In each issue of the Corporate Examiner ICCR will feature a corporation and its work to advance ESG issues. Following is a conversation with Brenda Colatrella, Executive Director, Office of Corporate Responsibility, of Merck regarding its efforts to ensure greater access to health care worldwide.

**Can you discuss how Merck is exploring new business models to address the changing landscape of global health?**

Over the coming decade, most of the world's pharmaceutical growth will come from emerging markets, where 80 percent of the world's population lives. This will require a new transformational business model that's built around the core values of innovation and growth. For example, we are taking steps to speed up the registration of new medicines in emerging markets. We recognize that many of our inline products can have significant medical impact if we can make them more accessible. This will require transformation in our supply, pricing and delivery approach.

**What is Merck's role in ensuring greater access to health care worldwide?**

We believe we have an important role and responsibility in improving access to medicines, vaccines and quality health care worldwide. That’s why our global business strategy focuses on discovering smart, sustainable ways to expand access to health care.

However, even with 86,000 employees in more than 100 countries, the enormity of the challenge is far greater than our ability alone to address it. We believe our role in addressing these challenges is to work in partnership with others—governments, donors, patient organizations, health care professionals, nongovernmental organizations, multilateral organizations and others in the private sector to lend our expertise and knowledge. We also have an important role to play through our public policy and outreach efforts, to advocate for change that will improve access while balancing our ability to continue to innovate and develop needed medicines and vaccines.

To ensure that all parts of the company are aligned in their efforts, we have developed a company-wide Access to Health Statement of Guiding Principles which can be viewed on our website. We view the principles as aspirations that guide our daily approach to research and development, manufacturing and supply, registration, commercialization and community investment. To measure our progress in meeting these aspirations, we have defined key performance indicators that we report in our annual corporate responsibility report as well as to Merck’s Executive Committee and the Merck Board of Directors. It's also important to note that dozens of external stakeholders, including ICCR, provided valuable feedback on early drafts of the principles that helped us create the current statement.

**Can you share with us Merck’s programs to address non-communicable diseases?**

As the prevalence of non-communicable diseases has become more pronounced in countries such as China, India, Brazil and South Africa, we have established additional programs and partnerships to address the burden unique to these markets. We also participated in the UN High-Level Meeting on Non-Communicable Diseases in September 2011. In India, we and Sun Pharma have formed a joint venture to develop, manufacture and commercialize new combinations and formulations of innovative, branded generics specifically in the emerging markets. In China, we are partnering with Simecere Pharmaceutical Group to expand access to cardiovascular and metabolic pharmaceutical products.

We also are taking novel approaches to how we sell and market our medicines. We have introduced differential pricing frameworks, taking into consideration the level of economic development, channel and public health need of our customers. In China, this allowed us to voluntarily lower the price for a well-known cholesterol drug when there was the opportunity to expand access to more patients.

**How is Merck making its formulations more widely available where they are most needed?**

It’s critical that investigative compounds — possibly potential new treatments or cures — do not languish on our laboratory shelves. So we place great importance in forming product development partnerships as well as research collaborations through
which we can license compounds and donate products for further investigation to partners with specialized expertise that we may not possess inside our research laboratories. In 2009, in collaboration with the Wellcome Trust, we established the MSD-Wellcome Trust Hilleman Laboratories, the first of its kind research and development joint venture with a not-for-profit mission to focus on developing affordable vaccines to prevent diseases that commonly affect low-income countries.

In the area of licensing, Merck is providing a nonexclusive royalty-free license to DNDi (Drugs for Neglected Diseases initiative) for small molecule assets and related intellectual property (IP) to conduct early development programs for drug candidates for treatments of neglected tropical diseases (NTDs). We’ve also provided a royalty-free license to Medicines for Malaria Venture to develop treatments for malaria, and more recently announced a partnership with the NYU Langone Medical Center and the PATH Malaria Vaccine Initiative to create a vaccine that prevents an essential early stage of malaria infection: the invasion of the malaria parasite into the human liver. And last year, we joined WIPO Re: Search, a newly established R&D consortium whose mission is to accelerate the discovery and development of medicines, vaccines and diagnostics for NTDs, TB and malaria by making IP and know-how available to the global health research community.

Can you discuss Merck’s work in the public-private partnerships area?

Merck has been involved in health-related public-private partnerships for many years. In fact, this year marks the 25th anniversary of the Merck MECTIZAN® Donation Program (MDP), which is credited as the longest ongoing partnership of its kind. The program is a unique, multi-sector partnership established in cooperation with national governments, international agencies, non-governmental organizations, and local communities to fight onchocerciasis, a disease more commonly known as river blindness, and prevent lymphatic filariasis. As a result of this collaborative effort, river blindness has been virtually eliminated from the Western hemisphere and Togo and Zanzibar have achieved elimination of lymphatic filariasis.

Building on our experience with MDP, we joined with the government of Botswana and the Bill and Melinda Gates Foundation in 2000 to tackle the nation’s formidable HIV/AIDS crisis. Since the program’s inception, Botswana has saved more than 50,000 lives by cutting mortality rates among adults in half; about 90 percent of HIV-infected Botswanans needing treatment receive it — an increase of more than 85 percent from when the program began; and the percentage of HIV-positive infants born to HIV-positive mothers has decreased from 40 percent to 4 percent, which we are quite proud of.

Tell us about Merck’s human rights programs.

Our global code of conduct, Our Values and Standards, outlines our responsibilities to our customers, our fellow employees, our suppliers, our communities and societies around the world, as well as our shareholders. In 2011, we developed a formal Global Policy on Human Rights to further strengthen our commitment. In 2011, we also developed an external Business Partner Code of Conduct to help ensure all suppliers maintain strict quality, environmental, ethical, health and safety, and labor standards. The Code is based on Merck’s own Code of Conduct, as well as The Pharmaceutical Supply Chain Initiative’s (PSCI) Principles and the 10 Principles of the United Nations Global Compact. It applies to all organizations that provide services, raw materials, active ingredients, components, finished goods or other products or services to Merck. We will collaborate with our external partners to help them achieve compliance where necessary, but we will terminate relationships with partners where critical breaches or ongoing lack of compliance occur.