



Merck KGaA, Darmstadt, Germany Responsible Minerals Sourcing Charter

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1. Rationale and Objective

At Merck KGaA, Darmstadt, Germany and its affiliates, we strive for responsible business conduct in our operations, the communities in which we operate, our supply chain and our business relationships worldwide. Our heritage anchors us to a moral and ethical code of conduct that is reflected in our [Values](#) and our [Code of Conduct](#). Respecting and supporting human rights is an integral part of this responsibility, and our commitment is set out in our [Human Rights Charter](#).

Recognizing that risks of significant adverse impact may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas ("CAHRAs"), and recognizing that we have the responsibility to respect and safeguard human rights and not contribute to conflicts, this Charter sets out our commitment to the responsible sourcing of minerals from CAHRAs. It complements the requirements set out in our [Supplier Code of Conduct](#).

2. Scope

The primary focus of this Charter is to address mined material like tin, tungsten, tantalum and gold (also known as "3TGs") and cobalt, sourced from CAHRAs. Those minerals, also referred to as "conflict minerals", bear the risk of contributing to human rights atrocities.

As a result, we support the actions of governments and organizations worldwide to increase supply chain transparency and support companies to source responsibly and conflict-free. Therefore, we aim to comply with Applicable Laws and Codes as well as international standards wherever Merck KGaA, Darmstadt, Germany operates, in particular including the following:

- *EU Conflict Mineral Regulation (EU) 2017/821 and*
- *German Law 585/19 implementing (EU) 2017/821 of the European Parliament.*

We also aim to have practices consistent with:

- *the Dodd-Frank Wall Street Reform and Consumer Act, Section 1502 and*
- *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.*

This Charter applies to all Merck KGaA, Darmstadt, Germany entities and subsidiaries worldwide, all Merck KGaA, Darmstadt, Germany employees as well as any third party acting on behalf of Merck KGaA, Darmstadt, Germany.



3. Our Basic Principles

- While sourcing from, or operating in, CAHRAs, as aligned with our previously established policies and principles (ref. Chapter 1), we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - any forms of torture, cruel, inhuman and degrading treatment,
 - any forms of forced or compulsory labor,
 - any forms of child labor,
 - other human rights violations and abuses such as widespread sexual violence, or
 - war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals.
- We will work with all suppliers to encourage compliance with the principles of the Responsible Minerals Initiative ("RMI") or similar protocols.
- We agree to eliminate direct or indirect support to public or private security forces ("Security Forces") that
 - illegally control mine sites, transportation routes and upstream actors in the supply chain,
 - illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded, or
 - illegally tax or extort intermediaries, export companies or international traders.
- We recognize that the role of Security Forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of Applicable Laws and Codes, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- Where any company in our supply chain contracts Security Forces, we require that such Security Forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. We will support or take steps to adopt screening policies to ensure that individuals or units of Security Forces that are known to have been responsible for human rights abuses will not be hired.
- We will support efforts to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
- In accordance with our Code of Conduct, we will not offer, promise, give, demand or take any bribes. We will resist the solicitation of bribes to conceal or disguise the origin of minerals to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export. We support efforts to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals.



4. Our Commitment

Our overall aim is to source materials responsibly and conflict-free and not to contribute to adverse impacts by our sourcing activities. While working to identify, prevent, mitigate and remediate adverse impacts, we strive to ensure we do not block market access for compliant artisanal and small-scale miners who represent some of the most marginalized communities in the world.

In the spirit of continuous improvement and in line with the requirements of the OECD Guidance, we are committed to:

- ensure due diligence with relevant suppliers in compliance with the OECD Guidance and relevant Applicable Laws and Codes,
- require our suppliers of conflict minerals containing products to provide due diligence information confirming that conflict minerals from CAHRAs are responsibly sourced,
- clearly communicate our expectations regarding responsible sourcing to our suppliers and promote responsible minerals sourcing,
- encourage smelters to participate in an RMI audit program and to undergo an RMAP assessment,
- collaborate with customers, suppliers and industry associations such as the RMI on long-term solutions to enable responsible sourcing,
- engage in risk mitigation and monitor risks in our supply chain,
- continuously increase transparency in our conflict minerals supply chain,
- continuously improve, adjust and further develop our due diligence process ensuring compliance with the Applicable Laws and Codes,
- appropriately respond to customers' requests for information,
- report regularly on our due diligence policies and practices to relevant stakeholders and the public.

5. Due Diligence Management System

Merck KGaA, Darmstadt, Germany and its affiliates has developed a comprehensive due diligence management program and related due diligence practices to address conflict minerals originated from CAHRAs and our program framework is in alignment with Applicable Laws and Codes.

Our due diligence management system is in line with the OECD 5-step framework and consists of the following elements:

- An internal management team to support Conflict Minerals due diligence
- A supply chain system of controls and transparency consisting of the usage of different tools to identify actors and map the supply chain as well as the participation in the Responsible Minerals Initiative (RMI), while those results are incorporated into the risk assessment
- Strengthened company engagement by the active acknowledgement and training of our Supplier Code of Conduct which is linked to this Charta (as well as further incorporation within our contracts and / or agreements with suppliers)
- a global external whistleblowing hotline which can be used by any individual to report suspected misconduct or possible breaches (www.bkms-system.net/ISPEAKUP)
- tools and processes to identify and assess risks and adverse impacts (e. g. through independent third-party Audits at key control points, CAHRA indicators, continuous risk monitoring of relevant suppliers and smelters)



- a risk management strategy to respond to identified risks and adverse impacts, consisting of a risk management plan to work with high-risk or non-compliant supplier to encourage them to change their practices, taking into consideration our ability to effect change in our supply chains
- a process to disengage from suppliers in case the entity does not actively contribute to further improve the compliance
- an internal reporting mechanism to keep Senior Management updated about our due diligence efforts and findings
- yearly independent third-party Audit to review our company's due diligence efforts
- a yearly public reporting on our due diligence policies and practices



6. Glossary / Definitions / Links

Term	Definition
3TG	Tin, Tantalum, Tungsten, and Gold
Applicable Laws and Codes	The international, regional, national, and local laws, regulations, competent authorities' decisions and guidelines, and industry codes governing an activity or interaction, which may include those of the country where the entity responsible for the activity is located, where the activity or interaction takes place, and/or where the party who interacts with Merck KGaA, Darmstadt, Germany and its affiliates is located/resided, excluding application of any conflict of laws.
CAHRAs (Conflict-Affected and High-Risk Areas)	CAHRAs are defined as: " <i>areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses</i> ". Regulation (EU) 2017/821 Article 2 (f)
Conflict Minerals	Minerals from CAHRAs, currently 3TG and Cobalt. Currently, the OECD Due Diligence Guidance mainly focuses on 3TG.
Our Code of Conduct	URL: https://www.emdgroup.com/company/responsibility/us/regulations-and-guidelines/code-of-conduct.pdf
Our Human Rights Charter	URL: https://www.emdgroup.com/company/responsibility/us/Human-Rights-Charter.pdf
Our Supplier Code of Conduct	URL: https://www.emdgroup.com/company/contacts/supplier/us/scoc/Supplier-Code-of-Conduct_USA-Canada.pdf
Our Values	URL: https://www.emdgroup.com/en/company/strategy-and-values.html
OECD Guidance	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas URL: http://www.oecd.org/corporate/mne/mining.htm
RMAP (Responsible Minerals Assurance Process)	Flagship program of the RMI. The RMAP offers companies and their suppliers an independent, third-party audit that determines which smelters and refiners can be verified as having systems in place to responsibly source minerals in line with current global policies. In addition, RMAP also offers the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT), which help companies disclose and communicate about 3TG and cobalt smelters in their supply chains. URL: http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/
RMI (Responsible Minerals Initiative)	Founded in 2008 by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, the Responsible Minerals Initiative has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. URL: http://www.responsiblemineralsinitiative.org
Voluntary Principles on Security and Human Rights	Voluntary Principles is a set of principles developed by a multi-stakeholder initiative that guide companies on providing security for their operations while respecting human rights. URL: https://www.voluntaryprinciples.org/the-principles/

