Mean Business"** coalition with thousands of other companies.

We are also working with other members of the **Pharmaceutical Supply Chain Initiative** (PSCI) to communicate our sustainability expectations with our suppliers.

We are one of the founding members of the Energize Program, a collaboration of global pharmaceutical companies, which aims to accelerate the adoption of renewable energy and reduce GHG emissions within the pharmaceutical value chain. The program provides education on renewable energy adoption and contracting with suppliers who may not otherwise have internal resources or expertise available to participate in renewable energy markets.

We believe the business community must be engaged on this issue in a constructive and meaningful way by promoting science-based solutions that will lead to the creation of a low-carbon economy.