# Modern Slavery Statement 2025 of Merck KGaA, Darmstadt, Germany

This statement is published in accordance with the Australian Modern Slavery Act 2018. It sets out the steps that Merck KGaA, Darmstadt, Germany and the relevant subsidiary companies in Australia including Merck Healthcare Pty Ltdand Merck Life Science Pty (collectively referred to as "Merck Australia") have taken during the 2025 financial year to prevent slavery and human trafficking in any of our supply chains and in any part of our own business. The statement has been approved by the Executive Board as well as the relevant Australia subsidiary companies' Board of Directors.

In Australia, the reporting entities (aside from those mentioned therein) do not have any actively-owned or controlled entities.

## Introduction

At Merck KGaA, Darmstadt, Germany, sustainability is at the core of our mission and values. As a family-owned business for over 350 years, we embrace a long-term perspective that prioritizes the well-being of future generations. Our goal is to harness the power of science and technology to drive meaningful progress for humanity. We believe that sustainable business practices and profitable growth are intrinsically linked.

Our responsibility extends beyond financial success; it encompasses the welfare of our employees, customers, investors, and the communities we serve. By fostering a culture of respect, integrity, and transparency, we are dedicated to upholding human rights and ethical standards in all our operations.

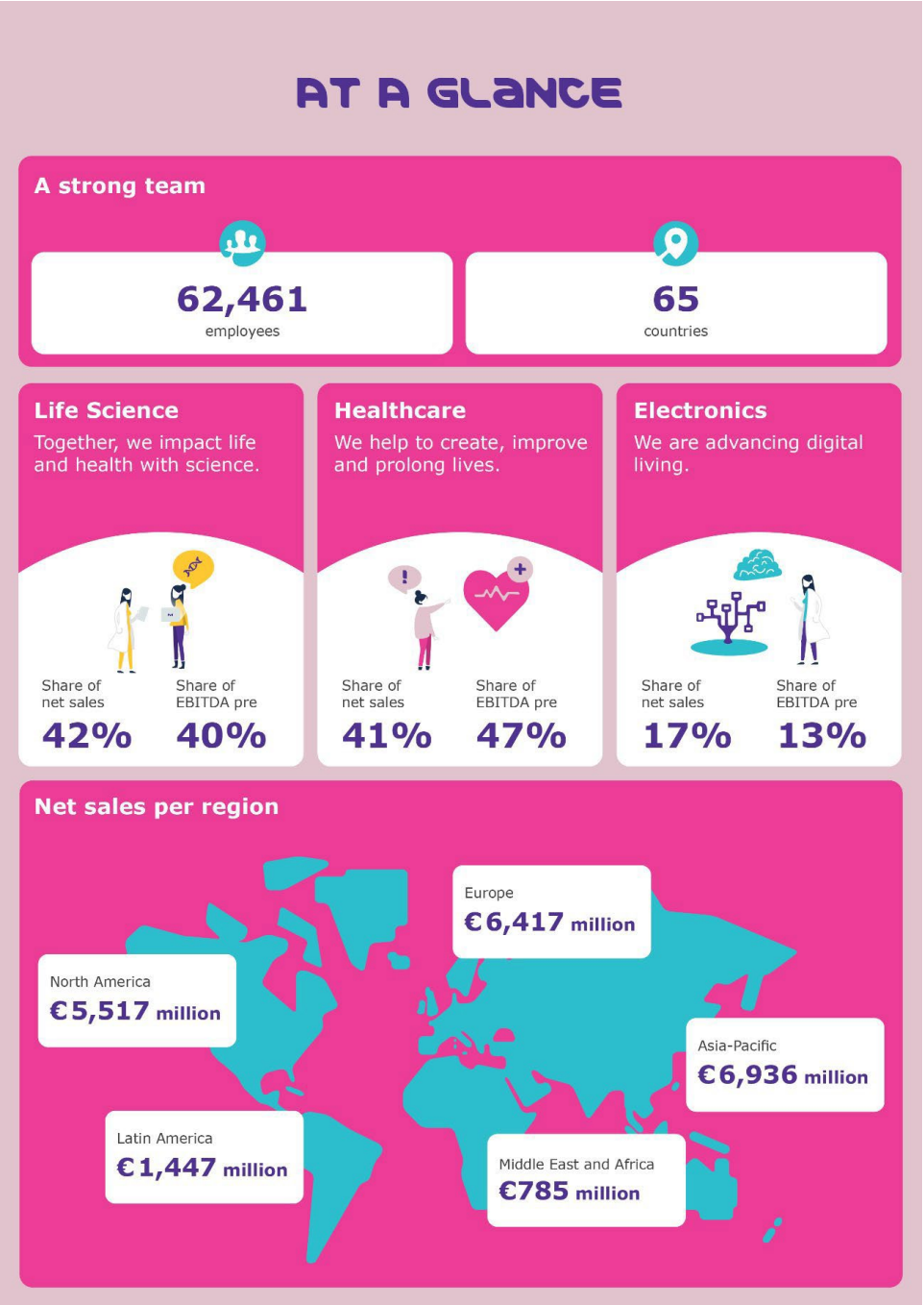
We acknowledge the challenges posed by slavery and human trafficking in global supply chains, particularly in regions with heightened human rights risks. We are constantly striving to minimize the risk of any potential violations and are committed to taking effective steps towards preventing and mitigating harm to people in our operations, supply chains and business relationships.

## Structure, business and supply chains

We are a science and technology company dedicated to our vision "Sparking Discovery, Elevating Humanity". In our three business sectors Life Science, Healthcare and Electronics, we work together to create value on behalf of customers and patients. More than 62,000 employees across 65 countries are committed to working towards a better future and delivering sustainable progress for humankind. Apart from our three business sectors, our financial reporting presents five regions: Europe, North America, Asia-Pacific, Latin America, and the Middle East and Africa. In 2025, Merck KGaA, Darmstadt, Germany generated net sales of € 21.1 billion.

The shareholdings of Merck KGaA, Darmstadt, Germany as of December 31, 2025 are presented under list of shareholdings in the Annual Report 2025.

## Employees and sales by region in 2025




As of December 31, 2025, we had 62,461 employees worldwide.
The figure on December 31, 2024 was 62,557 employees.

Merck KGaA, Darmstadt, Germany comprises the following three business sectors:

- With our **Life Science** business sector we are a leading global provider of products, solutions and services for a wide range of customers, including academic, research and diagnostic labs, biotech and pharmaceutical companies, as well as the industrial sector. Together with our customers, our purpose is to impact life and health with science.
- Our **Healthcare** business sector helps to create, improve, and prolong lives across the therapeutic areas of oncology, rare diseases, neurology & immunology, and fertility as well as cardiovascular, metabolic and endocrinological disorders. As a global specialty innovator, with a strong established business, we deliver a diversified portfolio of therapies to millions of patients around the world, every day.
- In our **Electronics** business sector, we are an integral part of the semiconductor ecosystem. We enable high yields, reliability and scaling in semiconductor manufacturing by combining advanced materials with precision delivery systems and process control technologies, including metrology and inspection, that improve defectivity, uniformity and process stability across increasingly complex manufacturing environments. Our broad, innovative product portfolio helps solve key industry challenges with a particular focus on high-performance chips and chip systems for applications including artificial intelligence (AI). We provide our materials, systems and services to all major industry players and work closely with our customers in the key regions, acting as a reliable and stable partner through our global research and development, production and distribution network.

In 2025, we derived 42% of net sales from Life Science, 41% from Healthcare and 17% from Electronics. The Asia-Pacific region accounted for 33% of sales, Europe for 30%, with 26% of sales in North America, 7% in Latin America and 4% in the Middle East and Africa.

In Australia, through its affiliates, Merck KGaA, Darmstadt, Germany, operates in the Healthcare and Life Science business sections respectively. At present Merck KGaA, Darmstadt, Germany, does not operate the Electronics business in Australia.

## Our commitment to combat slavery and human trafficking

As a signatory to the UN Global Compact since 2005, Merck KGaA, Darmstadt, Germany has committed to upholding the Ten Principles based on key UN

conventions, including the elimination of all forms of forced and compulsory labour.

Our Human Rights Charter sets out our overarching commitment to human rights and defines the requirements for our company. The Charter brings together and complements the human rights aspects from other internal regulations and guidelines, such as our Code of Conduct, the Environment, Health and Safety Policy, and the Supplier Code of Conduct. In our Human Rights Policy Statement, we commit to upholding and endorsing human rights due diligence obligations within our own business operations and throughout our supply chain. This policy statement applies to all affiliates of Merck KGaA, Darmstadt, Germany and to all employees within the entire organization.

For our own **employees,** our Global Social and Labour Standards Policy sets out our commitment to international social and labour standards. The policy specifically states that Merck KGaA, Darmstadt, Germany does not accept any form of forced or compulsory labour, child labour, modern slavery, or human trafficking in any of our global operations or facilities. It prohibits practices such as confiscating or withholding worker identity documents and notes our commitment to ethical recruitment and the Employer Pays Principle.

Our expectations towards **suppliers** are outlined in our Supplier Code of Conduct. We expect our suppliers to uphold human rights, adhere to the United Nations Guiding Principles on business and human rights, and carry out human rights due diligence. This entails respecting all internationally recognized human rights, including those articulated in the International Bill of Human Rights and the fundamental rights principles specified by the International Labour Organization (ILO).

No forms of slavery, practices akin to slavery, serfdom, or other forms of domination or oppression in the workplace, such as extreme economic exploitation and humiliation, shall be tolerated.

Our Responsible Minerals Sourcing Charter demonstrates our commitment to responsible sourcing of minerals from conflict-affected and high-risk areas. It applies to all our legal entities and subsidiaries worldwide. The charter complements the requirements set out in our Supplier Code of Conduct. During 2025, we complied with EU Regulation (EU) 2017/821 on conflict minerals, conducting and publicly disclosing an independent third-party assessment of our responsible sourcing. Our due diligence focuses on high-risk materials, particularly mica and conflict minerals (tin, tantalum, tungsten, gold). We identified high-risk suppliers in India and carried out independent on-site audits for all of them.

Our Group-wide Contractor Environment, Health and Safety Management Standard sets out our commitment to the working conditions of contractors. It requests to include labour and human rights in the management processes and

contractor relationship management. Knowledge exchange and feedback loops are used to enable collaborative learning and improvements on Environmental, Safety and Labour/Human Rights Standards. Contractors may be eliminated from the bidding list if human rights violations are noted during the qualification and performance tracking process.

## Risk Management and Due Diligence processes

We have a number of different measures in place to meet our human r ights due diligence obligations. The aim is to protect people who are or may be potentially affected and prevent, end or at least minimize adverse effects on human rights. In line with our Human Rights Due Diligence Group Standard, we carry out a risk-based, systematic review on human rights risks at our group companies and in our supply chains and have a wide range of measures in place to prevent and, where possible, end or at least continuously minimize adverse effects on human rights in connection with our business activities. We continue to develop our processes on an ongoing basis. Our focus when further developing our due diligence processes is on stakeholder collaboration, for example through the UN Global Compact and its local networks and as part of sector-specific initiatives.

### Governance

We have established clear responsibilities for implementing and adhering to our human rights due diligence obligations. The overarching responsibility for human rights within our sphere of influence rests with our Executive Board, which mandates binding compliance from our Managing Directors[1]. Our Human Rights Officer is tasked with monitoring human rights and environmental due diligence obligations. The Executive Board receives regular updates on the Human Rights Officer's activities and a comprehensive report on the status of due diligence obligations annually.

At Merck KGaA, Darmstadt, Germany, respect for human rights is addressed as a cross-functional topic, with relevant functions collaborating in a structured and systematic way. The experts in the respective Group Functions, business sectors and local units implement the specific measures, for instance by integrating human rights due diligence into existing processes.

Our Human Rights Panel coordinates effective cross organizational efforts to uphold our commitments to respect human rights across our operations,

[1] The Managing Directors are responsible for ensuring that our subsidiaries, including the R&D and production centers, comply with all applicable laws and regulations, including internal guidelines.

supply chain, business relationships and potentially impacted communities. In addition, the group addresses activities and developments related to business and human rights. It comprises representatives from, among others, Group Procurement, Group Human Resources, Corporate Environment, Health and Safety, Corporate Security as well as Group Corporate Sustainability. The panel met three times in 2025.

## Risk Analysis

We conduct an annual risk analysis to identify human rights-related risks – including modern slavery and forced labor - in our own operations and at our tier 1 suppliers. The results of the risk analysis are evaluated on an ongoing basis and integrated into our company decision-making processes. The process and the results of the regular risk analysis for the fiscal year 2025, are as follows:

We conducted a comprehensive assessment of the risks of modern slavery for our own operations and concluded that the likelihood of the risk for our own operations is classified as "improbable." This classification represents the lowest category in our risk assessment system, indicating that the likelihood of such incidents within our own operations is not expected to occur.

Risks associated with our suppliers are analyzed in two phases: an initial abstract assessment followed by a specific analysis. Firstly, we identify abstract risks for our tier 1 suppliers using country and sector indices based an external data while also considering the extent of our business activities with the respective suppliers. The second phase involves a detailed analysis of specific human rights risks such as modern slavery and forced labour. To enhance transparency, we utilize questionnaires and leverage the internal expertise of our employees who communicate directly with the suppliers. Within the scope of the regular risk analysis for the fiscal year 2025, we identified i.a. modern slavery and forced labour as one of the potential risks with regards to our tier 1 suppliers which we prioritize. The risk analysis serves as the foundation for implementing appropriate preventive or remedial actions within our own operations and among our tier 1 suppliers. Further information about our preventive measures can be found in our Human Rights Policy Statement.

## Mica

In the Indian states Jharkhand and Bihar social and economic factors contribute to poor working conditions, including child labour. This is why we had installed special oversight for our purchase of mica in this region until the divestment of our Surface Solutions business on July 31, 2025. We also supported this region by safeguarding local employment and livelihoods. Raw materials were sourced only from suppliers operating in formal working

environments, and we monitored compliance with our standards, including the prohibition of child and forced labour.

This material was used solely by the Surface Solutions unit, which we divested on 31 July 2025; since then, Merck KGaA, Darmstadt, Germany no longer sources mica.

Our mica suppliers were informed of our standards and have confirmed that they adhere to the principles of our Human Rights Charter as well as the requirements of our Supplier Code of Conduct. In the event of non-compliance with our standards, we worked with suppliers to ensure the appropriate implementation of corrective measures.

**We do not tolerate child labour** and contractually prohibit our suppliers from employing children. If one of our suppliers were found to be using child labour, we would terminate the business relationship immediately. We drove initiatives and took measures to improve the conditions of mica sourcing based on our high standards. For example, we contractually agreed with our suppliers to pay above living wage to mine workers and to workers in the processing units. Furthermore, we continuously reviewed our monitoring processes to improve their effectiveness.

Environmental Resources Management (ERM), a leading global provider of environmental, health, safety, risk, and social consulting services, conducted external audits of mines and processing plants, investigating working conditions as well as **environmental, health and safety issues.**

Since 2013, IGEP Consult, an Indian non-governmental organization, has conducted regular unannounced monitoring to review labour standards throughout our supply chain. During these visits, IGEP officials monitored occupational safety and **compliance with laws preventing child labour.**

We are also a founding member of the multi-stakeholder group Responsible Mica Initiative (RMI) and held its presidency from 2017 to 2025. The initiative aims to continuously reduce the risk of child labour and unacceptable working conditions in the Indian mica supply chain by **joining forces across industries.**

These activities applied to our mica supply chain while it was part of our business (until July 31, 2025).

## Training and awareness-raising

We continuously enhance our internal communication channels to reinforce our commitment to human rights across the group. In May 2025, we

launched a Human Rights Awareness Training available to all employees. This training focuses on raising awareness, educating about governance processes, and outlining actionable steps everyone can take. An **online course** has been designed to train our Managing Directors and Senior Management on how to fulfill the requirements of our Global Social and Labour Standards Policy within their respective areas of responsibility.

Additionally, we conduct training sessions for suppliers on the Supplier Code of Conduct to ensure compliance with the obligations we defined in the contracts. This includes an interactive e-learning tool we developed, available in multiple languages, based on our Supplier Code of Conduct.

Furthermore, we leverage the TfS Academy training platform in collaboration with Together for Sustainability (TfS). This platform offers employees at TfS member companies and their suppliers access to online courses. Arranged in the categories of TfS activities (audits, assessments, PDF), Decarbonisation, Health & Safety, Environment, Sustainable Procurement, Labour & Human Rights, Management and Governance these courses support all learning demands. We also engage in the #TfSTalks, an interactive webinar series.

## Effectiveness

We evaluate the effectiveness of our risk management and of our due diligence processes once a year and on an ad hoc basis. We place particular focus on checking the effectiveness of our complaint's procedure, risk management, remedial action and preventive measures.

## Our Compliance Hotline

Our Compliance Hotline is our key grievance mechanism available to employees and external stakeholders worldwide to safely report actions that (potentially) violate the principles of our Code of Conduct, internal rules and laws, including those related to the Human Rights Charter. All suspected violations can be reported in the local language to the compliance hotline via telephone or a web-based application, free of charge and, if desired, anonymously. Our company ensures proper whistleblower protection and guarantees confidentiality on a need-to-know basis and non- retaliation in a trusted environment. We launched a pilot in targeted countries for a Compliance Hotline video that clearly explains the process and raises awareness among vulnerable groups.

## Looking ahead

Over the past several years, we have continuously improved our processes related to human rights due diligence. However, we acknowledge that there is still significant work to be done, particularly in enhancing our efforts to combat modern slavery and further strengthen our commitment to human rights. In summary, our focus areas for action include:

- Continue to conduct internal audits to ensure that our local subsidiaries comply with the principles of our Global Social and Labour Standards Policy
- Continue to conduct annual risk analyses to guide appropriate preventive and remedial actions within our own operations and among our direct (tier-1) suppliers
- Continue to provide training and enablement to our internal investigators that are reviewing alleged cases linked to the principles of our Global Social and Labour Standards Policy
- Continue to review the effectiveness of our current supplier assessments and audit procedures
- Continue to strengthen our internal communication and awareness-raising about human rights and modern slavery

We are committed to continuously enhancing our approach in accordance with our values and international standards for corporate human rights and labour rights due diligence.

Date: 10-Jun-2026

Rebecca Lee
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Merck Life Science Australia
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**Merck Life Science Pty Ltd**

Date: 11-Jun-2026

Josie Downey (Jun 11, 2026 06:59:57 GMT+10)

Josie Downey
Managing Director
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Date: June 19, 2026

Kai Beckmann
Chairman of the Executive Board and
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