

Annual Statement - 2024

## Modern Slavery

This statement is made pursuant to the reporting requirements of *Modern Slavery Act 2018* (Cth). It provides information for the reporting period from January 1, 2024, to December 31, 2024.

### Reporting Entities

MSD (a trading name of Merck & Co., Inc., Rahway, NJ, USA.) provides this single joint statement for itself and on behalf of its entities that are directly covered by a reporting obligation under the *Modern Slavery Act 2018* (Cth). These reporting entities are listed in Appendix I.

### Structure, Operations and Supply Chains

#### About MSD

We are called MSD everywhere outside of the U.S. and Canada. In the U.S. and Canada, we are known as Merck & Co., Inc., Rahway, NJ, USA. The company is listed on the New York Stock Exchange under the symbol “MRK”. MSD is a global health care company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies, and animal health products. The company is headquartered in Rahway, NJ, USA. With over 70,000 employees, MSD operates in many regions and countries. The company has operations in more than 150 markets around the globe. A list of our worldwide locations is available at [MSD Worldwide Locations](#).

For more information, visit [MSD Australia](#).

#### About MSD Animal Health

MSD Animal Health, a division of Merck & Co., Inc., Rahway, NJ, USA., is the global animal health business unit of MSD. MSD Animal Health offers veterinarians, farmers, pet owners and governments a wide range of veterinary pharmaceuticals, vaccines and health management

solutions and services. MSD Animal Health is dedicated to preserving and improving the health, well-being and performance of animals and the people who care for them. Our MSD Animal Health headquarters is located at: 126 East Lincoln Avenue, Rahway, NJ 07065 USA. MSD Animal Health is present in more than 50 countries, while its products are available in some 150 markets.

For more information, visit [MSD Animal Health Australia](#).

## About Our Supply Chain

We manufacture, package, and distribute products to many markets around the world. We have established business relationships with thousands of suppliers, including direct suppliers (including 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 supplies and services.

## Policies

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

## Risk of Modern Slavery

### Our operations

The pharmaceutical industry is highly regulated and is not generally recognised as an industry that poses a significant risk of modern slavery, compared to other industries such as textiles, construction, mining, domestic work, hospitality, and tourism.

As outlined in the section below, we take measures to reduce the risk of modern slavery. We believe there is minimal risk of causing, contributing to or being linked to instances of modern slavery within our own operations. No instances of modern slavery were identified in 2024.

### Our supply chain

The risk of modern slavery within our supply chain is predominantly associated with our use of suppliers that operate in countries that are known to present a significant risk of modern slavery, such as those countries listed in Walk Free Foundation's Global Slavery Index and The Children's Rights in the Workplace Index.

We recognise that supply chains of companies that extend into high-risk countries potentially face a greater risk of modern slavery. We understand that the risk of modern slavery in the pharmaceutical supply chain exists; however, it may be lower compared to some other industries.

We are working to address these risks and promote responsible supply chains. As outlined in the section below, we are implementing measures such as supplier codes of conduct, supplier due diligence and social audits. No instances of modern slavery were identified in our supply chain in 2024.

Collaboration with industry initiatives and organizations like the Pharmaceutical Supply Chain Initiative (PSCI) and Business for Social Responsibility (BSR) also helps in driving responsible practices across the pharmaceutical sector.

## Addressing the risk of modern slavery

### Our operations

During 2024, we worked to address the risks of modern slavery within our own operations through:

**Code of Conduct:** Respecting and abiding by our company's core values and standards, as stated in our company Code of Conduct. Our values and standards are the foundation of our company's success. They apply globally, wherever we are doing business.

**Standards:** Upholding and maintaining company standards on modern slavery and human trafficking. These are embedded in our Global Policy on Labour & Human Rights and reflected in our [Public Policy Statement on Human Rights](#).

**Speaking Up:** Fostering an environment where employees feel safe to speak up and report concerns, including any that may relate to modern slavery. We encourage employees to speak up about potential violations of our Code of Conduct, policies, procedures, the law, or other misconduct.

**Communication Channels:** Maintaining multiple communication channels to make it easy for employees and others to ask questions or report concerns. Employees can report concerns to their Managers, Human Resources, Compliance, or Legal.

**Speak Up Tool:** Providing a speaking up tool. Individuals can also speak up and report their concerns at [msdethics.com](https://msdethics.com), which is a confidential channel for raising concerns. Operated by an independent third-party service, [msdethics.com](https://msdethics.com) is available 24 hours a day, 7 days a week. This platform allows individuals to raise concerns confidentially and in their preferred language via phone or internet.

**Investigations.** All allegations of misconduct are investigated in accordance with our Company's Compliance Issues Visibility Response ("CIVR") process, which promotes confidentiality, dignity and respect, objectivity, promptness, and non-retaliation.

**Corrective Action.** We take violations seriously. Corrective and disciplinary actions are taken against individual employees who are determined to have engaged in misconduct based on the findings of an investigation.

**Training:** Providing training to all employees on our company's Code of Conduct annually. Training completions are closely monitored and reported to senior management.

**Accountability:** Maintaining accountability. All employees are responsible for 1) adhering to our company's Code of Conduct; 2) complying with all relevant policies; and 3) raising concerns. Substantiated violations may result in disciplinary action up to and including termination.

## Our supply chain

During 2024, we worked to detect and address the risks of modern slavery in our supply chain through:

**Supplier Selection:** Striving to select suppliers that are socially responsible and who share our company's commitments to ethics and legally compliant business practices. Our goal is to obtain services, goods, active ingredients, components, finished goods or other products in a way that is lawful and fair.

**Expectations:** Communicating our expectations of suppliers, including those related to child labour, forced labour, modern slavery, and human trafficking. We use our [Business Partner Code of Conduct](#) (BPCC) to communicate our expectations. In 2024, we reviewed and updated our BPCC. It has been translated for all countries in which we operate and is posted on our company website.

**Supply Chain Mapping:** Conducting supply chain mapping to identify which of our suppliers may present a higher risk of modern slavery. As part of this activity, we categorize suppliers based on industry type, country location, and service / commodity. We use this information to decide on the level of due diligence that may be necessary.

**Due Diligence:** Performing supplier due diligence using a risk-based approach. We use a supplier Environmental Social & Governance (ESG) questionnaire to gather relevant information from suppliers on how they address the risks of modern slavery. The results and outcomes of supplier due diligence are used to inform our supplier selection and risk management processes.

**Contracts:** Seeking assurance from suppliers to respect the requirements set forth in our BPCC, including those related to modern slavery, through our contracts. Our standard contracts contain relevant clauses on compliance, ethical business practices, right to audit, sub-contracting, as well as termination rights.

**Auditing:** Performing Labour & Human Rights (LHR) audits at select supplier facilities to seek assurance and verification of their conformance with our company's expectations, and by working with them to address identified non-conformities revealed by audits. We use independent social audit firms to perform announced LHR audits on our behalf.

**Grievance Mechanisms.** Maintaining grievance mechanisms accessible to external stakeholders (including suppliers and other business partners) to allow the reporting of concerns, including any related to modern slavery. Individuals can speak up and report the concern at [msdethics.com](https://msdethics.com), which is a confidential channel for raising concerns. Operated by an independent third-party service, [msdethics.com](https://msdethics.com) is available 24 hours a day, 7 days a week. This platform allows individuals to raise concerns confidentially and in their preferred language via phone or internet. We expect our suppliers and other business partners to establish their own grievance mechanism to enable the reporting of concerns.

**Response and Remediation:** If we discover any evidence of modern slavery in our supply chain, we take immediate action to investigate. Where an occurrence modern slavery is proven to have taken place, we will work collaboratively with the supplier to take necessary corrective actions and provide remedy where required to minimize disruptions to our supply chain and unnecessary adverse impact on workers. No instances of modern slavery were identified in our supply chain in 2024.

**Oversight & Monitoring:** Assigning relationship managers from within our Global Supplier Management Group function to oversee, manage and monitor the performance of key suppliers. We continue to hold suppliers accountable for meeting their contractual obligations.

**Governance:** Using our Third-Party Risk Committee to help govern and oversee the management of modern slavery, as well as other human rights-related risks associated with our supply chain. This committee is chaired by our company's Senior Vice President for Global Supplier Management.

**Engagement:** Engaging and seeking input from relevant internal stakeholders, including Global Supplier Management Group, Ethics & Compliance Office, Legal, Global Safety & Environment and Sustainability Strategy & Engagement.

**Training:** Providing training to procurement staff that have responsibility for supplier management to help raise awareness of modern slavery. Online training is provided on 1) Business Partner Code of Conduct; 2) Mitigating Modern Slavery Risks in Supply Chains; and 3) Third Party Risk Management.

## Assessing Effectiveness

During 2024, we reviewed the following key performance indicators to help us assess the effectiveness of our efforts in addressing the risk of modern slavery in our own operations and supply chain. We use these measures to monitor our performance and identify opportunities to help improve our programs.

- Number of reported concerns/complaints related to modern slavery.
- Number of supplier assessments conducted, as part of supplier due diligence.
- Number of supplier labour and human rights audits performed.
- Number of supplier labour and human rights audit findings.
- Number of supplier labour and human rights audit findings remediated.
- Number of procurement staff trained on modern slavery and human trafficking.

## Collaboration

During 2024, we collaborated with [Pharmaceutical Supply Chain Initiative's](#) (PSCI) Human Rights and Labour 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 implement the UN Guiding Principles on Business and Human Rights (UNGPs) by sharing knowledge and practical guidance.

## Next Steps

We will continue working on our efforts to identify, assess, and address modern slavery risks within our operations and supply chains. These efforts will include:



- Supply chain mapping to identify which of our suppliers may present a higher risk of modern slavery.
- Investigating all reported concerns promptly.
- Conducting supplier labour and human rights due diligence to identify and address risks.
- Auditing selected suppliers to verify conformance with our standards for human rights.
- Holding suppliers accountable for addressing non-conformities revealed by LHR audits.
- Participating in industrial collaboration activities/initiatives.

## Consultation

The preparation of this report was performed in consultation with internal stakeholders, including senior management representatives from Global Supplier Management, Legal, Ethics & Compliance Office and Sustainability Strategy & Engagement.

## Approvals

This statement was approved by the boards of the following four reporting entities covered by this statement, prior to publication: INTERVET SCHERING-PLOUGH ANIMAL HEALTH PTY LTD, INTERVET AUSTRALIA PTY LIMITED, MERCK SHARP & DOHME (HOLDINGS) PTY LTD and MERCK SHARP & DOHME (AUSTRALIA) PTY LTD. The board of VIRALYTICS LIMITED did not approve this statement because the company was deregistered on 21 January 2024.

Name	Title	Signature & Date
Chifumi Umeda	AVP, Managing Director, MERCK SHARP & DOHME (AUSTRALIA) PTY LTD	 <small>Chifumi Umeda (Apr 29, 2025 16:40 GMT+10)</small> <b>04/29/2025</b>
	Statutory Director, MERCK SHARP & DOHME (HOLDINGS) PTY LTD	
Eric Flanagan	AVP, Managing Director, INTERVET AUSTRALIA PTY LIMITED	 <small>Eric Flanagan (Apr 29, 2025 16:28 GMT+10)</small> <b>04/29/2025</b>
	Statutory Director, Intervet Schering-Plough Animal Health Pty Ltd	



## Other Relevant Information

As a signatory of the [United Nations \(UN\) Global Compact](#), we are committed to advancing the 10 principles on human rights, labour, 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 2023/2024](#).

## Appendix I

In accordance with the *Modern Slavery Act 2018* (Cth), the following MSD and MSD Animal Health entities are covered by this statement:

INTERVET SCHERING-PLOUGH ANIMAL HEALTH PTY LTD

- Australian Company Number 134 212 749

INTERVET AUSTRALIA PTY LIMITED

- Australian Company Number 008 467 034

MERCK SHARP & DOHME (HOLDINGS) PTY LTD

- Australian Company Number 000 235 245

MERCK SHARP & DOHME (AUSTRALIA) PTY LTD

- Australian Company Number 000 173 508

VIRALYTICS LIMITED

- Australian Company Number 010 657 351