MERCK BUSINESS PARTNER
CODE OF CONDUCT

“Our Values and Standards” for Business Partners
Merck Business Partner Code of Conduct [Edition I]
Merck is committed to sustainability in all business activities and aims to apply and abide by the highest ethical, social and environmental standards. We recognize that our business partners play an important role in our overall success.

Accordingly, Merck strives to conduct business with individuals and organizations who share our commitment to high ethical standards and who operate in a socially and environmentally responsible manner.

To reinforce the standards to which we are committed, Merck developed this Business Partner Code of Conduct founded upon the Pharmaceutical Supply Chain Initiative’s (PSCI) Pharmaceutical Industry Principles, the 10 Principles of the United Nations Global Compact and *Our Values and Standards*. 
The Merck Business Partner Code of Conduct was adopted by Merck’s Corporate Compliance Committee on November 15th, 2011, and entered into force on the same day.
Merck sets high standards for conducting business ethically and in accordance with the law. We expect the same commitment from our business partners. This Business Partner Code of Conduct presents basic principles for business partners in dealings with Merck. We consider these principles in business partner selection and monitor business partners for compliance. Our business partners should also apply these or similar principles to the partners with whom they work in providing goods and services to Merck.

**BUSINESS PARTNERS ARE EXPECTED TO...**

- Firmly adhere to ethical principles for labor, environment, health and safety, and management systems.
- Integrate, communicate and apply these principles.
- Operate in full compliance with all applicable laws, rules and regulations.
- Integrate the principles into a continual improvement approach that advances performance over time.

**KEY POINTS:**

Business partners include organizations that provide services, raw materials, active ingredients, components, finished goods or other products to Merck and its operating subsidiaries, affiliates and divisions.

These principles are not intended to replace, supersede or conflict with any applicable legal or regulatory requirement or contractual obligation with Merck and its operating subsidiaries, affiliates and divisions.

It is up to each business partner to determine how to meet and demonstrate compliance with the principles and standards, as stated in this Business Partner Code of Conduct. Where specified in contracts, Merck shall retain audit and inspection rights to verify compliance.

As part of an initial screen in selecting new business partners, Merck seeks assurance of compliance with this Business Partner Code of Conduct by inviting partners to complete a self-assessment questionnaire. For partners identified as high risk, Merck may seek further assurance of compliance by requesting an on-site visit.

Further guidance on how to meet these expectations may be obtained from the following links: www.pharmaceuticalsupplychain.org; www.unglobalcompact.org.
At Merck, our values and standards have always formed the basis of our success. We believe that society and business are best served by responsible business behaviors and practices. Fundamental to this belief is the understanding that a business must, at a minimum, operate in full compliance with all applicable laws, rules and regulations. We remain mindful of differences in culture and the challenges associated with interpreting and applying these principles globally, and believe that what is expected is universal. We understand that the methods for meeting these expectations may vary in order to be consistent with the laws, values and cultural expectations of the different societies in the world.

We believe in developing mutually beneficial relationships with our business partners, founded on trust and respect.

We conduct business with integrity; we comply with all applicable laws, rules and regulations of the countries in which we operate.

We seek to have a positive impact on the lives of our employees, their families and the communities in which we operate.

We expect companies in our business partner network to do the same.
WAGES, BENEFITS & WORKING HOURS
Business partners shall pay workers according to applicable wage laws, including minimum wages, overtime hours and mandated benefits. Business partners shall communicate with the worker the basis on which they are being compensated in a timely manner. Business partners are also expected to communicate with the worker whether overtime is required and the wages to be paid for such overtime.

FREEDOM OF ASSOCIATION
Open communication and direct engagement with workers (and/or designated union officials, if applicable) to resolve workplace and compensation issues is encouraged. Business partners shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation and join workers’ councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.

PRIVACY & DATA PROTECTION
Business partners shall respect individuals in a manner consistent with the rights to privacy and data protection. They shall at all times use information about people appropriately for necessary business purposes and protect it from misuse in order to prevent harm to individuals such as discrimination, stigmatization or other damage to reputation and personal dignity, impact on physical integrity, fraud, financial loss or identity theft.
HEALTH, SAFETY & ENVIRONMENT

Business partners shall provide a safe and healthy working environment, including any company-provided living quarters.

WORKER PROTECTION
Business partners shall protect workers from overexposure to chemical, biological and physical hazards and physically demanding tasks in the workplace and in any company-provided living quarters.

PROCESS SAFETY
Business partners shall have programs in place to prevent or mitigate catastrophic releases of chemicals associated with operations and processes. Programs shall be commensurate with the facility risks.

EMERGENCY PREPAREDNESS & RESPONSE
Business partners shall identify and assess emergency situations in the workplace and any company-provided living quarters, and minimize their impact through prevention and by implementing emergency plans and response procedures.

HAZARD INFORMATION
Safety information relating to hazardous materials, including pharmaceutical compounds and pharmaceutical intermediate materials, shall be available to educate, train and protect workers from hazards.

Business partners shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Business partners are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle.

ENVIRONMENTAL AUTHORIZATIONS
Business partners shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained and their operational and reporting requirements followed.

WASTE AND EMISSIONS
Business partners shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

SPILLS AND RELEASES
Business partners shall have systems in place to prevent and mitigate accidental spills and releases into the environment.
MANAGEMENT SYSTEMS

Business partners shall use management systems to facilitate continual improvement and compliance with the expectations of these principles.

COMMITMENT AND ACCOUNTABILITY
Business partners shall demonstrate commitment to the concepts described in this document by allocating appropriate resources.

LEGAL & CUSTOMER REQUIREMENTS
Business partners shall identify and comply with applicable laws, regulations and standards and relevant customer requirements, and address identified gaps in a responsible and timely fashion.

RISK ASSESSMENT & RISK MANAGEMENT
Business partners shall have mechanisms to assess and manage risks in all areas addressed by this document.

DOCUMENTATION
Business partners shall maintain documentation necessary to demonstrate conformance with these expectations, and compliance with applicable regulations.

TRAINING & COMPETENCY
Business partners shall have a training program that achieves an appropriate level of knowledge, skills and abilities in management and workers to address these expectations.

BUSINESS CONTINUITY
Business partners are responsible for the development and implementation of appropriate business continuity plans for operations supporting Merck business.

CONTINUOUS IMPROVEMENT
Business partners are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal and/or external assessments, inspections and management reviews.
ETHICAL BUSINESS PRACTICES

Business partners shall conduct their business in an ethical manner and act with integrity.

BUSINESS INTEGRITY
All corruption, extortion and embezzlement are prohibited. Business partners shall not offer, pay or accept bribes or participate in other illegal inducements in business or government relationships. Partners shall work against corruption in all its forms.

FAIR COMPETITION
Business partners shall conduct their business consistent with fair and vigorous competition and in compliance with applicable anti-trust laws. Partners shall employ fair business practices including accurate and truthful advertising.

IDENTIFICATION OF CONCERNS
Business partners shall encourage all workers to report concerns or illegal activities without threat of reprisal, intimidation or harassment; and shall investigate and take corrective action if needed.

ACCURACY OF BUSINESS RECORDS
All financial books and records must conform to generally accepted accounting principles. Records must be accurate in all material respects. Records must be legible, transparent and reflect actual transactions and payments.

PROTECTING INFORMATION
Business partners shall protect confidential information, including personal information collected for or from Merck, and act to prevent its loss, misuse, theft, fraud, improper access, disclosure or alteration; including unauthorized communication and/or publication of information acquired from or on behalf of Merck.

Partners requiring the exchange of confidential information with Merck are required to execute a confidentiality agreement with Merck in advance.

Unless authorized by Merck, business partners shall not share Merck’s confidential information or other information that they acquire with respect to Merck’s business.

Business partners shall ensure, and be prepared to demonstrate, that they have appropriate safeguards in place to protect personal and other confidential information.

Unauthorized use, disclosure or loss of Merck confidential information must be reported immediately to the Merck Office of Ethics.

INTELLECTUAL PROPERTY
Intellectual property rights shall be respected; transfer of technology and know-how shall be done in a manner that protects intellectual property rights.

TRADE COMPLIANCE
Business partners must comply with all applicable import and export controls, sanctions and other trade compliance laws of the United States and laws of applicable country(ies) where transaction(s) occur.
ETHICAL BUSINESS PRACTICES

CLINICAL TRIALS
When engaged in clinical trials on behalf of Merck, all clinical trials shall be conducted in accordance with the global standards of Good Clinical Practices, applicable local regulatory requirements and following the ethical principles that have their origin in the Declaration of Helsinki.

PRODUCT QUALITY
Business partners involved in the supply, manufacturing, packaging, testing, storage and distribution of materials/products on behalf of Merck will ensure compliance with applicable Quality regulations and Good Manufacturing Practice and Good Laboratory Practice requirements for the markets in which the products are registered and distributed.

MARKETING & PROMOTIONAL PRACTICES
All marketing and promotional materials and activities must conform to high ethical, medical and scientific standards, and comply with all applicable laws and regulations. When engaged with health care professionals, patients or animal health care professionals, all business partners must adhere to relevant industry standards of conduct that apply to them, such as the European Federation of Pharmaceutical Industries & Associations (EFPIA), the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and the Pharmaceutical Research and Manufacturers of America (PhRMA).

ANIMAL WELFARE
Animals shall be treated respectfully, with pain and stress minimized. Animal testing should be performed after consideration to replace animals, reduce the numbers of animals used or refine procedures to minimize distress. Alternatives should be used whenever scientifically valid and acceptable to regulators.

CONFLICT OF INTEREST
Business partners should avoid any interaction with any Merck employee that might conflict, or appear to conflict, with that employee acting in the best interests of Merck. For example, partners should not employ or otherwise make payments to any Merck employee during the course of any transaction between the business partner and Merck, other than pursuant to the Merck contract. If a business partner employee is a family relation to any Merck employee or if a business partner has any other relationship with a Merck employee that might represent a conflict of interest, the business partner should disclose this fact to Merck.

GIFTS, MEALS, ENTERTAINMENT
Business partners should not provide any gift, meal or entertainment to a Merck employee in any situation in which it might influence, or appear to influence, the employee’s decision in relation to the business partner. In other situations, modest gifts, meals or entertainment may be offered to a Merck employee if they are not cash or cash equivalents, are consistent with customary business practice, not frequent or expensive, and do not violate any law.
Employees of business partners should begin by contacting their own company to resolve internal ethics and compliance concerns.

Business partners who believe that a Merck employee, or anyone acting on behalf of Merck, has engaged in illegal or otherwise improper conduct should report the matter promptly to Merck.

The Merck Office of Ethics provides several resources that let you raise concerns without fear of retaliation.

- Go online: http://ethics.merck.com
- Call: +1 908-423-4958 or +1 800-990-1146
- Fax: +1 908-735-1565 (confidential fax)
- Email: officeofethics@merck.com

The Merck AdviceLine, available around the world 24 hours a day, is staffed by an outside organization, so you can remain anonymous when you call. The operator will not provide advice directly, but will relay the information to the Office of Ethics and give you a case number and a call-back date. Although questions and concerns raised to the AdviceLine are sent to the Office of Ethics for review, no identifying information is forwarded without your consent.

To contact the AdviceLine:

- Go online: www.theadviceline.com
- Call: +1 877-319-0273 (within United States)
  or +1 704-323-4005 (outside United States)

Note: Merck is known as MSD in countries outside the United States and Canada.