



Goals

Products, Suppliers, Employees, Environment, Society

Goals

Products

Goals: Product Safety

Strategic goal	Action	By?	Progress in 2013	Status
Establish a globally uniform hazard and risk communication system for all relevant Merck KGaA, Darmstadt, Germany, chemicals in the supply chain, incorporating the principles of prevention	Register substances produced in quantities ranging from 100–1,000 metric tons per year (phase 2 of REACH implementation) and register non-phase-in substances	Mid-2013	All registrations for quantities ranging from 100–1,000 metric tons per year were completed on schedule by mid-2013.	
	Register substances produced in quantities ranging from 1–100 metric tons per year (phase 3 of REACH implementation) and register non-phase-in substances	Mid-2018	First registrations are shortly before completion; the plan to ensure compliance with the registration deadline of mid-2018 is in place; preparations for the next registrations are ongoing.	
	Implementation of GHS/CLP: Classify mixtures and sets according to the CLP regulation	Mid-2015	Approx. 95% of mixtures were already labeled according to the CLP regulation.	
	Implementation of Global Product Strategy (GPS): Provide Product Safety Summaries within GPS for all hazardous substances registered under REACH	End of 2020	Further Product Safety Summaries are in preparation in accordance with the registrations made under REACH.	
	Projects for hazard communication: Update safety data sheets for non-hazardous materials	End of 2020	Approx. 80% of safety data sheets for non-hazardous materials have already been updated.	
	Increase the number of safety data sheets prepared to a globally uniform standard	End of 2020	With the roll-out of the global product safety database in the United States, a further step has been made toward a Group-wide standard.	

Goals: Animal testing

Strategic goal	Action	By?	Progress in 2013	Status
Harmonize animal welfare throughout Merck KGaA, Darmstadt, Germany	Establish Group-wide governance for Corporate Animal Science & Welfare	End of 2014	Establishment of the Group function Corporate Animal Safety & Welfare, draft of a quality manual, and foundation of an internal network of experts for animal testing and animal welfare.	
	Develop a Group-wide audit concept for contract animal testing facilities	End of 2015	Performance of audits by Corporate Animal Safety & Welfare at selected contract institutes and laboratory animal breeders.	
Harmonize the high quality of animal facilities at the biopharmaceuticals division	Obtain AAALAC International accreditation for all biopharmaceuticals division laboratory animal facilities	End of 2015	Successful re-accreditation at one site and preparation of accreditation at two sites.	
Implementation of a Merck KGaA, Darmstadt, Germany, 3R Award	Prepare of a 3R Award program	End of 2015		

Goals: Storage and transport

Strategic goal	Action	By?	Progress in 2013	Status
Further improve warehouse and transport safety	Create a Group-wide standard for safe logistics	End of 2013	Diverse standards and instructions were revised, or created, and put into effect.	
	Systematically share best warehouse and transport safety practices among employees worldwide	End of 2013	Regular online conferences with Group-wide participation were implemented in order to train employees and exchange experiences.	
	Expand scope of transport safety audits, to include contracted service providers	End of 2014	The first audits focused on transport safety were conducted as pilot projects. The necessary tools (e.g. check lists and evaluation forms) were created.	
	Develop additional performance indicators to assess warehouse and transport activities	End of 2014	Based on audits focused on transport and warehouse safety, assessments were carried out and a performance indicator each for transport and warehouse was allocated. For the determination of performance indicators, instructions were drafted and put into effect.	

Legend:  Achieved  In progress  Not achieved  New goal

Suppliers

Goals: Supplier Management

Strategic goal	Action	By?	Progress in 2013	Status
Ensure ethical, social and compliance standards at suppliers (contribution to fulfilling the strategic procurement goal "Risk Mitigation")	Adapt the general terms and conditions to integrate our Responsible Sourcing Principles into all orders	End of 2013	The general terms and conditions were revised and dated August 2, 2013.	
	Conduct CR audits on 30 suppliers with a risk potential	End of 2013	In the period from 2011 to 2013, more than 50 CR audits were conducted at suppliers with a risk potential.	
	Create the technical prerequisites for obtaining supplier self-disclosures in France, the United States, China, Italy, the United Kingdom, and Ireland by implementing a new computerized supplier management system	End of 2013	The technical prerequisites were created for obtaining supplier self-disclosures; the Xcitec system was introduced.	
	Collect supplier self-disclosures from higher-risk suppliers from whom we procure a volume above a defined threshold, in the countries Germany, Brazil, Mexico, Switzerland, Japan, India, France, the United States, China, Italy, the United Kingdom, and Ireland	End of 2013	Self-disclosures were obtained from higher-risk suppliers with a defined minimum procurement volume in Germany, Brazil, Mexico, Switzerland, Japan, India, France and the United States. The process of obtaining self-disclosures from suppliers in China, Italy, the United Kingdom and Ireland is to be completed by the end of 2014.	
	Join the industry initiative Together for Sustainability (TfS)	End of 2014		
	Perform workshops to prepare and involve Merck KGaA, Darmstadt, Germany, in the TfS program			
	As a contribution to fulfilling the strategic procurement goal "Risk Mitigation", measures will be taken to ensure that suppliers comply with ethical, social and compliance standards.	End of 2015		

Legend:  Achieved  In progress  Not achieved  New goal

Employees

Goals: Attracting and developing talent

Strategic goal	Action	By?	Progress in 2013	Status
Introduce a performance management system	Introduce performance management systems for all employees with target agreements, feedback and coaching	End of 2013	In 2013, 97% of employees took part in a performance and development evaluation.	
	Introduce development plans for all employees with performance evaluations, target agreements, feedback and coaching	End of 2013	This process was further supported by the implementation of a new system in 2013, which requires that development plans are updated annually. In addition, managers are now regularly provided with reports on the status of development plans in their unit. Experience has shown that reaching 100% implementation of development plans is unrealistic and in some cases not meaningful. Therefore, this goal is considered reached with the further steps to integrate the process and its tracking procedure into the organization.	
	Introduce development plans for all managers from Millipore Corporation, which was acquired in 2010	End of 2011	The process to implement development plans was continued. Further restructuring resulted in significant changes to the target population. With 87% of managers having development plans as of the end of 2013, this target is considered to be reached.	
Talent & Succession Management: Fill at least 2/3 of positions at Global Grade 16 + with internal candidates	Use the Talent & Succession Management Process to identify suitable employees with management potential and define a process to systematically develop employees	Ongoing	In 2011, we initiated the Performance & Talent Process to systematically develop management. In 2013, 92% of the vacant management positions were filled with internal candidates.	

Goals: Occupational health & safety

Strategic goal	Action	By?	Progress in 2013	Status
Reduce work accidents throughout Merck KGaA, Darmstadt, Germany (lost time injury rate = 2.5)	Implement the BeSafe! program; hold EHS forums on "Safety Behavior Change"	End of 2015	Through systematic accident prevention measures (such as training and campaigns to strengthen our corporate safety culture) as part of our BeSafe! program, we attained an LTIR of 2.2 in 2013. We are working to lastingly stabilize our LTIR.	

Goals: Diversity and inclusion

Strategic goal	Action	By?	Progress in 2013	Status
Increase the percentage of management positions (Global Grade 14+) held by women to at least 25%-30%	Increase the percentage of management positions held by women through numerous initiatives that move women into those positions	End of 2016	Performance of numerous communication measures and deeper integration into HR processes, such as talent management. 25% of management positions were held by women in 2013. Thus we have achieved our target corridor. We are continuing to pursue the goal of increasing the percentage of management positions held by women even further.	

Legend:  Achieved  In progress  Not achieved  New goal

Environment

Goals: Environmental management

Strategic goal	Action	By?	Progress in 2013	Status
Attain the ISO 14001:2004 Group certificate	Certify all production sites to ISO 14001:2004 Certify the Millipore production sites acquired in July 2010	End of 2013	All acquired Millipore production sites with more than 50 employees were certified according to plan.	
Check and introduce environmental management systems at sites of new acquisitions	Conduct a gap analysis during 2014 of new acquisitions of the biopharmaceuticals division (e.g. Heipha, Biochrom) as well as the production site of Allergopharma in Reinbek	End of 2014		
	Certify the environmental management systems at further sites of new acquisitions	Ongoing		
	Include the production sites of AZ Electronic Materials	End of 2015		

Goals: Climate protection

Strategic goal	Action	By?	Progress in 2013	Status
Reduce direct and indirect greenhouse gas emissions (Scope 1 and 2) of Merck KGaA, Darmstadt, Germany, by 20% (2006 baseline)	Systematically examine the energy consumption at the sites	End of 2020	The systematic examination of production plants for energy-saving potential was continued in Darmstadt and Gernsheim. In addition, energy checks were conducted at the Aubonne and Vevey sites.	
	Identify and implement potential ways to save energy	End of 2020	The Executive Board has allocated a further € 10 million to measures for saving energy and for reducing greenhouse gas emissions. In 2014, we thus want to realize 130 further individual projects and continue projects from 2012 and 2013. With the approx. 200 EDISON projects that were initiated in the past two years, Merck KGaA, Darmstadt, Germany, wants to annually save around 52 metric kilotons of CO₂* in the medium term. Major projects include the gas-fired cogeneration unit at the Gernsheim site in Germany, which went on line in mid-2013, as well as the installation of carbon-neutral biomass power plants at our sites in Jaffrey, New Hampshire (USA) and Goa, India, which are scheduled to go on line in 2014.	
	Reduce process-related emissions	End of 2020	We have achieved further progress in reducing process-related greenhouse gas emissions. The emissions per product unit was reduced by nearly 21% in the past two years. However, the sharp increase in production volume led to a rise in absolute emissions. In 2014, further activities are planned with the long-term goal of totally preventing process-related emissions.	
	Sustainably implement the topics of energy efficiency and reduction of greenhouse gas emissions	End of 2020	To sustainably implement energy efficiency topics, an EHS Group Standard Energy Management was published, which is now being implemented at the sites. An EHS standard on the topic of refrigerants is to contribute toward reducing refrigerant emissions, e.g. from air-conditioning systems.	

Legend:  Achieved  In progress  Not achieved  New goal

* The figure of 64 metric kilotons communicated in the last CR Report as the savings potential of the EDISON projects had to be adjusted. For one large project, the implementation will lead to lower savings than originally calculated.

Society

Goals: Praziquantel

Strategic goal	Action	By?	Progress in 2013	Status
Eliminate the worm disease schistosomiasis in Africa	Provide tablets containing the active ingredient praziquantel free of charge to treat school children in Africa	Ongoing	More than 150 million tablets were donated from the start of the project up to the end of December 2013. Altogether more than 38 million children were treated up to the end of 2012. More than 15 million children were treated in 2012. 2012: More than 27 million tablets were provided in eight African countries. 2013: Around 50 million tablets were provided in twelve African countries	
	Carry out an awareness program to explain the causes of schistosomiasis and potential preventive measures	End of 2013	In 2013, 750,000 brochures were provided in Senegal and 250,000 brochures were printed for Malawi.	
	Incrementally increase the number of tablets donated annually by a factor of ten, up to 250 million	End of 2016	A search is ongoing for additional suppliers of the active ingredient.	
	Research a new formulation of praziquantel for children under six years old		A public-private partnership (PPP) was founded in July 2012. The milestone is to complete preclinical development in the course of 2014 and to start clinical development in the same year.	
	Optimize the praziquantel formulation	End of 2014	A film coating is being developed to help patients swallow the tablets more easily and make the tablets less sensitive to long transport times.	

Goals: Minilab

Strategic goal	Action	By?	Progress in 2013	Status
Combat counterfeit medicines by providing and further developing the mobile GPHF Minilab	Develop new test methods for seven active ingredients and add descriptions of the new test methods to the manuals	End of 2013	Seven new test methods developed and manuals updated.	
	Three training seminars on use of the GPHF Minilab; sale of 50 Minilabs	End of 2013	Four training seminars on use of the GPHF Minilab; sale of 63 Minilabs.	
	Develop new test methods for five active ingredients and add descriptions of the new test methods to the manuals	End of 2014		
	Four training seminars on use of the GPHF Minilab; sale of 50 Minilabs	End of 2014		

Legend:  Achieved  In progress  Not achieved  New goal