Goals

Part of the non-financial report

Legend: New Goal | Goal achieved | In Progress | Goal not achieved

Business Ethics

Compliance

Goal: Bring compliance closer to the business

Action(s):	By:	Progress by end of 2019:	Status:
Third Party Risk Management	July 2020	The new Third-Party Risk Management process is still in preparation and will be implemented step-wise as of July 2020. Until then, the existing Business Partner Risk Management process will remain in use; the specific procedures were maintained and updated in 2019.	In Progress
Money Laundering Prevention	June 2019	We rolled out a new Anti-money Laundering Policy along with a corresponding screening process for incoming payments in 2019.	Goal achieved
Self-monitoring as part of the Compliance Risk Assessment process: Integrate self-assessment of compliance program implementation status in existing Compliance Risk Assessment	July 2019	In 2019, the Compliance Programs and Support team launched a redesigned compliance risk management process. We adapted the risk evaluation process and added a new self-monitoring component.	Goal achieved

Supply chain standards

Goal: Ensure that suppliers adhere to ethical, social, environmental and compliance standards

Action(s):	By:	Progress by end of 2019:	Status:
Perform a qualitative analysis of the available assessment and audit findings and define potential courses of action.	End of Q2/ 2019	In 2019 we redirected our efforts and focused on strengthening and further developing our risk-based approach. We have also laid the foundation of cross-collaboration across the company for an overarching concept to more efficiently manage CR-related matters in 2020.	
Develop a due diligence process for Responsible Minerals Sourcing according to the OECD guidance for upstream processes and integrate it into the working processes of the affected units.	End of Q3/ 2019	In the second half of 2019, a working group with representatives from business sectors and Group functions was established. At the end of 2019, the elements of a draft conflict minerals system were developed and will be further defined in 2020.	
Develop a due diligence process for palm oil sourcing according to international guidance and implement it within the working processes of the affected units.	End of 2019	In 2019, we focused on other topics and therefore did not reach our goal for palm oil sourcing. However, we aim to develop a due diligence process by the end of 2020.	

Animal welfare

Goal: Re-accredit relevant animal facilities

Action(s):	By:	Progress by end of 2019:	Status:
Re-accredit relevant animal facilities.	Ongoing	In 2019, one site in Italy has completed its re-accreditation. Re-accreditations are conducted every three years.	

Goal: Ensure animal welfare in our supply chain

Action(s):	By:	Progress by end of 2019:	Status:
Develop and implement an audit plan for suppliers.	Ongoing	Audit plans were developed and implemented in 2019 as planned. The process is up and running.	

Goal: Promote the 3Rs (Reduce, Refine, Replace)

Action(s):	By:	Progress by end of 2019:	Status:
Develop a Group-wide 3R program.	Ongoing	The internal 3Rs Award for increasing internal awareness was held again in 2019.	

products

Health for all

Focus programs

Goal: Eliminate schistosomiasis

Hand in hand with our partners, we aim to eliminate the tropical worm disease schistosomiasis worldwide

Action(s):	By:	Progress by end of 2019:	Status:
Donate up to 250 million praziquantel tablets annually to the World Health Organization (WHO) for African school-aged children.	Ongoing	Following the orders for 2019 by WHO, we donated nearly 233 million tablets for distribution in 35 countries, 32 of which in Africa. We continue to maintain production capacities at a level sufficient for manufacturing 250 million praziquantel tablets a year. We signed a new Memorandum of Understanding with WHO in July 2019, extending our partnership for another five years.	
Optimize the praziquantel formulation. Milestone for 2019: complete analysis of bioequivalence study.	End of 2020	In 2019, we analyzed the results of the first bioequivalence study, which had already been completed in 2018.	
Initiate new partnerships to promote behavioral change in African school children. Milestone for 2019: extend the project to two further districts in Ethiopia.	End of 2019	We extended the behavioral change project with NALA foundation to two new districts in Ethiopia. Health and education activities focusing on safe water, sanitation and hygiene were conducted in Mizan Aman and Guraferda.	
Continue to strengthen the position of the Global Schistosomiasis Alliance (GSA) as a partner platform for advocacy, implementation, research, communication, and strategy development.	Ongoing	The GSA has taken on the role to house and oversee the implementation of a Schistosomiasis Action Plan and adjusted its work program and working groups to drive progress on the Action Plan.	

Goal: Availability: Address unmet needs through the research, development and optimization of health solutions

We aim to improve global health for underserved populations in low- and middle-income countries, with a focus on combating infectious diseases.

Action(s):	By:	Progress by end of 2019:	Status:
Develop a pediatric formulation of praziquantel for the treatment of schistosomiasis in children under six. Milestone 2020: Develop access strategy for select African countries (Q4, 2020)	End of Q4/ 2020	The Phase III trial began at the Homa Bay clinical center in Kenya in September 2019. The study is ongoing. Based on the commitment to provide patients in need with sustainable access to pediatric praziquantel, an innovative access path is currently being designed together with international key stakeholders.	
Develop a pediatric formulation of praziquantel for the treatment of schistosomiasis in children under six. Milestone 2019: start of Phase III trial.	End of Q2/ 2019	The Phase III trial started in September 2019 at the Homa Bay clinical center in Kenya. The study is ongoing.	
Develop a new antimalarial (PeEF2 inhibitor). Milestone 2020: Design of Phase II and identification of combination partner (Q4, 2020)	End of Q4/ 2020	In addition to bringing Phase Ib to completion, our work focused on designing the Phase II study, identifying a combination partner and devising a commercialization path to tailor further development.	
Develop a new antimalarial (PeEF2 inhibitor). Milestone for 2019: Completion of Phase I/Ib.	End of Q4/ 2019	Testing of PeEF2 inhibitor completed under the seamless Phase I/human blood malaria challenge model (Phase Ib).	

Pharmaceutical supply chain

Goal: Accessibility: Strengthen supply chains and provide localized health solutions

Action(s):	By:	Progress by end of 2019:	Status:
Form a partnership to improve healthcare at the point of care in developing countries.	End of 2019	We successfully launched and implemented a project in Tanzania with Bahari, a local distributor, and in collaboration with Business for Health Solutions.	

Goal: Provide and further develop the GPHF Minilab™

Action(s):	By:	Progress by end of 2019:	Status:
Update the Minilab manuals and consolidate all test methods into one single volume.	End of 2020	A print version of a consolidated English manual was completed in 2019. French and Spanish versions will follow in 2020.	

Prices of medicines

Goal: Provide patients with access to affordable, high-quality products by making more of our branded generics available.

Action(s):	By:	Progress by end of 2019:	Status:
Continue with the expansion of our branded generics portfolio.	Ongoing	We launched four branded generic products in the Philippines, three in Angola, one in Brazil, and one in Mexico.	

Goal: Provide "beyond-the-pill" solutions to patients, caregivers and physicians to enable better management of the condition while maximizing treatment outcomes.

Action(s):	By:	Progress by end of 2019:	Status:
We entered a partnership on a leading medication adherence solution, Medisafe, to pilot a customized program to cardiometabolic patients in Brazil, Russia and Mexico.	Ongoing	Significant improvement in adherence to medication across all brands could be observed during the initial 12 months of the program delivery. We extended our partnerships in Russia and Brazil.	
We entered a partnership with a leading digital diabetes prevention program provider, Blue Mesa Health, to offer an effective and customized lifestyle counselling program to prediabetic patients across different regions.	Ongoing	A proof-of-concept pilot was completed in several countries and the program was or is being offered in Guatemala, Hong Kong, the United Arab Emirates and Brazil. Launch preparations are underway in the United Arab Emirates to make the program available commercially as well.	

product safety and quality

Chemical product safety

Goal: Guided by the precautionary principle, establish a globally aligned hazard and risk communication system for all our relevant chemical products in the supply chain

Action(s):	By:	Progress by end of 2019:	Status:
Implement the Global Product Strategy: Issue product safety summaries for all hazardous substances registered under REACH	End of 2020	The VCI has limited the product safety summaries to EU REACH lead substances. Following a review by the International Council of Chemical Associations (ICCA) and the UN, the ICCA took down the website with the product safety summaries on October 1, 2019 due the broad availability of such information on various portals, such as those of chemical agencies. It is therefore unnecessary for the ICCA to continue maintaining a web portal for product safety summaries.	-
Projects for hazard communication: Update safety data sheets for non-hazardous materials	By end of 2020	In both our Life Science and Performance Materials business sectors, all safety data sheets for non-hazardous materials had been updated by the end of 2019. These figures do not yet include the products/safety data sheets from the acquisition of Versum Materials and Intermolecular.	
Harmonize safety data sheets to align with a globally uniform standard	By end of 2020	In our Life Science business sector, the harmonization process was completed at the end of 2019. In Performance Materials, we have harmonized the majority of our safety data sheets Group-wide. However, national regulations limit what we can do in terms of completely harmonizing our safety information. In the process of integrating Versum Materials and Intermolecular, which we acquired in 2019, we are verifying whether their safety information complies with the applicable regulatory requirements as well as our internal standards, and are adapting the underlying processes where necessary.	

Patient safety

Goal: Enhance patient safety through stakeholder communication

Action(s):	By:	Progress by end of 2019:	Status:
Enhance the effective and timely communication to stakeholders in agreement with health authorities.	2019	New processes were introduced to meet new health authority requirements for the communication of safety signals. Mapping of local and regional requirements for safety issues were completed.	
Enhance patient interface in agReporter application and rollout of patient-centric pharmacovigilance videos.	2019	In 2019, we made the mobile patient-centric app for reporting adverse effects (agReporter) available in six additional languages: Russian, Simplified Chinese, Italian, Taiwan Traditional Chinese, German, and Turkish (simple form) In order to promote the use of the app by patients to report adverse effects, we introduced new features:	

- Application enhanced to support mobile browser as well as Safari and Chrome
- Improvement of data quality for reported adverse effects

Goal: Empower early and fully informed decisions by addressing unmet medical needs, deep biology and drug safety

Action(s):	By:	Progress by end of 2019:	Status:
Define a scoring model as basis for product prioritization and tiered portfolio management.	2023	We formed a workstream for portfolio prioritization and tiered portfolio management to enhance focus on high-priority assets. This action will be supported by an end-to-end vendor management framework.	
Implement a risk-based approach in global patient safety processes to improve efficiency.	2023	We formed a workstream for our risk-based approach, which will operate alongside the workstream for portfolio prioritization. It will be supported by an end-to-end vendor management framework to allow the team to efficiently work with vendors.	
Develop real-time pharmacovigilance intelligence on global, regional and local levels to enable strategic decision-making.	2023	We formed a work package under the workstream for our risk-based approach, in order to develop a pharmacovigilance intelligence governance structure and tools. This governance system will help to ensure that the risk-based approach is applied when centralizing our position for pharmacovigilance strategy and negotiations with health authorities.	

Goal: Provide up-to-date safety information to our customers worldwide, based on the benefit-risk profiles of our products

Action(s):	By:	Progress by end of 2019:	Status:
Practice predictive safety by developing a robust, cross-functional benefit-risk strategy that helps us deliver therapies that are truly differentiated and provide transformational value to patients.	2023	We formed a workstream for our benefit-risk blueprint strategy in close collaboration with multiple stakeholder functions. We aim to redesign and strengthen the benefit-risk strategy, and to establish effective communication of benefit-risk assessment to internal and external stakeholders.	
Optimize and automate the processing of individual case safety reports (ICSRs) from collection to reporting, in order to significantly reduce manual efforts and further improve quality, while maintaining a high level of timely compliance in reporting.	2023	We formed a workstream to leverage automation to avoid duplicating resources and generating unsustainable operating costs.	

Product-related crime

Goal: Strengthening cross-functional collaboration within the global security network and raising awareness among other target audiences of the strategic relevance of counterfeit medicines.

Action(s):	By:	Progress by end of 2019:	Status:
Expand organizational structures and certify employees who deal with product-related crime.	Ongoing	Continued holding product crime officer training programs as well as fortnightly conference calls.	
Host conferences and seminars; share best practices and lessons learned through international networks	Ongoing	Conducted workshops and training seminars in Africa, China and Latin America. Best-practice sharing via international networks: Participated in five Pharmaceutical Security Institute conferences.	
Establish the Security Academy learning and communication platform with the aim of better imparting the relevant expertise to all Security functions and key stakeholders.	Ongoing	Kick-off held in mid-February 2020, thereafter quarterly calls.	

Goal: Develop and implement security technologies and solutions for the authentication, identification, integrity, and security of the product supply chain

Action(s):	By:	Progress by end of 2019:	Status:
Support regional activities to counter product-related crime.	Ongoing	Started a project in China to monitor online marketplaces more purposefully and pinpoint suspected cases. Implemented projects and technical/organizational measures in Mexico and Italy to better monitor the external supply chain (road transport) and minimize the risk of pharmaceutical transport robbery and product theft.	
Step up internet searches to detect counterfeit products, illegal parallel imports as well as trademark infringements	Ongoing	Start a project in China to monitor online marketplaces in a more focused manner and investigate suspected cases.	
Monitor counterfeit pharmaceuticals in conventional distribution channels as well as online sales	Ongoing	Continued monitoring through external service providers to more rapidly identify counterfeit versions of our products and take countermeasures. In 2019, we focused on transparently tracking cybercrime in China.	

Transport and warehouse safety

Goal: Ensure warehouse and transport safety for our company and our suppliers.

Action(s):	By:	Progress by end of 2019:	Status:
Harmonize transport and warehouse safety master data through Group-wide ERP systems.	End of 2020	The harmonization process was completed Group-wide.	

Goal: Ensure warehouse and transport safety for our company and third-party warehouses and avoid incidents with risks for people and the environment.

Action(s):	By:	Progress by end of 2019:	Status:
Regularly evaluate audit results, incident reports and safety-related complaints and implement the resulting corrective actions.	Ongoing	The criteria for reusing shipping cartons was revised in order to reduce waste while also continuing to comply with all required safety standards.	

Employees

Career at Merck

Goal: Consistently fill at least two-thirds of leadership positions (Role 6+) with internal candidates.

Action(s):	By:	Progress by end of 2019:	Status:
Use the Talent Management Process to identify suitable employees with leadership potential and optimize the process to systematically advance them.	Ongoing	In 2019, 87% of vacant positions (Role 6+) were filled internally.	
Build a high-potential talent pool that reflects our demographic structure.	Ongoing	We are continuously developing our high-potential talent pool, which is a reflection of the diversity within our company.	

Goal: Position our Group as an attractive employer for university graduates

Action(s):	By:	Progress by end of 2019:	Status:
Participate in university fairs and organize in-house recruiting events for graduates; position our company via employer branding channels; partner with target universities, student initiatives and organizations/associations.	Ongoing	We are continuously positioning ourselves as an attractive employer for university graduates. Our employer branding and talent sourcing measures enabled us to fill all trainee positions and other direct entry jobs by the end of 2019.	
Approach select target universities.	Ongoing	We leveraged existing measures, for instance intensive collaboration with selected university departments and career services, to bolster our position as an attractive employer for university graduates.	

Goal: Increase the share of employees (Group-wide) with development plans to 70% by 2020

Action(s):	By:	Progress by end of 2019:	Status:
Conduct extensive internal communications and people development campaigns and optimize existing tools	End of 2020	The percentage of employees with development plans increased from 70% (2018) to 75% (2019).	
Create awareness and share knowledge	End of 2020	We are taking steps to raise awareness of development plans and help employees to create a solid one.	

Fairness and dialogue

Goal: Measure and improve employee engagement

Action(s):	By:	Progress by end of 2019:	Status:
Implement a regularly occurring process to measure employee engagement and take actions to improve it.	Ongoing	In 2019, we once again conducted a Group-wide employee survey.	

Diversity

Goal: Our target is to maintain a 30% representation of women in leadership roles (Role 4+) until 2021.

Action(s):	By:	Progress by end of 2019:	Status:
Deploy teams at business sector level to develop goals and measures to move women into positions in various hierarchies	End of 2021	All business sectors have set up their own teams that are dedicated to pursuing the objectives and measures and network with one another. For example, all business sectors have started to introduce our inclusion training. Moreover, we offer specific sponsoring or mentoring programs for women.	

Health and safety

Goal: Reduce the lost time injury rate Group-wide (to 1.5 or less)

Action(s):	By:	Progress by end of 2019:	Status:
Reinforce our safety culture to prevent behavior-related accidents. Roll out our BeSafe! program at all legacy Sigma-Aldrich sites and monitor ongoing implementation via appropriate performance indicators.	End of 2020	In 2019 we achieved a Group-wide LTIR of 1.5. Manager training and safety walkabouts helped us maintain a high level of safety awareness. We took these steps at numerous sites – including 12legacy Sigma-Aldrich facilities.	

Environment

Environmental stewardship

Goal: Incorporate all production sites into our Group ISO 14001 certificate for environmental management systems.

Action(s):	By:	Progress by end of 2019:	Status:
At newly acquired production sites, introduce environmental management systems in line with our Group ISO 14001 certificate and certify them accordingly.	Ongoing	In 2019, no new sites were added to our Group certificate. All sites relevant to the Group certificate had already achieved ISO 14001:2015 certification.	

Climate action

Goal: 20% reduction in our direct and indirect greenhouse gas emissions (Scope 1 and 2) by 2020 relative to the 2006 baseline

Action(s):	By:	Progress by end of 2019:	Status:
Systematically examine the energy consumption at our individual production sites	End of 2020	In line with the EU Energy Efficiency Directive, we performed renewed energy audits pursuant to EN 16247 at various European sites. Our Energy Management & Technology unit (from the Darmstadt/Gernsheim sites (both Germany)) supported our sites in this endeavor and performed audits in Calais, Meyzieu and Semoy (all in France) as well as in Ivrea (Italy). Furthermore, our Life Science business sector conducted energy management surveys at its sites in 2019. We use the data points collected to create a roadmap so as to streamline our energy management approach. Moreover, in July, Healthcare launched the EHS dashboard, a tool that aims to increase knowledge and transparency of environmental emissions to top leaders and the EHS community.	
Identify and implement potential energy savings.	End of 2020	In developing a new climate action target, we are revising our approach to promoting energy efficiency projects and hosted an energy efficiency conference to discuss the matter. In addition, we set up an Energy Management intranet site to provide a platform for sharing best practices and lessons learned and to evolve energy efficiency strategies; we furthermore formed international work groups to address interdisciplinary topics relating to energy efficiency.	
Reduce process-related emissions	End of 2022	In early 2019, we transferred a production line to a new site and can now manufacture these products in an emission-free plant. This led to an additional 10,000 metric tons of CO_2eq savings. Throughout 2018 and 2019, we initiated two additional process emission reduction projects that will continue through the year 2022. Using 2018 production volumes as our baseline, these projects are expected to save an additional 55,000 metric tons of CO_2eq. Further projects are being evaluated for feasibility.	
Renewable energies	End of 2020	In 2019, we started integrating the purchase of electricity from renewable sources into the scope of our climate action goal. In line with the Greenhouse Gas Protocol (GHG Protocol), we are now capturing our emissions using both the market-based and the location-based approach. Moreover, in the United States, we have additionally purchased renewable energy credits (REC) in order to achieve our 20% target.	

Waste and recycling

Goal: Reduce the environmental impact of our waste disposal (Merck Waste Score) by 5% by 2025 (baseline 2016)

Action(s):	By:	Progress by end of 2019:	Status:
Continuously look for ways to improve our production processes and disposal methods.	Ongoing	Through a pilot of our ProMec initiative, we are recycling approximately 1,300 metric tons of liquid production waste per year.	

Water management

Goal: Introduce a sustainable water management system at 24 of our manufacturing facilities with high water use by 2020

Action(s):	By:	Progress by end of 2019:	Status:
Meet the "advanced" requirements set out in the CEFIC flagship self-assessment tool (stage 3). This will assess our sites' impact on the water situation in the vicinity of each individual site.	May 2020	During stage 3 of the self-assessment, we will assess the environmental impacts caused by our discharged water. This process will continue until May 2020 without an interim audit.	

Goal: Reduce our water use at sites in water-stressed areas by 10% relative to the 2014 baseline.

Action(s):	By:	Progress by end of 2019:	Status:
Processes optimized to curb water consumption at seven production sites in Mexico, Spain, Taiwan, and the United States.	2020	Water use was reduced by 21% at the respective sites.