Operating responsibly as a business is at the very heart of our ability to deliver sustainable impact — driving long-term value for our company and society.

For more than a century, we have been inventing medicines and vaccines for many of the world’s most challenging diseases and we have built a company with the talent, tenacity and strength to take on some of the biggest threats to human and animal health.

Our core product categories include diabetes, cancer, vaccines and hospital acute care. We continue to focus our research on conditions that represent some of today’s most significant health challenges — like cancer, HIV, HPV, hepatitis C, cardio-metabolic disease, antibiotic-resistant infection and Alzheimer’s disease, and we are on the front lines in the fight against emerging global pandemics, such as Ebola.

Our approach to corporate responsibility is about the health, economic, social and environmental impact we have on individuals and communities around the world. We hold ourselves accountable to our many stakeholders, including patients, employees, customers and shareholders, whose perspectives help to define our corporate responsibility priorities.
At MSD, we have been committed to our mission of saving and improving lives for nearly 130 years. Over that time, we have been responsible for some of the most significant scientific advancements and improvements in public health.

Any one individual can make the scientific breakthrough needed to discover a new medicine. I’m reminded of our esteemed former colleague, Maurice Hilleman, the father of modern vaccines, whose centenary we celebrate this year. However, it takes the infrastructure of a company like MSD to translate invention into a product that can help millions of people every day. Operating responsibly as a business is at the very heart of our ability to do so.

Our 2018/2019 Corporate Responsibility Report reviews our progress against our four key areas of corporate responsibility: Access to Health, Employees, Environmental Sustainability and Ethics & Values. It represents our commitment to widely recognized reporting frameworks that reflect key environmental, social and governance (ESG) issues, and our support for the 10 universally accepted principles of the UN Global Compact.

Our industry is facing some challenging headwinds, but our commitment to corporate responsibility will not waiver. The number of health care and drug pricing reforms being considered is possibly at an all-time high. Health care costs, especially a patient’s out-of-pocket costs, need to be addressed. We want to help find a sustainable solution, and we will continue to work with stakeholders and be transparent about our efforts. We have a history of responsible pricing and publicly disclose information about our prices in the United States. This includes our pledge not to increase our average net prices across our portfolio by more than the rate of inflation annually.

Whatever may come, we remain steadfast in our focus on following the science to see where we can have the greatest impact on patients’ lives. After all, R&D is the main source of the biopharmaceutical industry’s value to society. As we look to the future, we’re making investments in our pipeline and manufacturing capability to help protect one billion more lives by 2030.

We have a legacy of tackling urgent global health challenges. For example, MSD for Mothers, our global initiative to reduce maternal mortality around the world, empowers women to make informed choices; equips health care providers; and strengthens health care systems. Working with more than 160 partners, our programs have improved access to quality care and modern contraception for more than nine million women in 48 countries.

I am proud that our investigational vaccine is being delivered and having an impact in areas of Central Africa affected by the Ebola virus. Some may say that investing to develop an Ebola vaccine doesn’t make good business sense, but I believe this is the kind of challenge that MSD was designed to tackle.

Corporate responsibility initiatives like MSD for Mothers and our investigative Ebola vaccine make us an attractive employer for people who want to change the world. And it adds to the sense of purpose that keeps us going.

That purpose was captured by our modern-day founder, George W. Merck, who said, “Medicine is for the people, not for the profits.” For me, only two metrics truly matter — how many people you help, and how much help you give those people.

Promoting enduring social good and securing business success are inextricably linked. While there is always more to do, I would like to thank all our employees, our suppliers and our partners for the work they do every day toward these goals. The activities highlighted in this report are a testament to the incredible impact they are having all around the world.

Sincerely,

Kenneth C. Frazier
Chairman and Chief Executive Officer
14% of our purchased electricity comes from renewables by 2040, 100% will come from renewable sources.

MSD for Mothers has reached more than 9 million women in 48 countries.

TIME magazine named Ken Frazier, our company’s Chairman and CEO, to the 2018 TIME100.

41% of management roles are held by women.

FTSE4Good index constituent since 2008.

15% reduction of water use since 2015.

$2.1B spent in 2018 with diverse suppliers.

100% score on the Human Rights Campaign’s Corporate Equality Index.

$2.8B total giving in 2018.

FINANCIAL INFORMATION 2018
- Sales ($M) $42,294
- Pharmaceutical ($M) $37,689
- Animal Health ($M) $4,212
- Other ($M) $393
- R&D expenses ($M) $9,752
- Number of employees (approx.) 69,000
Reflecting our commitment to managing environmental, social and governance (ESG) issues, we continue to focus our approach to corporate responsibility in four primary areas that are of greatest relevance to our business and society.

01 Access to Health
We aspire to improve access to health by discovering, developing and providing innovative products and services that save and improve lives.

02 Employees
We recognize that our ability to excel depends on the integrity, knowledge, imagination, skill, diversity and teamwork of our employees.

03 Environmental Sustainability
A healthy planet is essential to human health and the sustainability of our business.

04 Ethics & Values
Through our unwavering commitment to transparency, we earn the trust and confidence of our stakeholders.
We think globally, but we have to act globally, too.

140 markets around the world

357M people reached by our programs and partnerships

$1.4B in product donations outside the U.S.

Note: The 357 million people reached by our major programs and partnerships represent investments by our Office of Social Business Innovation, including our Office of Corporate Responsibility, MSD for Mothers and our Foundation.
We work to deliver vaccines, medications, and animal health products that can help millions around the world.
For 32 years we have been fighting river blindness.

River blindness has now been eliminated in Colombia, Ecuador, Guatemala and Mexico, and several countries in Africa are close to elimination.
Our efforts support the United Nations’ Sustainable Development Goals (SDGs) through the promotion of health and well-being, gender equality, clean water, climate change and renewable energy, diversity and inclusion, and responsible consumption, among others.
We are driven by our purpose to invent. Because patients are waiting.
FORWARD-LOOKING STATEMENT

This communication of Merck & Co., Inc., Kenilworth, N.J., U.S.A. (the “company”) includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company’s management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include, but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company’s 2018 Annual Report on Form 10-K and the company’s other filings with the Securities and Exchange Commission (SEC) available at the SEC’s Internet site (sec.gov).

Visit MSDresponsibility.com to learn more.