



MERCK FELLOWSHIP FOR GLOBAL HEALTH A CASE STUDY

Theresa McCoy and Christine Funk – April 6, 2016



FORWARD-LOOKING STATEMENT

This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, statements about the benefits of the merger between Merck and Schering-Plough, including future financial and operating results, the combined company’s plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of Merck’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the possibility that the expected synergies from the merger of Merck and Schering-Plough will not be realized, or will not be realized within the expected time period, the impact of pharmaceutical industry regulation and healthcare legislation; the risk that the businesses will not be integrated successfully; disruption from the merger making it more difficult to maintain business and operational relationships; Merck’s ability to accurately predict future market conditions; dependence on the effectiveness of Merck’s patents and other protections for innovative products; the risk of new and changing regulation and health policies in the U.S. and internationally and the exposure to litigation and/or regulatory actions.

Merck 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 Merck’s 2014 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).



MEET YOUR PRESENTERS



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TODAY'S OBJECTIVES



1.	MERCK FELLOWSHIP FOR GLOBAL HEALTH	<ul style="list-style-type: none">▪ Overview of Office of Corporate Responsibility (OCR)▪ Fellowship at a Glance 10 Minutes
2.	Partnering with Merck MEET RTC FELLOWS	<ul style="list-style-type: none">▪ Overview of Past Projects and Partners▪ Profile of an RTC Fellow 10 Minutes
3.	Impact and Lessons Learned	<ul style="list-style-type: none">▪ Benefits to NGO, Fellow and Merck▪ Summary of 2015 Lessons Learned 10 Minutes

WHAT IS CORPORATE RESPONSIBILITY AT MERCK?



Corporate responsibility at Merck is a commitment to discovering innovative solutions to the world's greatest health challenges while growing our business in a sustainable way.



ENVIRONMENTAL
SUSTAINABILITY

ETHICS &
TRANSPARENCY



ABOUT THE FELLOWSHIP FOR GLOBAL HEALTH



What:

A three-month, field-based corporate pro bono program designed to leverage the skills and talents of Merck employees.

How:

Pairs the best minds from our company with partner organizations for meaningful and systematic improvements in health service delivery for people in greatest need.

**6 cohorts / 100+ Fellows from 16 countries /
27 NGO partners**

Goals:

- Strengthens the capacity and reach of non-profit organizations with technical and human capital support
- Provides rich professional development experiences for our employees, requiring an embedded 3-month assignment with a non-profit partner
- Applies key learnings across the broader organization

THE RTC FELLOW ROLE - TWO PHASES



Phase One

In the Field

Ambassador

Catalyst for Change

In phase one, Fellows enter the field as an ambassador from Merck and as a catalyst who will use their professional skills, knowledge and abilities to cause positive change to occur.

Phase Two

Back at Merck

Advocate

Activist

In phase two, Fellows return to Merck with new, firsthand insight about global healthcare issues and become an advocate to spur changes that benefit both the global community and the company

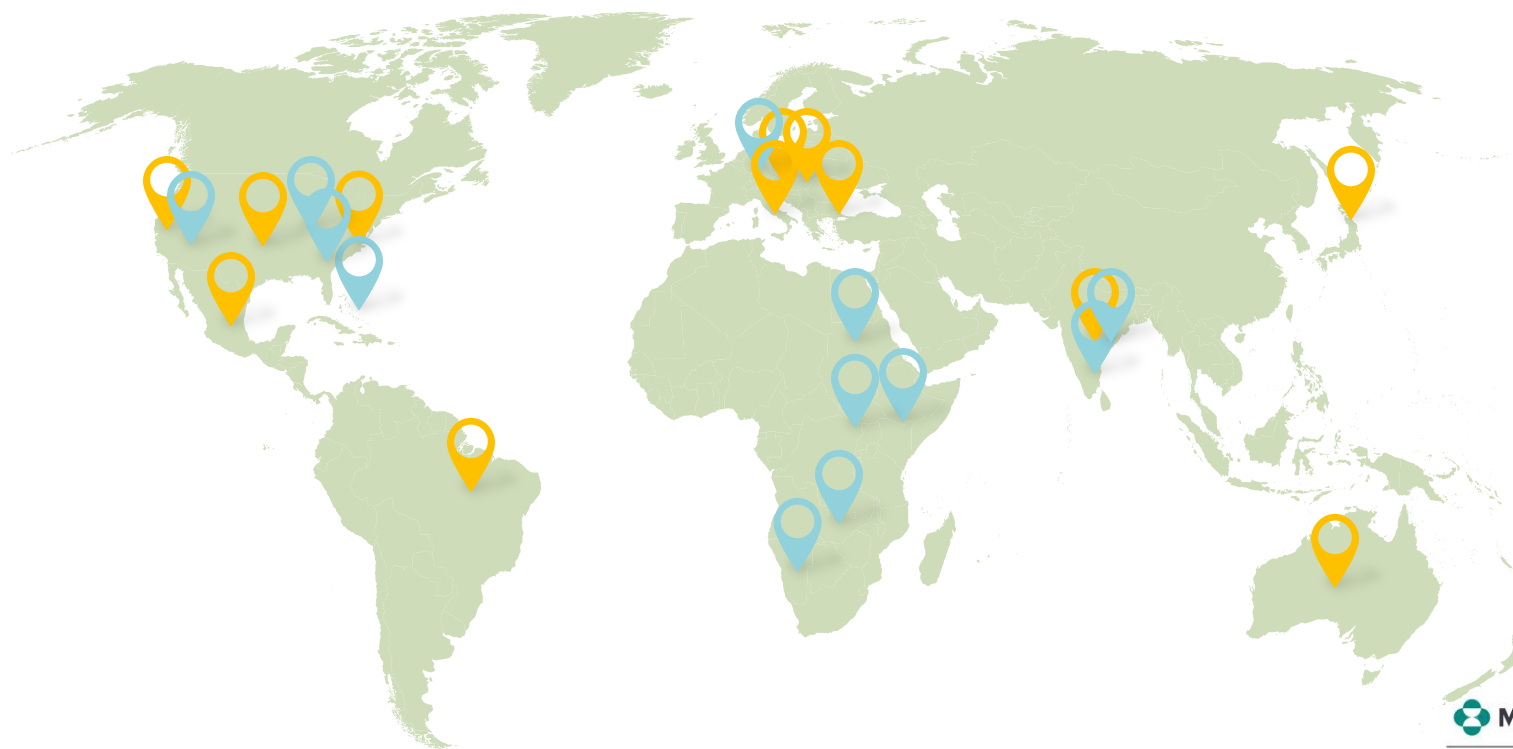
FELLOWSHIP'S GLOBAL REACH



6 Cohorts with 100 Fellows



24 Local Partners



TARGET PARTNER ORGANIZATIONS



- Partner organizations are chosen based on opportunities for capacity building and shared learning
- Have identified a critical, unmet need that can be shaped into a Scope of Work

PAST PROJECTS



WHO ARE RTC FELLOWS?



- Cross-functional teams of high performing Merck employees
- Globally diverse
- Typically have 10 years of experience working with Merck
- Emerging leaders with strong teamwork skills
- Enthusiastic and motivated about the opportunity

Sample skill sets include:

- Organizational Development
- Marketing & Communications
- Human Resources
- Finance
- Supply Chain and Procurement
- Business Development
- Strategic Planning
- Clinical Research
- Medicinal Chemistry



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BENEFITS BEYOND THE NGOs



Benefit to the Fellow:

- Unique experiential learning opportunity
- Build leadership skills
- First-hand customer/patient experience
- Understand challenges and opportunities in global markets
- Renewed commitment to population health
- Potential to be identified as key talent



Benefit to Fellows' Teams:

- Opportunity for new responsibilities and challenge
- Renewed energy and connection to Merck's fundamental mission
- Improves morale and collaboration among colleagues

Benefit to Merck:

- Appreciation of challenges and opportunities to deliver medicines around the world
- Better equipped to lead and deliver in ambiguous, resource-poor situations
- Demonstrates commitment to saving and improving lives and to corporate responsibility



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MERCK FELLOWSHIP FOR GLOBAL HEALTH 2015 IMPACT

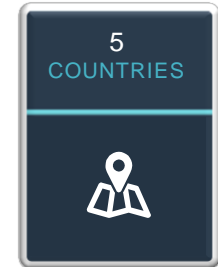
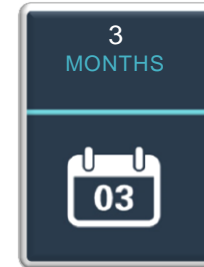
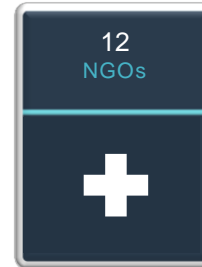
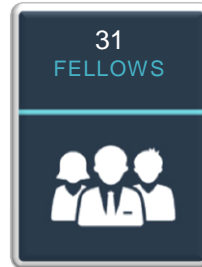


New survey shows life-changing results for our Fellows, NGO partners and measurable benefits for our company's business and reputation.

As part of the [Merck Fellowship for Global Health](#),

our 2015 Fellows aimed to solve global health issues and to obtain a new understanding of working with few resources to make a significant impact.

This report shows that across our NGO partners, with Fellows, and for our business—the Fellowship has become one of the most engaging, sustainable elements of the company's overall [Corporate Responsibility](#) program.



+ NGO Partner Organization Impact

Goal: Drive sustainable, long-term growth for the host organizations and their communities.

100% of NGO Partners Reported Extraordinary or Substantial Capacity Gains

The Fellows' tasks fell under several categories, including branding and marketing communications, international business strategy development, financial modeling, vaccine research and biopharmaceutical R&D training.

Top 5 Areas of Capacity Improvement

Strategy and
Planning
89%

Training/
Knowledge
Transfer
78%

Operations
77%

Marketing/
External
Relations
66%

Service
Provision
66%



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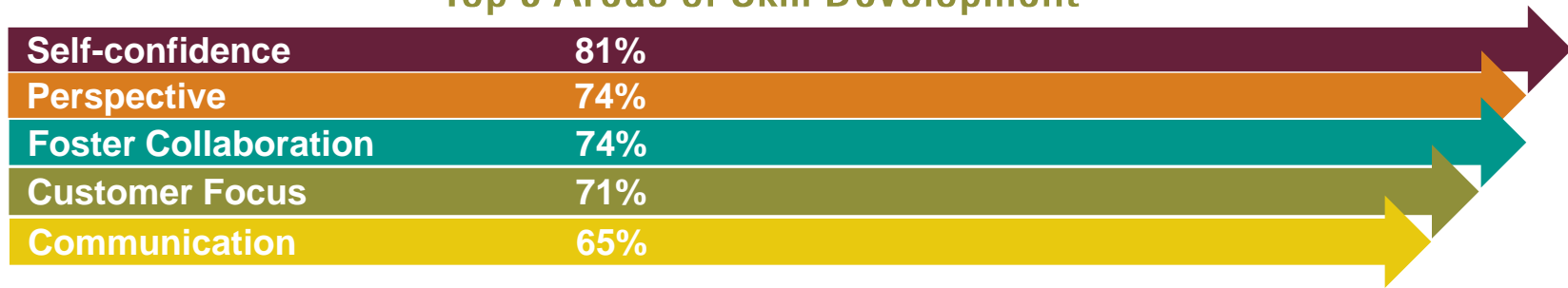
Employee Impact

Goal: Provide rich, professional development experiences for our employees

100% of Fellows Reported Leadership and Professional Capacity Gains

The Fellowship **increased awareness and a sense of urgency around global health** and inspired Fellows to become ambassadors.

Top 5 Areas of Skill Development



Benefit to Our Company

Goal: Demonstrate our commitment to improving global health while developing leaders who have an increased understanding of global markets

Fellows learn to find innovative solutions to problems in an efficient way, and replicate these efficiencies upon return

89% of NGO partners have an improved understanding of our mission

Fellows engage with different types of stakeholders such as government entities and foundations

100% of NGOs reported substantially improved impressions about our company among the communities they serve

96% of Fellows Reported a Better Connection with the Company Mission

HIGH LEVEL LESSONS LEARNED



Training & Support

- Fellows had uniformly positive views of trainings' professional value
- Minimal viable product framework helped fellows understand field environment and deliverable
- Mixed view of support positions, based on individual relationship and need
- Discrete instances of discomfort with work spaces, lodging, transportation, and decision maker access.

Social Impact

- All hosts reported capacity gains; fellow skill matching was key to host satisfaction with performance and deliverables
 - Facilitate upfront document sharing
 - Share best practices from successful sponsors (BVGH, IDRI) and hosts (BU)

Employee Development

- Well-matched skill sets with project deliverables created ample opportunities for learning to focus on results
- Team-based setting fostered and supported individual performance
 - Share project background documents and pre-work to bring fellows up to speed quickly

Business Benefits

- Transformative levels of professional and leadership development leads to making business decisions with confidence and contributing new insights to Merck operations
- Fellowship experience positioned Merck as a partner and resource to solve problems
 - Leverage the energy and ideas of fellows post-project through alumni network
 - Align future projects with Merck's business priorities to upskill employees and foster stakeholder relationships



Q

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