

Annual Report - 2025

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

This report is made pursuant to the reporting requirements of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C.2023, c9) (the "Act"). It provides information for the reporting period from January 1, 2025, to December 31, 2025.

Reporting Entities

Merck & Co., Inc., Rahway, NJ, USA. provides this joint report for itself and on behalf of its entities that are directly covered by a reporting obligation of the Act.

These reporting entities are listed in Appendix I.

Structure, Operations and Supply Chains

About Merck Canada Inc.

Merck Canada Inc. is a subsidiary of Merck & Co., Inc., a global healthcare company based in Rahway, New Jersey, USA. The company is listed on the New York Stock Exchange under the symbol "MRK". Merck is a global health care company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies, and animal health products. With over 75,000 employees, Merck & Co., Inc. operates in many regions and countries. For more information about the countries and markets around the world our products reach please see the "Access to Health" section of our [Impact Report](#).

As a subsidiary, Merck Canada operates under the guidance and ownership of its parent company. Headquartered in Kirkland, Quebec, Merck Canada is engaged in the sale and distribution of various human health pharmaceutical products. Our portfolio includes prescription medicines and vaccines. We sell and distribute our products to drug wholesalers, retailers, hospitals, government agencies, and management healthcare providers.

For more information, visit [Merck Canada](#)

About Intervet Canada Corp.

Intervet Canada Corp., also known as Merck Animal Health Canada, is a subsidiary of Merck & Co., Inc., based in Rahway, New Jersey, U.S.A.

Operating from its headquarters in Kirkland, Quebec, Intervet Canada Corp. specializes in offering a comprehensive range of products, services, and tools designed for the prevention, treatment, and control of diseases in major farm and companion animal species.

This encompasses a range of veterinary healthcare solutions for veterinarians, farmers, pet owners, and government agencies. In Canada, Intervet Canada Corp. serves as a manufacturer, distributor and seller of animal health products. Its customer base consists of veterinarians, distributors, animal producers, farmers, and pet owners.

For more information, visit [Merck Animal Health Canada](#).

About Our Supply Chain

We operate globally, with our manufacturing facilities for human health and animal health products located in North America, South America, Europe, Africa, and Asia Pacific. Our operations rely on thousands of suppliers, including direct suppliers (such as external manufacturing providers), capital expenditure suppliers, indirect/service suppliers, and research providers to manufacture, package, and distribute these products to many markets around the world. Company subsidiaries procure goods and services from suppliers and our own operations. See Appendix II for a complete list of key supplier and service provider categories.

The largest procurement categories in fiscal year 2025 for the Canadian subsidiaries are service providers and research and development based in Canada and the United States of America.

Approach & Policies

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, the UN Guiding Principles on Business and Human Rights, and the UN Sustainable Development Goals, as well as the industry standard, the Pharmaceutical Supply Chain Initiatives (PSCI) Principles for Responsible Supply Chain Management. In accordance with these standards, 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 policies.

Our public commitment to upholding human rights and eradicating forced labour and child labour in all its forms within our own operations and supply chain are described in our [Public Policy Statement on Human Rights](#) and [Impact Report](#). The corporate policies apply to all subsidiaries, as does the above-mentioned Code of Conduct. Policies are reviewed regularly and evaluated for compliance with evolving global regulations and industry standards.

In relation to forced labour and child labour, as defined by the International Labour Organization and the Act:

Child labour - We prohibit the use of child labour. We do not employ young workers below the legal minimum age of employment in any country. The employment of young workers below the age of 18 shall only be allowed in non-hazardous work and when they are above a country's legal age for employment, or the age established for completing compulsory education.

Forced labour - We prohibit the use of forced or involuntary labour, including bonded labour, prison labour, slave labour or indentured labour and any form of human trafficking or modern slavery. We do not use misleading or fraudulent recruitment practices or charge recruiting fees. All work must be voluntary and workers shall be free to leave or terminate their employment at any time. We never withhold or prevent an employee from accessing his or her identity or immigration documents, such as passport, work permit, or driver's license.

Risk of Forced Labour & Child Labour

Our operations

We believe there is minimal risk of forced labour and child labour within our own operations. We do not engage in business activities that involve child labour, vulnerable, low-skilled, or unskilled labour, or migrant workers. As outlined in the section below, we take measures to address this risk within our own operations. No instances of forced labour or child labour were identified in our operations in 2025.

The pharmaceutical industry is highly regulated and is not generally recognized as an industry that poses a significant risk of forced labour or child labour, compared to other industries, such as: textiles, construction, mining, electronics manufacturing, forestry, fishing, food processing, domestic work, hospitality, and tourism. Despite the relatively low risk, we continue to leverage our internal tools and processes to monitor risk levels and take action where needed.

Our supply chain

The risk of forced labour and child labour 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 forced labour and child labour, such as those countries listed in Walk Free Foundation's Global Slavery Index and The Children's Rights in the Workplace Index.

We recognize that supply chains of companies that extend into high-risk countries potentially face a greater risk of forced labour and child labour. We understand that the risk of forced labour and child labour in the pharmaceutical supply chain exists, although it may be relatively 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 use our Business Partner Code of Conduct to communicate our expectations to suppliers, and conduct supplier due diligence and social audits to proactively evaluate and monitor risk in our supply chain. Our 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.

No instances of forced labour or child labour were identified in our supply chain in 2025.

Addressing Forced Labour & Child Labour Risks

Our operations

During 2025, we continued working to address the risks of forced labour and child labour in our own operations by:

Code of Conduct: Respecting and abiding by our company's core values and standards, as stated in our company's [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 forced labour and child labour. These are embedded in our Global Policy on Labour & Human Rights and reflected in our [Public Policy Statement on Human Rights](#).

Employee Engagement: Fostering an environment where employees feel safe to speak up and report concerns, including any that may relate to modern slavery. We prioritize employee well-being and remain committed to cultivating an inclusive, respectful workplace. Our global, annual employee Pulse Survey allows employees to provide candid, anonymous feedback on topics such as engagement, work practices, inclusion, and our mission.

Grievance Mechanisms: Maintaining multiple communication channels to make it easy for employees and others to ask questions or report concerns (grievances). Employees can report concerns to their Managers, Human Resources, Compliance, or Legal. Individuals can also report their concerns at msdethics.com, which is a confidential channel for raising concerns. Operated by an independent third-party service, 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: Investigating all allegations of misconduct in accordance with our company's Compliance Issues Visibility Response ("CIVR") process, which promotes confidentiality, dignity and respect, objectivity, promptness, and non-retaliation. The process is independently overseen and managed by the Global Investigations team.

Corrective Action: Taking violations seriously and taking corrective and disciplinary action against individual employees determined, based on investigation findings, to have engaged in misconduct.

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 held 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 2025, we worked to address the risks of forced labour and child labour in our supply chain through:

Supplier Selection: Striving to select suppliers that are socially responsible and who share our company's commitment 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 forced labour and child labour. We use our [Business Partner Code of Conduct \(BPCC\)](#) to communicate our expectations. It has been translated for all countries in which we operate and is posted on our company website.

Risk Management: Conducting an annual risk analysis to identify suppliers that pose a higher risk of forced labour and child labour. 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.

Supply Chain Mapping: Mapping of our supply chains for goods and services directly provided to our company (Tier 1), including suppliers' locations and industry sectors. We have mapped all Tier 1 direct suppliers.

Due Diligence: Performing supplier due diligence using a risk-based approach. We use a supplier Environmental Social & Governance (ESG) questionnaire to gather information on a variety of topics, including freely chosen employment, child labor, employment practices, employee disclosures, fair treatment, wages, benefits and working hours, as well as health, safety and environmental protection. The results and outcomes of supplier due diligence are used to inform our supplier selection and risk management processes.

Contracts: Seeking contractual assurance from suppliers to respect the requirements set forth in our Business Partner Code of Conduct (BPCC), including those related to forced labour and child labour. Our standard contracts contain relevant clauses on compliance, ethical business practices, right to audit, sub-contracting, as well as termination rights. Our standard Purchase Order Terms & Conditions also incorporate our supplier expectations, with reference to the BPCC.

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 on-site 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 forced labour or child labour abuses. We expect our suppliers and other business partners to establish their own grievance mechanism to enable the reporting of concerns.

Individuals can report the concern at msdethics.com, which is a confidential channel for raising concerns. Operated by an independent third-party service, 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.

Response and Remediation: Taking immediate action to investigate if we discover evidence of forced labour or child labour in our supply chain. Where an occurrence of forced labour or child labour 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 unnecessary adverse impacts on workers and disruptions to our supply chain.

No instances of forced labour and child labour were identified in our supply chain during the reporting period. Therefore, no measures were taken during the reporting period to remediate forced labour or child labour or loss of income in our activities and supply chains.

Oversight & Monitoring: Assigning relationship managers from within our Global Supplier Management Group 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 forced labour and child labour risks, 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 forced labour and other human rights abuses. Mandatory 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

In 2025, as part of our commitment to continuous improvement, we established a cross-functional Human Rights Working Group (HRWG) to further strengthen our human rights program, including through enhanced stakeholder engagement. The HRWG serves as a center of excellence, providing guidance and support to both headquarters management and local teams to promote a unified approach to identifying and managing human rights risks. The HRWG operates under a defined governance structure that is aligned with our company's sustainability governance bodies (see the "Sustainability Governance" section of our [Impact Report](#) for further details). In addition, we reviewed and updated our

Business Partner Code of Conduct to help ensure that it effectively addresses human rights issues and aligns with the Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management.

During 2025, we reviewed the following Key Performance Indicators to help us assess the effectiveness of our efforts in addressing the risk of forced labour and child labour abuses in our own operation 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 forced / child labour abuses.
- 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 2025, 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 forced labour and child labour risks within our operations and supply chain. These efforts will include:

- Engaging stakeholders to conduct a Human Rights Impact Assessment.
- Investigating all reported concerns promptly.
- Conducting supplier labour and human rights due diligence to identify and address risks.
- Auditing suppliers to verify conformance with our standards for human rights.
- Holding suppliers accountable for addressing non-conformities revealed by LHR audits.
- Participating in the initiatives of PSCI's Labour & Human Rights Sub-Committee.

Consultation



The preparation of this report was performed in consultation with relevant internal stakeholders directly involved with the management of risks related to forced labour and child labour, including representatives from Global Supplier Management, Legal, Ethics & Compliance Office, and Sustainability Strategy & Engagement.

Approval

Company directors representing the boards of reporting entities (listed in Appendix I) reviewed and approved this report prior to publication.

Attestation

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

<i>Signature</i> 	<i>Signature</i> 
David D. Jones (May 26, 2026 13:13:10 EDT) <i>Full Name:</i> David D. Jones	Bradley Kaegi (May 26, 2026 09:50:10 EDT) <i>Full Name:</i> Bradley R. Kaegi
<i>Title:</i> President and Managing Director	<i>Title:</i> General Manager
<i>Date:</i> May 26, 2026	<i>Date:</i> May 26, 2026
<i>I have the authority to bind Merck Canada Inc.</i>	<i>I have the authority to bind Intervet Canada Corp.</i>

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](#).

Appendix I

In accordance with the Act, the following entities are included in this report:

Merck Canada Inc. – Business Number (BN): 887722213

Intervet Canada Corp. – Business Number (BN): 133834499

Appendix II

Key supplier and service provider categories for Merck & Co., Inc.:

- **Active Pharmaceutical Ingredient (API) Suppliers:** These suppliers provide active components or substances that provide the therapeutic effects in drugs. They are used for formulation and production of pharmaceutical products.
- **Excipient Suppliers:** Excipients are the non-active ingredients that are used as fillers, binders, or stabilizers in the formulation of medications. Excipient suppliers provide these materials.
- **Raw Material Suppliers:** These suppliers provide essential ingredients and raw materials for drug manufacturing, such as sugars, solvents, and various chemicals.
- **Packaging Suppliers:** Packaging suppliers provide packaging materials and services. They supply items such as bottles, vials, blister packs, labels, and packaging machinery.
- **Contract Manufacturing Organizations (CMOs):** CMOs specialize in the manufacturing and production of pharmaceutical products. They provide services such as formulation, manufacturing, packaging, and labelling of products.
- **Research Organizations:** Our research providers include those that provide laboratory supplies and other R&D-related services. We often collaborate with research institutions, academic organizations, and contract research organizations (CROs). These partners contribute to the research and development and clinical trials of new drugs.
- **Equipment Suppliers:** Suppliers of specialized equipment used in pharmaceutical manufacturing, such as mixing systems, granulators, tablet presses, sterile filling machines, and packaging machinery.

- **Quality Control and Testing Providers:** These entities offer analytical testing, quality control, and assurance services to ensure that the products meet regulatory requirements and comply with quality standards.
- **Logistics and Distribution Providers:** We rely on logistics and distribution providers to handle the transportation, storage, and distribution of finished products to various markets and customers.
- **Service Providers:** These entities provide services such as travel and meetings, facility management, and marketing.
- **Capital Expenditure Suppliers:** These entities provide goods and services such as engineering and construction.