



# Merck KGaA, Darmstadt, Germany

## Social and Labor Standards Policy

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## Preamble

Merck KGaA, Darmstadt, Germany is committed to respecting human rights and supporting their realization throughout our operations and business relationships. Our commitment is based on the [International Bill of Human Rights](#), the [UN Guiding Principles on Business and Human Rights](#), the [ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up](#), the [ILO Occupational Safety and Health Convention](#), and the [ILO MNE Declaration](#).

This policy specifically sets out our commitment to international social and labor standards. It articulates further the global principles outlined in the [Human Rights Charter of Merck KGaA, Darmstadt, Germany](#) and [Code of Conduct](#).

This policy is in effect at all Merck KGaA, Darmstadt, Germany Group locations and applies to all our employees. Our Board, all managers and employees bear a responsibility to act in a way that respects social and labor standards as outlined in this policy. The Managing Directors of our legal entities are responsible for ensuring that this policy is adhered to in the frame of local law and practice.

We aim to respect the principles outlined to the highest extent while ensuring legal compliance in our countries of operation. In case of contradictory standards provided by local policies and this global policy, the highest standard will always apply, except in circumstances where the Group Chief HR Officer has approved a lawful local policy.



## Forced Labor, Modern Slavery and Human Trafficking

Merck KGaA, Darmstadt, Germany does not accept any form of forced or compulsory labor, modern slavery or human trafficking in any of our global operations or facilities.

Practices such as confiscating or withholding worker identity documents or other valuable items (e.g. work permits and travel documentation) are prohibited. Merck KGaA, Darmstadt, Germany shall not retain personal documents for the purpose of binding workers to employment. Employees will be free to terminate their employment upon reasonable notice.

We are committed to ethical recruitment and the [Employer Pays Principle](#). We pay any fees associated with an employee's hire, such as recruitment fees and transportation fees.

## Child Labor

Merck KGaA, Darmstadt, Germany will not use child labor.

The term "child labor" refers to work by a person under the age of 18 which is harmful to their physical or mental development or that interferes with schooling.

We recognize that children need extra protection in the workplace and thus protect children from working conditions that are harmful to their physical and emotional well-being. We support the use of legitimate workplace apprenticeship, internship and other similar programs for youth (i.e. individuals who are 15 to 17 years of age) that comply with all laws and regulations applicable to such programs and where hazardous work is not involved.



## Freedom of Association and Collective Bargaining

It is our belief that the company and its employees are best served through a favorable, collaborative work environment with direct communication between management, employees, and where employees have chosen to organize, their representatives. We endeavor to establish such favorable employment conditions, to promote positive relationships between employees and managers, to facilitate employee communications, and to support employee development.

Merck KGaA, Darmstadt, Germany will respect the legal rights of all its employees to form and join worker organizations of their own choosing, including labor organizations or trade unions and will not discriminate based on an employee's decision to join or not join a labor organization.

The right to negotiate collectively is respected. In countries where the right to collective bargaining is restricted by law, or where employees have not elected or appointed representatives, or where the legal entity of Merck KGaA, Darmstadt, Germany has lawfully decided not to recognize a labor organization, we will seek alternative means to ensure open communication and dialog between employees and management.

Employees and/or their representatives (if applicable) shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

## Fairness and Respect

We believe a diverse workforce is essential to a thriving, innovative business and strive to attract and retain employees from a wide range of backgrounds.

Merck KGaA, Darmstadt, Germany does not tolerate discrimination based on race, color, age, gender, gender identity or expression, sexual orientation, language, religion, political affiliation, union membership, disability, nationality, social or ethnic origin, or on any other basis prohibited by law including but not limited to protected classes. We recruit, hire, train and



promote our employees based on this principle. We proactively fight intolerance and promote equal employment opportunity and workplace diversity. We will not retaliate or permit retaliation against employees exercising a protected right.

We promote a workplace that is free from any form of physical and verbal harassment and abuse. We do not tolerate any conduct that creates, encourages or permits an offensive, humiliating or intimidating work environment. Harassment includes any offensive verbal, physical or visual behavior or action that fails to respect the dignity and feelings of the individual to whom it is directed. Abuse includes any harsh or inhumane treatment of employees, including corporal punishment, mental or physical coercion, verbal abuse or the threat of any such treatment.

Merck KGaA, Darmstadt, Germany has no tolerance for sexual harassment. We consider any unwelcome sexual advance, request for sexual favors, display of sexually explicit images or other conduct of a sexual nature to be sexual harassment when it is made a condition of employment, when the response to such conduct is used as a basis for employment decisions or when it has the purpose or effect of interfering with work performance or creating a hostile or offensive work environment.

## Occupational Health and Safety

We take responsibility for the health and safety of our employees, doing our utmost to safeguard them against work-related illnesses and accidents.

Our approach to occupational health and safety is outlined in our [Corporate Environment, Health and Safety Policy \(EHS\)](#). This is an integral part of our EHS management system, which undergoes an external audit every year.

Our Group Health Policy defines how we ensure workplace safety for our employees while also promoting their health and welfare at work and beyond. This policy details our Group-wide approach regarding safety and health management to prevent workplace accidents and occupational diseases and is supported by our comprehensive behavioral modification program.



## Working Time and Remuneration

We respect the right to rest and leisure and the right to family life. Where possible we offer our employees various flexible working models to enable them to balance personal with company demands.

Working weeks are not to exceed the maximum set by local law. A typical working week should not exceed 48 hours. In any given week, working time should not exceed 60 hours, including overtime, except in emergency or exceptional circumstances with the employee's consent if such consent is locally required. Overtime work shall in principle be voluntary and shall not be requested on a regular basis. Where overtime work is required to meet short-term business demand and is permitted by national law and/or a relevant bargaining agreement, it may be required as described above. All employees are granted at least one day off per seven-day period.

We provide our employees with fair and competitive compensation and benefits. Remuneration meets or exceeds local compensation conditions and guidelines and thus ensures an adequate standard of living for our employees and their families. At Merck KGaA, Darmstadt, Germany, compensation is based on the requirements of each position and employee performance. We are committed to the principle of equal pay for equal work.

## Parental Leave

Merck KGaA, Darmstadt, Germany provides parental leave programs to support expectant employees and allow enough time to recover from childbirth and care for their child.

Pregnant women shall be entitled to a period of paid maternity leave of no less than 8 weeks.

Also, we encourage our local organizations to establish paternity, adoption and parental leave programs to give parents additional flexibility and time to bond with their new child and adjust to the new family situation.

Employees will normally be entitled to return to the same position or an equivalent position paid at the same rate at the end of their parental leave.



However, there may be circumstances when this is not reasonably practicable or possible (e.g. site closure or position elimination). If this is the case Merck KGaA, Darmstadt, Germany will consult fully with the employee. No unfavorable treatment, such as missing training, exclusion from information or opportunities shall result from taking parental leave.

## Policy Implementation

We strive to create workplaces in which open dialogue and collaboration are valued and respected. Any employee who has questions about this policy or would like to confidentially report a potential violation of this policy, should raise those questions and concerns with local management, Human Resources or local or group compliance offices. Employees can also use our official grievance mechanism, the electronic SpeakUp Line, anonymously.

We will not tolerate any form of retaliation against an employee who, in good faith, seeks advice or reports misconduct.

We will investigate, address and respond to the concerns, will take appropriate corrective action and provide for equitable remediation in response to any violation, in line with our Compliance Reporting and Investigations Policy.

## Glossary / Definition

<b>Terminology / Abbreviation</b>	<b>Definition</b>
<b>EHS</b>	Environment, Health and Safety
<b>ILO</b>	International Labor Organization
<b>MNE</b>	Multinational Enterprises
<b>UN</b>	United Nations

