EXECUTIVE SUMMARY
2016/2017

CORPORATE RESPONSIBILITY REPORT

MSD
INVENTING FOR LIFE
“WE ARE COMMITTED TO MAKING THE WORLD A BETTER PLACE TODAY AND FOR GENERATIONS TO COME.”

KENNETH C. FRAZIER
Chairman and Chief Executive Officer
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For more than a century, our company has been inventing medicines and vaccines for the world’s most challenging diseases. That same commitment to overcoming the greatest obstacles to improving health and well-being extends to how we seek new ways to develop and reward our employees, protect the environment and operate with the highest standards of ethics and integrity.

We have always been and always will be inventing, and we do it for the single greatest purpose: life.

Our 2016/2017 Corporate Responsibility Report reviews our progress and highlights how we operate as a responsible company while building a sustainable business — contributing to a healthier and more hopeful world for everyone.

As a company with an enduring mission to save and improve lives, we are focused on finding solutions to many of the world’s most devastating diseases, such as cancer, Alzheimer’s disease, diabetes, HIV, Ebola, antibiotic-resistant infections and more. We also are committed to pursuing the science of healthier animals, reflecting our dedication to providing veterinarians with new medicines and vaccines to advance optimal animal care.

We know that the world is waiting for cures. For that reason, we have a legacy of investing in research and development. We see it as our responsibility to invent solutions that fundamentally transform the future of human and animal health. Our people work relentlessly to push the boundaries of science with the hope and expectation that the medicines and vaccines we invent will lead to better health for generations to come.
Our passion to save and improve lives extends to our commitment to protecting and sustaining the environment. We are proud that we met our previous environmental sustainability goals in 2015, five years ahead of schedule, and we recently developed a new set of environmental goals by assessing the external influences that could potentially impact our company and, in turn, our patients over the near and long term. These new goals address the rising expectations that our customers, investors, employees and other stakeholders have of our responsibility to manage the environmental impact of our operations, supply chain, products and packaging. The new environmental goals also will improve the health of our business and drive innovation as our scientists and engineers develop new ways to operate more efficiently, reduce risk and drive down costs.

With a commitment to being the world’s premier research-intensive biopharmaceutical company, we look to foster an environment that engages and develops our diverse and talented people. For example, to help celebrate our 125th anniversary and honor our long-standing tradition of giving back to the communities in which we live and work, the company set a goal of recording 125,000 employee volunteer hours in 2016. Our colleagues around the world rose to the occasion — handily beating the company target and logging more than 214,000 volunteer hours. We also support our employees by promoting diversity and inclusion across our organization. From how we respect and learn from each other as colleagues to how we conduct our clinical trials, one thing is clear: maintaining a diverse and inclusive environment is not just good for business, it is essential to our future success.

For all of these activities, the foundation of our strategy is our unwavering commitment to ethics and integrity. We aspire to be the most trusted biopharmaceutical company in the world. Our values and standards play an essential role in how we build trust and confidence with patients, customers, shareholders, employees and other stakeholders.

As part of our ongoing commitment to transparency about our business, we disclosed information in early 2017 to help people better understand our pricing practices in the United States. This information — which will be updated annually — includes the average annual list and net price increases across our product portfolio since 2010. It also includes the average discount rate for our medicines and vaccines each year. These disclosures are just one of the ways in which we are responding to concerns about access and affordability. We have a history of making our inventions available to people who need them. We welcome opportunities to partner with stakeholders to find sustainable solutions to the global challenge of access to health care.

One platform for connecting with external stakeholders to improve the health of society and our planet is the Sustainable Development Goals (SDGs), a set of 17 global goals adopted by the United Nations (UN) in 2015 to help end poverty, protect the environment and ensure prosperity. We see support of the SDGs as both a responsibility and an opportunity, a lens through which we can identify ways to contribute to societal needs while strengthening our business. In addition, to guide our company’s efforts on sustainability issues, we remain committed to supporting the 10 universally accepted principles of the UN Global Compact.

We have a central purpose: to help people live longer, healthier and more productive lives. Whether it is by inventing breakthrough medicines and vaccines that address critical areas of growing, global medical need, improving access to health care, protecting the environment or engaging employees, we are committed to making the world a better place today and for generations to come.

Sincerely,

KENNETH C. FRAZIER
Chairman and
Chief Executive Officer
OUR APPROACH

We are working to address global health challenges, protect the environment, support our communities and develop our employees.

As a leading biopharmaceutical company, we continue to invent new approaches that save and improve lives so that people can positively contribute to a healthier and more hopeful world.

AREAS OF FOCUS

Our corporate responsibility approach is aligned with the company’s focus on invention, and underscores our commitment to overcoming the greatest obstacles to health and well-being, developing and rewarding our employees, protecting the environment and operating with the highest standards of ethics and transparency.
Our corporate responsibility strategy includes our alignment with the UN Sustainable Development Goals (SDGs). While all of the SDGs are essential to fostering sustainable development, and are being addressed by our company, we have prioritized eight global goals as those where we are positioned to have the biggest impact.

EXPANDING OUR IMPACT

We have recently expanded our social investments through impact investing. This involves making financial investments in companies, organizations and funds with the intent to generate social and environmental impact along with a financial return.

One example of this is our recent $5 million investment in the Abraaj Growth Markets Health Fund, which focuses on health infrastructure expansion for low- and middle-income populations.
ADDRESSING OUR MOST IMPORTANT ISSUES

Within our four focus areas, we have identified the topics that are most critical to our business and to our external stakeholders, based on a formal corporate responsibility materiality assessment.
AWARDS & RECOGNITION

We have been recognized for our commitment to corporate responsibility.

- RANKED AMONG CORPORATE KNIGHTS’ 2017 GLOBAL 100 MOST SUSTAINABLE CORPORATIONS IN THE WORLD
- FTSE4Good
  NAMED AS A CONSTITUENT OF THE FTSE4GOOD INDEX

OUR GIVING

Through our philanthropic contributions and volunteering, we strive to find sustainable solutions to key global health challenges and to strengthen communities where our employees live and work.

Our program investments aim to support interventions that have shown evidence of effectiveness in advancing the quality of health services delivery, reducing health care disparities, fostering innovation in the delivery of health care, and empowering patients as active participants in managing their own health.

MSD FOR MOTHERS: COMMITTED TO SAVING LIVES

MSD for Mothers is our company’s 10-year, $500 million initiative that applies our scientific and business expertise, as well as our financial resources, to reduce preventable maternal mortality worldwide by catalyzing transformative solutions. We are applying private-sector approaches to improve access to quality maternal health care that women receive in health facilities at the time of childbirth, and to improve access to family planning services.

Total Giving 2016

$2.2B Total Giving

- Skills-Based Volunteering
  $2.6M
- Cash Grants & Contributions
  $117M
- Product Donations
  $2.1B
- Product Donations
  $2.1B

CORPORATE RESPONSIBILITY OUR APPROACH 7
We believe we have an important role and responsibility in improving access to medicines, vaccines and quality health care worldwide, thereby helping to reduce the burden of disease around the world.

ACCESS TO HEALTH

We aspire to improve access to health by discovering, developing and providing innovative products and services that save and improve lives.

ACCESS TO HEALTH GUIDING PRINCIPLES

Our mission to improve the health and wellness of people around the world by expanding access to medicines and vaccines is one of our company’s five core values. To guide our efforts, we follow our companywide Access to Health Statement of Guiding Principles and our Institutional Business Africa (IBA) Principles, which articulate our approach.

Expanding access is a business imperative for optimizing and sustaining our business over the long term. As we strive for continuous improvement in our access approach, we will reevaluate our policies, practices and programs, as well as the metrics we employ to measure our progress, on an ongoing basis.
Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

SDG 3

Our company is addressing 88 percent of the top 20 global burdens of disease with our products and pipeline, including cancer, HIV, diabetes and Alzheimer’s disease.

Barriers to quality care and medical treatment — such as a lack of trained health care professionals, weak infrastructure, civil strife and a shortage of safe water in many parts of the world — make even basic health care delivery difficult at best, and these challenges go well beyond what we can directly address alone.

We believe our role is to work in partnership with others — local communities, governments, donors, patient organizations, health care professionals, nongovernmental organizations, multilateral organizations and others in the private sector — to contribute our expertise and knowledge.

GLOBAL BURDEN OF DISEASE

88%

GLOBAL BURDEN OF DISEASE

88% of the top 20 global burdens of disease are addressed by our company through our products and pipeline, including cancer, HIV, diabetes and Alzheimer’s disease.

POPULATION HEALTH

We also look at our contributions to improving health through a global population health lens. Because our medicines and vaccines target important health problems that affect millions of people on a global basis, we are — by definition — in the population health business.

AWARDS & RECOGNITION

We have been recognized for our commitment to improve access to health around the world.

RANKED #5 IN THE 2016 ACCESS TO MEDICINE INDEX

CORPORATE RESPONSIBILITY ACCESS TO HEALTH 9
We are working to create a 21st-century workforce that is gender-balanced and inclusive of top, diverse talent. A positive, inclusive and high-performing work environment is essential in order for our employees to feel welcomed and valued, and to be able to fully contribute to the business objectives of their teams.

**GLOBAL DIVERSITY & INCLUSION**

As we pursue our goal of becoming the world’s premier research-based biopharmaceutical company, we need to continuously develop our diverse and talented people.

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<tbody>
<tr>
<td>51%</td>
<td>39%</td>
</tr>
<tr>
<td>of new hires in 2016 were female</td>
<td>of our management roles in 2016 were held by women</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>37%</td>
<td>23%</td>
</tr>
<tr>
<td>of new U.S. hires in 2016 were members of underrepresented ethnic groups</td>
<td>of our U.S. executive roles in 2016 were held by members of underrepresented ethnic groups</td>
</tr>
</tbody>
</table>

**EMPLOYEES**

We recognize that our ability to excel depends on the integrity, knowledge, imagination, skill, diversity and teamwork of our employees.
THE SDGs & OUR EMPLOYEES

This graphic illustrates which of the UN SDGs most closely aligns with our efforts to foster a culture of true inclusion for all.

SDG 5
Gender Equality
Achieve gender equality and empower all women and girls

EMPLOYEE SAFETY

We remain committed to providing a safe and healthy workplace for our employees and contractors, and comply with all applicable safety laws and regulations. We believe that through visible management, leadership and employee engagement, we can increase the awareness of hazards and help employees make the right choices when it comes to safety, health and the environment—both on and off the job.

99%
of our 2016 capital construction projects had zero recordable injuries

41%
decrease in our lost-time injury rate from last year

AWARDS & RECOGNITION

We have been recognized for our commitment to fostering a workplace where our employees and our business can thrive.

RECOGNIZED IN THE AHA’S 2017 WORKPLACE HEALTH ACHIEVEMENT INDEX

BEST OF THE BEST TOP VETERAN-FRIENDLY COMPANY FOR 2016
ENVIRONMENTAL SUSTAINABILITY

A healthy planet is essential to human health and the sustainability of our business.

Our company has a long history of environmental stewardship and compliance, but we realize that our strategy and efforts need to continuously improve in order for us to excel in an increasingly resource-constrained world.

SUSTAINABILITY STRATEGY

The world’s resources are limited, and over the next few decades the demand for energy, clean water and other natural resources will increase substantially due to population growth and economic development. Additionally, climate change is projected to significantly impact global human health and will present long-term risks to our business.

We believe that companies have a responsibility to use resources wisely and drive innovations that will enable global development while protecting and preserving both the planet and the communities in which we live and work.

Our environmental sustainability strategy includes efforts in three key areas:

- **Efficient Operations**
  - Implementing energy-conservation and water-use-reduction initiatives
  - Finding ways to more efficiently use our raw materials
  - Handling our wastes in a compliant and responsible manner

- **Design for Environment**
  - Innovating to reduce the environmental impacts of our new products, packaging, buildings and equipment
  - Using more renewable energy to power our facilities, thereby further reducing our greenhouse gas emissions

- **Reduce Risks in Value Chain**
  - Understanding the lifecycle impacts of our products
  - Assessing the environmental impacts and risks in our value chain and striving to minimize those impacts
  - Collaborating with our suppliers and customers to address our shared needs and interests in environmentally beneficial ways
NEW ENVIRONMENTAL SUSTAINABILITY GOALS

To realize our strategy, we have established a new set of goals for improving the sustainability of our operations.

These goals were developed to address the rising expectations of our stakeholders around the environmental impact of our operations, supply chain, products and packaging.

THE SDGs & ENVIRONMENTAL SUSTAINABILITY

This graphic illustrates which of the UN SDGs most closely align with our environmental efforts. Reducing our operational footprint is essential for thriving in a resource-constrained world.

- **SDG 6** Clean Water and Sanitation
  Ensure availability and sustainable management of water and sanitation for all

- **SDG 7** Affordable and Clean Energy
  Ensure access to affordable, reliable, sustainable and modern energy for all

- **SDG 12** Responsible Consumption and Production
  Ensure sustainable consumption and production patterns

- **SDG 13** Climate Action
  Take urgent action to combat climate change and its impacts
GLOBAL WATER USE

We use the World Resources Institute’s water-risk-assessment tool, called “Aqueduct,” to measure and map our water risks.

Note: Data have been rounded to the nearest whole percentage point.
Mapping our entire climate footprint has revealed that the emissions from our supply chain (Scope 3) are greater than our Scope 1 and 2 emissions combined. We are working to reduce these impacts through activities such as reducing waste in our operations, reducing fuel use and looking for opportunities to shift from air shipping to ocean transport wherever practical. We are also starting to work with our strategic suppliers to reduce their environmental impacts.

**MEASURING OUR GREENHOUSE GAS FOOTPRINT**

<table>
<thead>
<tr>
<th>Scope</th>
<th>MT CO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>847,400</td>
</tr>
<tr>
<td>Scope 2</td>
<td>562,200</td>
</tr>
<tr>
<td>Scope 3</td>
<td>7,975,100</td>
</tr>
</tbody>
</table>

**Note:** Scope 2 is the market-based value in accordance with the Greenhouse Gas Protocol.

**AWARDS & RECOGNITION**

We have been recognized for our commitment to minimizing our environmental impact.
The foundation of our strategy is our unwavering commitment to our values of ethics and integrity. It takes more than having the right mechanisms, standards and training in place to ensure an open, ethical business environment. We work hard to make sure we live up to our own high standards every day.

**CODE OF CONDUCT**

*Our Values and Standards,* our Code of Conduct, is considered to be the foundation of our company’s success. These values and standards apply worldwide, wherever our company does business.

Ethics and compliance training is an important part of creating a strong culture, and our program is reflective of the Code of Conduct and corporate policies tailored to meet the needs of different groups of employees. All employees are required to complete the assigned ethics and compliance courses.

100% of our employees completed training on our Code of Conduct

**A COMMITMENT TO TRANSPARENCY**

We aspire to be open and transparent about how we operate in order to earn and retain the trust and confidence of our stakeholders.

We have a long history of making our medicines and vaccines accessible and affordable through responsible pricing practices and industry-leading patient access programs. As part of our ongoing commitment to transparency and to help people better understand our pricing practices, we are disclosing information about our price actions in the United States.
WE RECEIVED A SCORE OF 100% ON HRC’S 2016 CORPORATE EQUALITY INDEX

RANKED IN THE FIRST TIER ON THE INDEX, WHICH BENCHMARKS THE TOP 300 COMPANIES IN THE S&P 500

As part of our long-standing commitment to ethics and good corporate citizenship, we adopt policies and procedures to facilitate compliance with the laws and regulations that govern the way we market and sell our medicines, vaccines and other products.

We strive to be good data stewards in order to balance our data needs with our responsibilities to the people and communities we service.

THE SDGs & ETHICS & TRANSPARENCY

This graphic illustrates which of the UN SDGs most closely aligns with our commitment to ethics and transparency.

**Decent Work and Economic Growth**
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ELEMENTS OF AN EFFECTIVE COMPLIANCE PROGRAM

1 LEADERSHIP, ACCOUNTABILITY & STRUCTURE
2 WRITTEN STANDARDS
3 EDUCATION & TRAINING
4 AUDITING & MONITORING
5 REPORTING
6 ENFORCEMENT & DISCIPLINE
7 RESPONSE & PREVENTION

GLOBAL PRIVACY PROGRAM

We have been recognized for our commitment to ethics and transparency.

AWARDS & RECOGNITION

- WE RECEIVED A SCORE OF 100% ON HRC’S 2016 CORPORATE EQUALITY INDEX
- RANKED IN THE FIRST TIER ON THE INDEX, WHICH BENCHMARKS THE TOP 300 COMPANIES IN THE S&P 500
Philanthropy is an important component of our company’s commitment to corporate responsibility, and is a visible demonstration of our efforts to improve access to health and to strengthen communities where our employees live and work.

**OUR GIVING**

We strive to find sustainable solutions to key global health challenges and to strengthen communities where our employees live and work.

**PRIORITIES & PERFORMANCE**

Our giving priorities strengthen the effectiveness and impact of our company’s philanthropy by focusing on areas of global health need in which we have substantial expertise and capability.

We also provide financial support and share the expertise of our employees through grant and volunteer programs that address critical health needs and selected social issues in communities in which we have a presence.

**PRODUCT DONATIONS**

It’s not enough to discover and develop new medicines and vaccines. We also need to help get them to the people who need them, whether they live in communities with a fundamental lack of access to health care and services or are affected by acute or protracted humanitarian crises.

$2.1B

Total market value of product donations in 2016
During 2016, in celebration of our 125th year, we challenged employees to build on the company’s legacy of service by volunteering a combined total of 125,000 hours in their communities. Our employees far surpassed this goal by volunteering more than 214,000 hours.

**EMPLOYEE VOLUNTEERING**

- **Goal:** 125,000 hours
- **Completed:** 214,862 hours

**FELLOWSHIP FOR GLOBAL HEALTH**

The MSD Fellowship for Global Health is a three-month, field-based corporate pro bono program designed to leverage the skills and talents of our employees worldwide. Between 2012 and 2017, 159 Richard T. Clark (RTC) Fellows from 29 countries have worked for 36 nonprofit organizations.

- **36 nonprofit organizations**
- **29 countries**

The 2017 RTC Fellows gathered for a reintegration workshop and recognition ceremony after completing their three-month assignments working with nonprofit organizations around the world to improve global health.
We have key performance indicators (KPIs) for each of our four focus areas: Access to Health, Employees, Environmental Sustainability and Ethics & Transparency.

These KPIs are measured globally unless otherwise noted, and cover all of our business units with the exception of joint ventures.

## ACCESS TO HEALTH\(^1\)

<table>
<thead>
<tr>
<th>RESEARCH &amp; DEVELOPMENT</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 20 global burdens of illness addressed by our products and pipeline(^2)</td>
<td>88%</td>
</tr>
<tr>
<td>GCP/PV audits by regulatory agencies or clinical trial investigators that led to significant fines, penalties, warning letters or product seizures</td>
<td>-</td>
</tr>
<tr>
<td>Established significant external licenses and collaborations(^3)</td>
<td>57</td>
</tr>
<tr>
<td>Narrative of compounds provided to product-development partnerships(^4)</td>
<td>Online</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>MANUFACTURING &amp; SUPPLY</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual percentage of units manufactured/sold and recalled during a given year (recall rate globally)(^5,6)</td>
<td>0.01%</td>
</tr>
<tr>
<td>Number of local and regional manufacturing partnerships to enable access</td>
<td>179</td>
</tr>
<tr>
<td>Number of products available by local and regional partnerships</td>
<td>941</td>
</tr>
</tbody>
</table>

## REGISTRATION | 2016

| New product and device registrations\(^7,8,9\) | 143          |
| Local regulatory agency GCP/PV training requests fulfilled that will help strengthen agency capabilities with their GCP/PV compliance oversight role\(^10\) | Online       |
| Products submitted that have achieved WHO prequalification | 11           |

## PRICING & COMMERCIALIZATION | 2016

| Number of products which are supported with differential pricing\(^11,12\) | 40           |
| Number of low and lower-middle income countries where inter- and/or intra-country pricing has been implemented\(^13\) | 123          |
| Investment in patient- and provider-education programs (in millions) | $80.2        |

## COMMUNITY INVESTMENT | 2016

| Health care workers trained through major programs and partnerships\(^14\) | 32,218       |
| Investment in partnerships for activities to address underlying barriers to health, such as health-system strengthening and capacity building (in millions)\(^14\) | $28          |
| People reached through major programs & partnerships (in millions)\(^14\) | 293          |

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\(^1\) Unless otherwise stated, data for Access to Health are reflective of our Human Health business only; information on our company’s Animal Health business is reported separately.

\(^2\) As defined by the Institute for Health Metrics and Evaluation (IHME), which replaces the previously used WHO chart of leading causes of disease, condition or injury.

\(^3\) Starting in 2014, this metric no longer includes select early licenses and research collaborations that were included in the metric for previous years.

\(^4\) For information on product-development partnerships, visit the Research & Development page.

\(^5\) Definition of Recall Classifications: [http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm049070.htm#RecallClassifications](http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm049070.htm#RecallClassifications)

\(^6\) Beginning in 2014, product recalls include data from our Animal Health business.

\(^7\) Data includes new products and new indications.

\(^8\) For information on new registrations by region, visit our Clinical Research page.

\(^9\) Data for all years have been updated based on a tracking system upgrade that corrected miscounts in prior years.

\(^10\) For information on local regulatory agency GCP/PV training requests, visit our Clinical Research page.
### EMPLOYEES

**DIVERSITY & INCLUSION**

<table>
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<tr>
<th><strong>2016</strong></th>
<th><strong>2016</strong></th>
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<tbody>
<tr>
<td>Women in executive roles</td>
<td>31%</td>
</tr>
<tr>
<td>Women on the Board</td>
<td>23%</td>
</tr>
<tr>
<td>Members of underrepresented ethnic groups on the Board</td>
<td>23%</td>
</tr>
<tr>
<td>Members of underrepresented ethnic groups in executive roles (U.S.)</td>
<td>23%</td>
</tr>
<tr>
<td>Members of underrepresented ethnic groups in the workforce (U.S.)</td>
<td>26%</td>
</tr>
</tbody>
</table>

**WELL-BEING**

<table>
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<tr>
<th><strong>2016</strong></th>
<th><strong>2016</strong></th>
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</thead>
<tbody>
<tr>
<td>Response rate to the Voice Survey</td>
<td>85%</td>
</tr>
<tr>
<td>Employees who completed a health assessment (U.S.)</td>
<td>57%</td>
</tr>
<tr>
<td>Lost-time incident rate (LTIR)</td>
<td>0.13</td>
</tr>
<tr>
<td>Recordable injury rate (RIR)</td>
<td>0.35</td>
</tr>
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**VOLUNTEERISM**

<table>
<thead>
<tr>
<th><strong>2016</strong></th>
<th><strong>2016</strong></th>
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</thead>
<tbody>
<tr>
<td>Employees who took release time according to the global policy on employee volunteerism</td>
<td>21%</td>
</tr>
<tr>
<td>Total recorded volunteer hours</td>
<td>214,862</td>
</tr>
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### ENVIRONMENTAL SUSTAINABILITY

<table>
<thead>
<tr>
<th><strong>2016</strong></th>
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<tbody>
<tr>
<td>Greenhouse gas emissions (Scope 1 &amp; 2) (MT CO₂e)</td>
</tr>
<tr>
<td>Water usage (billion gallons)</td>
</tr>
<tr>
<td>Operational waste generated (MT)</td>
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</tbody>
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### ETHICS & TRANSPARENCY

<table>
<thead>
<tr>
<th><strong>2016</strong></th>
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<tbody>
<tr>
<td>Employees trained on our Code of Conduct</td>
</tr>
<tr>
<td>Ratio of substantiated allegations to concerns/issues raised</td>
</tr>
<tr>
<td>Reported concerns regarding privacy practices, breaches of privacy and losses of personal data and devices that were substantiated</td>
</tr>
</tbody>
</table>

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11 Differential pricing intended to facilitate access for the at-need population.
12 Products include HIV treatments, vaccines and other patented products.
13 Countries as defined by the World Bank 2013 GNI Classification, including UN-defined Least Developed Countries.
14 Includes investments by the Office of Corporate Responsibility, MSD for Mothers and/or our company’s Foundation.
15 “Executive” is defined as the chief executive officer and two structural levels below.
16 Figures involve some estimate where specific data were not available.
17 2016 figures are based on employee self-recorded volunteer hours and volunteer hours communicated directly to the Office of Corporate Responsibility for certain countries.
18 Includes facilities worldwide.
19 Privacy concerns include all concerns escalated to our Privacy Office about the company’s privacy practices. Substantiated concerns are those that are determined to be inconsistent with our privacy standards or that involve the loss of, theft of or unauthorized access to personal data.
FORWARD-LOOKING STATEMENT

This communication of Merck & Co., Inc., Kenilworth, N.J., U.S.A. (the “company”) includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company’s management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include, but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company’s 2016 Annual Report on Form 10-K and the company’s other filings with the Securities and Exchange Commission (SEC) available at the SEC’s Internet site (www.sec.gov).