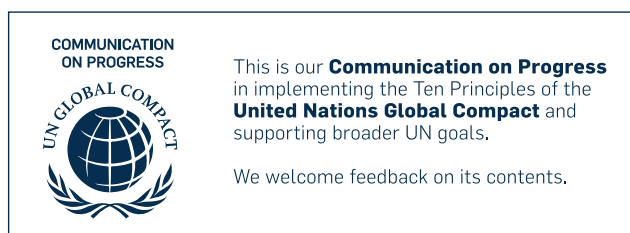


global compact cop

2018 Communication on progress (CoP) in implementing the ten principles of the Global Compact

We have been a UN Global Compact participant since 2005. As a signatory of the initiative, we have committed ourselves to ten principles based on key UN conventions regarding human rights, labor standards, environmental protection, and anti-corruption. At the same time, the UN Global Compact calls on its signatories to actively engage in propagating the principles within their own sphere of influence.

The following table summarizes the key measures we took in 2018, to support and implement the principles of the Global Compact.



Link: www.unglobalcompact.org

UNGC-Principleien:	Key measures in 2018:	Relevant GRI disclosures:	Reference:
Human rights			
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Key measures in 2018: - Hosted a workshop on modern slavery 194 people managers took part in the online course on our Human Rights Charter - Donated nearly 200 million praziquantel tablets to the World Health Organization to treat schistosomiasis, a donation that included Burkina Faso, Niger and Sierra Leone for the first time - Formed an internal, cross-functional human rights working group - Added the topic of human rights to our manual for new managing directors in an effort to heighten awareness at the executive level - Started the process of updating our Human Rights Charter	Relevant GRI disclosures: 410-1, 411-1, 103-2: 412, 412-2, 413-1, 413-2	Reference: Compliance Human rights Focus programs

Principle 2:

Businesses should make sure that they are not complicit in human rights abuses.

Key measures in 2018

- Took initial steps in response to the human rights self-assessment we conducted at our sites
- 194 people managers took part in the online course on our [Human Rights Charter](#)
- Conducted internal and external audits, assessments and inspections of suppliers regarding corporate responsibility, and collected self-reported information
- Added human rights issues to our compliance risk reporting

Relevant GRI disclosures:

412-3, 414-1, 414-2

Reference:

[Human rights Compliance](#)
[Supply chain standards](#)

Labor standards

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Key measures in 2018:

- Took initial steps in response to the human rights self-assessment we conducted at our sites
- Conducted internal audits on workplace aspects of our [Human Rights Charter](#)
- Conducted internal and external audits, assessments and inspections of suppliers regarding corporate responsibility, and collected self-reported information

Relevant GRI disclosures:

102-41, 402-1, 407-1

Reference:

[Human rights Compliance](#)
[Employee engagement](#)
[Supply chain standards](#)

Principle 4:

Businesses should support the elimination of all forms of forced and compulsory labor.

Key measures in 2018

- Conducted internal audits on workplace aspects of our [Human Rights Charter](#)
- Took initial steps in response to the human rights self-assessment we conducted at our sites
- Issued our [UK Modern Slavery Statement](#), which has been endorsed by our Executive Board and is available on our website
- Conducted internal and external audits, assessments and inspections of suppliers regarding corporate responsibility, and collected self-reported information

Relevant GRI disclosures:

409-1

Reference:

[Human rights Compliance](#)
[Supply chain standards](#)

Principle 5:

Businesses should support the effective abolition of child labor.

Key measures in 2018

- Took initial steps in response to the human rights self-assessment we conducted at our sites
- Conducted internal audits on workplace aspects of our [Human Rights Charter](#)
- Assumed the presidency of the Responsible Mica Initiative until 2020, and supported its work
- Engaged with the Indian organization IGEP to conduct monthly inspections of mica mines and processing plants
- Conducted internal and external audits, assessments and inspections of suppliers regarding corporate responsibility, and collected self-reported information

Relevant GRI disclosures:

408-1

Reference:

[Human rights](#)
[Compliance](#)
[Supply chain standards](#)
[Mica supply chain](#)

Principle 6:

Businesses should support the elimination of discrimination in respect of employment and occupation.

Key measures in 2018

- Reviewed and revised our Diversity Strategy
- Conducted internal audits on workplace aspects of our [Human Rights Charter](#)
- Identified key measures to achieve our 2021 target of maintaining a 30% representation of women in leadership roles (Role 4+)
- Expanded internal diversity programs
- Conducted a pilot training program on unconscious bias

Relevant GRI disclosures:

102-8, 202-1, 202-2, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1

Reference:

[Human rights](#)
[Compliance](#)
[Diversity](#)

Environmental stewardship

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Key measures in 2018

- Added two new sites to our ISO 14001:2015 Group certificate (Group certificate for 81 facilities)
- Annually reduced CO₂ emissions (2020 reduction target: 20% versus 2006 baseline)
- Implemented more than 360 climate impact mitigation projects since 2012
- Introduced two new Group-wide water standards
- Implemented measures to ensure product safety (e.g. REACH, GHS, Global Product Strategy) as well as plant and process safety (e.g. risk management process)
- Performed internal and external EHS audits
- Used our Waste Scoring System with the goal of reducing the environmental impact of our waste by 5% by 2025
- Established two Waste Expert Network Groups

Relevant GRI disclosures:

201-2, 301-1, 302-1, 303-1, 305-1, 305-2, 305-3, 305-6, 305-7

Reference:

[Environmental stewardship](#)
[Climate action](#)
[Water management](#)
[Waste and recycling](#)
[Plant and process safety](#)
[Sustainable product design](#)
[Packaging and recycling](#)
[Patient safety](#)
[Chemical product safety](#)
[Transport and warehouse safety](#)

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Key measures in 2018 ■ Systematically examined potential energy savings at our production facilities ■ Labeled products to provide information on their use and disposal ■ Launched the online platform Troc@Merck at our site in Corsier-sur-Vevey (Switzerland) to raise employee awareness for waste minimization. ■ Commercialized greener products such as CyreneTM ■ Offered employees sustainable mobility options such as Jobtickets and bike sharing	Relevant GRI disclosures: 301 - 308	Reference: Climate action Water management Waste and recycling Plant and process safety Chemical product safety Patient safety Transport and warehouse safety Sustainable product design
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Key measures in 2018 ■ Developed sustainable products such as liquid crystal technologies, raw materials for natural cosmetics and greener alternatives to chemicals ■ Implemented a new sustainable packaging strategy built on the following four goals: Reduce amount of packaging, achieve zero forestation, improve plastic sustainability, and optimize recycling ■ Expanded a recycling program for our Life Science customers	Relevant GRI disclosures: 302-4, 302-5, 305-5	Reference: Sustainable product design Packaging and recycling Performance Materials

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Key measures in 2018 ■ Performed internal corruption audits ■ Integrated our compliance program into our business sectors ■ 11,404 employees and external workers completed an online anti-corruption course ■ Rolled out business sector-specific e-learning programs centered on our Code of Conduct ■ Provided Group-wide SpeakUp Line for people to report corruption anonymously ■ Published annual EFPIA transparency reports	Relevant GRI disclosures: 102-16, 102-17, 205-1, 205-2, 205-3, 415-1	Reference: Compliance Interactions with health systems
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