

Annual Report - 2023

Norwegian Transparency Act - Statement

This statement is made pursuant to the Norwegian Transparency Act of 2022 (referred to as "the Act"), which requires certain in-scope companies to conduct due diligence and publish an account of that due diligence as specified in Section 5 of the Act.

This statement is prepared on behalf of MSD (Norge) AS and MSD Animal Health Norge AS. It describes MSD procedures for addressing actual and potential negative impacts on essential human rights and decent working conditions.

All data and information reported in this statement refers to the financial year ending on December 31, 2023.

About MSD

MSD (Norge) AS and MSD Animal Health Norge AS are Norwegian subsidiaries of MSD, which is known as Merck & Co., Inc. in the United States and Canada. MSD is a global healthcare company focused on providing innovative solutions in the form of prescription medicines, vaccines, biologic therapies, and animal health products.

The company is headquartered in Rahway, NJ, USA. With a workforce of over 72,000 employees, MSD operates in numerous regions and countries.

MSD (Norge) AS

MSD (Norge) AS is a pharmaceutical company. We specialize in the distribution and sale of innovative prescription medications across various therapeutic areas, including cardiovascular diseases, infectious diseases, oncology, diabetes, neurology, respiratory conditions, and women's health.

Our customer base includes drug wholesalers, retailers, hospitals, government agencies, and managed healthcare providers such as health maintenance organizations and pharmacy benefit managers.

Within our company, we have a local leadership team headed by the country Managing Director, who is also a member of the MSD (Norge) AS Board of Directors. The country Managing Director reports to the MSD Regional Managing Directors for the Mid-Europe Region. Our office is located in Oslo, and as of the end of 2023, we had 74 employees.

For more information, visit [MSD Norway](#)

MSD Animal Health Norge AS

MSD Animal Health Norge AS is a pharmaceutical company. We distribute and sell 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 technology and monitoring products. Our animal health products are sold to distributors, animal producers, farmers, and pet owners.

The country Managing Director reports to the MSD Executive Managing Director of MSD Animal Health for the North-West AH EURAM. Our office is located in Bergen, and as of the end of 2023, we had 27 employees.

For more information, visit [HOME - MSD Animal Health Norge \(msd-animal-health.no\)](https://msd-animal-health.no)

Supply Chain

MSD manufactures, packages, distributes and sells human health and animal health products to many markets around the world. We have established business relationships with thousands of suppliers, including direct suppliers, external manufacturing providers, capital expenditure suppliers, indirect suppliers, and research providers.

Our direct suppliers provide us with goods and services 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 laboratory suppliers and services.

Our respect for human rights extends to our suppliers, all of whom must follow our Business Partner Code of Conduct. We are also committed to the Pharmaceutical Supply Chain Initiative (PSCI) Principles. In addition, to manage potential risks associated with third-party business relationships, our Global Supplier

Management Group (GSMG) uses a third-party risk management committee and program to evaluate risks for Labor and Human Rights (LHR) in our supply chain. Our sourcing professionals also receive appropriate training on evaluating partners for these risks. We investigate any concerns quickly, and regularly conduct due diligence on our suppliers, including audits to verify they uphold LHR standards. Where we find issues, they are held accountable for addressing them. We also ask suppliers to support initiatives like the PSCI Human Rights.

Respect for Human Rights

MSD is committed to meeting its responsibility to respect internationally recognized human rights standards, as they relate to our operations. We believe that dignity and respect for people is essential in business. Respect for human rights is core to our Company's purpose to save and improve lives around the world.

Our approach to human rights is guided by internationally recognized standards. Our commitment to human rights embraces established global standards such as the Universal Declaration of Human Rights, the ILO's Declaration on the Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights

We strive to avoid causing or contributing to adverse human rights impacts through our own activities and seek to prevent or mitigate adverse human rights impacts that are linked to our operations and products. We expect all our employees, suppliers, and other business partners to conduct their business in a manner that respects human rights.

All employees, service providers and Company-managed contractors must follow our safety standards. In addition, we have comprehensive programs focused on reducing risks, work-related injuries and illnesses, and other safety incidents.

Our oversight and monitoring of business-related human rights risks is supported by relevant internal functions and business units, including Human Resources; Global Safety & Environment; Global Supplier Management; Supply Chain Management; Ethics & Compliance; Global Security; Global Privacy Office, Information Risk Management; Enterprise Risk Management; and the Office of Social Business Innovation.

We maintain 100 percent compliance to regulatory requirements for active incident monitoring, risk and harm analysis, and timely notification of data breaches. We also encourage employees to speak up and report potential concerns, ensuring our ethics and values are reflected in all we do.

Policies

In accordance with UN Guiding Principles, we have integrated respect for human rights into our business practices, including our [Code of Conduct](#) (Our Values and Standards), our [Business Partner Code of Conduct](#), as well as other relevant corporate level policies. Our commitment to upholding human rights is described in our [Public Policy Statement on Human Rights](#).

Risks of Adverse Impacts

Our operations:

In our own operations, we implement and enforce strong policies and compliance measures to ensure that human rights and decent working conditions are respected. We have clear policies in place that promote non-discrimination, health and safety, fair treatment of employees, and respect for human rights. This provides a solid foundation for ethical conduct within our organization.

We prioritize integrity and respect for human rights and invest in training and awareness programs to educate our employees about their rights, responsibilities, and ethical behavior.

The pharmaceutical industry, in general, is highly regulated and is not typically associated with significant risks of human rights abuses when compared to some other industries like agriculture, textiles, construction, mining, domestic work, hospitality, and tourism. However, we still take proactive measures to prevent, reduce, and mitigate any potential risks, as outlined in the due diligence section below.

Our supply chain:

The risk of adverse impacts on human rights and decent working conditions within our supply chain is primarily associated with our use of suppliers located in countries or regions where human rights challenges are known to exist, such as poor labor standards, unsafe working conditions, forced labor, or weak governance. While we have direct control over our own operations and facilities, we have less control over the practices of our suppliers.

We acknowledge that there is a potential risk of human rights and labor practice abuses in the pharmaceutical supply chain, although it may be relatively lower compared to some other industries. Nonetheless, we are committed to addressing these risks and promoting responsible supply chains.

To mitigate these risks, we are implementing various measures outlined in the due diligence section below. These measures include developing supplier codes of conduct, conducting assessments of our suppliers, and carrying out social audits to ensure compliance with human rights and labor standards. These actions help us proactively manage and address any potential human rights and labor issues within our supply chain.

Due Diligence

We recognize the importance of due diligence in mitigating risks and ensuring the well-being of all stakeholders involved in our operations and supply chains. The information below provides an account of our due diligence process. In 2023, we continue to apply this process to help identify, prevent, mitigate, and account for potential and actual adverse human rights impacts associated with our own operations and supply chain.

To help manage and address potential areas of risk associated with third-party business relationships, we have an established Third-Party Risk Management program and committee chaired by the senior vice president for Global Procurement. The committee establishes, implements and monitors environmentally sustainable, socially responsible and ethical sourcing practices to ensure that performance is aligned with our purpose. In 2022, cross-functional leaders sponsored an enterprise-wide program to streamline our third-party due-diligence process, leveraging one IT platform to launch assessments, and to review and mitigate risks from Compliance, Global Safety and the Environment, Information Technology Risk Management & Security, Pharmacovigilance and Global Security.¹

¹ [Sustainability resources - MSD](#)

Our operations:

- **Policy Framework:** We embed our commitment to respect human rights in our Company's **Code of Conduct**, our **Public Policy Statement on Human Rights**, as well as other relevant corporate level policies and procedures. They apply globally, wherever we are doing business.
- **Oversight & Governance** - We have established internal bodies to ensure effective governance of our salient human rights issues and to establish a framework for accountability. These bodies are comprised of senior executives representing relevant business divisions and global support functions. Our Strategic Policy and Sustainability Council oversees human rights issues.
- **Risk Assessment and Analysis** - We conduct human rights impact assessments to identify, assess and manage actual and potential adverse human rights impacts associated with our operations, and our supply chain. As part of this process, we engage with key stakeholders.
- **Employee Training** - We integrate respect for human rights into our company's annual Enterprise Mandatory Training program. Training on salient human rights topics, as well as annual refresher training on our Code of Conduct is provided to all employees.
- **Audit and assurance** - We have set up independent internal groups responsible for auditing our own operations to verify compliance with laws, regulations, and internal policies, including those associated with salient human rights issues.
- **Monitoring** - We use key performance indicators (KPIs) to measure and track how effectively we are addressing our salient human rights issues. KPIs are reported to executives who have decision making responsibilities, including governance and oversight responsibilities.
- **Pharmacovigilance:** Our Global Clinical Safety and Pharmacovigilance function, led by the chief safety officer, manages a global system for the collection, review and reporting of adverse events (AEs), and for the continuous assessment of product safety.
- The Animal Health Global Pharmacovigilance Team manages a global system for the collection, review and reporting of AEs, and for the continuous assessment of product

safety. Global Pharmacovigilance leads all safety monitoring and signal management activities for the Animal Health VMP portfolio, from the time of initial product approval through the end of the product life cycle.

- **Grievance mechanisms / reporting channels** - We maintain reporting channels to encourage and enable the reporting of potential concerns, including any potential violations of our Code, policies, procedures, the law, or other misconduct.
 - Employees can report concerns to their Managers, Human Resources, Compliance, Legal or the Office of Ethics.
 - We provide a speaking up tool. The Speak Up tool at msdethics.com is operated by an independent third-party, available 24 hours a day, 7 days a week.
- **Remediation:** We investigate reported allegations of misconduct in accordance with our company's Compliance Issues Visibility and Response ("CIVR") process, which promotes confidentiality, dignity and respect, objectivity, promptness, and non-retaliation.
- **Response:** Corrective and disciplinary actions are taken against individual employees who are determined to have engaged in misconduct based on the findings of an investigation. Substantiated violations may result in a warning, counselling, suspension, or termination.
- **Collaboration and stakeholder engagement** - We collaborate and engage with relevant stakeholders, such as employees, employee business resource groups, works councils, labor unions, industry peers and human rights experts to gain insights and share best practices.
- **Reporting and disclosure** - We publicly communicate progress on our efforts to prevent human rights violations, through our Company's annual **Impact Report**. This report uses Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and UN Global Compact reporting frameworks, amongst others.

Our supply chain

- **Supplier Selection:** We have established a formal procedure and process for sourcing and acquiring goods and services from suppliers, involving supplier selection, negotiation, contracting, oversight, and monitoring. We strive to select suppliers that are socially responsible and who share our commitment to ethics and legally compliant business practices.
- **Business Partner Code of Conduct:** We have developed a [Business Partner Code of Conduct \(BPCC\)](#) that sets out our expectations and requirements regarding human rights, labor practices and other relevant ESG factors. This code is communicated to our suppliers. It has been translated into multiple languages and is posted on our company websites.
- **Supply Chain Mapping:** We conduct supply chain mapping to identify which of our suppliers may present a higher risk of human rights and labour practice abuses. As part of this activity, we categorize suppliers based on industry type, country location, and service / commodity.
- **Supplier Assessments:** We use a supplier Environmental Social & Governance (ESG) self-assessment questionnaire to gather relevant information from select suppliers on how they address human rights related risks. The results and outcomes are used to inform our supplier selection process.

Supplier due diligence assessments We have a defined risk-management process, and our supply base is measured against the process criteria. Using a risk-based approach, supplier assessments and audits are conducted based on multiple factors (e.g., risk profile, engagement and activity type, geography). The assessments and audits evaluate a supplier's ability to meet both industry and our own standards for quality, safety and ethical business practices. Results are reviewed with senior management across the Company. Our due diligence includes:

- Anti-bribery and corruption
- Conflict minerals
- Denied-party screening
- Ethics and compliance
- Financial solvency
- Information security and cybersecurity
- Intellectual property
- Labor and human rights
- Privacy (data protection)
- Supply-chain security

Where assessments and audits identify deficiencies or opportunities for improvement, we monitor suppliers to ensure that our concerns are addressed in a responsible and compliant manner. As part of our oversight and monitoring, we have established mechanisms to report, track and monitor supplier plans to address nonconformance and help drive continued improvement. Additional review(s)

are performed for external manufacturing suppliers and suppliers that manage personal and private information.

- **Supplier Auditing:** We perform Labor & Human Rights (LHR) audits, as well as Health Safety and Environmental audits at select supplier facilities to seek assurance and verification of their conformance with our company's expectations. We work with them to address identified non-conformities revealed by audits. We use independent social audit firms to perform announced LHR audits on our behalf.
- **Contracts:** We seek assurance from suppliers and other business partners to respect the principles and standards set forth in our Business Partner Code of Conduct (BPCC), including those related to human rights, labor practices, workplace health and safety and the environment. Our standard contracts contain relevant clauses on compliance, ethical business practices, the right to audit, sub-contracting, as well as termination rights.
- **Training:** We provide training to global procurement staff that have responsibility for supplier management to help raise awareness of human rights related risks in the supply chain. Online training is provided on 1) our Business Partner Code of Conduct; 2) Mitigating Modern Slavery Risks in Supply Chains; and 3) Third Party Risk Management.
- **Grievance Mechanisms.** We maintain grievance mechanisms accessible to external stakeholders (including suppliers and other business partners) to allow the reporting of concerns, including any related to human rights, health and safety and labour practices. We expect our suppliers and other business partners to establish their own grievance mechanism to enable the reporting of concerns.
 - Our Speak Up tool at msdethics.com is accessible and available to suppliers and other stakeholders to raise concerns and ask questions related to human rights.
- **Response and Remediation:** If we discover any evidence of human rights or labour practice abuses in our supply chain, we take action to investigate. Where an occurrence is proven to have taken place, we will work collaboratively with the supplier to take necessary corrective actions and provide remedy where required.
- **Oversight & Monitoring:** We assign relationship managers from within our Global Supplier Management Group function to oversee, manage and monitor the performance of key suppliers. We hold suppliers accountable for meeting their contractual obligations. Severe or repeated violations of our Business Partner Code of Conduct can result in contract termination.

- **Governance:** We use our Third-Party Risk Committee to help govern and oversee the management of human rights and labour related risks associated with our supply chain. This committee is chaired by our Vice President for Global Supplier Management.

Collaboration

During 2023, we continued to participate in the activities/initiatives of [Pharmaceutical Supply Chain Initiative](#) (PSCI) Human Rights and Labor sub-group. PSCI is an industry collaboration that supports principles for responsible supply chain management for ethics, human rights, health and safety, environment, and related governance and management systems.

We are a member of [BSR's Human Rights Working Group](#), a global, cross industry network of businesses focused on human rights challenges. This working group helps companies around the world to implement the UN Guiding Principles on Business and Human Rights (UNGPs), by sharing knowledge and practical guidance.

Consultation

The preparation of this statement was performed in consultation with relevant internal stakeholders directly involved with the management of human rights related risks, including senior management representatives from Global Supplier Management, Legal, Ethics & Compliance and Social Business Innovation.


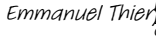

Other Relevant Information

As a signatory of the [United Nations \(UN\) Global Compact](#), we are committed to advancing the 10 principles on human rights, labor, environment and anti-corruption and the UN Sustainable Development Goals (SDG). We share our progress against the UN SDG targets for Good Health and Wellbeing, Gender Equality, Decent Work and Economic Growth and others in our company's [Impact Report 2022/2023](#).




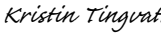
Our quality strategy is focused on maintaining sustained quality and compliance excellence through focused digital technologies, effective oversight and risk mitigation, engaged and empowered colleagues and communities, and a mature Quality Management posture. Our quality strategy is a key enabler to ensuring patient safety and the overall quality and continuous supply of our products.

More information at: [Sustainability resources - MSD](#)

Approvals – MSD (Norge) AS

Name	Title	Date & Signature
Andreea Mocofan	Managing Director/Board Member	 <small>Electronically signed by: Andreea Mocofan Reason: Approved Date: Jul 10, 2024 10:06 GMT+2</small>
Emmanuel Thiery	Chairman of the board	 <small>Electronically signed by: Emmanuel Thiery Reason: Approved Date: Jul 10, 2024 10:49 GMT+2</small>
Arthur Heere	Board Member	 <small>Electronically signed by: Arthur Heere Reason: Approved Date: Jul 10, 2024 11:05 GMT+2</small>

Approvals – MSD Animal Health Norge AS

Name	Title	Date & Signature
Leslie Roden	Managing Director	 <small>Electronically signed by: Leslie Roden Reason: Approved Date: Jul 10, 2024 06:55 MDT</small>
Pedro Da Silva	Chairman of the board	 <small>Electronically signed by: Pedro Rodrigues Da Silva Reason: Approved Date: Jul 10, 2024 10:59 GMT+2</small>
Michel Deinum	Board Member	 <small>Electronically signed by: Michel Deinum Reason: Approved Date: Jul 10, 2024 14:49 GMT+2</small>
Kristin Tingvatn	Board Member	 <small>Electronically signed by: Kristin Tingvatn Reason: Reviewed Date: Jul 10, 2024 10:14 GMT+2</small>










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Final Audit Report

2024-07-10

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