



# ORGANON

Here for her health

## 2022 ESG REPORT HIGHLIGHTS





# About us

We are a global healthcare company committed to improving women's health.

Our vision is to create a better and healthier every day for every woman. We aim to deliver innovation, expand access, and empower women and girls to make informed choices about their healthcare so that they can achieve their promise. Our focus areas include:

## Women's Health

We believe women are the foundation of a healthier world and we know that women need more choices when it comes to their healthcare. We continue to build on our strengths in reproductive health and fertility as we assemble a suite of health options that help address areas of high unmet need for women.

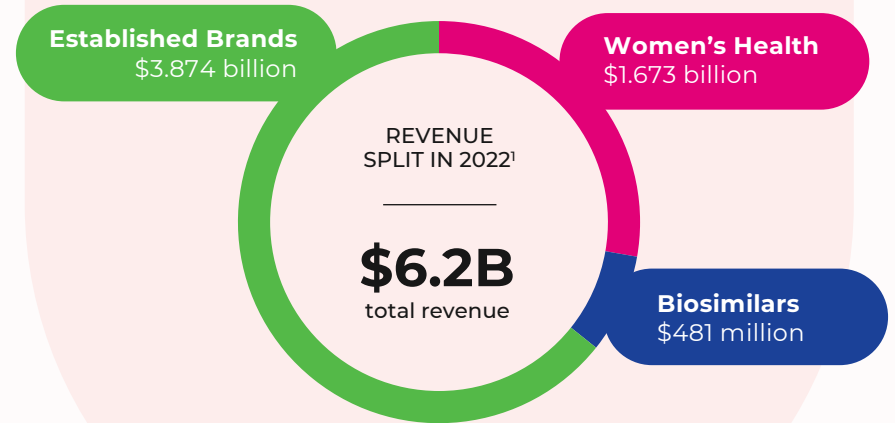
## Biosimilars

Biosimilars, which are approved by regulators as being highly similar to their referenced biologic medicines, are used to treat a range of serious conditions and can reduce costs compared to biologics. We aim to improve health care economies and access to treatment by providing high-quality biosimilar medicines to health care systems, providers, and patients.

## Established Brands

Our Established Brands include well-known products, which generally are beyond market exclusivity, across therapeutic areas including respiratory, cardiovascular, dermatology, non-opioid pain, and more. We are seizing new opportunities to bring these important treatments to patients who need them.

We focus on three key areas to achieve our vision of a better and healthier every day for every woman:



<sup>1</sup>Please see our [Annual Report / 10-K](#) to learn more about our revenue in 2022.





# 2022 Highlights

## Social: Her Equity

We are a global healthcare company dedicating to advancing the health of women. Our research and development and business development activities focus on four cornerstones of women's health: contraception, fertility, maternal and peripartum conditions, and conditions unique to women.

### Innovation and access

**8****transactions completed**

(Two completed in 2021, five completed in 2022 and one completed in early 2023<sup>1</sup>) advancing our vision to provide solutions for unmet health needs.

**73**

**lowest-income countries eligible for the Her Promise Access Initiative**, our effort to provide 100 million women with contraceptive options in support of our [FP2030](#) goal.

**\$30M**

**pledged toward reducing unintended pregnancies and empowering women and girls** through our Her Plan is Her Power three-year initiative (launched in 2023).

**\$18.9M**

**of biosimilars donated** to eligible patients across the United States.<sup>2</sup>

### Supplier diversity and engagement

**25%**

**increase** of our addressable spend with **diverse suppliers** by 2025, from a 2021 baseline. We will use leading metrics to measure our economic impact and job creation in our communities.

**48%**

**increased diverse spend** over 2021 actuals, achieving this goal in 2022.

### Community engagement

**13**

**global grants** – from countries, such as Dominican Republic, South Korea, Germany, and Thailand – that **will provide resources to help women and girls** reduce **unplanned pregnancies** and take control of their reproductive health.

**2**

**gender-focused grants tailored to the needs of women and girl refugees in Ukraine and Poland.**

### Among Organon employees

**90%**

feel **diversity is valued** at Organon

**89%**

feel they are proud to **work for Organon**

**86%**

feel they can be their **authentic selves at work**

**85%**

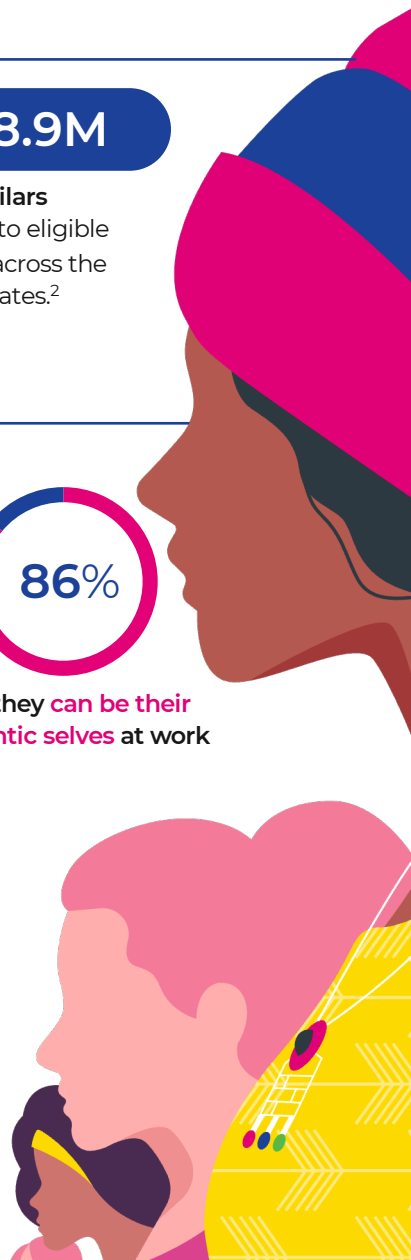
feel their work gives them a **sense of personal accomplishment**

**53%**

**of employees are women**

<sup>1</sup> This data reflects information from after 2022. All other information in this report reflects data from Spin on June 2, 2021 through December 31, 2022.

<sup>2</sup> Total donations calculated using WAC cost, as of Jan 14, 2022.





# Environmental: Her Planet

We seek to reduce our environmental impact through the efficient use of energy, water, and materials in our operations.

89%

of our **operational waste was reused**, recycled, or otherwise used beneficially.

66%

of our manufacturing sites have already **invested in biodiversity projects** either on or off site.

3.4%

**reduction** in Scope 1 and 2 greenhouse gas emissions (GHG) emissions against the 2020 baseline.

1,029,000<sup>1</sup> MT CO<sub>2</sub>e<sup>1</sup>

of **total Scope 3<sup>2</sup> GHG emissions**.<sup>3,4</sup>

2.4%

**reduction in total energy<sup>5</sup> use** throughout our six sites against the 2020 baseline.



# Governance: Her Trust

Our Board of Directors and Executive Leadership Team oversees ESG-related issues.

Nearly 70%

of our directors are **women**—recognized as the **most gender-diverse Board in the S&P 500**.<sup>6</sup>

46%

of our directors are from U.S. **underrepresented racial and ethnic groups**.

66%

of our **standing Board committees** are chaired by women.

12

number of **independent directors**.

<sup>1</sup> MT CO<sub>2</sub>e = metric ton of carbon dioxide equivalent.

<sup>2</sup> Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but GHG emissions associated with the value chain.

<sup>3</sup> This is an initial estimate of Scope 3 GHG emissions in 2022 based on modelling aligned with The Greenhouse Gas Protocol (GHG Protocol) Corporate Value Chain (Scope 3) Accounting and Reporting Standard (also referred to as the Scope 3 Standard). The GHG emissions model may be subject to further revision which may result in adjustments to the estimated emissions for 2022 in the future. Scope 1 and 2 emissions are based on reported emissions, not modeled emissions, and therefore are not directly comparable to Scope 3 emissions.

<sup>4</sup> May not add up to total due to rounding.

<sup>5</sup> The energy usage of our (commercial) Fleet (which is also scope 1) is not included in this overview. For the GHG emissions associated with our Fleet see our Scope 1 and 2 GHG emission data.

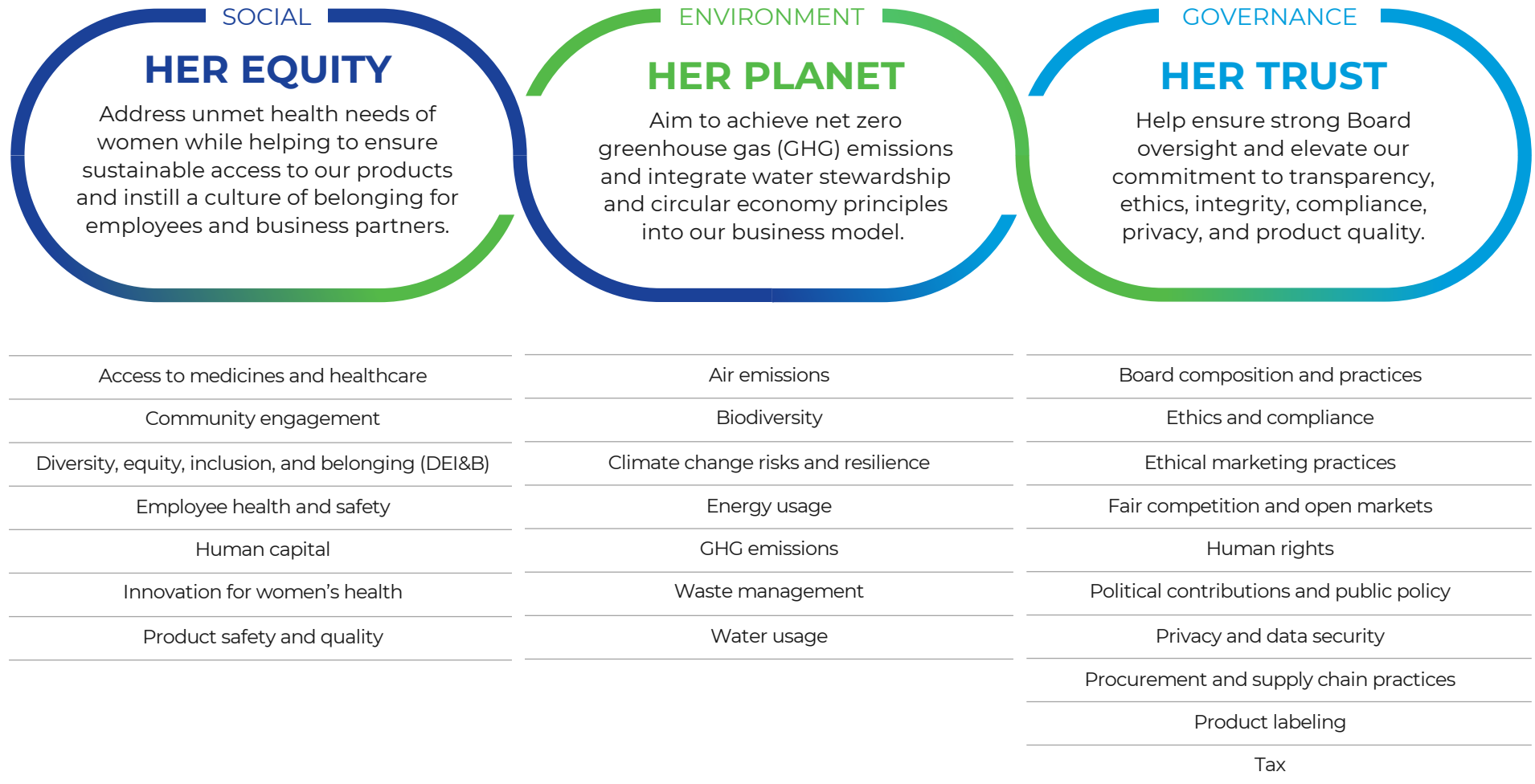
<sup>6</sup> Bloomberg, *Women Reach 32% of S&P 500 Board Seats for the First Time, 2022*, <https://www.bloomberq.com/news/articles/2022-12-21/women-reach-32-of-s-p-500-board-seats-for-the-first-time>.



# Our Approach to ESG

We believe that by advancing the health of women, we advance the health of society. Our ESG strategy helps ensure we deliver on our corporate vision: A better and healthier every day for every woman. Our ESG priorities are embedded throughout our business, where we focus on the issues that matter most to our stakeholders, our company, and women around the world.

## Her Promise. Our Purpose. Here For her Health.





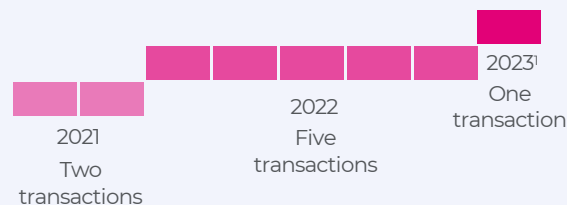
# Our Goals

Our purpose is to help all women and girls achieve their promise through better health. We are working to achieve Her Promise through the following goals.

## Innovation in women's health

- We aim to **redefine and harness innovation** in women's health by dedicating a majority of our pre-clinical and clinical development activity toward areas that address the unmet health needs of women and girls.
- We will **work with partners to expand access to treatment options** that improve her health and help secure her promise.
- We will **search for potential solutions that can achieve a significant impact** by improving care, diagnosis, quality of life, and health outcomes for women.

**Eight transactions completed or executed since 2021 that allow us to advance meaningfully toward our mission.**



PROGRESS

## Expanding access to medicines and healthcare

- Working together with partners, **we aim to prevent an estimated 120 million unintended pregnancies** by 2030.
- We plan to provide 100 million girls and women in low-and middle-income countries (LMICs) with **affordable access to contraceptive options** by 2030.
- We are working with health authorities to find ways to expand access to postpartum hemorrhage (PPH) treatment options to women around the world.

By the end of 2022

**47 million** women provided access to family planning options, and we had helped prevent **57 million** unintended pregnancies since the Her Promise Access Initiative program began.<sup>2</sup>

PROGRESS

## Diversity, equity, inclusion and belonging

- We aim to **achieve balanced gender representation through all levels of the company globally by 2030.**

To reach this goal, we strive to maintain our current global gender balance while increasing the number of women in mid- to senior leadership roles.<sup>3</sup>

### Our female representation in roles at director-level and above



PROGRESS

- We aim to **achieve pay equity.**

We have completed pay equity studies conducted by external economic and legal experts in three of our largest markets (the United States, the United Kingdom, and Switzerland) and plan to conduct studies in these and additional markets in 2023, which, in total, account for approximately 60% of our employees globally.

**99.5%**

gender pay equity in the United States, the United Kingdom, and Switzerland.

**99.9%**

pay equity for non-White (incl. Black, Hispanic, and Asian employees) and White employees in the United States.

PROGRESS

<sup>1</sup> This data reflects information from after 2022. All other information in this report reflects data from Spin on June 2, 2021 through December 31, 2022.

<sup>2</sup> Her Promise Access Initiative program began with Merck & Co in 2012.

<sup>3</sup> Where and to the extent permitted by law.



## Environmental Stewardship

- **By 2025, we aim to support the transition to a low-carbon economy, with an ambition to achieve net zero GHG emissions in our operations and through our supply chain.**
- We aim to reduce our Scope 1 and 2 GHG emissions by more than 25% from 2020 levels.<sup>1,2</sup>
- Our goal is to have at least 70% of our supplier spend devoted to suppliers that have GHG emissions reduction programs.
- We plan to characterize our Scope 3 GHG emissions and regularly update them to reflect our supply chain.

### ACHIEVED 2022

**We have made progress** on our goal of characterizing Scope 3 GHG emissions by developing an initial estimate of Scope 3 GHG emissions in 2022.

PROGRESS

▼ **3.4% reduction** in Scope 1 and 2 GHG emissions against the 2020 baseline.

**We began reviewing our suppliers' GHG emission reduction plans.** We are evaluating supply chain risk management tools that will track, trend, and help develop our suppliers' environmental sustainability.

- **By 2050, we aim to integrate water stewardship and circular economy principles into our business models.**
- **By 2025:**
- We aim to reduce water usage in our operations **by >5%** from 2020 levels
- Our goal is to have at least 70% of our supplier spend devoted to suppliers that have water reduction programs.
- We plan to characterize the water usage in our value chain and regularly update it to reflect our value chain.
- We aim to have 30% of our legacy packaging reviewed against the Sustainability Packaging Guidelines to identify opportunities to reduce our environmental impact.
- Our goal is that more than 80% of our sites' operational waste will be reused, recycled, or otherwise used beneficially.<sup>3</sup>

### ACHIEVED 2022

**89%** of our operational waste was **reused, recycled, or otherwise used beneficially.**

PROGRESS

▼ **2.3% reduction** in water usage compared to 2020 levels.

We will be assessing all new products against the **Sustainability Packaging Guidelines**, which will drive recycled content, recyclability, and responsible sourcing.

## Our goal for biodiversity



By 2025

We will plan to **invest in projects** that preserve and restore biodiversity at or near all Organon manufacturing facilities and major office locations.

By 2050

Our ambition is to **preserve and increase biodiversity** at our locations and in our communities.

PROGRESS

Four out of six of our manufacturing sites **have already invested in biodiversity projects** either on or off site.

By the **end of 2023**, all six sites will have **reached** this goal.

In 2023, we will also plan to **investigate biodiversity projects** for our major office locations.

<sup>1</sup> For our baseline, we assumed that fleet emissions for 2020 are the same as in 2022.

<sup>2</sup> Biogenic emissions are included in our Scope 1 and 2 GHG emissions goal.

<sup>3</sup> Otherwise used beneficially includes composting and incinerated with heat recovery.



### Deliver on trust

We are committed to upholding the highest levels of ethics and integrity throughout our business.

In early 2023, MSCI upgraded Organon's ESG rating to an **A**, driven largely by its assessment of our governance processes.

We currently have the most gender-diverse Board of Directors in the S&P 500,<sup>1</sup> as well as one of the most diverse Boards in the healthcare industry. We aspire to maintain the expertise as well as the gender and racial diversity that characterizes our Board composition today.

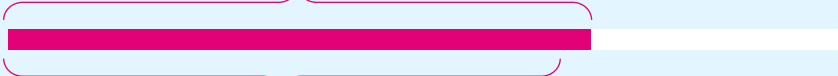
46% of our directors are from U.S. underrepresented racial and ethnic groups.



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Nearly 70% of our directors are women.



66% of our standing Board committees are chaired by women.

PROGRESS

### Our goals for supplier diversity and engagement

We aim to engage at least five new or existing suppliers in a development and mentorship program and increase addressable spend with diverse suppliers by 25%, from a 2021 baseline, by 2025.<sup>2</sup>

Organon increased diverse spend by 48% over 2021 actuals, achieving this goal in 2022.

Organon's Chief Procurement Officer was recognized as one of the TOP 25 Diversity Change Leaders by Diversity Plus Magazine.

## Select awards and recognition

We became a signatory for the UN Women's Empowerment Principles, which aim to advance gender equality.

### 2022 Comparably awards:

- Best CEO
- Best CEOs for Diversity
- Best CEOs for Women
- Best Company Compensation
- Best Company Culture
- Best Company for Diversity
- Best Company for Women
- Best Global Culture
- Best HR Team
- Best Operations Team
- Bloomberg Gender-Equality Index
- DE&I Best Practices Belonging Award
- Happiest Employees
- Newsweek Most Responsible Businesses
- Prime Employers for Women Gold Award

<sup>1</sup> Bloomberg, Women Reach 32% of S&P 500 Board Seats for the First Time, 2022, <https://www.bloomberg.com/news/articles/2022-12-21/women-reach-32-of-s-p-500-board-seats-for-the-first-time>.

<sup>2</sup> Where and to the extent permitted by law.