Public Policy Statement: Human Rights

Our Human Rights Policy

Merck respects human rights as recognized by the principles of the United Nations Global Compact and as defined in the United Nations Universal Declaration of Human Rights, the International Covenant on Economic Social and Cultural Rights, the International Covenant on Civil and Political Rights, the OECD Guidelines for Multinational Enterprises, and the core labor standards set out in the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our Belief

Merck believes in the dignity of every human being and in respecting individual rights. The company has established global policies and processes to demonstrate this respect, including our global Human Rights Policy and our <u>Code of Business Conduct</u> (*Our Values & Standards*), which re-affirms our commitment to scientific excellence, ethics and integrity.

Our Values and Standards outline our responsibilities to our customers, our fellow employees, our suppliers, our communities and societies around the world, as well as our shareholders. They are not only the foundation of our company and all that we stand for, but they are the basis of our success.

Our Aim

We seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services.

Our Commitment

Our commitment is formalized and manifested through various policies, our <u>Code of Business</u> <u>Conduct</u> (*Our Values & Standards*), our <u>Global Labor Relations Guiding Principles</u> and our environmental governance and management systems.

- Labor Standards: We maintain labor standards including hours, conditions, wages, and overtime pay practices that are in compliance with the laws of the jurisdictions in which we operate.
- 2. **Health & Safety**: We provide a safe and healthy work environment in all our operations regardless of size or function.
- 3. **Freedom of Association**: We respect our employees' right to freedom of association.





- Forced & Child Labor: We condemn the use of forced labor and exploitative child labor as defined by the International Labor Organization's 1998 Declaration on Fundamental Principles.
- 5. **Wages & Benefits**: We compensate our employees in accordance with market practice in a manner that supports their ability to meet their basic needs. We also offer our employees the opportunity to improve their skills and capabilities.
- 6. **Diversity & Equal Opportunities**: We value diversity and strive to provide equal opportunities for all individuals.
- 7. **Privacy**: We respect individual privacy expectations and protect personal information that we collect, use and disclose in connection with our business.
- 8. **Access to Health Care**: We respect the right to health for all people and work towards expanding access to care.
- 9. **Customers**: We take into consideration the economic, social, geographic, and cultural diversity of our customers as we develop and market our products.
- 10. **Business Partners**: We expect appropriate standards of conduct and respect for human rights, consistent with our own, from our suppliers, contractors, vendors and partners.
- 11. **Communities**: We respect the human rights of our neighbors in those areas where we have operations or facilities.
- 12. **International Standards**: We respect international standards on human rights and, where possible, contribute by working with partners (Danish Institute for Human Rights, etc).
- 13. **Non-Discrimination**: We will not discriminate in employment, contracting, wages, promotion, working condition, or any other opportunity based on race, color, gender, gender identity, gender expression, genetic information, age, religion, ethnicity, national origin, ancestry, sexual orientation, marital status, disability, or any other legally-protected characteristic subject to compliance with applicable law.
- 14. **Compliance**: We adhere to local laws. When local protection is insufficient or non-existent, we observe even more demanding standards consistent with our Human Rights policy to the extent these standards do not violate local laws and regulations.

Our Approach

Merck's Policy on Human Rights was developed with input from employees in key functional areas and from external stakeholders. It was approved by Merck's Executive Committee in January 2012. Merck's Executive Committee is responsible for ensuring that governance processes are in place to provide oversight to the implementation and execution of the company's Human Rights Policy.

Merck's Executive Vice President/Chief Ethics and Compliance Officer is the senior company official who advises Merck's Executive Committee on human rights matters and reports to Executive Committee on human rights-related issues. Non-compliance to Merck's Human Rights Policy is subject to escalation, investigation and remediation in accordance with internal corporate policies.





Our Resources for Employees

Merck's Office of Ethics serves as an employee resource to raise concerns about ethical issues, including non-compliance with corporate policies. Employees globally can contact (via toll-free telephone or Intranet) the AdviceLine, which is run by an outside vendor.

Employees also can contact the Office of Ethics directly and speak with an ethics officer or an ombudsman. This program confidentially addresses employees' concerns, without fear of retaliation, about conduct that may be inconsistent with Merck's policies, practices, values and standards.

Engagement with Suppliers

We expect our suppliers and service providers to comply with human rights and environmental standards that are compatible with our own and to conduct their business in accordance with the highest ethical standards throughout their entire supply chain. We specify these standards in our <u>Business Partner Code of Conduct</u>. The Code is based on our own code of conduct, *Our Values and Standards*, as well as The Pharmaceutical Supply Chain Initiative's (PSCI) Pharmaceutical Industry Principles and the 10 Principles of the United Nations Global Compact.

United Nations Global Compact (UNGC)

Merck is a signatory to the United Nations Global Compact, a public-private initiative for organizations committed to social and environmental sustainability. This means that we have committed to uphold 10 internationally recognized principles in the areas of human rights, labour standards, environmental sustainability and anti-corruption.

Our Future Plans

We will continue to engage with stakeholders as our human rights commitments and programs evolve, and will rely on them to continually challenge our efforts. We will strive for transparency through our annual Corporate Responsibility report, and will regularly report on our progress with training and auditing activities.

For more information on our approach to related aspects of human rights including clinical trials, supply chain, sales and marketing practices, and access to medicines, please visit our corporate responsibility site at www.merck.com/about/views-and-positions/home.html

September 2015



