



Shaping our future step by step

Sustainability Fact Book - Vol. 2
MSD in Germany
Veterinary and Human Medicine Commercial

Welcome

We are the German Animal and Human Health distribution companies of the research-driven pharmaceutical US company Merck & Co., Inc., based in Rahway, NJ, USA.

Our mission is to make our vaccines, medications and digital solutions available to everyone. In that respect, we rely on the research, development, manufacture and distribution of our products.

Throughout the entire year 2023 we focused intensely on the topics of “Climate & Health”, “Diversity, Equity & Inclusion (DE&I)”, “Social Responsibility” and “Culture & Mindset”.

In this series of the Sustainability Fact Book we regularly inform you about the progress of our work in the field of sustainability, and invite you to join the conversation.

MSD in Germany

Human Health Commercial

1.102

employees
(Status: 08/01/2023)

50%

proportion of women in executive positions
(Status: 08/01/2023)

2.3 billion

in sales in euros in the year 2022

Innovative force

Around **120** ongoing trials

at **149** sites

with **704** patients

as of date: 12/31/2022)

Animal Health Commercial

183

employees
(Status: 08/01/2023)

47%

proportion of women in executive positions
(Status: 08/01/2023)

183.6 million

in sales in euros in the year 2022

2+7 sites

Headquarters in Munich and hub in Berlin

We are represented in Germany with seven further production and research sites, that are not included in the Sustainability Fact Book.



Because every step matters.



Kirsten Hoyer,
Public Affairs,
Communication &
Sustainability

The motto of the Sustainability Year 2023 is: „Because every step matters“. What is the motivation behind that, and what does it mean for the corporate culture and our own actions?

We need to act together resolutely, measure our progress and make success visible. That expresses our motto, “Because every step matters.” Furthermore, we also need external alliances and partnerships, in order to be able to jointly face the major challenge of our time - handling resources in a sustainable manner.

In what direction do the steps go, and what are the goals?

We have anchored our sustainability goals in the corporate strategy, and derived our four fields of action, namely Climate & Health, Social Responsibility, Diversity, Equity & Inclusion and Culture & Mindset therefrom. That shows that sustainability is essential to us. We are interested in joint solutions and implementable ideas, in order to act as a company in line with the needs of humankind and the animal world.

How is the implementation designed, and what is involved?

We have initiated a process of change, which integrates the requirements of the present society into our own action. We aim to lead by sharing knowledge and experiences, and learning from each other..Those who have taken that route need to speak to one another, for change always begins with understanding. Every individual contribution, in that respect, from us as a company, from our employees, but also from our partners and suppliers, matters.

The 2022/23 Impact Report of MSD Global provides a complete overview of the company’s international sustainable development strategy
Related link on p. 20.

Strategic orientation in line with ESG criteria

We regard sustainability as an crucial element of our action, and deploying resources in accordance with ESG criteria – which relate to the areas of the environment, social responsibility and responsible governance.

Environment: Protecting the climate and health

By the year 2030 we aim to reduce our emissions based on Scope 1 direct emissions) and **Scope 2** (indirect emissions through the consumption of energy) by 46 per cent in comparison to the year 2019. In the field of **Scope 3**, which covers other indirect emissions (for example, from the value creation chain), we aim for a 30 per cent reduction in the CO₂ emissions by 2030.”

» See pp. 6-9

Social responsibility: Promoting diversity, health equity and inclusion and bearing social responsibility

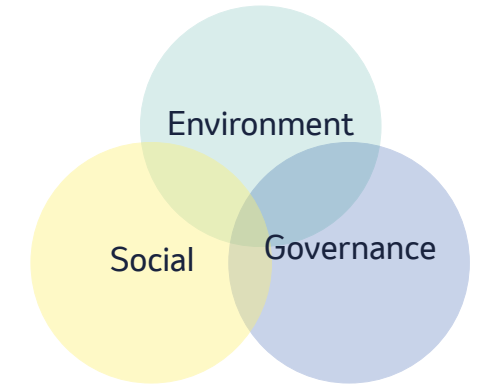
We live a diverse and inclusive culture, and are committed to equal opportunities for healthcare and people’s competence to look after their own health in Germany.

» See pp. 10-15

Governance: Establishing a sustainability culture and building a cohesive community

Sustainability is firmly enshrined in our strategy. We are committed to measuring our efforts and developing activities based on the results. We promote awareness of sustainability among employees and stakeholders.

» See pp. 16-19



With our commitment we make our contribution towards the Sustainable Development Goals (SDGs) of Agenda 2030 of United Nations. In Germany we predominantly focus on:

- » Health and well-being (SDG 3),
- » Gender equality (SDG 5),
- » Decent Work and economic growth (SDG 8),
- » Climate action (SDG 13),
- » Partnerships to achieve the goals (SDG 17).

We are committed to the environment

Climate change is altering the global ecosystems, and thus also has an impact upon the health of people and animals – which is the reason for the “One Health” approach of the WHO. Rising temperatures and the shift in disease patterns are only two of the many consequences that affect our daily life and action.

In that regard, the healthcare sector is facing particular challenges: On the one hand, it contributes around five per cent of total emissions, on the other hand it faces the direct impact of climate change. As part of the German healthcare system, we are aware of this dual role and responsibility. In order to efficiently counter the major challenges posed by climate change, joint efforts are needed.

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With our dedicated, cross-functional team of nine colleagues from various departments, we're not just accelerating the transition of our fleet to electric vehicles, but we are also jointly working towards operationally implementing our goals in the field of the environment in multi-faceted dimensions.



Dr. Rainer Woker-Eiba,
Operational Excellence

We are reducing our CO₂ footprint

Since 2019 we have been guided by the “Greenhouse Gas Protocol”, in order to ascertain our CO₂ footprint.

Compared to our base year of 2019, we achieved a reduction with our primary drivers in 2022. In addition, we were able to calculate our footprint in more detail, and include even more data in the calculation. We have set ourselves the ambitious goal of reducing our emissions from Scope 1 (direct emissions) and Scope 2 (indirect emissions due to energy consumption) by 46% by 2030 in comparison to 2019. As regards Scope 3, which covers other indirect emissions (for example, from the value creation chain), we aim for a 30% reduction in the CO₂ emissions by 2030.

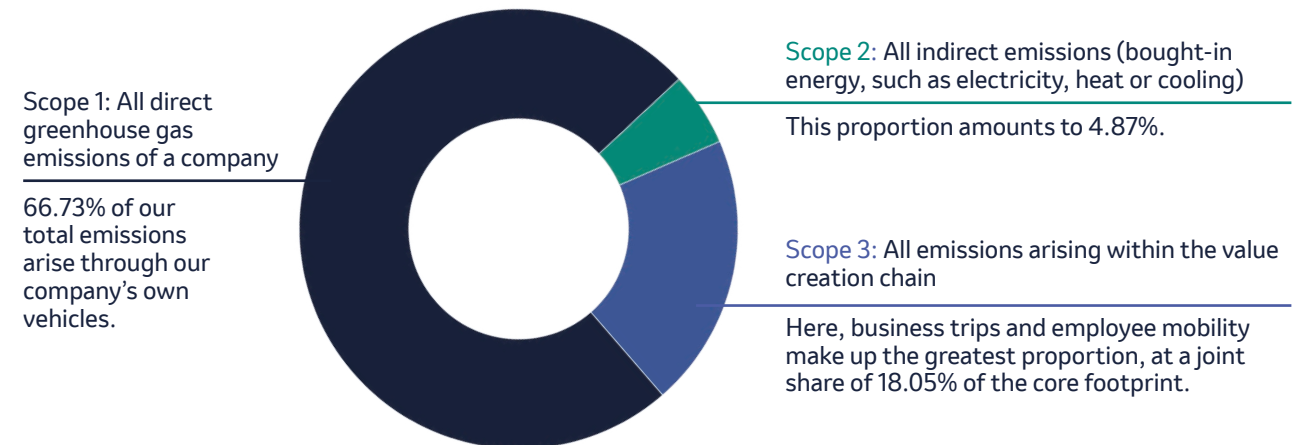
In order to achieve these objectives, we focus on two key aspects: Mobility and minimizing waste. In the field of mobility, our vehicle fleet and our business trips are the focus of attention. That means that we are gradually converting our

vehicle fleet – that makes up around 50% of our total emissions – to electric and hybrid vehicles.

Business trips accounted for 632 tonnes of CO₂, 13.47% of the core footprint, in 2022. We wish to leverage the maximum potential for a reduction in CO₂ through the increased use of environmentally friendly means of transport, such as rail and bus travel, and the use of company bicycles. For that purpose we have launched various initiatives, such as the “TRAINinsteadofPLANE” challenge. Travel checklists help us to critically examine business trips, and, if possible, avoid them.

In order to precisely determine our CO₂ footprint, we draw upon activity and consumption data. Our reduction strategies also benefit from financial data and the valuable quantitative, as well as qualitative, feedback of our employees.

Our CO₂ footprint for the categories of Scope 1, 2 and 3 in 2022



Sustainably convert the fleet of vehicles:

15.4% of our fleet of vehicles consists of electric and hybrid vehicles. Our goal is 65% by 2030.



Promote company bicycles:

Since 2018, staff from the Veterinary and Human Medicine Departments have leased over 1,300 bicycles.



Avoid waste, preserve resources:

Our multi-use system for the transport of medication saves over 50% in CO₂ and 80% of water, in comparison to disposable cardboard boxes.



Avoid plane journeys:


Due to the “TRAINinsteadofPLANE” challenge, in 2023 in 7 months 23% less domestic German flights occurred than in the same period of time year-on-year.

We are increasing our ecological awareness

We prefer sustainable means of transport

In 2019, domestic flights taken by our employees accounted for 1,481 tonnes of CO₂, 63% of all business trip emissions. In May 2023 we initiated the “TRAINratherthanPLANE” challenge, with the ambitious aim of reducing domestic flights by at least 30 per cent – based on the figures for the previous year. With a 23% reduction in 2023, we are on our way, yet remain focused on achieving our set goal.

” For me, working on the train is just the same as a day in the home office with a changing scenery.



Christina Jannowitz,
Medical Affairs,
and Envoy of the
“TRAINinsteadofPLANE”
Challenge

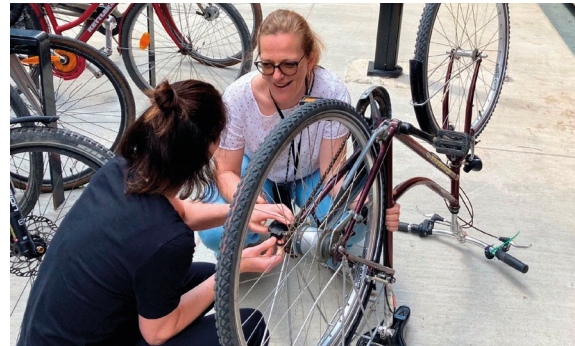
We carefully weigh up any business trips

In May 2023, we launched our “TRAINinsteadofPLANE” challenge. We developed a checklist for our employees to assess whether a business trip is essential or if it could be conducted online. Our checklist moreover takes numerous aspects of sustainable business trips into account: from the choice of means of transport and the hotel to the use of public transport and the organization of web conferences.



We cycle to protect the environment

In 2023 we took part in the “CITY CYCLING – Cycling for a good climate” initiative. The aim: to jointly travel 7,000 km on corporate bicycles within three weeks. Forty-six colleagues took part, and, at 9,788 km, we successfully passed the challenge. Each participant traveled an average of 213 kilometers by bicycle, saving a total of 1,500 kg of CO₂ emissions. Cycling is very popular with us anyway: With our CompanyBike Program, since its introduction until June 2023 we have handed out around 1,300 bicycles to our staff, having a total value of 3.4 million euros.



We place “Climate & Health” on the political agenda

The line between Climate and Health was a featured topic at the MSD Open 2023 in our Berlin hub. With representatives from civil society, the scientific community, the world of politics and ministries, associations and the realm of business, we discussed pressing questions: What is the connection between climate change and health? What does that mean for our health system, and what contribution can its protagonists make? And what role does prevention play? One thing became quite clear: Climate protection is health protection! To that end, we need to engage in further discussion, and form new alliances.

” Discussions on Climate and Environmental Protection are simultaneously also discussions on health matters. In politics, the “Health in all policies” approach shows how important it is that we rely on strong alliances and partnerships.



Jens Machemehl,
Public & Global Health

We are putting the one-millionth multi-use box into circulation

As early as 2021, we became the first healthcare company to switch to dispatching our medications and vaccines our medications and vaccines for Veterinary and Human Medicine using multi-use containers. Together with our logistics partners, we created a recycling system Veterinary Prac , titioner for cleaning and fetching

” The multi-use boxes are a very good system, as they save a lot of waste, are eco-friendly, and disposing of them also involves a lot less work.



Dr. Patrick Soffner,
Veterinary Practitioner

back the boxes. In May 2023 we delivered the one-millionth multi-use box, saving around 400,000 single-use cardboard boxes. This led to water savings of 1.1 million liters. With every multi-use box we reduce the emissions by 70% which corresponds to savings of 38 grams of CO₂ per box. In addition, damage in transit was reduced by a third. We aim to design the transport of our boxes in an even more eco-friendly way in future.

We have saved this much CO₂ in 2023 alone with these projects:

1,500 kg

by choosing to cycle instead of driving a car

145,4 t

because we opted to travel more frequently by train

38,000 kg

by preferring reusable options instead of disposable ones

Since July 2022 we have been a member of the Environmental and Climate Pact of Bavaria, which promotes an exchange between the Bavarian State Government and companies in Bavaria concerning environmental and climate matters.



We promote social commitment, diversity, equal opportunities and inclusion

At MSD we live Diversity, Equity & Inclusion (DE&I) in all their facets. The DE&I Board, which across the board and on a strategic level promotes a working environment in which diversity, equal opportunities and inclusion form the focal point of attention, reflects our clear commitment to the latter. We are convinced that diverse teams are more successful.

The work of our colleagues in the “Employee Business Resources Groups” (EBRGs) highlights the proportion of DE&I in the corporate culture. Furthermore, many of our colleagues do voluntary work. We recognize this commitment by allowing employees to dedic

In the field of healthcare, we are intensively devoted to strengthening healthcare skills and equal health opportunities. To that end, we support, among others, projects such as “With migrants, for migrants” (MiMi) run by the Ethno-Medizinisches Zentrum e.V. (EMZ).



Promoting health education:

“With migrants, for migrants” (MiMi) has, over the course of 13 years, trained mediators from 136 countries at 64 sites in Germany.



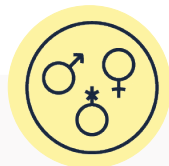
Networking with one another:

Employees are committed in four interdisciplinary employee networks (EBRGs).



Being committed on an honorary basis:

Around 13,000 hours – per person for up to 40 hours annually – invested in honorary activities.



Fly the flag:

Over 50 employees have taken part in two Christopher Street Days in Cologne and Munich.

”

Our joint, but also personal, effort bears fruit: Not only awards and seals are visible evidence of our social responsibility and our vouching for Diversity, Equity & Inclusion, but also the enthusiasm and commitment of our colleagues are considered everyday indicators of success, which provide motivation.



Martina Sulger,
Patient Engagement

We strengthen the health literacy of migrants

Since 2010 we have been supporting the “With migrants, for migrants” (MiMi) project of the Ethno-Medizinisches Zentrum e.V. (EMZ) in Hanover. Throughout Germany, migrants are being trained to be “MiMi health mediators” at 64 sites. The latter inform others, in their native language, about healthy ways of living, promoting health, preventive care offers and local health services.



regional focus, we are intensively concerned with a broad range of health topics: from oncology to HPV prevention to family health, vaccinations and diabetes.

In 2023 three topics were the focus of our cooperation: “MiMi-Onko” specifically takes care of clarification and prevention in the field of cancerous diseases. For this purpose, we made printed and online guides available in twelve languages. In the context of the “MiMi HPV/Vaccination” program we focus on the topics of HPV prevention and vaccination. At “MiMi Bavaria”, our

”

Through the MiMi project I extend my knowledge about the German healthcare system, and pass on what I have learned to the people of my country. In addition, I support the integration of migrants, so that a harmonious kind of living together can take place here in Germany.



Melek Kaval,
Site Coordinator and Mediator for Migrants in Nuremberg/Fürth

The track record of MiMi since 2010:

over 3,100

mediators trained, from 136 countries.

over 18,100

informative events conducted

over 217,600

migrants have been reached directly, and

over 761,000

indirectly via family members and friends.

75%

Proportion of women in all modules.

Transfer to 7

European countries.

We network with one another

Our four “Employee Business Resource Groups” (EBRGs) connect employees across the board, in order to promote new perspectives and inclusion. The EBRGs share their expertise with one another, and strengthen business and management skills.

They simultaneously create space for exchange and collaboration, which assists the understanding and appreciation of different cultural and demographic aspects, such as gender, age and cultural ethics, as well as different sexual orientations.

Through cooperations, developing talent and organizing events, our EBRGs contribute substantially towards strengthening DE&I at MSD.



Women's Network

The Women's Network is committed to women being able to fully leverage their strengths and capabilities in their careers. In that respect, the focus is clearly on the strategic topic areas of “Work, Life & MSD”, “Networking & Coaching” and “Science, Tech & Digital Inclusion”.

has, since 2017, been promoting the professional development of women, and supports them through workshops, panel discussions and after-work events in business strategies and personal development.

Next Gen Network (NGN)

has, since 2019, been offering a cross-generation exchange on sustainable business developments, and promotes role models and visionaries of tomorrow

Via the NGN, employees network with one another, both locally and internationally, whether it be through events or the “Tandem” platform. The aim of the NGN is to bring together employees of different generations. For, by getting to know one another better, prejudices vanish. On the “Tandem” platform, they are incidentally brought together, nationally or globally.



capABILITY Network

has, since its founding in 2021, been looking into how MSD can be a preferred employer for talented people with disabilities.

The capABILITY Network is committed, at MSD, to an inclusive and accessible work environment, which makes our company more attractive for people with disabilities. At the initiative of the capABILITY Network, MSD has integrated myAbility.jobs, a job platform for people with disabilities, in order to win over qualified applicants.



The Rainbow Alliance

has, since 2019, been creating a network of (LGBTI*QA+) supporters, in order to strengthen awareness of the diversity of queer lifestyles, both within and outside the company.

The members of the Rainbow Alliance are active at national events, in order to draw attention to queer topics at MSD and counteract stigmatization. They have launched the “queer Munich” network, commit themselves to the queer community in Munich through bar services, and are regular participants at various Christopher Street Day events.



We believe in an inclusive society

“It’s my life – Going through life unimpaired”: Under this motto, the “Anna Schaffelhuber Grenzenlos Camps” have, since 2019, been organizing inspiring meetings for young people with and without disabilities.



Anna Schaffelhuber, the paraplegic founder of the camp, ranks among the top winter sports enthusiasts in sports for the disabled. She would like to impart to young people courage, social competence and confidence. These values are also in line with our corporate philosophy. Through our support for the project, we hope to strengthen the awareness of young people and their parents of an inclusive society, and encourage them to together commit to a meaningful social mission.

”

Five years, ten camps, hundreds of success stories: The Anna Schaffelhuber GRENZENLOS Camp has developed into a permanent fixture in the Bavarian social network. Every year children and young people with and without disabilities live the concept of community here. They grow beyond themselves, and learn to recognize their personal strengths. Their shared experiences in Burghausen provide a lasting impact, fostering lifelong learning from one another. I would like to thank Anna Schaffelhuber and the entire team for this exemplary inclusion work. Congratulations to everyone whom you endow with your enthusiasm!



Ulrike Scharf, Bavarian State Minister of Family, Labor and Social Affairs, Member of the State Parliament, was once again a guest at the Anna Schaffelhuber Grenzenlos Camp 2023

We give working time for social projects

With “I am committed”, we offer our employees in Germany the opportunity to use up to 40 hours of their working time annually for social projects in their neighborhood – and that at full pay. In this way we create space for social responsibility directly on site, and are committed to improving the living conditions of disadvantaged people throughout Germany. Already since 2009, we have, through the project “I am committed”, been standing up for disadvantaged people and animals. Over 1,000 of our employees have, in this context, already invested more than 13,000 hours in meaningful projects.



We are a family-friendly company.

We are once again among the top 20 family-friendly companies in Bavaria, as recognized by the 'Successful. Family-friendly' award. We consider our human resources policy an investment in the success of the company. We support employees with flexible working models, paid time off for family events or on site at the headquarters in Munich with a Parent/Child Room.



We fly the flag for a diversified, colorful life

Since 2018 we have been the proud partner of the Christopher Street Day (CSD), the activities of which are passionately supported by our EBRG “Rainbow Alliance” and the HIV and HPV Business Units. In 2023 we were on the road on trucks under the motto #PharmaForPride in Munich and Cologne, with over 50 employees, customers and partner organizations.



Since 2022 we have been distinguished with the “PRIDE Champion” Seal, which gives recognition to companies in Germany for their commitment to LGBTIQ+.

We promote cultural change

Sustainable action thrives on dedication, awareness and the active participation of all employees. This can be seen in our efforts to opt for a sustainable approach with every decision, every process and every activity.

In order to deeply anchor this awareness, we offer our colleagues and stakeholders ongoing opportunities for information, dialog and involvement. Thus, we would like to strengthen the culture of everyday sustainable action and promote open collaboration.

As the culmination of our efforts, in 2023 we launched our Sustainability Week for the first time – a clear sign of our commitment, marking a time for us to collectively celebrate our achievements and inspire ourselves for upcoming challenges.

”

To achieve our sustainability objectives, the contribution of every employee is paramount. We have therefore kicked off an internal development process, which strengthens the corporate culture on the joint journey, heightens the awareness, and promotes an open exchange and togetherness.



Verena Menrad,
Corporate
Sustainability

We support togetherness

Together we are strong, and can achieve success as a team. The upshot is that each and every individual can fully focus on what matters most, try out new things, learn and adapt. We are committed to diversity, equal opportunities and integration, always with an open-minded attitude. Only together can we achieve the best.



An open dialog, with both our internal and external interest groups, is fundamentally important. That becomes clear in the newly-designed headquarters of our distribution subsidiaries of MSD

Veterinary and Human Medicine. Already when planning the premises in the creative district known as “Die Macherei” in the Munich District of Berg am Laim in 2022, diversity and inclusion were the focal points of attention. In close cooperation with the representative body for disabled employees and the Inclusion Officer, special facilities emerged in this way, such as the “a restroom for everyone” or an accessible work environment. Our signal: All people should find optimum conditions, in order to do the work in the best way possible.

Since the start of the AllAboutYou app, it has already been accessed

16.000

times

87 %

of employees have registered,

1,500

colleagues took part in monthly group events,

approx. 400

live coachings on topics such as nutrition, movement and mental health were booked.

We offer preventive care

We support the health of our employees with offers such as the AllAboutYou app for virtual sports courses and nutritional tips, mental coaching and health check-ups. For protecting the health of our employees is our social responsibility as an employer and our obligation as a sustainable company.



Awareness campaign 2023:

In 6 months on 5 internal channels around 20 different information formats were offered.



Sustainability Week as a highpoint of the year:

21 dialog formats offered (17 events, two info booths, an online treasure hunt and a swap shop).



Since June 2023 we have had our own sustainability SharePoint:

On an internal platform, everything on the topic of “Sustainability” is shared and kept current.



Health app AllAboutYou introduced:

87% of all employees are already registered.

We act step by step

Every day we aim to become better. Throughout the year, we've launched targeted initiatives focused on 'Climate & Health,' 'Diversity, Equity & Inclusion (DE&I),' 'Social Responsibility,' and 'Culture and Mindset' is a concern of ours to take every employee on this journey. That is why the Sustainability Year was placed under the motto "Because every step matters".

Our internal awareness campaign makes our vision of a sustainable company vibrant and tangible through active participation. With initiatives on topics such as business trips, team-building measures such as "CITY CYCLING", the integration of the diversity charter in our DE&I strategy, right up to commitment incentives through the "I am committed" program - each individual contribution makes clear that we are jointly making progress together en route to greater sustainability.

The elements of Sustainability Year 2023



- Campaigns for Joint Action
- Awareness campaigns
- Sustainability Envoys
- Idea competitions
- Sustainability Week from October 24 to 26, 2023

We shape and live sustainability together

At the end of October 2023 we initiated our first Sustainability Week, which took place both in der Macherei in Munich and online. This event was aimed at making our obligation towards sustainability vibrant and placing it within reach. In cooperation with over 525 participants from MSD Human and Veterinary Medicine Commercial, promoting a more sustainable corporate culture was a focal point of attention.

Our diverse program included three main events and 14 inspiring workshops, supplemented by interactive elements, such as information booths, swap shops and an online treasure hunt. This combination of learning and action formats was aimed at actively integrating participants into our commitment to a sustainable future.



” I am proud of the sustainability initiatives of MSD in the ESG areas. The Sustainability Week has contributed substantially towards awareness and understanding on the part of employees.



Birgit Goeck,
Clinical Operations
Team Sustainability Week

” Besides sales and profit, sustainability objectives are just as important for leading companies successfully into the future.



Markus Wieser,
Fabrics Sustainability Team
W. L. Gore & Associates GmbH
External panel guest

” The successful Sustainability Week has proven how much we can move as One MSD. The projects presented on this topic merge with one another, and make it clear that we live sustainability.



Daniel El-Noshokaty,
Policy & Communications,
Veterinary Medicine
Team Sustainability Week

We look forward to exchanging views:

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Link to further information:

Impact Report of MSD at the global level:
www.msd.de/politik-und-verantwortung/nachhaltigkeit/

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