

CR and its Measuring at Merck

Erstes Treffen der respACT- und Global Compact-Arbeitsgruppe zu Impactmessung

Vienna, March 26, 2014

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CR at Merck



We are Merck

Merck is a leading company for innovative and top-quality high-tech products in the pharmaceutical and chemical sectors.

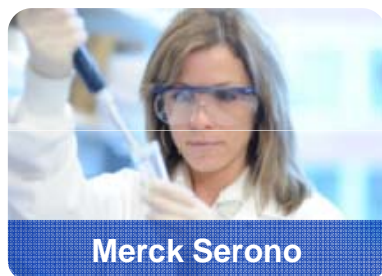
Around 38,000 employees work in 66 countries to improve the **quality of life** for patients, to further the success of our customers and to help meet global challenges.

We generated total revenues of € 11.1 billion in 2013 with our four divisions: Merck Serono, Consumer Health, Performance Materials and Merck Millipore.

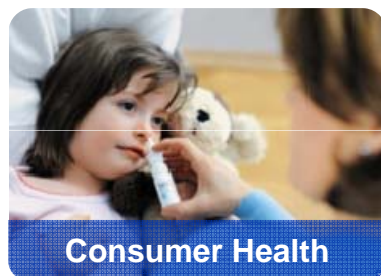
Merck is the world's oldest pharmaceutical and chemical company. Since 1668 our name has stood for **innovation**, **business success** and **responsible entrepreneurship**. The founding family remains the majority owner of the company to this day.

We are Merck, the original, and hold the global rights to the Merck name and brand. The only exceptions are Canada and the United States, where we are known as EMD.

Our divisions



Biopharmaceuticals
Highly specialized prescription medicines to treat, for example, cancer and multiple sclerosis.



Over-the-counter pharmaceuticals
Non-prescription pharmaceuticals, such as products for everyday health protection or to provide fast relief against colds and pain.

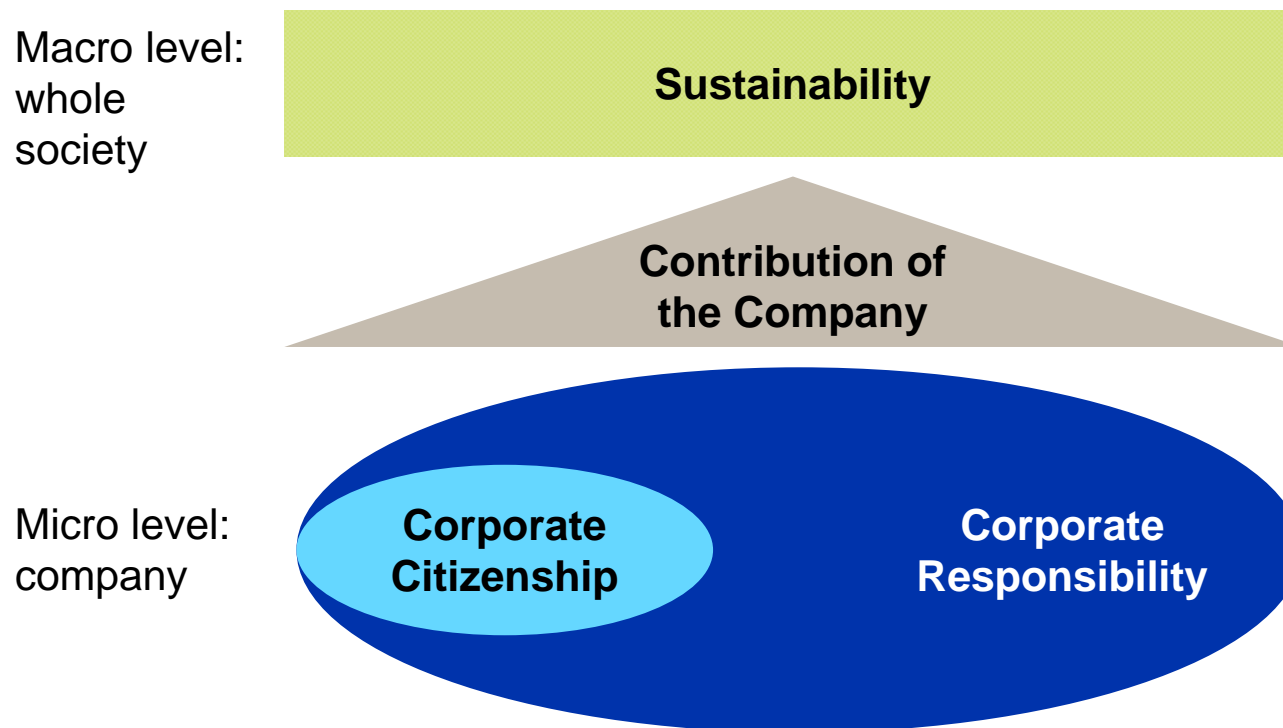


High-tech chemicals
Specialty chemicals, such as liquid crystals for high-tech displays or effect pigments for coatings and cosmetics.



Life science tools
Innovative tools and laboratory supplies for the life science industry.

What is Corporate Responsibility (CR)?



A company is putting its corporate responsibility into practice by designing its business processes in a way that they positively contribute to a sustainable development of the whole society.

Corporate Responsibility at Merck

Mission Statement and Values

Corporate Responsibility

UN Global Compact, Responsible Care, Merck Social Charter, Code of Conduct

Products

Our products serve people's current and future needs, and many of them contribute to environmental protection. Safety and ethical aspects matter just as much as business success.

Environment

In the manufacture of our products, we seek to impact the environment as little as possible. Safety, environmental protection and quality management are absolutely essential to this goal.

People

We strengthen our company's ability to act by recruiting, developing and motivating the most suitable employees. We want to help society function better and aim to set the example for ethical conduct.

community engagement, community involvement, corporate citizenship

Society

Global Lighthouse Projects

Merck-Praziquantel Donation Program:
Partnership with the World Health Organization (WHO)
to combat the worm disease schistosomiasis



Global Pharma Health Fund:
Mobile minilabs to fight counterfeit medicines in
developing and emerging countries



Merck Philharmonic Orchestra:
The musical ambassador of our company



<http://www.philharmonie-merck.com/en/>

Gesellschaftliche Verantwortung Merck Österreich

Sponsoring von “Jugend Innovativ”, des österreichweiten Wettbewerbs für 15 bis 20-jährige Schülerinnen und Schüler in der Kategorie “Science”

Unterstützung von Sozialprojekten, Forschung (Kindernothilfe, Krebsforschungslauf, “Kleine Herzen”, ...)

Betrieblich-soziale Vorsorge: Chartabetrieb der betrieblichen Gesundheitsförderung – Projekt “RunDumXunD”

Working Group Lead “Verantwortung” im Rahmen des Verbandes der forschenden pharmazeutischen Industrie (FOPI) durch Dr. Elisabeth Prchla



Access to Health



Access to Health - Goal

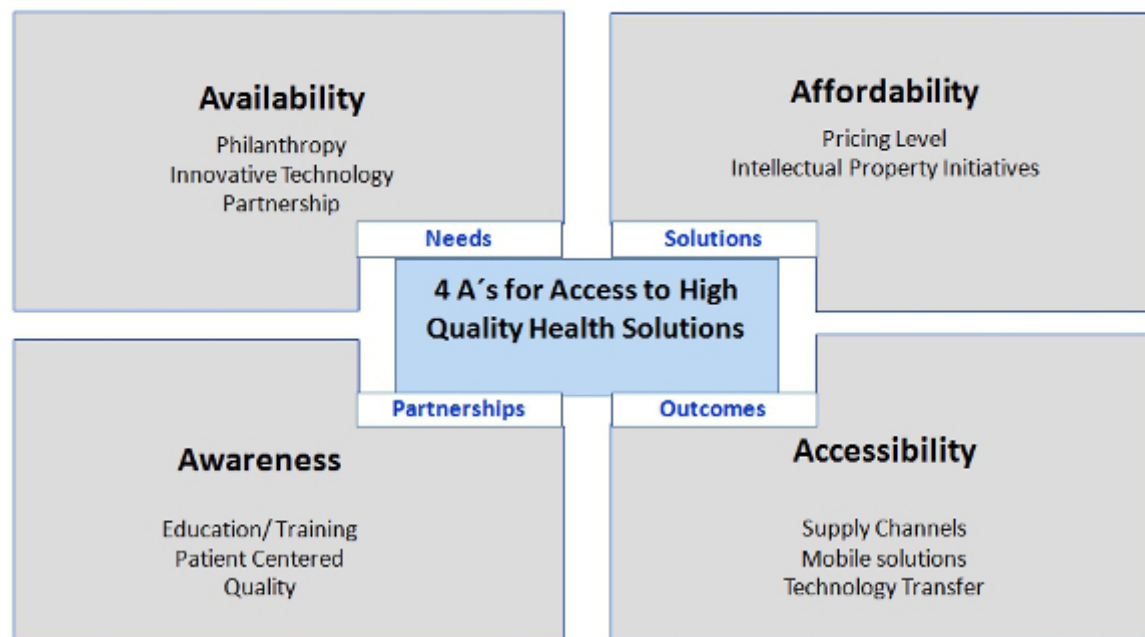
Promoting access to health solutions, not only medicines, to underserved populations across the world is a priority for Merck and part of how we [conduct business responsibly and ethically](#).

Our [Access to Health \(A2H\)](#) initiative leverages core competencies across all Merck divisions to provide comprehensive high quality health solutions to underserved populations and patients in low- and middle-income countries regardless of their ability to pay.

Access to Health – four pillars

Our robust patient needs based approach to addressing the complex challenge of providing access is designed around four pillars, known as the 4A’s for Access to High Quality Health Solutions:

Availability, Affordability, Awareness and Accessibility



Social responsibility

Fighting schistosomiasis, a tropical disease

The worm disease schistosomiasis is one of the biggest health risks to African children after malaria. Merck has committed itself to taking on responsibility:

Merck–WHO partnership agreement in 2007 to fight schistosomiasis together

Merck will donate Cesol[®] 600 tablets (active ingredient: praziquantel) until the disease has been eliminated in Africa

Since the partnership began, more than 28 million children have been treated in 11 African countries

Medium-term objective: To treat around 100 million African school children every year



The GPHF-Minilab

- Interpol estimates that up to 30% of all medicines in developing health care systems are **of inferior quality or counterfeits**.
- The Global Pharma Health Fund (GPHF), a non-profit initiative funded by Merck, is dedicated to fighting counterfeit medicines: the Minilab developed by the GPHF is able to detect counterfeit medicines quickly, easily and cheaply.
- Two suitcases that each weighs around 30 kilograms contain a large number of test methods that state health care workers in developing countries can use to inspect pharmaceuticals.

The GPHF-Minilab

- The GPHF has specifically developed the Minilab for use in regions with a **simple infrastructure**. The rapid analyses do not rely on external power sources and normal drinking water suffices for the experiments
- **No comparable** product currently exists
- Merck participates in **external research** with the aim of increasing the number of medicines that can be tested. The GPHF offers **training courses** in order to familiarize users with the test procedures.



Pilot Project: Rural Pharmacy

One Pilot is produced and currently tested in Ghana.

The pharmacy container is divided into **4 areas**:

1. Main customer area and dispensary
2. Storage area
3. Office with toilet facilities
4. First aid & counselling area



Key features:

- Refrigerated storage facilities
- Potable water from an atmospheric water generator
- Power supplied by solar panels installed on the roof

Benefits of the Rural Pharmacy Made in Africa for Africa

PHARMA COMPANY



- Implement an innovative global initiative with adequate funding to support government strategies
- Strengthen brand / market position
- Improve patient accessibility and rational distribution of drugs



PHARMACISTS



- New financial support to encourage pharmacist recruitment and retention in rural area
- Benefit from a training program
- Recognition of the key role pharmacists play in developing health access of rural population



GOVERNMENT



- Effective way to improve health system infrastructure and support pharmacy rural workforce
- Align with worldwide health deployments to achieve the health related Millennium Development Goals (MDG) in low and middle income countries



PATIENTS



- Reduce transportation costs and travel distance
- Remedy for high out-of-pocket payments for care
- Provide respectful healthcare treatment and dignity



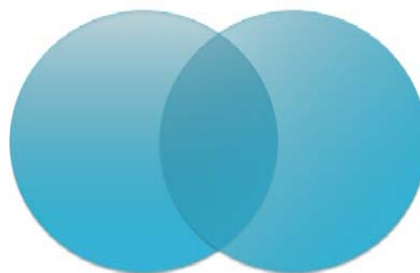
Effective Corporate Citizenship – The Cycle of Impact



Effective Corporate Citizenship integrates corporate and social goals

Corporate citizenship with impact is based on a corporate strategy that...

✓ ... strengthens the company's competitiveness...



✓ ... and also contributes to the social, ecological and economic goals of the community.

- Companies have the capacity to use market-based approaches to solve social challenges effectively and efficiently.
 - A prospering, functioning community is essential for corporate competitiveness.
- ⇒ This leads to long-term synergies between economic and social goals

The cycle of impact

Impact is ...

Impact refers to a planned change that can be traced back to a certain measure (intervention, aid) taken.

Causality refers to the relationship between *cause* and *impact*, and therefore also applies to a series of interrelated events and conditions.

... an objectively describable fact

Impact as objectively describable and measurable changes to living conditions or social structure (such as life expectancy, unemployment rates)

... a subjectively perceived change

Impact as a change to factors of everyday life, resources and options for actions (such as contentment, feeling of safety, assessment of own health) subjectively perceived by the target group (and other relevant parties)

Soft
outcomes



The cycle of impact

Impact-oriented corporate citizenship management

1 Strategy and target planning

- Challenges and needs for companies and society
- Strategic approach and concept
- Impact logic, goals, target groups, indicators

2 Implementation

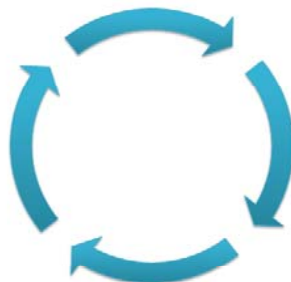
- Operational management of activities
- Systematic internal communication and coordination
- Goal-oriented use of resources

3 Impact analysis

- Scope and benefits of goal achievement analysis for companies and society
- Impact analysis methods

4 Management and reporting

- Portfolio and project decisions
- Quality development and scaling of projects
- Reporting



Measuring Impact at Merck



Strategy and target planning

Key questions for analysis



Social challenge and needs

- What is the social challenge? Which needs exist? Where do we want to become involved? How relevant is it for society and business?
- Which groups of people are affected? How many people? What characterizes the people who are affected? (age, gender, family background, economic circumstances, social situation, etc.)
- In which areas of life are these people affected? (health, work...)

Stakeholder and environment

- Who is already active in this field? (such as public administration and politics, foundations, corporations, charitable organizations, thematic networks, etc.)
- Where do funding gaps still exist? Which needs are not yet addressed by the already existing measures?
- With whom could partnerships be formed?

Strategy and target planning

Developing indicators



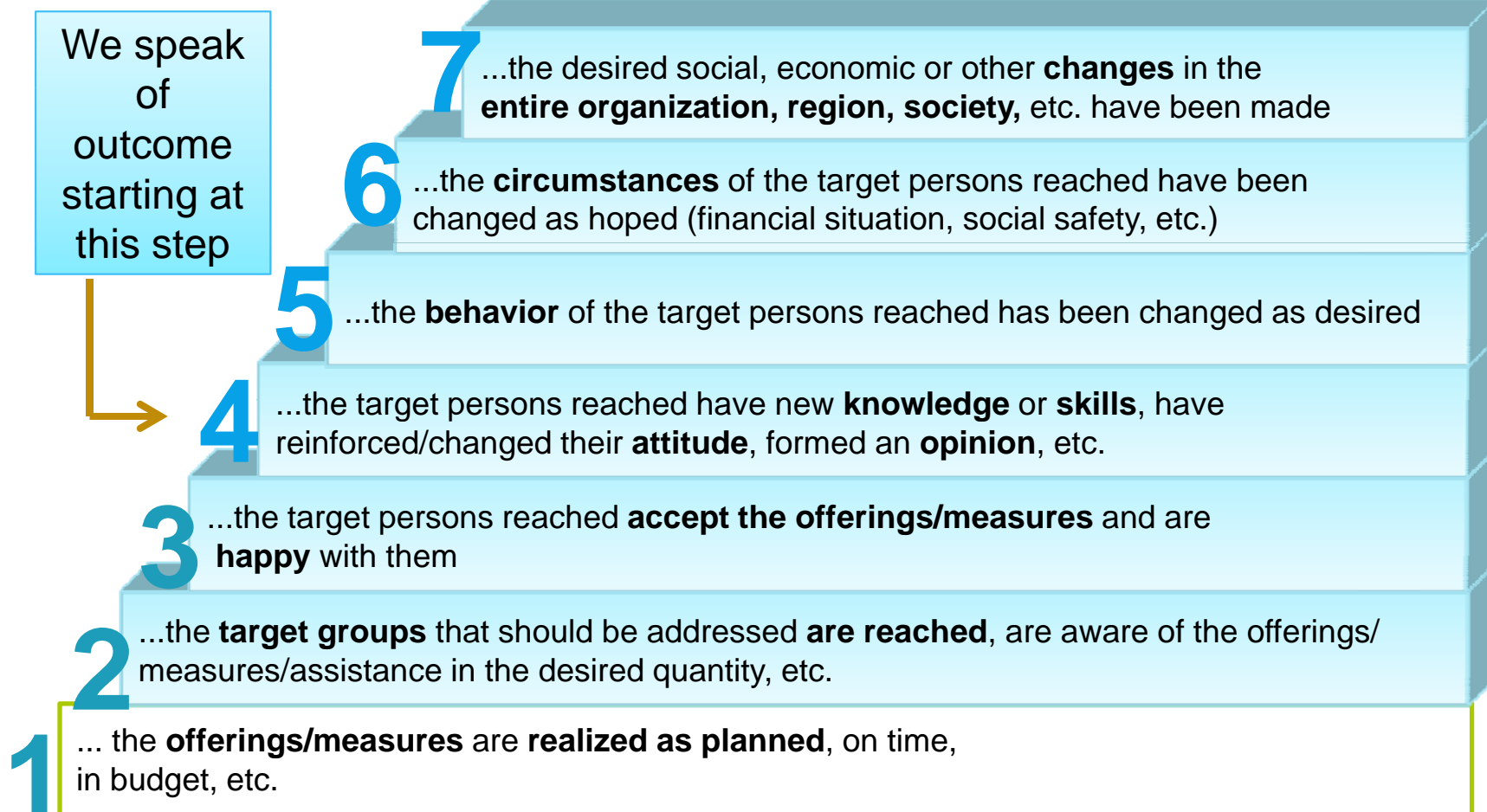
Which society-oriented and which business-oriented goals will be pursued?

Key question: If the project is successful, how can one tell that the project contributed to reaching the specific impact goal?

- To what degree was the objective reached?
- To what extent can this impact be attributed to the project?

Strategy and target planning

Which social impact goals exist?



Implementation

What needs to be considered?



- Which measures will be taken?
- How should they contribute to reaching the goals?
- Which resources will be used? (input)
 - Financial and material resources
 - Personal/corporate volunteers
 - Expertise
 - Networks and contacts



Impact analysis

Three quality criteria for impact analyses



Focus on benefits:

Emergence of expected benefits for people involved and affected

Triangulation:

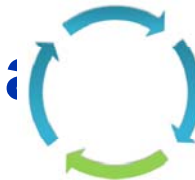
Usage of several data collection methods (qualitative and quantitative) as well as various points in time

Multiperspectivity:

Data collection from different groups of people involved

Impact analysis

Many different methods can be used for impact analysis



Effort
(time, costs, expertise)



Longitudinal studies
with control groups

Surveys regarding subjective perception of
changes

Survey regarding satisfaction

Monitoring of participant numbers, demands, etc.

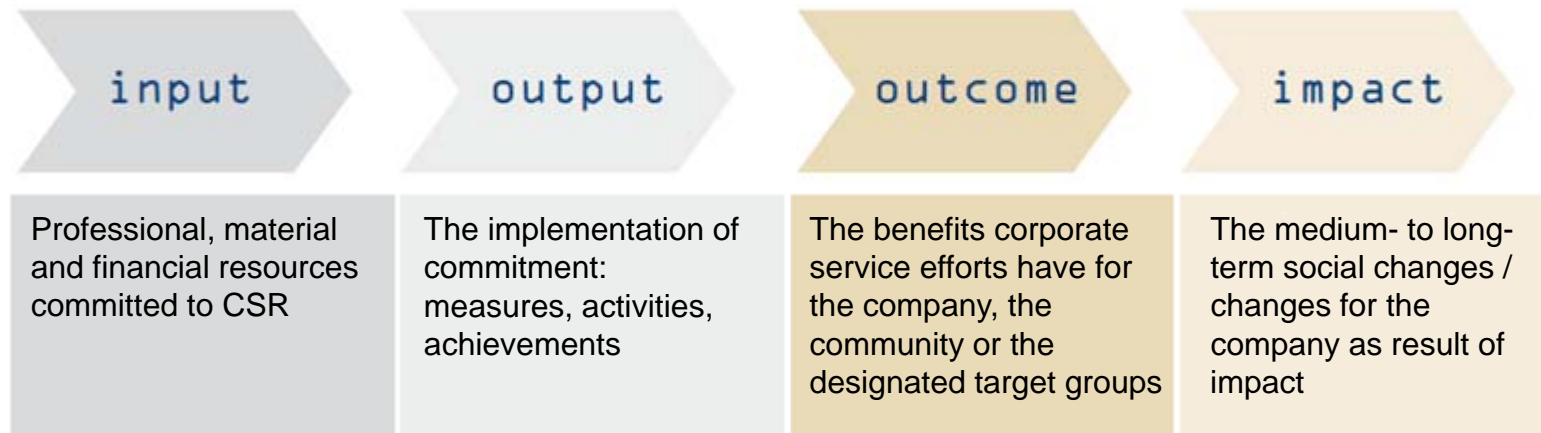
Collecting anecdotes

Informative value

Impact analysis

The iooi system distinguishes between the following impact dimensions:

Definitions



Managing and reporting

Merck reporting on Corporate Citizenship

iooi-method for lighthouse project Merck Praziquantel Donation Program

Praziquantel: Evaluation

	Indicators	Measuring instruments
Impact	1% infection rate = Schistosomiasis has been eliminated as a public health issue.	Scientific studies conducted by WHO
Outcome	Infection rate	In 2013, WHO is conducting scientific studies in select countries; reviewing the scope of treatment via the WHO PCT online databank.
Output	Number of school children who received praziquantel in one year.	Medical experts and teachers document the treatment of school children. WHO consolidates these data into reports on the distribution of the tablets in the individual countries.
Input	Number of tablets supplied by Merck to the individual countries.	A logistics partner delivers the tablets to Africa and reports on their distribution.