

global compact COP

2017 Communication on progress 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 2017 to support and implement the principles of the Global Compact.



Link: www.unglobalcompact.org

UNGC principles:	Key measures in 2017	Relevant GRI disclosures:	Reference:
Human rights			
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	■ Updated our Code of Conduct, entitled "What guides us" ■ Analyzed the results of our human rights self-assessment ■ Launched an electronic confirmation course on our Human Rights Charter for certain groups and leaders ■ Donated 150 million praziquantel tablets to the World Health Organization to treat schistosomiasis, a donation that included Egypt and Uganda for the first time.	410-1, 411-1, 103-2: 412, 412-2, 413-1, 413-2	Compliance (p. 11) Human rights (p. 17) Health (p. 111)
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	■ Analyzed the results of our human rights self-assessment ■ Launched an electronic confirmation course on our Human Rights Charter for certain groups and leaders ■ Conducted internal and external audits, assessments and inspections of suppliers with regard to corporate responsibility, and collected self-reported information.	412-3, 414-1, 414-2	Human rights (p. 17) Compliance (p. 11) Supply chain standards (p. 104)

Labor standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining.	- Analyzed the results of our human rights self-assessment - Conducted internal audits on workplace aspects of our Human Rights Charter - Conducted internal and external audits, assessments and inspections of suppliers with regard to corporate responsibility, and collected self-reported information.	102-41, 402-1, 407-1	Human rights (p. 17) Compliance (p. 11) Employee engagement (p. 82) Supply chain standards (p. 104)
Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.	- Conducted internal audits on workplace aspects of our Human Rights Charter - Analyzed the results of our human rights self-assessment - Published the UK Modern Slavery Statement, which was adopted by our Executive Board, on our website - Conducted internal and external audits, assessments and inspections of suppliers with regard to corporate responsibility, and collected self-reported information.	409-1	Human rights (p. 17) Compliance (p. 11) (p. 82) Supply chain standards (p. 104)
Principle 5: Businesses should support the effective abolition of child labor.	- Analyzed the results of our human rights self-assessment - Conducted internal audits on workplace aspects of our Human Rights Charter - Participated in the kick-off conference of the Responsible Mica Initiative in Delhi: jointly announced a five-year action plan for a responsible mica supply chain - The Indian organization IGEP performed monthly inspections on mica mines and mica processors - Conducted internal and external audits, assessments and inspections of suppliers with regard to corporate responsibility, and collected self-reported information.	408-1	Human rights (p. 17) Compliance (p. 11) Supply chain standards (p. 104) Mica supply chain (p. 106)
Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.	- Conducted internal audits on workplace aspects of our Human Rights Charter - Identified focus areas to achieve our 2021 target of maintaining a 30% representation of women in leadership roles (role 4+) - Expanded internal diversity initiatives.	102-8, 202-1, 202-2, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1	Human rights (p. 17) Compliance (p. 11) Diversity (p. 77)

Environmental stewardship

Principle 7: Businesses should support a precautionary approach to environmental challenges.	■ Recertified environmental management systems to updated version of ISO 14001 (Group certificate for 83 sites) ■ Annually reduced CO₂ emissions (reduction target by 2020: 20% versus 2006 baseline) ■ Implemented more than 300 climate impact mitigation projects since 2012 ■ Analyzed and assessed our water management practices with the goal of implementing a sustainable water management system at sites with high consumption levels by 2020 ■ 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) ■ Had internal and external EHS audits performed ■ Introduced the Merck Waste Scoring System with the goal of reducing the environmental impact of our waste by 5% by 2025.	201-2, 301-1, 302-1, 303-1, 305-1, 305-2, 305-3, 305-6, 305-7	Environmental stewardship (p. 87) Climate protection (p. 90) Resource efficiency (p. 94) Water management (p. 97) Waste and recycling (p. 95) Plant and process safety (p. 100) Sustainable product design (p. 32) Packaging (p. 36) Patient safety (p. 53) Chemical product safety (p. 50) Transport and warehouse safety (p. 57)
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	■ Systematically examined potential energy savings at our production facilities ■ Reduced maximum CO₂ emissions for new company vehicles as of January 1, 2017 ■ Offered employees sustainable mobility options such as Jobtickets and rental bicycles ■ Labeled products to provide information on their use and disposal.	301 – 308	Climate protection (p. 90) Water management (p. 97) Waste and recycling (p. 95) Plant and process safety (p. 100) Chemical product safety (p. 50) Patient safety (p. 53) Transport and warehouse safety (p. 57)
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	■ Developed sustainable products such as liquid crystal technologies, raw materials for natural cosmetics and green alternatives to chemicals ■ Developed a new, sustainable packaging strategy ■ Used and took back eco-friendlier reusable packaging ■ Updated a recycling program for our Life Science customers.	302-4, 302-5, 305-5	Sustainable product design (p. 32) Packaging (p. 36) Reuse and recycling (p. 37) Performance Materials

Anti-corruption

Prinzip 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

■ Redesigned our Business Partner Risk Management process	102-16, 102-17, 205-1, 205-2, 205-3, 415-1	Compliance (p. 11)
■ Performed internal corruption audits		Interactions with health systems (p. 70)
■ Strategically reorganized our Group function Compliance		
■ Trained employees on anti-corruption		
■ Provided global SpeakUp Line for employees to report corruption anonymously		
■ Published annual EFPIA transparency report		
■ Updated our anti-corruption guideline, for instance regarding rules for gifts and invitations.		