



# Shaping Our Journey to the Future Together

Sustainability Fact Book - Vol. 1

MSD Animal Health and Human Health Commercial in Germany



# Welcome

We are the German Animal and Human Health sales organisation of the U.S. research-based pharmaceutical company Merck & Co., Inc., Rahway, NJ, USA.

Our core business is making our medicines and vaccines available to everyone as a key contribution to global access to health care. To achieve this, we use a twin-pillar approach: research, development, production and distribution of medicines and vaccines, and continuous improvement of health care systems for humans and animals.

We aspire to play a leading role in environmental protection, social engagement and responsible governance.

We have defined specific measures for the pursuit of our sustainability goals, which are firmly embedded in our business strategy. These are presented in detail in this Sustainability Fact Book. This is not an ESG report; it is a new format that we will be using to provide regular information on how our work is progressing and to encourage dialog.

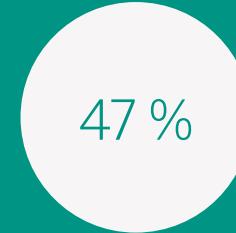
# MSD at a glance

## Human Health Commercial

## Animal Health



employees  
(as of August 1, 2022)



of managers are female  
(as of August 1, 2022)



revenue in 2021



locations: headquarters in Munich and a hub in Berlin

MSD has 7 further production and research locations in Germany, but these are not included in this Fact Book.

# Focus on sustainability



“Using resources sustainably is the challenge of our times. As a responsible health care company, we have set out on this path – for patients, as an employer and as a reliable partner for the health care sector. Our sustainability goals are part of our corporate strategy and lead us on our way we are headed. This Fact Book outlines our first steps.”

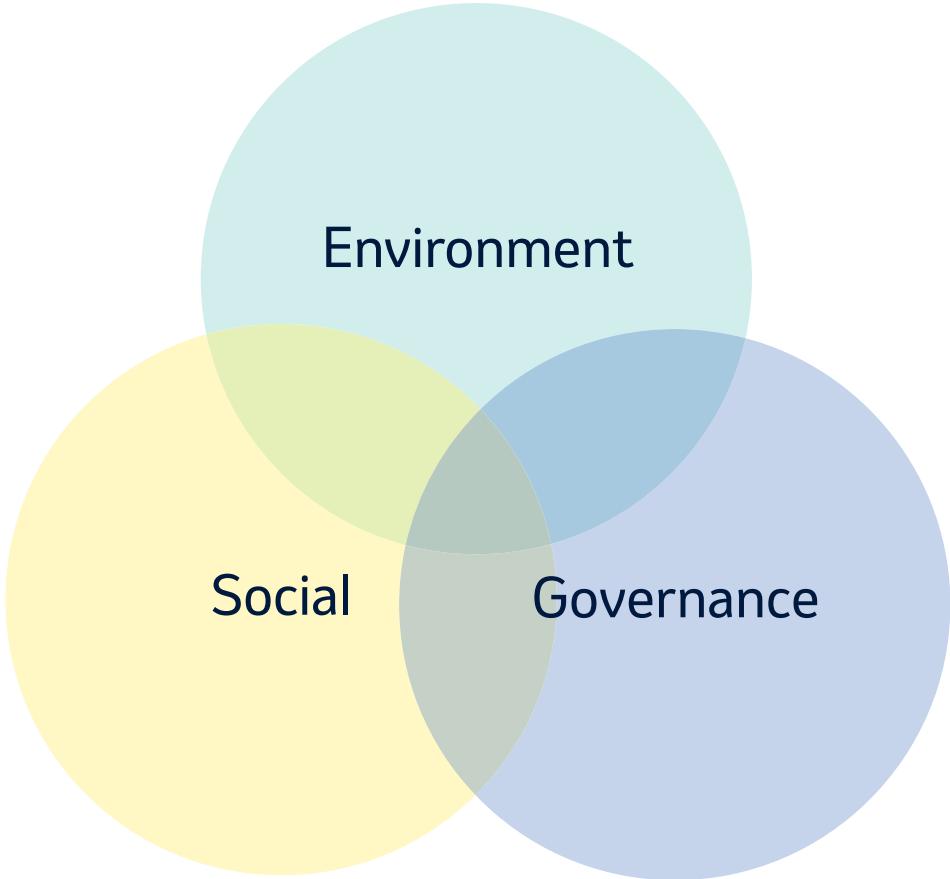
Kirsten Hoyer,  
Executive Director Public Affairs, Communications & Sustainability

Through our commitment to sustainability, we want to make a contribution to the Sustainable Development Goals (SDGs) set out in the United Nations’ 2030 Agenda for Sustainable Development. Our main focus is on:

- Good Health and Well-Being (SDG 3),
- Gender Equality (SDG 5),
- Decent Work and Economic Growth (SDG 8),
- Climate Action (SDG 13), and
- Partnerships for the Goals (SDG 17).

# Strategic alignment with ESG criteria

Environmental, social and governance (ESG) criteria are integrated into our strategic decisions.



MSD’s global ESG Progress Report provides an overview of the company’s international sustainability strategy. For further information, see link on page 20.

## Our ESG targets



### Environment: Reduce CO<sub>2</sub> to protect the climate

Since 2019, we have determined the carbon footprint of our offices in Munich and Berlin to give us a better understanding of the main sources of our emissions. Based on the findings, we are working on measures to continuously reduce emissions.



### Social: Enhance the health literacy of patients

We support projects and initiatives such as MiMi (“Migrants for Migrants”) to improve intercultural health literacy and disease prevention in Germany. In this way, we help make sure that all patients have a broad understanding of their illnesses and treatment options so they can properly assess the relevant information and preventive measures.



### Governance: Recognize and strengthen diversity, equal opportunity and inclusion

Diverse teams make companies more successful. Our aim is to create a working environment that supports the development of all employees, irrespective of their age, gender, religion, ethnic group, race or sexual orientation. We look beyond and engage with local communities and society.

“We know we still have a lot of work to do.”



Christina Puchstein,  
Associate Director  
Corporate Sustainability

How is sustainability organized?

Sustainability is a central element in our corporate strategy. Implementation is in the hands of two cross-functional teams with colleagues from Animal Health and Human Health lead the implementation. That means we have our eye on the big picture.

Was there a specific highlight in the area of sustainability in 2022?

Since March 2022, we have published a special guide on diseases associated with human papillomavirus (HPV) in ten languages as part of the ‘Migrants for Migrants’ health project. We are working on this and other guides with the Ethno-Medizinisches Zentrum (EMZ) in Hanover.

What’s in the pipeline?

It is very important to us to derive data-based targets and measures to reduce our carbon footprint. We are also stepping up our focus on ‘Climate and Health’ because there are many factors here that will influence us as a health care company.

Is there ONE term you associate with sustainability?

Yes: Future.

## We measure our carbon footprint

Since 2019, we have calculated our CO<sub>2</sub> emissions using the Greenhouse Gas Protocol, a private, transnational standard used to account for greenhouse gas emissions. On this basis, we identify the main sources of our CO<sub>2</sub> emissions so we can set targets and define specific measures to reduce emissions. In 2020 we reduced our carbon footprint by 34 percent compared with the previous year – partly because of the Covid-19 pandemic.

In common with many distribution companies, our fleet of vehicles accounts for almost 50 percent of our total emissions and therefore a large proportion of our carbon footprint.

We are addressing this in various ways. For example, we are gradually switching to electric vehicles where this is feasible. Electric and hybrid vehicles already make up eleven percent of our fleet.



### Sustainable restructuring of our fleet of vehicles

Electric and hybrid vehicles make up 11% of our fleet.



### Encourage use of company bicycles

More than 1,000 bicycles have been leased by staff at Animal Health and Human Health since 2018.



### Avoid waste, save resources:

In 2021, we introduced reusable boxes for the transportation of medicines, followed in 2022 by reusable dishes for staff meals.



### Introduce sustainable working materials

All the paper we use for our documents is FSC\*-certified (\* Certification for sustainable forestry).

## “We want to step up emissions reduction.”



Verena Menrad,  
Manager Corporate  
Sustainability

How do you leverage scope to further reduce the carbon footprint in your daily working life?

Our goal is to share in-house knowledge of what causes CO<sub>2</sub> emissions and how they can be avoided and highlight the responsibility of every individual. We use our internal communication channels for this. For example, we recently launched a series titled ‘Easy ways to reduce CO<sub>2</sub>’.

How do your new offices in the “Macherei” in Munich contribute to this?

Our new headquarters are in one of the most modern complexes in the city. That is not a coincidence. We have taken various steps to increase the already high environment standards. Examples are activity-based sensors to regulate lighting and temperature. Moreover, the complex showcases our understanding of diversity and accessibility in a modern and open working atmosphere where all colleagues can develop their potential.

Following certification under the Bavarian environmental and climate pact this year, what is the next major challenge?

Next we will be turning our attention to business trips, which are the main driver of our carbon footprint, as well as on reducing and sorting waste.



In July 2022, we joined the Bavarian environmental and climate pact. This is the Bavarian government’s central platform and hub for professional discussion of environmental and climate issues with Bavarian companies of all sizes and from all sectors.

## We are switching to reusable boxes and recycling

At the beginning of 2021, we became the first pharmaceutical company in Germany to start transitioning distribution of medicines in reusable boxes. This system enabled us to save around 400,000 single-use boxes within a year.

Together with our logistics partners, we have developed an innovative reusable packaging cycle for cost- and resource-efficient collection and cleaning of the reusable boxes. In this way, we have managed to save 1.1 million liters of water – more than 80 percent of previous water usage.

And there is a positive side-effect: Since the reusable boxes are far more stable than the old single-use packaging, we have reduced transportation damage to our medicines by about one third.

### One year of reusable boxes – the benefits:

- 40% reduction in CO<sub>2</sub>
- 80% reduction in water use
- and 1/3 less transportation damage.



“It was a long process: From analysis and development to the pilot trial and finally introduction of our system of reusable boxes. We worked on the system with our partners for about two years. The environmental data for the reusable boxes show that we are moving in the right direction. Moreover, the feedback from our customers has been entirely positive. That shows us that together we are prepared to take responsibility for the future.”

Tonja Graßmann,  
Associate Director Corporate Communications & Policy DACH Animal Health

When we relocated to the creative space “Macherei” at the end of 2021, we introduced reusable dishes from a local manufacturer.

Compared with single-use packaging, the reusable system can cut CO<sub>2</sub>eq by about 70%.



# We enhance the health literacy of patients



Ramazan Salman,  
Managing Director of EMZ

“In our ‘Migrants for Migrants’ health project – known as MiMi for short – we train migrants as MiMi health mediators. For this integration project, which centers on activities to improve health literacy and equal opportunities, we are increasingly reliant on strong partners. I am really grateful that MSD in Germany has partnered with us since 2010 to continuously drive forward the MiMi health program.”

For more than ten years, we have supported the “Migrants for Migrants” (MiMi) health project organized by Ethno-Medizinisches Zentrum (EMZ) in Hanover. At 64 sites in Germany, migrants are trained as “MiMi health mediators”. Their role is to reach out to other migrants to give them information on healthy lifestyle choices, health promotion, preventive health care offerings and the resources available at local health services.

The health mediators moderate events in their mother tongue in the target

group’s local area, for example, in mosques, churches, youth centers, companies, cultural centers, sports clubs and refugee hostels. They work to create a safe and trusted atmosphere that empowers people to discuss unfamiliar or even previously taboo topics, as well as giving them culturally sensitive access to health information.

The organizers of MiMi pay great attention to the regional context and information needs of the target group. Throughout Germany, the focal areas are pediatric health, women’s health,

immunization, mental health, healthy aging and elder care. Multilingual printed and digital information brochures have been produced on these topics. This year, the focal areas of our support are cancer, diabetes and the HPV vaccine. Our regional focus is on MiMi in Bavaria.



### Training mediators:

More than 3,100 mediators from 136 countries have been trained.



### Sharing knowledge:

More than 18,100 information events have been organized.



### Reaching people:

The program has reached more than 217,600 migrants directly and 761,000 indirectly (family members, etc.)



### Reaching out to the right target groups:

About 75% of participants are women.

## We volunteer locally

Since 2009, we have had a special volunteering program to support voluntary work by our employees. In this way, we aim to encourage a culture of social engagement and togetherness and improve the lives of disadvantaged people in Germany.

Human Health employees can spend **up to 40 hours of annual worktime** on voluntary projects that help people with disabilities, refugees, senior citizens, children and animals.

In all, we have invested **more than 11,500 hours** in voluntary activities and helped drive forward many important projects.



Wolfgang Stenger,  
Employee  
Experience Lead &  
Inclusion Officer

## “Totally impressed by the members’ voluntary commitment”

“Aktion Brücke e.V.” is a charity dedicated to establishing links between all social classes in Munich and the Fürstfeldbruck region. In particular, it provides emergency assistance for the homeless, the needy and poor senior citizens. In September 2022, colleagues from the Strategy department packed more than 1,000 boxes of confectionery in a day for distribution to homeless people. Wolfgang Stenger was among the volunteers: “I was totally impressed by this voluntary commitment. The amount of time these people dedicate to the homeless in Munich should not be forgotten.”

In Saarbrücken, a team from the regional sales force provided support to the local food bank for the second time this year. “We are impressed by the logistics and personal dedication required to run this daily food bank for those entitled to use it. Without food banks, many of our fellow citizens would not be able to feed themselves,” says Nils Padeken, who is part of the Saar/Pfalz team.

## Gender equity in our management team

According to the Federal Statistical Office, in Germany women account for just under one third of all managers. In the health care sector, three-quarters of employees are female but even here only one third of managerial positions are held by women. On average, only 20 percent of senior managers are female.

At MSD we are convinced that diverse teams are more successful. Therefore, we foster teams with a diversity of perspectives throughout the company. About 49 percent of our managers are women. We have achieved good balance – partly because we offer local childcare so that staff can combine working with raising a family. That helps us to leverage our full potential and sets standards in the health care sector – as an employer, as a preferred partner and in our ESG performance.



### Promoting diversity:

Since 2017, MSD has signed the employers’ diversity charter “Charta der Vielfalt.”



### Encouraging equal opportunity

In 2002, we were awarded the Bavarian accessibility seal “Bayern barrierefrei” for the first time.



### Ensuring management diversity:

49% of our managers are female.



### Networking employees:

50 employees work in cross-functional networks and on our DE&I (Diversity, Equity & Inclusion) Board.

## We connect to leverage our full potential.

We see ourselves as a strong community, because together we can achieve more. Connecting our employees plays a key role in this.

Global “Employee Business Resource Groups” (EBRGs) offer employees with a shared cultural background or common demographic attributes (gender, ethnicity, sexual orientation, disability) an opportunity to network and share their specific knowledge with the rest of the company.

The EBRGs provide cultural and business knowledge and are therefore closely linked to the operating business. In partnership with the business units, they provide input for initiatives, strategies, the company’s reputation and to foster talented employees. In this way, the EBRGs contribute to a more diverse, more equitable and more inclusive culture and workforce.

## We have four internal networks at present:

### Women’s Network:

Founded in 2017, this network empowers women to achieve their full professional potential and offers support for business strategies and personal development in the form of workshops, panel discussions and after-work events.

### Next Gen Network (NGN):

Since 2019, this network has been a platform for intergenerational exchange on sustainable business trends. It encourages future visions and visionaries to enable us to remain an attractive employer in the future. Employees network locally and internationally at events and via the the NGN platform “Tandem.”

### Rainbow Alliance:

Established in 2019, this alliance takes part in a range of national events as an advocate of queer topics at MSD and works to overcome stigmatization.

### capABILITY Network:

Since it was set up in 2021, this network has been looking at how to make MSD an employer of choice for talented people with disabilities. That includes various initiatives to make the workplace accessible and inclusive.



“Our ‘Rainbow Alliance’ EBRG supports and initiates many external projects such as the #workingpositively initiative of the German AIDS service organization (Deutsche Aids-Hilfe). At least equally important for us is our internal work to enable our colleagues to cultivate their diversity. For that we offer a variety of digital and analog formats including Rainbow Talks, a series of internal training modules to raise employees’ awareness of various issues.”

Lutz Staacke,  
Senior Social Media Specialist, Rainbow Alliance – Germany Chapter Lead

## We are PRIDE

We are proud to strengthen the LGBTQIA+ community. Therefore, we are a “PRIDE Champion.” This LGBTQIA+ award for employers shows that our corporate and organizational culture is welcoming LGBTQIA+ people. The award is only presented following a stringent annual inspection by experienced diversity consultants. In 2021, we were honored to receive the award in silver for the first time.

## We fly the flag for a colorful and diverse life



“United in Love – Against hate, war and discrimination!” was the motto of CSD 2002. We have been a Christopher Street Day partner since 2018. Our ‘Rainbow Alliance’ EBRG initiative drives activities relating to CSD and the diversity soccer festival “COME TOGETHER CUP.”

## Solidarity with people with HIV (human immunodeficiency virus)

“Run4Life” has been a firm fixture for the Munich running community since 2001. Organized by the Munich AIDS service organization, setting new personal bests are not the focus of this charity run. Instead, the aims are running together, having fun, and showing solidarity with people with HIV to counter

the stigma associated with being HIV-positive. MSD has supported this event for 21 years. For many of our employees, it is an annual sporting highlight.

## We support social inclusion

“It’s my life – Living life unhindered” is the motto of the Anna Schaffelhuber Grenzenlos Camp, an exciting format that brings together young people with and without disabilities. Since 2019, this series of five graduated adventure camps has given young people between 14 and 22 years character-building, sports and media skills. The camps are named after their initiator, Anna Schaffelhuber, a paraplegic sportswoman who ranks among the most successful disabled winter sports’ athletes.

Be courageous, try out new things and develop the social skills and self-confidence to tackle life: those are the attributes Anna Schaffelhuber wants to impart to the young people. And that is an excellent fit with MSD’s corporate values. Through our support for this project, we want to help sharpen the awareness of young people – and their parents – for an inclusive society and motivate them to work together to achieve this important societal goal.



“By supporting young people with and without disabilities, MSD shows the importance it attaches to diversity and inclusion. And that goes well beyond these camps. For example, in its new offices MSD has also invested in accessibility in a very special way. That is a strong signal that talented employees with disabilities are really welcome at MSD.”

Anna Katharina Schaffelhuber

## We foster a sense of belonging

Dialog with our most important stakeholder groups – both within the company and externally – is very important to us. That is reflected in our new headquarters in Munich.



Since November 1, 2021, the subsidiaries of MSD Animal Health and Human Health offices are based at the “Macherei” in Munich. The planning and design of our new workspaces centered on diversity and inclusion – with a focus on integrating diverse aspects of culture, language and accessibility. The close collaboration between Carola Kramer, representative for people with disabilities, and Wolfgang Stenger, inclusion officer at MSD, is reflected in various aspects such as the sanitary facilities, the “toilet for all,” and the barrier-free work and break environment. This provides people with disabilities with the best conditions for good work.

We designed modern, activity-centered workspaces with and for our employees to encourage an open exchange of knowledge in an appealing environment – whether live or virtually, between colleagues, or with our visitors and partners.



# We look forward to the dialog with you:

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For further information:

ESG Progress Report published by MSD Global:  
[www.msd.de/politik-und-verantwortung/nachhaltigkeit/](http://www.msd.de/politik-und-verantwortung/nachhaltigkeit/)

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