

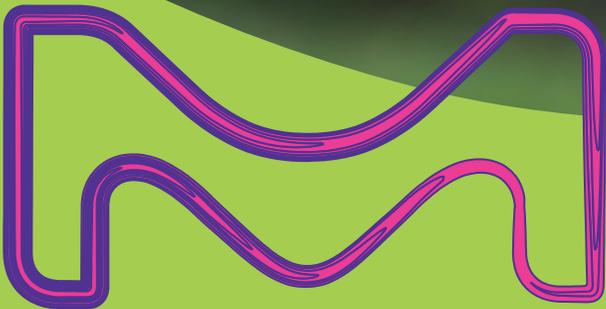
Group Procurement  
**GROWING  
TOGETHER**



# LET'S DRIVE PERFORMANCE & SUSTAINABILITY TOGETHER

Our pathway to reduce our carbon footprint

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The businesses of  
Merck KGaA, Darmstadt, Germany  
operate as EMD Serono, MilliporeSigma, and  
EMD Electronics  
in the U.S. and Canada.





# sustainability is a **KEY COMPONENT** of our Group strategy

As a sustainable company, we create **long-term value through our core business practices while seeking to balance environmental, social and governance aspects** – for us, for our stakeholders and for society at large.



*If you want to learn more,  
visit our [sustainability website](#)*



We have committed ourselves to

# 3 overall goals

01

## Dedicated to human progress

In 2030, we will achieve human progress for more than one billion people through sustainable science and technology.

### Our focus areas



Sustainable innovations and technology for our customers



Impact of our technologies and products on health and wellbeing

02

## creating sustainable value chains

By 2030, we will integrate sustainability into all our value chains.

### Our focus areas

Sustainability culture and values

Sustainable and transparent supply chain

Securing our social license to operate in all regions

03

## reducing our ecological footprint

By 2040, we will achieve climate neutrality and reduce our resource consumption.

### Our focus areas



Climate change and emissions



Water and resource intensity

## Procurement Focus

Green Products

Green Packaging

Human Rights

Animal Welfare

Human Biological Samples (HBS)

Together for Sustainability (TfS)

Conflict Minerals

GER (Supply Chain) Due Diligence Law

Supplier Decarbonization

Green Energy

Green Mobility

# Procurement is committed to reducing our ecological footprint

goal:

03

	<u>Initiative</u>	<u>Ambition</u>	<u>Impact</u>
<div data-bbox="122 321 662 996"><p><b>03</b></p><p><b>reducing our ecological footprint</b></p><hr/><p>By 2040, we will achieve climate neutrality and reduce our resource consumption.</p><p><b>Our focus areas</b></p><hr/><p> Climate change and emissions</p><hr/><p> Water and resource intensity</p><hr/></div>	<div data-bbox="728 491 1059 615"><p><b>Green Mobility</b></p></div>	<p>Develop concepts for Green Travel (foster alternative ways of travelling) &amp; Green Fleet</p>	<p>GHG emissions &amp; sustainable product design</p>
	<div data-bbox="728 726 1059 851"><p><b>Green Energy</b></p></div>	<p>Purchasing green power directly and indirectly (Virtual Power Purchase Agreements – VPPA – ) or direct solar / wind projects</p>	<p>Energy efficiency &amp; renewable energies</p>
	<div data-bbox="728 991 1059 1115"><p><b>Supplier Decarbonization</b></p></div>	<p>Lead Scope 3 GHG emission reduction as key driver in our decarbonization strategy</p>	<p>GHG Emissions</p>



# What we are doing to reduce emissions

goal:  
**03**

## Climate change and emissions

We believe that climate protection and energy efficiency will pay off in the long run – for both the environment and our business.

Examples of our climate actions:

Scope 1:

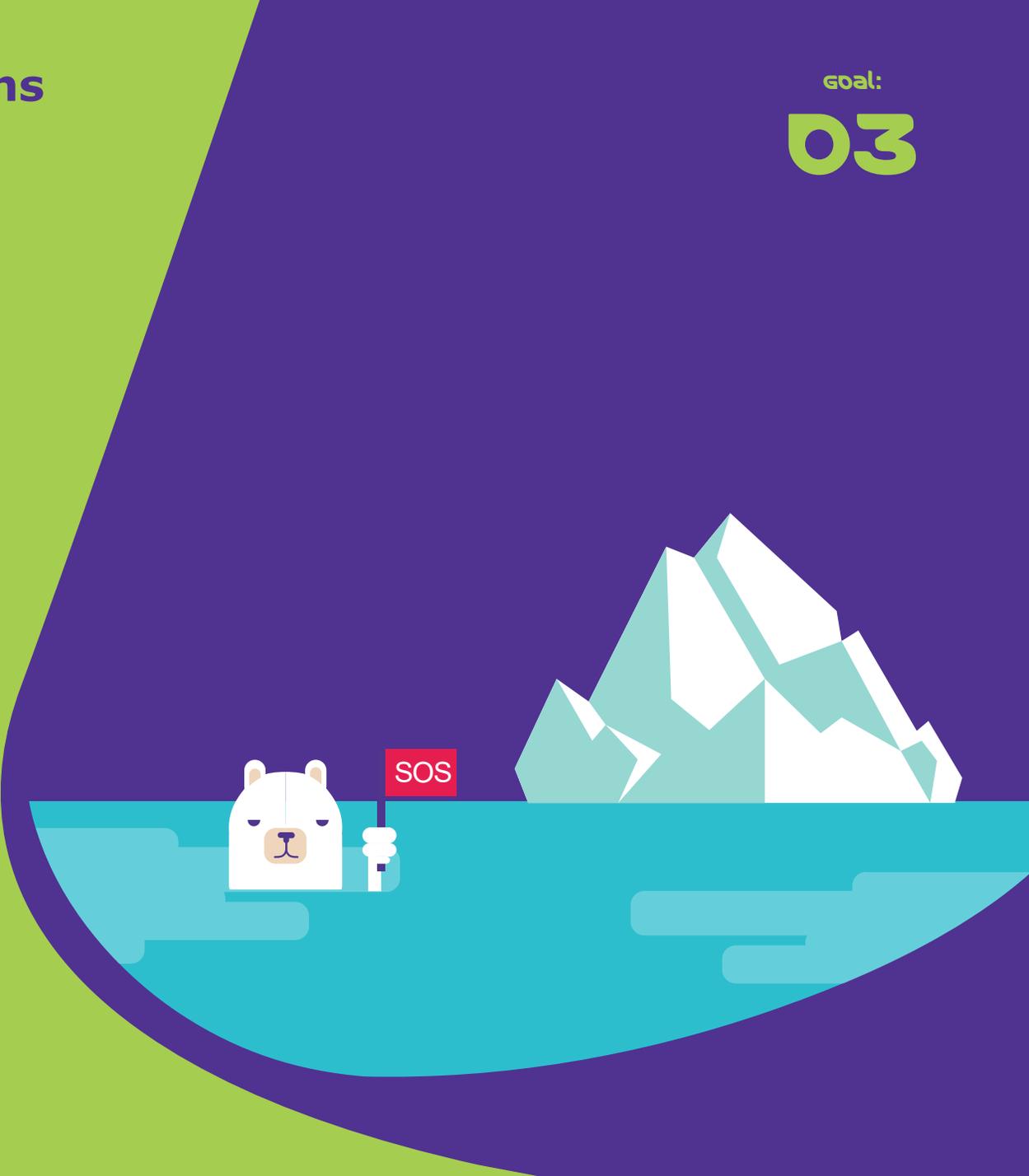
- **Minimizing process-related emissions**
- **Cutting down on energy consumption** by improved energy efficiency

Scope 2:

- Purchasing electricity generated from **renewable sources**

Scope 3:

- **Shipping our goods by sea** rather than by air
- Improved packaging solutions
- **Decarbonizing our supply chain**



**WE COUNT ON** your collaboration to reduce carbon along our value chains together!!

goal:  
**03**



Over 40% of our carbon footprint occur upstream in our value chain.

Reducing such “purchased emissions” is a key success factor for reaching our climate goals.



Let's start now **embedding carbon** in our regular exchanges and identify mutual goals!



## Next steps to decarbonize our supply chain

goal:  
**03**



**Let's define a common starting point for our journey together in Q3-Q4 2021**



**Our Sourcing Managers will be in touch with you and curious to learn about**

- Your current approach to GHG emissions
- Your carbon footprint and availability of GHG data
- Your ongoing efforts, projects or initiatives to reduce GHG emissions across all three scopes

**WE COUNT ON YOU!**

We look forward to working together and achieving mutual goals!



# Food for Thought: Abatement Areas to reduce emissions

Goal:

# 03

There is no one-fits-all solution -  
We identified concrete emission reduction projects in the following abatement areas.

## Reduction levers for key areas of impact



**Demand  
reduction**

Increase **efficiency of material  
use and disposal** sold products



**Substitution**

**Move to greener alternatives**



**Optimization in  
partnership**

**Engage with suppliers and customers to  
decrease their emissions from upstream  
and downstream in your value chain**

## Selected Abatement Areas to drive emission reduction

**Set emission reduction targets. Ideally in line with Science Based Target initiative (SBTi) (#12)**

**Encourage the decarbonization of the value chain (#13)**

**Reduce share of landfilled and incinerated waste in operations (#2)**

**Reduce use of high emitting transport modes – air to ocean freight (#3)**

**Work with logistics providers to shift to alternative fuels in ocean and road transportation across all business sectors (#4)**

**Leverage route optimization tools with focus on overland routes (#5)**

**Switch from grid electricity to renewable electricity in production of raw materials (#7)**

**Switch from gas to biogas for heating in production of raw materials (#8)**

**Shift from coal to biomass for heating in production of raw materials (#9)**

**Shift from diesel to bio-diesel in production of raw materials (#10)**

**Leverage carbon capture technologies (#11)**

**Optimize product design to reduce emissions from packaging and raw material (#1)**



