

community

For us, responsibility for our community is an integral part of who we are. We focus our activities on those areas where we can leverage our expertise to help solve problems.

We see ourselves as part of the community - not only regionally at our individual locations, but also globally as well. As both a major economic player and employer, we help contribute to the prosperity of many countries. For us, corporate responsibility is an integral part of our culture. Our community involvement activities are primarily focused on health initiatives where we can leverage our business-specific expertise to help solve problems. We also work to promote specific aspects of culture and education. On top of this, we provide disaster relief in emergency situations, especially to those regions in which we operate.

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our principles

To make our efforts more effective and efficient, we focus our resources on the following activities:

- We are partnering with various organizations to globally eliminate schistosomiasis, an insidious worm disease.
- The **Global Pharma Health Fund**, a charitable initiative funded by Merck, works to fight counterfeit medicines in developing health care systems and emerging countries.
- The Deutsche Philharmonie Merck is the musical ambassador of our company.

The Group function Public Affairs & Corporate Responsibility coordinates and implements the above-mentioned projects, regularly reporting their

progress to the Executive Board. **Our subsidiaries are also involved** locally. Guided by criteria defined at the corporate level, our individual legal entities are given the leeway to choose aid projects that reflect our corporate responsibility ethos.

We conduct annual Group-wide surveys to ascertain the regional scope of our community involvement efforts, to identify our objectives and focus, and to track our progress. In 2015, Merck invested a total of € 100 million in social responsibility activities, compared to € 50.8 million in 2014.

These figures do not include activities that primarily serve to market our products.

progress

Fighting to eliminate schistosomiasis

More than 235 million people in Africa suffer from the tropical worm disease **schistosomiasis**. Every year, more than 200,000 die as a result of this parasitic infection.

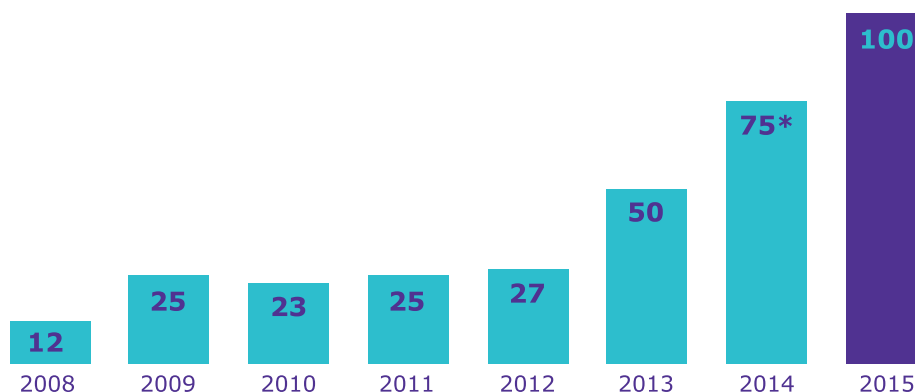
In the 1970s, we participated in a research partnership to develop the active pharmaceutical ingredient known as praziquantel, which is the only API that can be used to treat all forms of schistosomiasis. Since 2007, we've been making an annual praziquantel donation to the World Health Organization (WHO). In 2015, we donated over 100 million tablets. To achieve our goal of eliminating schistosomiasis in Africa, we intend to donate up to 250 million tablets per year to WHO. Because no

suitable formulation is currently available to treat children under the age of six, we are furthermore working **to develop a new formulation of praziquantel (p. 11)** that will enable this age group to receive treatment as well.

At the end of 2014, we furthermore launched the **Global Schistosomiasis Alliance** (GSA) in an effort to address any remaining gaps to meeting the elimination target. Founding members include the Bill & Melinda Gates Foundation, the Schistosomiasis Control Initiative, the United States Agency for International Development, and World Vision International. In 2015, the alliance launched **Something in the Water**, a digital campaign that aims to increase awareness of the condition.

Number of praziquantel tablets donated to WHO

millions



* In 2014, Merck produced around 75 million tablets, 72.2 million of which were supplied to 20 African countries by the year's end, a collaborative effort with the World Health Organization.

Help for colorectal cancer patients

Since its reform in 2009, the healthcare system in China has undergone visible improvement. Despite this, many people remain unable to afford innovative medicines such as Erbitux®, which we offer as a treatment for colorectal cancer. China's health insurance system does not yet cover this drug. Our Biopharma business in China has joined forces with the China Charity Federation (CCF) to help remedy this situation through the Erbitux® China Patient Assistance Program (ECPAP). For patients with a good prognosis, ECPAP will cover roughly 90% of the costs for Erbitux treatment. In addition to helping with costs, we also offer free services such as providing patients with information on the disease, or ensuring that the medicine remains properly refrigerated until reaching them. Since 2012, 5,160 people have benefited from the program. In recognition of these efforts, we were honored with a prize at the fifth Capital Philanthropy Awards in Beijing.

Rapid detection of counterfeit medicines

Interpol estimates that up to 30% of all medicines in developing nations are either illegal, counterfeit or substandard - which can have deadly consequences.

The Global Pharma Health Fund (GPHF), a non-profit initiative funded by Merck, is dedicated to fighting counterfeit medicines. The organization has developed the GPHF-Minilab™, a compact, portable lab that fits into one tropics-resistant case. Thanks to this kit, counterfeit medicines can be detected quickly, easily and cheaply. The tests screen pharmaceuticals for physical appearance, identity and API concentration. The GPHF developed five new test methods in 2015, ranging from antimalarials and antibiotics, to analgesics and antipyretics, which brings the total number of testable APIs to 80.

The GPHF generally provides its Minilabs at cost, but in 2015 they donated seven kits to various African countries. In 2015, Merck also donated seven Minilabs to nations in Africa. In collaboration with international organizations, the GPHF also trains local healthcare professionals how to use the test kit. The GPHF is furthermore involved in efforts to combat counterfeit medicines. Take for instance the DeveloPPP.de program that Merck and the GPHF are supporting in partnership with the German Agency for International Cooperation (GIZ). This project seeks to build capacity by improving the quality of pharmaceutical vocational training in Tanzania. Four of the Minilabs donated by the GPHF in 2015 went to this initiative. In addition, we integrated instruction

on Minilab use into the vocational training program for pharmacy assistants in Tanzania.

Connecting people through music

We have a long tradition of cultural engagement. Take for instance the **Deutsche Philharmonie Merck**. Initially founded 50 years ago as a company orchestra, this professional ensemble has become an integral part of cultural life in the vicinity of our headquarters in Darmstadt, Germany. With concerts and international guest performances attended by more than 26,000 music enthusiasts per year, our philharmonic plays a key role in communicating our Values. In 2015, the Deutsche Philharmonie Merck gave guest performances in Latin America (Mexico City, Rio de Janeiro and São Paulo), the United Kingdom (Cambridge), and Israel (Tel Aviv). In organizing the tour in Latin America, we partnered with three local social aid organizations to whom we donated the ticket proceeds: the Association Against Cancer (Mexico), Together Against Cancer (Brazil), and the School of Music and Citizenship in Rio. Thanks to our support of the music school, around 400 socially disadvantaged children and adolescents have learned to play a musical instrument.

In 2015 - as in previous years - the Deutsche Philharmonie Merck once more invited 50 children and adolescents to participate in its annual orchestra workshop in Darmstadt, Germany. Students rehearsed with members of Merck's philharmonic and then performed together in a joint concert, which gave the young musicians experience playing in a professional ensemble.

The activities of the Deutsche Philharmonie Merck also include annual benefit concerts. The proceeds from the January 2016 concert went to the "Echo hilft!" campaign, which is raising funds for the "Menschenskinder - Werkstatt für Familienkultur e.V." club in Darmstadt.

Actively helping refugees

In December 2015, we donated € 50,000 to the German Red Cross toward the operation of

emergency medical aid stations in Lebanese refugee camps. The majority of the people fleeing Syria are staying in this region, which means that humanitarian aid is desperately needed there. Lebanon alone has taken on more than one million people, roughly 25% of the country's total population. Through our donations, we are seeking to fight the reasons for flight and to help people close to their homeland.

In addition to this effort, we are also taking action in the vicinity of our global headquarters in Darmstadt through various measures to help support refugees. Our apprentices are also doing their part. For instance, in November 2015, 88 Merck apprentices renovated a building that will be used to house refugees. Additionally, we have offered the use of our own gymnasium for the activities of clubs and schools that have made their gymnasiums available to accommodate refugees.

On top of this, we are planning to enroll ten refugees in one of the 10-12 month courses that we call "Start in die Ausbildung", which help prepare participants to start a vocational training program. Before doing so, however, the candidates must first acquire the necessary language skills, which they can do through the job academies of the city of Darmstadt, as well as through special classes on offer by external training agencies. After successfully completing the language program, the ten refugees will be accepted into our "Start in die Ausbildung" course.

In autumn 2015, our legal entity in Austria donated around € 19,000 towards medical care for three Austrian refugee camps.

Merck in Thailand honored for its dedication to corporate responsibility

In 2015, Merck in Thailand received the Asia Corporate Excellence and Sustainability (ACES) Award in the sustainability category in honor of its transparent, measurable corporate responsibility (CR) objectives. Merck in Thailand has also set the example when it comes to integrating CR into its leadership development processes, which is why the

subsidiary received the Top Multinational Company in Southeast Asia Award in 2014.

Many years of partnership have forged a bond between Merck in Thailand and the Raks Thai Foundation, a local branch of the global humanitarian organization known as Care International. The Raks Thai Foundation deploys sustainable development programs in the most impoverished regions of northern and southern Thailand. Their goal is to help local inhabitants earn a stable, long-term income as well as safeguard their natural resources. Merck in

Thailand funds various Raks Thai Foundation projects, such as an initiative to teach sustainable rice farming methods.

Furthermore, Merck in Thailand regularly initiates volunteer campaigns, calling on employees to participate. In 2015, for instance, 300 employees worked to plant roughly 10,000 trees, part of the Together We Grow reforestation project. In the course of a fundraising campaign, staff raised 100,000 Baht (around € 2,560), which was distributed to three charities.