Corporate Responsibility

2017/2018 OVERVIEW
This publication is an overview of our online, comprehensive 2017/2018 corporate responsibility report, and features information on our overall approach, initiatives, operational performance, and selected accomplishments in the many areas where we are making a difference.

For complete information on our adherence to the GRI Standards, materiality assessment, environmental sustainability goals, transparency disclosures, all of our performance data, and extensive details on our corporate responsibility activities, please visit MSDresponsibility.com.

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Spotlight on 2017

MSD for Mothers
We are working to improve access to quality maternal health care and modern contraception for more than 6 million women around the world.

311 million
People reached through our major programs and partnerships.

18 new products
We expanded the reach of our Animal Health business through new product approvals in 2017.

$1.9 billion
Our annual spend with diverse suppliers increased by 31% in 2017, exceeding our goal of $1.2 billion.

Greenhouse Gas Emissions
We have reduced our global Scope 1 and market-based Scope 2 GHG emissions by 13% from 2015 to 2017, toward our goal of at least a 40% reduction from 2015 levels by 2025.

300 million
Treatments donated to endemic countries for the elimination of river blindness and lymphatic filariasis.

Renewable Energy
We have increased the percentage of purchased electricity from renewable sources to 5% in 2017, toward our 2025 goal of having more than 50% coming from renewable sources.

Three decades
We have been recognized as one of Working Mother magazine’s 100 Best Companies for the 31st year.

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For more than a century, we have considered it our responsibility to create value for our stakeholders while also contributing to societal objectives. Our 2017/2018 Corporate Responsibility Report reviews our progress in line with our commitment and global goals. It focuses on our four corporate responsibility priority areas: expanding access to our medical breakthroughs, building a robust and resilient workforce, promoting environmental sustainability, and operating on a foundation of ethical, transparent behavior.

Invention is responsible for some of the largest strides in public health—but we can’t save lives unless patients have access to our discoveries. Over the course of 2018, we collaborated with the World Health Organization (WHO) and other partners to supply and support the administration of our investigational Ebola vaccine in response to outbreaks in the Democratic Republic of Congo and other areas. We began developing this vaccine following the Ebola epidemic of 2014–2016, which was the most deadly to date, taking more than 11,000 lives. In 2018, in response to another Ebola outbreak, public health officials began using our experimental vaccine and have called it a “game changer,” helping them to save lives and prevent the spread of the disease. Ebola remains a serious threat, but the investigational vaccine offers great value to society as a potential tool to better fight this deadly virus.

Our mission of saving and improving lives means we have an important role to play in achieving the UN Sustainable Development Goals (SDGs). One way we contribute is through our MSD for Mothers program, which is focused on fighting maternal mortality around the world—a key SDG 3 indicator. Over the past six years, MSD for Mothers has improved access to quality care and modern contraception for more than 6 million women in over 30 countries. In 2018, together with the WHO and Ferring Pharmaceuticals, MSD for Mothers announced study results—published in the New England Journal of Medicine—of an investigational drug that could prevent postpartum bleeding, the leading direct cause of maternal mortality. The drug doesn’t require refrigeration, offering a potential new option for low- and lower-middle-income countries that have a high burden of maternal mortality. MSD for Mothers is working with partners to make it available and affordable in those places.
As part of our commitment to access, we continue to price our products responsibly and find innovative solutions to ensure patients can obtain the medicines they need. As part of that work, we published our second Pricing Action Transparency Report in the United States and we continue to participate in Access Accelerated, a cross-industry effort to improve prevention, treatment and care for non-communicable diseases in low- and middle-income countries.

We are a company with a large global manufacturing footprint, and we embrace the responsibilities and opportunities this creates for environmental stewardship. Through our own actions and our engagement with partners, we continue to make progress on our goals regarding the environmental impact of our operations, supply chain, products and packaging. For example, we signed a virtual power purchase agreement that advances our progress toward our 2025 goal of having more than 50 percent of our purchased electricity come from renewable sources.

Our ability to deliver on our mission depends on the diverse talent of our employees. We have a responsibility to develop our workforce in line with the goals of our company. Our efforts to promote diversity and inclusion make us a stronger company, and our support for workplace wellness programs helps us maintain a healthier workforce of nearly 70,000 people.

In 2017, we experienced a number of challenges including a cyber-incident and multiple natural disasters that tested the resiliency of our employees and the communities in which we operate. In response to the cyber-incident, we are pursuing an enterprise-wide effort to enhance our resiliency, strengthening our ability to maintain supplies of our life-saving and medically significant medicines and vaccines. And while Hurricane Maria disrupted our manufacturing capabilities and displaced many of our employees in Puerto Rico, I’m proud of our people who went home to ensure the safety of their fellow employees and their families, and then pushed forward in resuming critical manufacturing. As part of our comprehensive response to Hurricane Maria, we contributed tens of millions of dollars in financial support and relief supplies to Puerto Rico and other affected areas in the Caribbean.

There is increasing interest and a growing belief that a company’s ethical impact can serve as a barometer for its value and long-term sustainability. We welcome this focus. This report reflects our commitment to external, objective reporting standards that reflect key environmental, social and governance issues, including the SDGs. We also reiterate our support for the 10 universally accepted principles of the UN Global Compact. In 2018, we initiated a new corporate responsibility materiality assessment to identify, understand and report on issues that matter most to our stakeholders and are most related to the success of our operations. Through these frameworks and stakeholder engagement, we continue to evolve and fine tune our efforts to strengthen and support the company’s long-term sustainability.

Over the course of the last century, our purpose in the world has not changed. By looking ahead to the next century, we can ensure that we can continue to fulfill our mission, balance the needs of the many stakeholders we serve and contribute to making this a better, healthier world for all. Future generations are counting on us.

Sincerely,

KENNETH C. FRAZIER
Chairman and Chief Executive Officer

“Our company has an important role to play in tackling some of humanity’s greatest challenges. By fostering a long-term, strategic approach to our business and our contributions to society, we can not only strengthen our future as a company but also fulfill our commitments to make this a better, healthier world for all.”
Our Commitment

Our commitment to corporate responsibility is reflected in:

- Our policies and practices
- The commercial models and initiatives we employ to build and sustain our business and expand access to health
- The philanthropic programs that support our mission and contribute to society
- Our engagement and communication with our stakeholders including customers, suppliers, shareholders, employees and communities

For more than a century, our company has been inventing medicines and vaccines for many of the world’s most challenging diseases. We have always been and always will be inventing, and we do it for the single greatest purpose: Life.

Our corporate responsibility approach is aligned with our company’s focus on invention, and underscores our commitment to overcoming the greatest obstacles to health and well-being, developing and rewarding our employees, protecting the environment, and operating with the highest standards of ethics and transparency.

Reflecting our commitment to managing environmental, social and governance issues, we continue to focus our approach to corporate responsibility in four primary areas that are of greatest relevance to our business and society.

ACCESS TO HEALTH
We aspire to improve access to health by discovering, developing and providing innovative products and services that save and improve lives.

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

ENVIRONMENTAL SUSTAINABILITY
A healthy planet is essential to human health and the sustainability of our business.

ETHICS & TRANSPARENCY
Through our unwavering commitment to ethics and transparency, we earn the trust and confidence of our stakeholders.
The UN Sustainable Development Goals

We are committed to helping achieve the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 to help end poverty, protect the environment and ensure prosperity.

As a global health care company that is committed to improving health and well-being around the world, SDG 3 (Good Health and Well-Being) is at the core of our business and aligned with our mission to save and improve lives.

While we realize that all of the SDGs are essential to fostering sustainable development, we have prioritized eight global goals as those where we are positioned to have the biggest impact.

Governance

We believe good governance is integral to achieving long-term shareholder value. We are committed to governance policies and practices that serve the interests of our company and its many shareholders.

In exercising our fiduciary duty to our shareholders, we take a long-term perspective on shareholder value that takes into account both our company’s relationship with society as a whole and the interests of our many diverse stakeholders.

Our company’s Board Governance Committee is responsible for advising the company’s Board of Directors and management on company policies and practices that pertain to the company’s responsibilities as a global corporate citizen, its special obligations as a health care company whose products and services affect health and quality of life around the world, and its commitment to the highest standards of ethics and integrity in all of its dealings.

Corporate Responsibility Materiality

Understanding and prioritizing the corporate responsibility issues that are most important to our business and our external stakeholders enables us to focus on the right issues and report on them effectively.

In 2018, we initiated a new materiality assessment. The results of this assessment will help identify corporate responsibility relevant opportunities and risks to enable us to better prioritize our efforts to address the issues of greatest significance to stakeholders and to our company’s future success.

Awards & Recognition

We have been recognized for our commitment to corporate responsibility.

FTSE4GOOD INDEX
We have been a constituent of this leading index since 2008

CORPORATE KNIGHTS
Among the 2017 Global Most Sustainable Corporations in the World

Sustainability Accounting Standards Board (SASB)

Beginning with our 2017/2018 report, we now disclose information to investors using the SASB Standards.
As a global biopharmaceutical company, we are focused on inventing and developing innovative medicines and vaccines that tackle diseases and improve the lives of people and the well-being of animals around the world.

We have an important role and responsibility in improving access to medicines, vaccines and quality health care worldwide, thereby helping to reduce the burden of disease around the world.

We also recognize that barriers to quality care and medical treatment—such as a lack of trained health care professionals, weak infrastructure, political uncertainty, civil strife, and a shortage of safe water in many parts of the world—make even basic health care delivery difficult at best.

These challenges go well beyond what we can directly address alone, so we work in partnership with a range of stakeholders to improve the global health ecosystem.

Access to Health Statement of Guiding Principles

Various stakeholders are calling on the global pharmaceutical industry to provide greater transparency regarding the impact of access strategies and initiatives, as well as evidence of how access strategies are integrated into an overall business strategy.

In response, we continue to employ our Access to Health Statement of Guiding Principles to inform our worldwide approach to access.
Research & Development

For more than a century, our company has been inventing medicines and vaccines for many of the world’s most challenging diseases. We embrace our responsibility to address the health needs of patients and society by inventing for life through world-class science.

We prioritize our R&D efforts on advancing candidates that we believe represent the next areas of breakthrough science that will make a difference and deliver value for patients, physicians and payers.

To develop important new products that improve the quality of life and satisfy customer needs, our company is poised where invention and the burden of disease meet. Our products and research priorities are aligned with the current and projected global burden of disease as defined by the WHO, as well as with the increasing need for new therapies targeted at diseases such as cancer, HIV/AIDS, Alzheimer’s disease and antibiotic-resistant infections, and in disease prevention through vaccine development.

Our company is addressing an estimated 88 percent of the top 20 global burdens of disease with our products and pipeline.

Vaccines

Vaccines are one of the most valuable public health innovations of modern times, according to the WHO, the U.S. Centers for Disease Control and Prevention and other leading health authorities.

We remain one of the few companies dedicated to the complex business of researching and producing vaccines to help address the public health burden of infectious diseases for people around the world.

Our company is working with a number of collaborators, including global and national health organizations, to discover and develop breakthrough vaccines that target diseases of global significance, such as pneumococcal disease, respiratory syncytial virus, cytomegalovirus and Ebola.

Awards & Recognition

We have been recognized for our commitment to improve access to health around the world.

MSD for Mothers is our 10-year, $500 million global initiative to create a world where no woman dies giving life. Contributing our scientific and business expertise, as well as our financial resources, we are working to ensure that women have access to two of the most powerful means to end preventable maternal deaths: quality maternity care and modern contraception.

Over the past six years, MSD for Mothers has reached more than 6 million women in over 30 countries around the world, contributing to the global effort to save women’s lives, strengthen health systems and meet the UN SDGs.
We recognize that our ability to excel depends on the integrity, knowledge, imagination, skill, diversity and teamwork of our employees.

Global Diversity & Inclusion

Innovation comes from fostering inclusion, creating a sense of belonging on teams, and unleashing diversity in all its dimensions.

We understand that diversity and inclusion are fundamental to our success and core to future innovation. We foster a culture of inclusion and belonging where all employees feel welcomed and valued—a culture where we regard every individual as a source of competitive advantage in our larger mission of saving and improving lives.

It is with this focus that we uphold diversity and inclusion as core values and as essential to every aspect of our business, enabling us to innovate, execute, adapt and grow. This, in turn, delivers intrinsic, long-term value to our patients, employees, customers and shareholders.

- 49% of new hires in 2017 were female
- 40% of our management roles in 2017 were held by women
- 36% of new U.S. hires in 2017 were members of underrepresented ethnic groups
- 23% of our U.S. executive roles in 2017 were held by members of underrepresented ethnic groups
Employee Well-Being

We are committed to helping our employees and their families be healthy and stay safe. Only when our employees feel their best, in all aspects of their lives, can they perform at their highest level.

We believe that well-being is more than physical health and the absence of disease. A holistic well-being model includes physical, emotional, financial and safety, and we understand that these components are highly interdependent.

As part of our commitment to becoming a leader in employee health and well-being, we brought together our health and wellness offerings under one brand called LIVE IT. More than just a program, LIVE IT serves as a call to action for employees to take control of their health and live their best lives.

LIVE IT was launched in the United States in 2011 and now is available in over 40 countries, reaching approximately 78 percent of our global workforce.

Our goal is to have LIVE IT reach over 90 percent of our global workforce by 2019.

Awards & Recognition

We have been recognized for our commitment to fostering a workplace where our employees and our business can thrive.

AMERICAN HEART ASSOCIATION
Gold recognition in the 2018 Workplace Health Achievement Index

U.S. VETERANS MAGAZINE
Best of the Best Top Veteran-Friendly Company for 2017
As a global health care company, we recognize the important role we play in identifying and responding to the public health risks associated with climate change, such as threats to clean air and water, insufficient food supplies, and the spread of disease.

We believe our longstanding support of stronger health systems and expanded access to medicines and vaccines in underserved areas is even more important given the evidence that certain disease patterns can be associated with changing climate conditions.

Sustainability Strategy

The world’s resources are limited, and over the next few decades the demand for energy, clean water and other natural resources is likely to increase substantially due to population growth and economic development.

We believe that companies have a responsibility to use resources wisely and to drive innovations that will enable global development while protecting and preserving both the planet and the communities in which we live and work.

Our environmental sustainability strategy includes efforts in three key areas:

1. Efficient Operations
2. Design For Environment
3. Reduce Risks In Value Chain

We have committed to reducing our Scope 1 and market-based Scope 2 absolute greenhouse gas (GHG) emissions by 40 percent between 2015 and 2025.

This goal is designed to meet the science-based criteria to limit the global temperature increase to below 2°C. We have submitted our goal to be evaluated by the Science-Based Targets initiative (SBTi) and joined We Mean Business to emphasize our commitment.
Global Water Use

Access to clean water is critical for human health and is a key input to our manufacturing operations.

Our global water strategy aims to achieve sustainable water management within our operations and our supply chain. To achieve these strategic objectives, we are focusing on the following commitments:

- Ensuring that our wastewater discharges comply with local and national standards, as well as internal company requirements
- Understanding and controlling our operational water footprint
- Managing water risk at our facilities and in our supply chain
- Reporting publicly on our water use and goals
- Encouraging our employees to be water stewards at work, at home and in their local communities

We use the World Resources Institute’s (WRI’s) Aqueduct water-risk-assessment tool to measure and map our water risks. Sites are categorized using the “Baseline Water Stress” indicator, which is the ratio of total annual water withdrawals to total available annual renewable supply, and accounts for upstream consumptive use. Higher stress values indicate more competition among water users.

We are assessing our facilities located in areas of “extremely high” and “high” Baseline Water Stress to determine if more extensive water management plans are needed. We are also working to identify “hot spots” of water use within our supply chain so that we can begin to engage with our suppliers on the issue of water risk.

Measuring Our Greenhouse Gas Footprint

We have made it a priority to reduce our demand for energy, and have established internal policies and practices focused on all of our sites, which includes minimizing greenhouse gas generation throughout the company. By taking these steps, we are also reducing our operating costs and mitigating the business impacts expected to be associated with future climate change requirements.

To achieve our goals, we will continue to optimize systems, consolidate excess facility space when possible, shift power supplies to combined heat and power systems, and utilize renewable energy sources.

We are working to reduce these impacts through activities such as reducing waste in our operations, reducing fuel use, and looking for opportunities to shift from air shipping to ocean transport wherever practical. In addition, we have started to work with our strategic suppliers to reduce their environmental impacts.

Awards & Recognition

We have been recognized for our commitment to minimizing our environmental impact.

- **ENERGY STAR**
  Recognized by the U.S. EPA for the 11th time for Sustained Excellence

- **NEWSWEEK**
  Ranked #33 on the 2017 Global 500 Green Rankings, and #19 on the U.S. 500 list
A Commitment to Transparency

We aspire to be open and transparent about how we operate in order to earn and retain the trust and confidence of our customers, employees, shareholders, and other important stakeholders.

We do this by proactively providing nonproprietary information to stakeholders about our business and how we operate, which helps stakeholders make informed decisions about their interactions with the company and our products.

We disclose information through a variety of mechanisms, including our financial disclosures, our annual corporate responsibility report, and participation in voluntary efforts such as CDP, as well as through the media and through one-on-one stakeholder discussions.

Human Rights

Respect for human rights is a fundamental part of our mission to discover, develop and provide innovative products and services that save and improve lives around the world.

Our company has a number of global policies that address how we protect human rights, including our global Public Policy on Human Rights, our Human Resources Policy, and our Labor and Human Rights Policy. Our company’s Executive Committee is responsible for ensuring that governance processes are in place to provide oversight of the implementation and execution of these corporate policies.

Our Code of Conduct, which we publish under the title Our Values and Standards, outlines our responsibilities to our customers, our fellow employees, our suppliers, the communities where we live and work as well as those around the world that we serve, and our shareholders. These responsibilities represent the foundation of our company and what we stand for, and are the basis for our continued success. We seek to prevent or mitigate adverse human rights practices that are directly linked to our operations, products or services.
Global Privacy Program

In all that we do, we strive to be good data stewards to balance our data needs with our responsibilities to the people and communities we serve.

Data about people—whether they are employees, patients, physicians, veterinarians, other health care professionals, customers, business partners, or other stakeholders—is essential to fulfilling our corporate mission and to operating our global research-intensive biopharmaceutical and animal-health businesses.

We have developed and continually improved a comprehensive global privacy program that promotes organizational accountability for privacy, data governance, and data protection across our business, and with our collaborative partners and suppliers.

We also have a set of privacy values to guide all of our privacy, data stewardship, and data protection decisions. These core tenets serve as the ethical framework for our comprehensive global privacy program and our compliance with the continually evolving legal and regulatory standards for privacy and data protection.

Code of Conduct

Our Code of Conduct is considered to be the foundation of our company’s success. These values and standards apply worldwide, wherever our company does business.

Ethics and compliance training is an important part of creating a strong culture, and our program is reflective of the Code of Conduct and corporate policies tailored to meet the needs of different groups of employees within the organization. All employees are required to complete the assigned ethics and compliance courses.

Awards & Recognition

We have been recognized for our commitment to ethics and transparency.

- **HUMAN RIGHTS CAMPAIGN**
  - We received a score of 100% on HRC’s 2017 Corporate Equality Index

- **CPA-ZICKLIN INDEX**
  - Recognized as a “Trendsetter” by the 2017 CPA-Zicklin Index of Corporate Political Disclosure and Accountability

100% of our employees completed training on our Code of Conduct
Our commitment to corporate responsibility is also demonstrated through our philanthropic efforts and our company’s long history of philanthropy.

Through our philanthropic contributions, product donations and employee volunteering efforts, we strive to find sustainable solutions to key global health challenges and to strengthen communities where our employees live and work.

**Priorities and Performance**

Our giving priorities strengthen the effectiveness and impact of our company’s philanthropy by focusing on areas of global health need in which we have substantial expertise and capability.

We also provide financial support and share the expertise of our employees through grant and volunteer programs that address critical health needs and selected social issues in communities in which we have a presence.

We are committed to discovering smart, sustainable ways to expand access, especially in parts of the world where there are limited or nonexistent health care infrastructure and resources. Given the immensity of this challenge, we believe we can make the strongest contribution by working in partnership with others—governments, donors, patient organizations, health care professionals, nongovernmental organizations, academic institutions, multilateral organizations, and the private sector.

We focus on select areas of global health need and relevance to our company: Alzheimer’s disease, cancer, diabetes, and HIV/AIDS. Our program investments in these areas focus on innovative interventions showing evidence of effectiveness in improving health care quality and reducing disparities in access and health outcomes among underserved populations who are particularly burdened by these diseases.
Employee Giving

Around the world, our employees take an active role in giving back to their communities through a variety of programs. Each year, our employees donate thousands of hours to help improve the health and well-being of communities around the world through programs such as MSD for Mothers, the MSD Fellowship for Global Health, and a range of volunteer activities.

Our corporate policy on volunteerism provides employees worldwide with the opportunity to take up to 40 hours of paid time off annually to engage in volunteer activities that support eligible nonprofit organizations.

Product Donations

It’s not enough to discover and develop new medicines and vaccines. We also need to help get them to the people who need them, whether they live in communities with a fundamental lack of access to health care and services or are affected by acute or protracted humanitarian crises.

300K+
people reached through our Medical Outreach Program in 2017

Our product donation programs and initiatives include:

MECTIZAN® (ivermectin) Donation Program
Currently in its 31st year, the MECTIZAN Donation Program is the longest-running disease-specific drug donation program and public-private partnership of its kind. The program is focused on the elimination of two diseases, onchocerciasis (river blindness) and lymphatic filariasis (LF).

Medical Outreach Program
Established 60 years ago, our company’s Medical Outreach Program is the primary mechanism through which we donate our pharmaceuticals and vaccines for humanitarian aid in the developing world and in support of disaster relief and emergency response worldwide.

U.S. Patient Assistance Programs
We provide selected medicines and adult vaccines for free to people who do not have prescription drug or health insurance coverage and who, without our assistance, could not otherwise afford them.

Disaster Relief

Our company is committed to supporting communities around the world that are affected by natural disasters. We provide disaster relief assistance through cash and product donations during major disasters and support efforts in disaster preparedness and recovery.

Through our disaster relief efforts, we aim to respond in a timely, coordinated manner to meet the immediate needs of affected communities, to provide ongoing assistance through recovery (as needed), and to support preparedness efforts as appropriate.

During 2017, a series of hurricanes, earthquakes and wildfires resulted in widespread destruction across the southern United States, the Caribbean, California and Mexico. Our company worked with humanitarian agencies in support of relief efforts, providing approximately $24 million in donated medicines, vaccines, financial contributions and employee matching funds to help those in need.

$24M
in product and cash donations for disaster relief
We have key performance indicators (KPIs) for each of our four focus areas; Access to Health, Employees, Environmental Sustainability, and Ethics & Transparency. These KPIs are measured globally unless otherwise noted, and cover all of our business units with the exception of joint ventures.

### Access to Health

#### RESEARCH & DEVELOPMENT 2017
- Top 20 global burdens of disease addressed by our products and pipeline: 88%
- GCP/PV audits by regulatory agencies or clinical trial investigators that led to significant fines, penalties, warning letters or product seizures: 0
- Established significant external licenses and collaborations: 55
- Narrative of compounds provided to product-development partnerships: Online

#### MANUFACTURING & SUPPLY 2017
- Annual percentage of units manufactured/sold and recalled during a given year (recall rate globally): 0.01%
- Number of local and regional manufacturing partnerships to enable access: 153
- Number of products available by local and regional partnerships: 765

#### REGISTRATION 2017
- New product and device registrations: 143
- Local regulatory agency GCP/PV training requests fulfilled that will help strengthen agency capabilities with their GCP/PV compliance oversight role: Online
- Products submitted that have achieved WHO prequalification: 13

#### PRICING & COMMERCIALIZATION 2017
- Number of products that are supported with differential pricing: 42
- Number of countries where inter- and/or intra-country pricing has been implemented: 125
- Investment in patient- and provider-education programs: $90M

#### COMMUNITY INVESTMENT 2017
- Health care workers trained through major programs and partnerships: 74,000
- Investment in partnerships for activities to address underlying barriers to health, such as health-system strengthening and capacity building: $40M
- People reached through major programs and partnerships: 311M
## Employees

### DIVERSITY & INCLUSION 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
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<tbody>
<tr>
<td>Women in executive roles</td>
<td>32%</td>
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<tr>
<td>Women on the Board</td>
<td>23%</td>
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<tr>
<td>Members of underrepresented ethnic groups on the Board</td>
<td>23%</td>
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<tr>
<td>Members of underrepresented ethnic groups in executive roles (U.S.)</td>
<td>23%</td>
</tr>
<tr>
<td>Members of underrepresented ethnic groups in the workforce (U.S.)</td>
<td>26%</td>
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</tbody>
</table>

### WELL-BEING 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
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<tbody>
<tr>
<td>Response rate to the Voice Survey</td>
<td>N/A</td>
</tr>
<tr>
<td>Employees who completed a health assessment (U.S.)</td>
<td>70%</td>
</tr>
<tr>
<td>Lost-time incident rate (LTIR)</td>
<td>0.13</td>
</tr>
<tr>
<td>Recordable injury rate (RIR)</td>
<td>0.33</td>
</tr>
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</table>

### VOLUNTEERISM 2017

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<tr>
<th>Category</th>
<th>2017</th>
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<tbody>
<tr>
<td>Employees who took release time according to the global policy on employee volunteerism</td>
<td>7%</td>
</tr>
<tr>
<td>Total recorded volunteer hours</td>
<td>114,903</td>
</tr>
</tbody>
</table>

## Environmental Sustainability 15

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse gas emissions (Scopes 1 &amp; 2) (MT CO₂e)</td>
<td>1,264,100</td>
</tr>
<tr>
<td>Water usage (million m³)</td>
<td>19.5</td>
</tr>
<tr>
<td>Operational waste generated (MT)</td>
<td>72,426</td>
</tr>
</tbody>
</table>

## Ethics & Transparency

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>Employees trained on our Code of Conduct</td>
<td>100%</td>
</tr>
<tr>
<td>Ratio of substantiated allegations to concerns/issues raised</td>
<td>60%</td>
</tr>
<tr>
<td>Reported concerns that were substantiated regarding privacy practices, breaches of privacy and losses of personal data.16</td>
<td>98%</td>
</tr>
</tbody>
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9 Products include HIV treatments, vaccines and other patented products.
10 Countries as defined by the World Bank 2015 GNI Classification, including UN-defined Least Developed Countries.
11 Includes investments by the Office of Corporate Responsibility, MSD for Mothers and/or our company’s Foundation.
12 “Executive” is defined as the chief executive officer and two structural levels below.
13 Where specific data is not available, data has been estimated.
14 2017 figures are based on employee self-recorded volunteer hours and volunteer hours communicated directly to the Office of Corporate Responsibility for certain countries.
15 Includes facilities worldwide.
16 Privacy concerns include all concerns escalated to our Privacy Office about the company’s privacy practices. Substantiated concerns are those that are determined to be inconsistent with our privacy standards or that involve the loss of, theft of or unauthorized access to personal data.
N/A: Not administered; the Voice Survey is conducted on a biannual basis.
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 2017 Annual Report on Form 10-K and the company’s other filings with the Securities and Exchange Commission (SEC) available at the SEC’s website (www.sec.gov).